SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)*
X Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended June 30,1999 or

_______ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _________ to _________

0-10200
(Commission File Number)

SEI INVESTMENTS COMPANY
(Exact name of registrant as specified in its charter)

Pennsylvania	23-1707341
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification Number)

1 Freedom Valley Drive, Oaks, Pennsylvania 19456-1100
(Address of principal executive offices)
(Zip Code)

(610) 676-1000
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No___

*APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13, or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes___ No___

*APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of June 30, 1999: 17,691,423 shares of common stock, par value $.01 per share.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Consolidated Balance Sheets
(In thousands)

<TABLE>
<CAPTION>

<S>	June 30, 1999 (unaudited) <C>	December 31, 1998 <C>
Assets		

Current assets:		
Cash and cash equivalents	$ 28,239	$ 52,980
Receivables from regulated investment companies	20,136	18,999
Receivables, net of allowance for doubtful accounts of $1,200	36,330	27,919
Loans receivable available for sale	1,995	2,167
Prepaid expenses	3,915	3,846
Deferred income taxes	7,598	7,598
Total current assets	98,213	113,509
Property and equipment, net of accumulated depreciation and amortization of $63,831 and $57,452	66,894	62,761
Capitalized software, net of accumulated amortization of $9,053 and $8,238	16,809	17,068
Other assets, net	20,595	15,434
Total Assets	$ 202,511	$ 208,772

</TABLE>

The accompanying notes are an integral part of these statements.

Consolidated Balance Sheets

(In thousands, except par value)

<TABLE>
<CAPTION>

<S>	June 30,1999 (unaudited) <C>	December 31, 1998 <C>
Liabilities and Shareholders' Equity		
Current liabilities:		
Current portion of long-term debt	$ 2,000	$ 2,000
Accounts payable	5,419	6,805
Accrued compensation	26,460	32,105
Accrued proprietary fund services	10,925	10,370
Accrued consulting services	10,029	6,934
Other accrued liabilities	38,103	39,069
Deferred revenue	13,553	13,511
Total current liabilities	106,489	110,794
Long-term debt	29,000	31,000
Deferred income taxes	7,575	7,293
Shareholders' equity:		
Common stock, $.01 par value, 100,000 shares authorized; 17,691 and 17,861 shares issued and outstanding	177	179
Capital in excess of par value	59,664	57,541
Retained earnings	--	2,422
Accumulated other comprehensive losses	(394)	(457)
Total shareholders' equity	59,447	59,685
Total Liabilities and Shareholders' Equity	$ 202,511	$ 208,772

</TABLE>

The accompanying notes are an integral part of these statements.

Consolidated Statements of Income

(unaudited)
(In thousands, except per share data)

<TABLE>
<CAPTION>

<S>	Three Months Ended June 30, 1999 <C>	Three Months Ended June 30, 1998 <C>
Revenues	$111,622	$85,499
Expenses:		
Operating and development	53,404	42,256
Sales and marketing	30,580	24,789
General and administrative	3,000	3,262
Income from operations	24,638	15,192
Equity in the earnings of unconsolidated affiliate	1,801	681
Interest income	375	452
Interest expense	(580)	(616)
Income before income taxes	26,234	15,709
Income taxes	10,100	6,124
Net income	16,134	9,585
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments, net of income tax expense (benefit) of $151 and $(24)	242	(37)
Unrealized holding losses on investments, net of income tax benefit of $9 and $50	(15)	(78)
Other comprehensive income (loss)	227	(115)
Comprehensive income	$ 16,361	$ 9,470
Basic earnings per common share	$ .91	$ .54
Diluted earnings per common share	$ .85	$ .50

</TABLE>

The accompanying notes are an integral part of these statements.

Consolidated Statements of Income

(unaudited)
(In thousands, except per share data)

<TABLE>
<CAPTION>

<S>	Six Months Ended June 30, 1999 <C>	Six Months Ended June 30, 1998 <C>
Revenues	$215,940	$167,370
Expenses:		
Operating and development	104,167	86,426
Sales and marketing	57,686	46,828
General and administrative	6,130	6,484
Income from operations	47,957	27,632
Equity in the earnings of unconsolidated affiliate	3,279	1,191
Interest income	873	672

Interest expense	(1,178)	(1,328)
Income before income taxes	50,931	28,167
Income taxes	19,608	10,985
Net income	31,323	17,182
Other comprehensive income (loss) net of tax:		
Foreign currency translation adjustments, net of income tax expense (benefit) of $99 and $(41)	159	(64)
Unrealized holding losses on investments, net of income tax benefit of $60 and $66	(96)	(104)
Other comprehensive income (loss)	63	(168)
Comprehensive income	$ 31,386	$ 17,014
Basic earnings per common share	$ 1.76	$ .97
Diluted earnings per common share	$ 1.64	$ .90

</TABLE>

The accompanying notes are an integral part of these statements.

Consolidated Statements of Cash Flows

(unaudited)
(In thousands)

<TABLE>
<CAPTION>

	Six Months Ended June 30, 1999	Six Months Ended June 30, 1998
<S>	<C>	<C>
Cash flows from operating activities:		
Net income	$ 31,323	$ 17,182
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	7,317	7,305
Equity in the earnings of unconsolidated affiliate	(3,279)	(1,191)
Other	2,064	(1,471)
Change in current assets and liabilities:		
Decrease (increase) in		
Receivables from regulated investment companies	(1,137)	(1,816)
Receivables	(8,411)	1,245
Loans receivable available for sale	172	8,092
Prepaid expenses	(69)	1,233
Increase (decrease) in		
Accounts payable	(1,386)	495
Accrued compensation	(5,645)	(6,082)
Accrued proprietary fund services	555	769
Accrued consulting services	3,095	4,253
Other accrued liabilities	1,907	9,282
Deferred revenue	42	13,996
Net cash provided by operating activities	26,548	53,292
Cash flows from investing activities:		
Additions to property and equipment	(10,885)	(6,547)
Additions to capitalized software	(556)	(2,777)
Other	(3,351)	(113)
Net cash used in investing activities	(14,792)	(9,437)
Cash flows from financing activities:		
Payment on long-term debt	(2,000)	(2,000)
Purchase and retirement of common stock	(39,059)	(26,764)
Proceeds from issuance of common stock	4,126	6,159
Tax benefit on stock options exercised	6,847	8,103
Payment of dividends	(6,411)	(5,330)
Net cash used in financing activities	(36,497)	(19,832)

Net increase (decrease) in cash and cash equivalents	(24,741)	24,023
Cash and cash equivalents, beginning of period	52,980	16,891
Cash and cash equivalents, end of period	$ 28,239	$ 40,914

</TABLE>

The accompanying notes are an integral part of these statements.

Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies

Nature of Operations

SEI Investments Company (the "Company") is organized around its four primary business lines: Technology Services, Asset Management, Mutual Fund Services, and Investments in New Business. The Technology Services segment includes the Trust 3000 product line and trust operations outsourcing. The Asset Management segment provides investment solutions through various investment products and services distributed directly or through professional investment advisors, financial planners, and other financial intermediaries to institutional and high-net-worth markets. The Mutual Fund Services segment provides administration and distribution services to proprietary mutual funds created for banks, insurance firms, and investment management companies. Investments in New Business consists of the Company's Canadian and international operations which provide investment advisory services globally through investment products and services and performance evaluation and consulting services to Canadian pension plans.

Summary Financial Information and Results of Operations

In the opinion of the Company, the accompanying unaudited Consolidated Financial Statements contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the financial position as of June 30, 1999, the results of operations for the three and six months ended June 30, 1999 and 1998, and the cash flows for the six months ended June 30, 1999 and 1998.

Interim Financial Information

While the Company believes that the disclosures presented are adequate to make the information not misleading, these Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and the notes included in the Company's latest annual report on Form 10-K.

Principles of Consolidation

The Consolidated Financial Statements include the accounts of the Company and its wholly owned subsidiaries. The Company's principal subsidiaries are SEI Investments Distribution Company, SEI Investments Management Corporation, and SEI Trust Company. All intercompany accounts and transactions have been eliminated. Investment in unconsolidated affiliate is accounted for using the equity method due to the Company's less than 50 percent ownership. The Company's portion of the affiliate's operating results is reflected in Equity in the earnings of unconsolidated affiliate on the accompanying Consolidated Statements of Income.

Management's Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property and Equipment

Property and equipment on the accompanying Consolidated Balance Sheets consist of the following:

<TABLE>
<CAPTION>

<S>	June 30, 1999 <C>	December 31, 1998 <C>	Estimated Useful Lives (In Years) <C>
Equipment	$ 58,418,000	$ 53,739,000	3 to 5
Buildings	34,022,000	28,303,000	10 to 39
Land	7,641,000	6,993,000	N/A
Purchased software	12,742,000	10,270,000	3
Furniture and fixtures	11,505,000	10,284,000	3 to 5
Leasehold improvements	6,397,000	6,791,000	Lease Term
Construction in progress	--	3,833,000	N/A
	130,725,000	120,213,000	
Less: Accumulated depreciation and amortization	(63,831,000)	(57,452,000)	
Property and Equipment, net	$ 66,894,000	$ 62,761,000	

</TABLE>

Property and equipment are stated at cost. Depreciation and amortization are computed using the straight-line method over the estimated useful life of each asset. Expenditures for renewals and betterments are capitalized, while maintenance and repairs are charged to expense when incurred.

Capitalized Software

The Company accounts for software development costs in accordance with Statement of Financial Accounting Standards No. 86, "Accounting for the Costs of Computer Software to Be Sold, Leased, or Otherwise Marketed" ("SFAS 86"). Under SFAS 86, costs incurred to create a computer software product are charged to research and development expense as incurred until technological feasibility has been established. Technological feasibility is established upon completion of a detail program design. At that point, computer software costs are capitalized until the product is available for general release to customers. The establishment of technological feasibility and the ongoing assessment of recoverability of capitalized software development costs require considerable judgment by management with respect to certain external factors, including, but not limited to, anticipated future revenues, estimated economic life, and changes in technology. Amortization begins when the product is released. Capitalized software development costs are amortized on a product-by-product basis using the straight-line method over the estimated economic life of the product or enhancement, which is primarily three to ten years, with a weighted average remaining life of approximately 8.8 years.

Earnings per Share

The Company computes earnings per common share in accordance with Statement of Financial Accounting Standards No. 128, "Earnings per Share" ("SFAS 128"), which superceded Accounting Principles Board Opinion No. 15. Pursuant to SFAS 128, dual presentation of basic and diluted earnings per common share is required on the face of the statements of income for companies with complex capital structures. Basic earnings per common share is calculated by dividing net income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted earnings per common share reflects the potential dilution from the exercise or conversion of securities into common stock, such as stock options.

<TABLE>
<CAPTION>

	For the Three-Month period ended June 30, 1999		
<S>	Income (Numerator) <C>	Shares (Denominator) <C>	Per Share Amount <C>
Basic earnings per common share	$16,134,000	17,723,000	$.91
Dilutive effect of stock options	--	1,213,000	

	Income (Numerator)	Shares (Denominator)	Per Share Amount
Diluted earnings per common share	$16,134,000	18,936,000	$.85

For the Three-Month period ended June 30, 1998

	Income (Numerator)	Shares (Denominator)	Per Share Amount
Basic earnings per common share	$ 9,585,000	17,787,000	$.54
Dilutive effect of stock options	--	1,439,000	
Diluted earnings per common share	$ 9,585,000	19,226,000	$.50

Options to purchase 20,000 and 5,000 shares of common stock with an average exercise price per share of $97.25 and $71.13 were outstanding during the second quarter of 1999 and 1998, respectively, but were excluded from the diluted earnings per common share calculation because the option's exercise price was greater than the average market price of the Company's common stock.

For the Six-Month period ended June 30, 1999

	Income (Numerator)	Shares (Denominator)	Per Share Amount
Basic earnings per common share	$31,323,000	17,795,000	$1.76
Dilutive effect of stock options	--	1,315,000	
Diluted earnings per common share	$31,323,000	19,110,000	$1.64

For the Six-Month period ended June 30, 1998

	Income (Numerator)	Shares (Denominator)	Per Share Amount
Basic earnings per common share	$17,182,000	17,768,000	$ .97
Dilutive effect of stock options	--	1,420,000	
Diluted earnings per common share	$17,182,000	19,188,000	$ .90

Options to purchase 17,500 shares of common stock with an average exercise price per share of $69.43 were outstanding during the first six months of 1998, but were excluded from the diluted earnings per common share calculation because the option's exercise price was greater than the average market price of the Company's common stock. All options outstanding during the first six months of 1999 were included in the diluted earnings per common share calculation.

Statements of Cash Flows

For purposes of the Consolidated Statements of Cash Flows, investment instruments purchased with an original maturity of three months or less are considered to be cash equivalents.

Supplemental disclosures of cash paid/received during the six months ended June 30 is as follows:

<TABLE>
<CAPTION>

	1999	1998
<S>	<C>	<C>
Interest paid	$ 1,218,000	$1,355,000
Interest and dividends received	$ 958,000	$ 649,000
Income taxes paid	$15,267,000	$2,456,000

</TABLE>

Reclassifications

The financial statements for prior periods have been reclassified to conform with the current period's presentation.

Note 2. Comprehensive Income - The Company computes comprehensive income in accordance with Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" ("SFAS 130"). SFAS 130 establishes standards for reporting and presentation of comprehensive income and its components (revenues, expenses, gains and losses) in a full set of general-purpose financial statements that is presented with equal prominence as other financial statements. Comprehensive income includes net income, foreign currency translation adjustments, and unrealized holding gains and losses and is presented on the accompanying Consolidated Statements of Income.

<TABLE>
<CAPTION>

	Foreign Currency Translation Adjustments	Unrealized Holding Losses on Investments	Accumulated Other Comprehensive Losses
<S>	<C>	<C>	<C>
Beginning balance	$(408,000)	$ (49,000)	$(457,000)
Current period change	159,000	(96,000)	63,000
Ending Balance	$(249,000)	$(145,000)	$(394,000)

</TABLE>

Note 3. Receivables - Receivables on the accompanying Consolidated Balance Sheets consist of the following:

<TABLE>
<CAPTION>

	June 30, 1999	December 31, 1998
<S>	<C>	<C>
Trade receivables	$21,775,000	$14,586,000
Fees earned, not received	2,639,000	2,558,000
Fees earned, not billed	13,116,000	11,975,000
	37,530,000	29,119,000
Less: Allowance for doubtful accounts	(1,200,000)	(1,200,000)
	$36,330,000	$27,919,000

</TABLE>

Fees earned, not received represent brokerage commissions earned but not yet collected. Fees earned, not billed represent cash receivables earned but unbilled and result from timing differences between services provided and contractual billing schedules.

Receivables from regulated investment companies on the accompanying Consolidated Balance Sheets represent fees collected from the Company's wholly owned subsidiaries, SEI Investments Distribution Company and SEI Investments Management Corporation, for distribution, investment advisory, and administration services provided by these subsidiaries to various regulated investment companies sponsored by the Company.

Note 4. Loans Receivable Available for Sale - Loans receivable available for sale represent loans which were purchased through SEI Capital AG, which is based in Zurich. These receivables are reported at the lower of cost or market, and any difference between the purchase price and the related loan principal amount is recognized as an adjustment of the yield over the life of the loan using the effective interest method. Each loan receivable involves various risks, including, but not limited to, country, interest rate, credit, and liquidity risk. Management evaluates and monitors these risks on a continuing basis to ensure that these loan receivables are recorded at their realizable value. This evaluation is based upon management's best estimates and the amounts that will ultimately be realized could differ from these estimates. These loans should be sold within one year from the balance sheet date.

Note 5. Other Assets - Other assets on the accompanying Consolidated Balance Sheets consist of the following:

	June 30, 1999	December 31,1998
Investment in unconsolidated affiliate	$ 5,016,000	$ 2,573,000
Investments available for sale	2,790,000	3,565,000
Other, net	12,789,000	9,296,000
Other assets	$20,595,000	$15,434,000

Investment in Unconsolidated Affiliate - The Company has a general partnership interest in LSV Asset Management ("LSV"). LSV is a registered investment advisor which provides investment advisory services to institutions, including pension plans and investment companies. LSV is currently the investment sub-advisor to a portion of SEI Large Cap Value Fund and SEI Small Cap Value Fund, as well as portfolio manager to a portion of the Company's global investment products. The Company accounts for LSV using the equity method of accounting due to a less than 50 percent ownership. The Company's portion of LSV's net earnings is reflected in Equity in the earnings of unconsolidated affiliate on the accompanying Consolidated Statements of Income.

The following table contains the Condensed Statements of Income of LSV for the three months ended June 30:

	1999	1998
Revenues	$5,085,000	$2,393,000
Net income	$3,831,000	$1,466,000

The following table contains the Condensed Statements of Income of LSV for the six months ended June 30:

	1999	1998
Revenues	$9,554,000	$4,157,000
Net income	$6,974,000	$2,541,000

The following table contains the Condensed Balance Sheets of LSV:

<TABLE>
<CAPTION>

	June 30, 1999	December 31, 1998
<S>	<C>	<C>
Current assets	$9,691,000	$6,284,000
Non-current assets	160,000	100,000
Total assets	$9,851,000	$6,384,000
Current liabilities	$ 561,000	$1,096,000
Partners' capital	9,290,000	5,288,000
Total liabilities and partners' capital	$9,851,000	$6,384,000

</TABLE>

Investments Available for Sale - Investments available for sale consist of mutual funds sponsored by the Company which are primarily invested in equity securities. The Company accounts for investments in marketable securities pursuant to Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities" ("SFAS 115"). SFAS 115 requires that debt and equity securities classified as available for sale be reported at market value. Unrealized holding gains and losses, net of income taxes, are reported as a separate component of Shareholders' equity. Realized gains and losses, as determined on a specific identification basis, are reported separately on the accompanying Consolidated Statements of Income.

At June 30, 1999, Investments available for sale had an aggregate cost of $3,025,000 and an aggregate market value of $2,790,000 with gross unrealized losses of $235,000. At that date, the unrealized holding losses of $145,000 (net of income tax benefit of $90,000) were reported as a separate component of Accumulated other comprehensive losses on the accompanying Consolidated Balance Sheets. Certain investments were liquidated in the first quarter of 1999 at a minimal gain which was immaterial.

At December 31, 1998, Investments available for sale had an aggregate cost of $3,645,000 and an aggregate market value of $3,565,000 with gross unrealized losses of $80,000. At that date, the unrealized holding losses of $49,000 (net of income tax benefit of $31,000) were reported as a separate component of Accumulated other comprehensive losses on the accompanying Consolidated Balance Sheets.

Note 6. Line of Credit - The Company has a line of credit agreement (the "Agreement") with its principal lending institution which provides for borrowings of up to $50,000,000. The Agreement ends on August 31, 1999, at which time the outstanding principal balance, if any, becomes due unless the Agreement is extended. The line of credit, when utilized, accrues interest at the Prime rate or three-tenths percent above the London Interbank Offered Rate. The Company is obligated to pay a commitment fee equal to one-tenth percent per annum on the average daily unused portion of the commitment. Certain covenants under the Agreement require the Company to maintain specified levels of net worth and place certain restrictions on investments. There were no outstanding borrowings on the line of credit at June 30, 1999.

Note 7. Long-term Debt - On February 24, 1997, the Company signed a Note Purchase Agreement authorizing the issuance and sale of $20,000,000 of 7.20% Senior Notes, Series A, and $15,000,000 of 7.27% Senior Notes, Series B, (collectively, the "Notes") in a private offering with certain financial institutions. The Notes are unsecured with final maturities ranging from 10 to 15 years. The proceeds from the Notes were used to repay the outstanding balance on the line of credit at that date. The Note Purchase Agreement, as amended, contains various covenants, including limitations on indebtedness, maintenance of minimum net worth levels, and restrictions on certain investments. In addition, the agreement limits the Company's ability to merge or consolidate, and to sell certain assets. None of these covenants negatively affect the Company's liquidity or capital resources.

Principal payments on the Notes are made annually from the date of issuance while interest payments are made semi-annually. The Company made its second principal payment of $2,000,000 in February 1999. The current portion of the Notes amounted to $2,000,000 at June 30, 1999. The carrying amount of the Company's long-term debt approximates its fair value.

Note 8. Common Stock Buyback - The Board of Directors has authorized the purchase of the Company's common stock on the open market or through private transactions of up to an aggregate of $323,365,000, including an additional authorization of $25,000,000 in April 1999. Through June 30, 1999, a total of 15,921,000 shares at an aggregate cost of $303,337,000 have been purchased and retired. The Company purchased 153,000 shares at a total cost of $13,608,000 during the second quarter of 1999 and 418,000 shares at a total cost of $39,059,000 during the six month period ended June 30, 1999.

The Company immediately retires its common stock when purchased. Upon retirement, Capital in excess of par value is reduced by the average capital per share outstanding and the remainder is charged against Retained earnings. If Retained earnings is reduced to zero, any subsequent purchases of common stock will be charged entirely to Capital in excess of par value.

Note 9. Dividend - On May 18, 1999, the Board of Directors declared a cash dividend of $.20 per share on the Company's common stock, which was paid on June 30, 1999, to shareholders of record on June 16, 1999.

Note 10. Segment Information - In June 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information" ("SFAS 131"). SFAS 131 establishes standards for the way public business enterprises report financial information about operating segments in financial statements. SFAS 131 also requires additional disclosures about product and services, geographic areas, and major customers. The Company adopted SFAS 131 in its December 31, 1998 financial statements. All prior period segment information has been restated to conform with the provisions of SFAS 131.

The Company is organized around its four primary business lines: Technology Services, Asset Management, Mutual Fund Services, and Investments in New Business. The Technology Services segment includes the Company's Trust 3000 product line and trust operations outsourcing. The Asset Management segment provides investment solutions through various investment products and services distributed directly or through professional investment advisors, financial planners, and other financial intermediaries to institutional and high-net-worth markets. The Mutual Fund Services segment provides administration and distribution services to proprietary mutual funds created for banks, insurance firms, and investment management companies. The Investments in New Business segment consists of the Company's Canadian and international operations which provides investment advisory services globally through investment products and services and performance evaluation and consulting services to Canadian pension plans.

The information in the following tables is derived from the Company's internal financial reporting used for corporate management purposes. The accounting policies of the reportable segments are the same as those described in Note 1. The Company's management evaluates financial performance of its operating segments based on income before income taxes.

The following tables highlight certain unaudited financial information about each of the Company's segments for the three and six months ended June 30, 1999 and 1998.

<TABLE>
<CAPTION>

	Technology Services	Asset Management	Mutual Fund Services	Investments In New Business	Other	Total
	For the Three-Month Period Ended June 30, 1999					
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Revenues	$46,906,000	$32,109,000	$27,022,000	$ 5,585,000		$111,622,000
Operating income (loss)	$14,660,000	$ 9,440,000	$ 6,167,000	$(2,629,000)	$(3,000,000)	$ 24,638,000
Other income, net						$ 1,596,000

Income before income taxes						$ 26,234,000
Depreciation and amortization	$ 2,641,000	$ 541,000	$ 310,000	$ 195,000	$ 98,000	$ 3,785,000
Capital expenditures	$ 5,113,000	$ 589,000	$ 98,000	$ 358,000	$ 326,000	$ 6,484,000

<CAPTION>

	For the Three-Month Period Ended June 30, 1998					
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Revenues	$36,737,000	$21,836,000	$23,737,000	$ 3,189,000		$85,499,000
Operating income (loss)	$ 8,270,000	$ 4,617,000	$ 7,229,000	$(1,662,000)	$(3,262,000)	$15,192,000
Other income, net						$ 517,000
Income before income taxes						$15,709,000
Depreciation and amortization	$ 2,471,000	$ 449,000	$ 388,000	$ 221,000	$ 196,000	$ 3,725,000
Capital expenditures	$ 2,698,000	$ 185,000	$ 425,000	$ 191,000	$ 134,000	$ 3,633,000

</TABLE>

<TABLE>
<CAPTION>

	Technology Services	Asset Management	Mutual Fund Services	Investments In New Business	Other	Total
	For the Six-Month Period Ended June 30, 1999					
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Revenues	$93,059,000	$60,451,000	$53,053,000	$ 9,377,000		$215,940,000
Operating Income (loss)	$28,982,000	$17,919,000	$11,730,000	$(4,544,000)	$(6,130,000)	$ 47,957,000
Other income, net						$ 2,974,000
Income before Income taxes						$ 50,931,000
Depreciation and Amortization	$ 5,146,000	$ 1,021,000	$ 615,000	$ 347,000	$ 188,000	$ 7,317,000
Capital Expenditures	$ 7,740,000	$ 1,432,000	$ 261,000	$ 582,000	$ 870,000	$ 10,885,000

</TABLE>

<TABLE>
<CAPTION>

	For the Six-Month Period Ended June 30, 1998					
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Revenues	$75,914,000	$40,516,000	$45,167,000	$ 5,773,000		$167,370,000
Operating Income (loss)	$16,035,000	$ 8,898,000	$12,670,000	$(3,487,000)	$(6,484,000)	$ 27,632,000
Other income, net						$ 535,000
Income before Income taxes						$ 28,167,000
Depreciation and Amortization	$ 4,836,000	$ 870,000	$ 766,000	$ 445,000	$ 388,000	$ 7,305,000
Capital expenditures	$ 4,785,000	$ 550,000	$ 520,000	$ 304,000	$ 388,000	$ 6,547,000

</TABLE>

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

(In thousands, except per share data)

We are organized around our four business lines: Technology Services, Asset Management, Mutual Fund Services, and Investments in New Business. Financial information on each of these segments is reflected in Note 10 of the Notes to Consolidated Financial Statements.

Results of Operations

Second Quarter Ended June 30, 1999 Compared to Second Quarter Ended June 30, 1998

Consolidated Overview

<TABLE>
<CAPTION>

Income Statement Data (In thousands, except per common share data)	2ND QTR 1999	2ND QTR 1998	PERCENT CHANGE
<S>	<C>	<C>	<C>
Revenues:			
Technology Services Segment	$ 46,906	$36,737	28%
Asset Management Segment	32,109	21,836	47%
Mutual Fund Services Segment	27,022	23,737	14%
Investments in New Business Segment	5,585	3,189	75%
Total revenues	$111,622	$85,499	31%
Operating Income (Loss):			
Technology Services Segment	$ 14,660	$ 8,270	77%
Asset Management Segment	9,440	4,617	104%
Mutual Fund Services Segment	6,167	7,229	(15%)
Investments in New Business Segment	(2,629)	(1,662)	(58%)
General and Administrative	(3,000)	(3,262)	8%
Income from operations	24,638	15,192	62%
Other income, net	1,596	517	--
Income before income taxes	26,234	15,709	67%
Income taxes	10,100	6,124	65%
Net Income	$ 16,134	$ 9,585	68%
Diluted earnings per common share	$ .85	$ .50	70%

</TABLE>

Revenues and earnings increased in the second quarter of 1999 primarily due to new business activity generated in the Technology Services and Asset Management segments. Revenues and operating profit improvement in Technology Services resulted primarily from an increase in recurring processing fees generated from new clients that have been fully or partially implemented onto our TRUST 3000 product line. Revenues and operating profit in Asset Management were boosted by a significant increase in assets under management from new and existing clients in our investment advisory and institutional asset management businesses. Revenues and earnings are expected to increase assuming the sales momentum in Asset Management can be sustained and as new trust technology clients are fully implemented. However, continued consolidation in the banking industry or a prolonged unfavorable change in the financial securities markets could impede growth in revenues and earnings.

Asset Balances
(In millions)

<TABLE>
<CAPTION>

	As of June 30,		PERCENT
	1999	1998	CHANGE

<S>	<C>	<C>	<C>
Assets invested in equity and fixed income programs	$ 33,068	$ 19,794	67%
Assets invested in liquidity funds	20,816	19,178	9%
Assets under management	53,884	38,972	38%
Client proprietary assets under administration	150,103	103,727	45%
Assets under administration	$203,987	$142,699	43%

</TABLE>

Assets under management for high-net-worth and institutional investors consist of assets invested in our equity and fixed income investment programs and liquidity funds for which we provide management services. Assets under administration consist of assets for which we provide administrative services, which includes assets invested in our investment programs, liquidity funds, and clients' proprietary mutual funds.

Technology Services

The Technology Services segment provides trust and investment accounting and management information services as an outsourcer to banks and other financial institutions with our TRUST 3000 product line. TRUST 3000 incorporates a myriad of integrated products and sub-systems to provide a complete trust accounting and investment system.

Trust operations outsourcing incorporates the TRUST 3000 product line within a package of services that includes custody and other back-office capabilities. Through this business, we handle a trust department's back-office administration function. This allows trust department managers to concentrate on expanding and servicing their clients.

<TABLE>
<CAPTION>

	2ND QTR 1999	2ND QTR 1998	DOLLAR CHANGE	PERCENT CHANGE
<S>	<C>	<C>	<C>	<C>
Revenues:				
Trust technology services	$41,567	$32,831	$ 8,736	27%
Trust operations outsourcing	5,339	3,906	1,433	37%
Total revenues	46,906	36,737	10,169	28%
Expenses:				
Operating and development	24,614	21,762	2,852	13%
Sales and marketing	7,632	6,705	927	14%
Total operating profits	$14,660	$ 8,270	$ 6,390	77%

</TABLE>

Trust technology services revenues increased due to an increase in recurring processing fees generated from new clients that had purchased our products and services in prior years and were fully or partially implemented. In addition, implementation revenues associated with the continued merger and acquisition activity among our clients partially contributed to the increase in trust technology services revenues. As a result, recurring processing fees increased $5.4 million and implementation fees increased $2.5 million in the second quarter of 1999 over the second quarter of 1998. Revenues earned from our liquidity products and brokerage services utilized by our bank clients decreased slightly, but only accounted for approximately 18 percent of total trust technology services revenues in the second quarter of 1999 and 21 percent in the second quarter of 1998. Average assets under management invested in our liquidity products from bank clients were $16.8 billion for the second quarter of 1999 versus $16.7 billion for the second quarter of 1998. Future recurring processing fees are expected to increase as the remaining new trust technology clients are successfully implemented onto the TRUST 3000 product line. However, this transition of services may cause a decrease in implementation fees as the year progresses. We continue to introduce new technology-based services designed to meet the needs of our clients. This should create an additional opportunity to increase recurring revenues from our existing client base.

Our trust operations outsourcing business continued to generate new business in the second quarter of 1999. Revenues earned from processing services accounts for approximately 52 percent of total trust operations outsourcing revenues in the second quarter of 1999 and 1998, while custody and investment solutions comprise the remaining 48 percent. We are expanding our trust operations outsourcing efforts beyond the community and regional bank markets because we believe that our trust operations outsourcing service is an attractive alternative to any trust institution faced with the task of building the necessary internal infrastructure to support the delivery of trust services.

Operating profits and profit margin for Technology Services increased significantly in the second quarter of 1999. Profit margin in the second quarter of 1999 was 31 percent, as compared to 23 percent in the second quarter of 1998. The increase in profits and margin are the culmination of increased system sales in the large bank market over the last few years, back office sales in the community bank market and our ability to manage expenses carefully. As a percentage of sales, operating and development expenses decreased to 53 percent from 59 percent and sales and marketing expenses decreased slightly to 16 percent from 18 percent. Although we have been able to control costs, we do anticipate increased investments in new technology and information products and services as the year progresses that may result in some increase to expenses as the year continues.

We expect to see continued growth in our existing markets in the near term, and also begin to realize a payback on our investments in new markets and services. Also, operating profits should be favorably affected if sales momentum of the trust operations outsourcing product continues. Year 2000 is also a short-term challenge as some institutions are resistant to acquiring new systems before next year. However, this could become an opportunity if a trust institution experiences difficulty in making their existing system Year 2000 compliant. In addition, consolidation within the banking industry continues to be a major strategic issue facing this segment.

Asset Management

The Asset Management segment provides investment solutions through various investment products and services distributed directly or through professional investment advisors, financial planners, and other financial intermediaries to institutional or high-net-worth markets. The primary products offered include money market funds and investment strategies and portfolios delivered to these markets through mutual funds and other pooled vehicles.

<TABLE>
<CAPTION>

	2ND QTR 1999	2ND QTR 1998	DOLLAR CHANGE	PERCENT CHANGE
Revenues:				
Investment management fees	$27,752	$18,471	$ 9,281	50%
Liquidity management fees	4,357	3,365	992	29%
Total revenues	32,109	21,836	10,273	47%
Expenses:				
Operating and development	8,496	6,120	2,376	39%
Sales and marketing	14,173	11,099	3,074	28%
Total operating profits	$ 9,440	$ 4,617	$ 4,823	104%

</TABLE>

The increase in Investment management fees was primarily due to growth in assets under management generated through new business. Average assets under management increased $6.8 billion or 47 percent to $21.4 billion for the second quarter of 1999, as compared to $14.6 billion for the second quarter of 1998. Our investment advisory business continued to generate new business through the successful recruiting of new registered investment advisors. We have also been working closely with our existing advisors to increase their asset-gathering potential by growing their existing client base. We anticipate the sales momentum experienced in our investment advisory business to continue, especially as we deliver new products and services. Our Institutional asset management business also experienced an increase in new

business. During the second quarter of 1999, new relationships were established which contributed approximately $600 million of new asset sales. Additionally, the current favorable trend experienced in the financial securities markets boosted growth in assets under management in both our investment advisory and institutional asset management businesses.

The increase in Liquidity management fees was due to an increase in assets under management invested in our liquidity funds from institutional clients. Average assets under management increased $2.0 billion or 69 percent to $4.9 billion for the second quarter of 1999, as compared to $2.9 billion for the second quarter of 1998. The increase in assets under management was due to new sales to corporate and institutional clients.

The Asset Management segment experienced a significant increase in operating profits primarily due to growth in assets under management. Profit margin continued to improve substantially due to our ability to leverage on our infrastructure even with investments in technology to improve our service and productivity. Profit margin rose to 29 percent for the second quarter of 1999, as compared to 21 percent for the second quarter of 1998. As a percentage of sales, operating and development expenses decreased to 27 percent from 28 percent and sales and marketing expenses decreased to 44 percent from 51 percent. With the increased sales momentum in our investment advisory business and our ability to leverage expenses over higher net incremental assets, this segment is expected to produce favorable operating results in the near term. However, any significant devaluation in the financial securities markets could negatively affect future revenues and profits.

Mutual Fund Services
- --------------------

The Mutual Fund Services segment provides administration and distribution services to proprietary mutual funds created for banks, insurance firms, and investment management companies. These services include fund administration and accounting, legal, shareholder recordkeeping, and marketing.

<TABLE>
<CAPTION>

<S>	2ND QTR 1999 <C>	2ND QTR 1998 <C>	DOLLAR CHANGE <C>	PERCENT CHANGE <C>
Total revenues	$27,022	$23,737	$ 3,285	14%
Expenses:				
Operating and development	16,801	12,771	4,030	32%
Sales and marketing	4,054	3,737	317	8%
Total operating profits	$ 6,167	$ 7,229	$(1,062)	(15%)

</TABLE>

The increase in Mutual fund services revenues was fueled by growth in proprietary fund balances. Average proprietary fund balances increased $47.7 billion or 49 percent to $145.1 billion for the second quarter of 1999 versus $97.4 billion for the second quarter of 1998. Average proprietary fund balances increased due to growth in existing complexes and the conversions of a large bank and non-bank complex during late 1998. However, average basis points earned decreased primarily due to fee concessions extended to existing clients in exchange for longer-term contracts. Also, average basis points were affected by a reduction in the range of our services in the large bank market. We are optimistic about the opportunity to expand our share of the non-bank investment management market. Initially, the size of these complexes will be smaller and therefore these deals will not generate as much revenues as large bank complexes. We believe that this will be a continually growing market in terms of the number of institutions seeking mutual fund services. Also, we continue to contract new business in offshore markets.

Although revenues increased 14 percent, operating profits decreased 15 percent. Profit margin in the second quarter of 1999 decreased to 23 percent, as compared to 30 percent for the second quarter of 1998. A significant increase in operating and development expenses negatively affected operating profits in the second quarter of 1999. As a percentage of sales, operating and development expenses increased to 62 percent from 54 percent and sales and marketing expenses decreased to 15 percent from 16 percent. The recontracting of some existing clients generated a substantial increase in direct marketing expenses. Also, investments have been made to enhance services as well as establishing distribution channels for our mutual fund services in the non-bank and global markets.

The market for traditional mutual fund services for banks is maturing and fewer new bank proprietary mutual fund complexes are being established. Also, many of the largest banks with well-established complexes have grown their mutual funds to the point where they are less reliant on the services of an outsourcer. As a result, profit margin is expected to remain relatively flat in the near term. Expanding services into the non-bank and offshore markets could produce additional opportunities that could favorably affect operating profits. However, continued consolidations in the banking industry and a significant prolonged unfavorable change in the financial securities markets could negatively affect revenues and profits.

Investments in New Business
- ---------------------------

Investments in New Business consist of our Canadian and international operations. Products being offered in Canada include investment advisory, performance evaluation and consulting services to Canadian pension plans. International operations consist of various investment products and services providing investment solutions to institutional and high-net-worth investors outside North America.

	2ND QTR 1999	2ND QTR 1998	DOLLAR CHANGE	PERCENT CHANGE
Total revenues	$ 5,585	$ 3,189	$2,396	75%
Expenses:				
Operating and development	3,493	1,603	1,890	118%
Sales and marketing	4,721	3,248	1,473	45%
Total operating losses	$(2,629)	$(1,662)	$ (967)	(58%)

The increase in revenues from this segment is primarily due to an increase in assets under management from our offshore asset management businesses. The increase in assets under management is due to the launch of a new SEI-managed fund complex into the Italian marketplace in association with one of Italy's largest providers of life insurance and financial and investment products. In addition, we also entered into a newly formed joint venture with a Korean investment advisory firm. Our Canadian and offshore asset management business accounted for 74 percent of total segment revenues in the second quarter of 1999, as compared to 36 percent in the second quarter of 1998. The performance evaluation and consulting business accounted for the remaining 26 percent in the second quarter of 1999, as compared to 64 percent in the second quarter of 1998. This transition is due to various acquisitions and joint ventures of offshore investment advisory firms during the past 18 months.

Our offshore enterprises are looking to capitalize on international growth opportunities by creating distribution channels for our investment products and services outside North America. Our efforts are currently focused on four main regions: Europe, East Asia, Latin America, and South Africa. These offshore enterprises accounted for approximately 57 percent of total segment revenues in the second quarter of 1999, as compared to 18 percent in the second quarter of 1998.

Operating results were affected by substantial investments made in foreign markets. Our strategy for this year will be on further penetrating markets within the European and South African region through distribution arrangements, continuing to integrate and grow our recently acquired businesses in Argentina and Mexico, and strengthening our new joint venture in Korea. We will continue to explore additional markets for future expansion, especially in Asia and Latin America, but don't envision any major market entries in these regions in 1999.

Other

General and administrative expenses decreased 8 percent to $3,000 for the second quarter of 1999, as compared to $3,262 for the second quarter of 1998. As a percentage of total consolidated revenues, general and administrative expenses were 3 percent for the second quarter of 1999, as compared to 4 percent for the second quarter of 1998.

Other income on the accompanying Consolidated Statements of Income consist of the following:

	2ND QTR 1999	2ND QTR 1998
Equity in the earnings of unconsolidated affiliate	$1,801	$ 681
Interest income	375	452
Interest expense	(580)	(616)
Total other income, net	$1,596	$ 517

Equity in the earnings of unconsolidated affiliate on the accompanying Consolidated Statements of Income includes our less than 50 percent ownership in the general partnership of LSV Asset Management ("LSV") (See Note 5 of the Notes to Consolidated Financial Statements). Our interest in LSV's net earnings was $1,801 for the second quarter of 1999 and $681 for the second quarter of 1998. The increase in LSV's net earnings is due to an increase in assets under management. Average assets under management for LSV were $4.5 billion for the second quarter of 1999, as compared to $2.7 billion for the second quarter of 1998.

Interest income for the second quarter of 1999 was $375, as compared to $452 for the second quarter of 1998. Interest income is earned based upon the amount of cash that is invested daily and fluctuations in interest income recognized for one period in relation to another is due to changes in the average cash balance invested for the period.

Interest expense for the second quarter of 1999 was $580, as compared to $616 for the second quarter of 1998. Interest expense relates to the issuance of long-term debt in early 1997 and borrowings on our line of credit. Interest expense decreased due to a lower carrying balance on our long-term debt and less borrowings on our line of credit in the first quarter of 1999 than in the first quarter of 1998.

Six Months Ended June 30, 1999 Compared to Six Months Ended June 30, 1998

Consolidated Overview

<TABLE>
<CAPTION>
Income Statement Data

(In thousands, except per common share data)	SIX MONTHS 1999	SIX MONTHS 1998	PERCENT CHANGE
Revenues:			
Technology Services Segment	$ 93,059	$ 75,914	23%
Asset Management Segment	60,451	40,516	49%
Mutual Fund Services Segment	53,053	45,167	17%
Investments in New Business Segment	9,377	5,773	62%
Total revenues	$215,940	$167,370	29%
Operating Income (Loss):			
Technology Services Segment	$ 28,982	$ 16,035	81%
Asset Management Segment	17,919	8,898	101%
Mutual Fund Services Segment	11,730	12,670	(7%)
Investments in New Business Segment	(4,544)	(3,487)	(30%)
General and Administrative	(6,130)	(6,484)	5%
Income from operations	47,957	27,632	74%
Other income, net	2,974	535	--
Income before income taxes	50,931	28,167	81%
Income taxes	19,608	10,985	78%
Net Income	$ 31,323	$ 17,182	82%
Diluted earnings per common share	$ 1.64	$ .90	82%

</TABLE>

Revenues and earnings increased in the six months ended June 30, 1999 primarily due to new business activity generated in the Technology Services and Asset Management segments. Revenues and operating profit increased in Technology Services primarily from an increase in recurring processing fees generated from new clients that have been fully or partially implemented onto our TRUST 3000 product line. Revenues and operating profit in Asset Management were boosted by a significant increase in assets under management from new and existing clients in our investment advisory and institutional asset management businesses.

Technology Services

<TABLE>
<CAPTION>

	SIX MONTHS 1999	SIX MONTHS 1998	DOLLAR CHANGE	PERCENT CHANGE
Revenues:				
Trust technology services	$82,939	$68,369	$14,570	21%
Trust operations outsourcing	10,120	7,545	2,575	34%

Total revenues	93,059	75,914	17,145	23%
Expenses:				
Operating and development	48,755	46,408	2,347	5%
Sales and marketing	15,322	13,471	1,851	14%
Total operating profits	$28,982	$16,035	$12,947	81%

</TABLE>

Trust technology services revenues increased due to an increase in recurring processing fees generated from new clients that had purchased our products and services in prior years and were fully or partially implemented. In addition, implementation revenues associated with the continued merger and acquisition activity among our clients partially contributed to the increase in trust technology services revenues. As a result, recurring processing fees increased $11.1 million and implementation fees increased $7.0 million for the first six months of 1999 over the same period of 1998. Revenues earned from our liquidity products and brokerage services utilized by our bank clients decreased slightly, but only accounted for approximately 18 percent of total trust technology services revenues for the first six months of 1999 and 21 percent for the comparable period in 1998. Average assets under management invested in our liquidity products from bank clients were $16.1 billion for the first six months of 1999 and 1998.

Our trust operations outsourcing business continued to generate new business in 1999. Revenues earned from processing services accounts for approximately 55 percent of total trust operations outsourcing revenues for the first six months of 1999 and 1998, while custody and investment solutions comprise the remaining 45 percent.

Operating profits and profit margin for Technology Services increased significantly for the first six months of 1999. Profit margin for the six months ended June 30, 1999 was 31 percent, as compared to 21 percent for the same period of 1998. The increase in profits and margin are the culmination of increased system sales in the large bank market over the last few years, back office sales in the community bank market and our ability to manage expenses carefully. As a percentage of sales, operating and development expenses decreased to 52 percent from 61 percent and sales and marketing expenses decreased slightly to 16 percent from 18 percent. Although we have been able to control costs, we do anticipate increased investments in new technology and information products and services as the year progresses that may result in some increase to expenses as the year continues.

Asset Management

<TABLE>
<CAPTION>

	SIX MONTHS 1999	SIX MONTHS 1998	DOLLAR CHANGE	PERCENT CHANGE
Revenues:				
Investment management fees	$51,437	$33,878	$17,559	52%
Liquidity management fees	9,014	6,638	2,376	36%
Total revenues	60,451	40,516	19,935	49%
Expenses:				
Operating and development	16,578	12,020	4,558	38%
Sales and marketing	25,954	19,598	6,356	32%
Total operating profits	$17,919	$ 8,898	$ 9,021	101%

</TABLE>

The increase in Investment management fees was primarily due to growth in assets under management generated through new business. Average assets under management increased $6.3 billion or 46 percent to $20.1 billion for the first six months of 1999, as compared to $13.8 billion for the first six months of 1998. Our investment advisory business continued to generate new business through the successful recruiting of new registered investment advisors. We have also been working closely with our existing advisors to increase their asset-gathering potential by growing their existing client base. Our Institutional asset management business also experienced an increase in new business. In 1999, new relationships were established which contributed approximately $1.2 billion of new asset sales. Additionally, the current favorable trend experienced in the financial securities markets boosted growth in assets under management in both our investment advisory and institutional asset management businesses.

The increase in Liquidity management fees was due to an increase in assets under management invested in our liquidity funds from institutional clients. Average assets under management increased $1.9 billion or 68 percent to $4.7 billion for the first six months of 1999, as compared to $2.8 billion for the first six months of 1998. The increase in assets under management was due to new sales to corporate and institutional clients.

The Asset Management segment experienced a significant increase in operating profits primarily due to growth in assets under management. Profit margin continued to improve substantially due to our ability to leverage on our infrastructure even with investments in technology to improve our service and productivity. Profit margin rose to 30 percent for the six months ended June 30,1999, as compared to 22 percent for the corresponding period of 1998. As a percentage of sales, operating and development expenses decreased to 27 percent from 30 percent and sales and marketing expenses decreased to 43 percent from 48 percent.

Mutual Fund Services
- --------------------

<TABLE>
<CAPTION>

<S>	SIX MONTHS 1999 <C>	SIX MONTHS 1998 <C>	DOLLAR CHANGE <C>	PERCENT CHANGE <C>
Total revenues	$53,053	$45,167	$7,886	17%
Expenses:				
Operating and development	33,064	24,962	8,102	32%
Sales and marketing	8,259	7,535	724	10%
Total operating profits	$11,730	$12,670	$ (940)	(7%)

</TABLE>

The increase in Mutual fund services revenues was fueled by growth in proprietary fund balances. Average proprietary fund balances increased $49.9 billion or 54 percent to $141.9 billion for the first six months of 1999 versus $92.0 billion for the first six months of 1998. Average proprietary fund balances increased due to growth in existing complexes and the conversions of a large bank and non-bank complex during late 1998. However, average basis points earned decreased primarily due to fee concessions extended to existing clients in exchange for longer-term contracts as well as a reduction in the range of our services in the large bank market.

Although revenues increased 17 percent, operating profits decreased 7 percent. Profit margin for the six months ended June 30, 1999 decreased to 22 percent, as compared to 28 percent for the corresponding period in 1998. A significant increase in operating and development expenses negatively affected operating profits in the second quarter of 1999. As a percentage of sales, operating and development expenses increased to 62 percent from 55 percent and sales and marketing expenses decreased to 16 percent from 17 percent. The recontracting of some existing clients generated a substantial increase in direct marketing expenses. Also, investments have been made to enhance services as well as establishing distribution channels for our mutual fund services in the non-bank and global markets.

Investments in New Business
- ---------------------------

<TABLE>
<CAPTION>

<S>	SIX MONTHS 1999 <C>	SIX MONTHS 1998 <C>	DOLLAR CHANGE <C>	PERCENT CHANGE <C>
Total revenues	$ 9,377	$ 5,773	$ 3,604	62%
Expenses:				
Operating and development	5,770	3,036	2,734	90%
Sales and marketing	8,151	6,224	1,927	31%
Total operating losses	$(4,544)	$(3,487)	$(1,057)	(30%)

</TABLE>

Revenues increased 62 percent primarily due to an increase in assets under management from our offshore asset management businesses and various acquisitions of investment advisory firms during the past 18 months. Our Canadian and offshore asset management business accounted for 67 percent of total segment revenues for the first six months of 1999, as compared to 36 percent for the first six months of 1998. The performance evaluation and consulting business accounted for the remaining 33 percent for the six months ended June 30, 1999, as compared to 64 percent for the same period in 1998. This transition is due to various acquisitions and joint ventures of offshore investment advisory firms during the past 18 months.

Our offshore enterprises are looking to capitalize on international growth opportunities by creating distribution channels for our investment products and services outside North America. Our efforts are currently focused on four main regions: Europe, East Asia, Latin America, and South Africa. These offshore enterprises accounted for approximately 47 percent of total segment revenues for the six months ended June 30, 1999, as compared to 19 percent for the corresponding period in 1998.

Operating results were affected by substantial investments made in foreign markets. Our strategy for this year will be on further penetrating markets within the European and South African region through distribution arrangements, continuing to integrate and grow our recently acquired businesses in Argentina and Mexico, and strengthening our new joint venture in Korea.

Other
- -----

General and administrative expenses decreased 5 percent to $6,130 for the six months ended June 30, 1999, as compared to $6,484 for the same period in 1998. As a percentage of total consolidated revenues, general and administrative expenses were 3 percent for the first six months of 1999, as compared to 4 percent for the first six months of 1998.

Other income on the accompanying Consolidated Statements of Income consist of the following:

<TABLE>
<CAPTION>

	SIX MONTHS 1999	SIX MONTHS 1998
<S>	<C>	<C>
Equity in the earnings of unconsolidated affiliate	$ 3,279	$ 1,191
Interest income	873	672
Interest expense	(1,178)	(1,328)
Total other income, net	$ 2,974	$ 535

</TABLE>

Equity in the earnings of unconsolidated affiliate on the accompanying Consolidated Statements of Income includes our less than 50 percent ownership in the general partnership of LSV Asset Management ("LSV") (See Note 5 of the Notes to Consolidated Financial Statements). Our interest in LSV's net earnings was $3,279 for the six months ended June 30, 1999 and $1,191 for the corresponding period of 1998. The increase in LSV's net earnings is due to an increase in assets under management. Average assets under management for LSV were $4.4 billion for the first six months of 1999, as compared to $2.2 billion for the first six months of 1998.

Interest income for the six months ended June 30,1999 was $873, as compared to $672 for the same period of 1998. Interest income is earned based upon the amount of cash that is invested daily and fluctuations in interest income recognized for one period in relation to another is due to changes in the average cash balance invested for the period.

Interest expense for the first six months of 1999 was $1,178, as compared to $1,328 for the first six months of 1998. Interest expense relates to the issuance of long-term debt in early 1997 and borrowings on our line of credit. Interest expense decreased due to a lower carrying balance on our long-term debt and less borrowings on our line of credit in the first six months of 1999 than in the first six months of 1998.

Liquidity and Capital Resources
- -------------------------------

<TABLE>
<CAPTION>

	Six Months Ended June 30,	
	1999	1998
Net cash provided by operating activities	$ 26,548	$ 53,292
Net cash used in investing activities	(14,792)	(9,437)
Net cash used in financing activities	(36,497)	(19,832)
Net increase (decrease) in cash and cash equivalents	(24,741)	24,023
Cash and cash equivalents, beginning of period	52,980	16,891
Cash and cash equivalents, end of period	$ 28,239	$ 40,914

</TABLE>

Cash requirements and liquidity needs are primarily funded through operations and our capacity for additional borrowing. We currently have a line of credit agreement that provides for borrowings of up to $50,000. The availability of the line of credit is subject to compliance with certain covenants set forth in the agreement (See Note 6 of the Notes to Consolidated Financial Statements). At June 30, 1999, the unused sources of liquidity consisted of cash and cash equivalents of $28,239 and the unused portion of the line of credit of $50,000.

Cash flows from operations for the first six months of 1999 and 1998 primarily resulted from an increase in income and various accrued liabilities. In addition, cash flows from operations for the first six months of 1998 were boosted by the sales of loans classified as Loans receivable for sale by our Swiss based subsidiary and the receipt of a significant buyout payment relating to a bank client involved in an acquisition. The increase in various accrued liabilities resulted from increased business activity during the past 18 months. Annual compensation and bonus payments are paid in the first quarter of the following year and negatively affected cash flows from operations in the first six months of 1999 and 1998.

Cash flows from operations were also affected by receivables. Receivables from regulated investment companies increased in the first six months of 1999 and 1998 primarily due to an increase in assets under management. These balances are paid off in the following month. In addition, an increase in trade receivables in the first six months of 1999 negatively affected cash flows from operations. Conversely, an increase in receivable collections in the first six months of 1998 favorably affected cash flows from operations.

Cash flows from investing activities are principally affected by capital expenditures, including capitalized software development costs. Capital expenditures included significant costs associated with the expansion of our corporate campus. Construction of an additional building within the corporate campus began in early 1998 and was completed in early 1999. In addition, cash flows from investing activities in the first six months of 1999 included certain costs associated with the Korean joint venture.

Cash flows from financing activities are primarily affected by debt and equity transactions. Principal payments on our long-term debt are made annually from the date of issuance while interest payments are made semi-annually. Principal and interest payments were made in the first quarter of 1999 and 1998 (See Note 7 of the Notes to Consolidated Financial Statements). We continued our common stock repurchase program. We purchased approximately 418,000 shares of our common stock at a cost of $39.1 million during the first six months of 1999. As of July 31, 1999, we still had $17.4 million remaining authorized for the purchase of our common stock. Proceeds received from the issuance of common stock, including tax benefit, rose substantially in the first six months of 1999 and 1998 primarily due to increased stock option activity and the substantial increase in our common stock share price.

Our operating cash flow, borrowing capacity, and liquidity should provide adequate funds for continuing operations, continued investment in new products and equipment, our common stock repurchase program, future dividend payments, and principal and interest payments on our long-term debt.

Assessment of Risks Associated with the Year 2000

Background

We began work on the Year 2000 issue in 1995 with management recognition that failure to acknowledge, analyze and remediate potential Year 2000 processing issues could result in material consequences to our financial position and operating results. Through early 1997, we focused our efforts on an assessment of our TRUST 3000 product line and by mid-1997, we expanded our efforts to include a review of all proprietary systems, vendors, internally used systems, and any other item that may be affected by the Year 2000. A corporate Year 2000 committee was formed consisting of representatives from every area of our business and is managed by a full time senior project manager. This committee reports regularly to the Board of Directors on the progress and status of our Year 2000 efforts. The Year 2000 program encompasses all system hardware and software, physical facilities, utilities, electronic equipment and communications, as well as all other ancillary purchased products and services. Our Year 2000 program fully subscribes to the Federal Financial Institutions Examination Council ("FFIEC") guidelines.

State of Readiness

In accordance with FFIEC guidelines, Year 2000 remediation and time dimensional testing for all proprietary applications, including TRUST 3000, was completed or is near completion. The final release of TRUST 3000 Year 2000 remediated code was released into production in late 1998. All TRUST 3000 clients have been provided with the opportunity to review the actual Year 2000 test scripts and test results and/or conduct their own time dimensional testing.

With the completion of remediation and testing of all proprietary systems, we proceeded with vendor testing. A corporate intranet database was established to track and evaluate the compliance status of all vendors and their products. Each vendor product within this database has been assigned to a specific coordinator who is responsible for communications and certification of vendor products. The vendor products have been evaluated using the following criterion to establish the vendor relationship:

Business Risk - Products importance to mission-critical functionality
Failure Risk - Likelihood of vendor achieving or not achieving Year 2000 compliance on time
Compliance Code - Based on communications from vendor and/or test results.

All systems in use for internal business purposes, including, but not limited to, network, accounting, communications and power supply, have been tested or are in the process of being modified for Year 2000 compliance. Internal use systems requiring modifications will be mitigated through enhancements to existing software and hardware or conversions to new software and hardware.

Costs to Address Year 2000 Issues

The cost of Year 2000 remediation and testing is projected to be $10 million. The spending dedicated to the TRUST 3000 product line represents the material costs incurred to achieve Year 2000 compliance. All Year 2000 compliance costs for all other proprietary systems, including those used for internal business purposes, were expensed as incurred or capitalized if new software or hardware was purchased. These costs were immaterial. Any future costs incurred associated with ancillary systems or equipment is not expected to be material. No planned development projects were delayed or cancelled as a result of Year 2000 compliance efforts.

Risks of the Year 2000 Issues

Every effort has been made to mitigate any potential risk resulting from the roll over to the Year 2000. However, we believe that despite all of our best efforts, there still exists the potential of experiencing minor to moderate system issues at the beginning of the Year 2000. In anticipation of these risks, we are planning the following actions:

1.) Work closely with all clients to instruct them on maintaining all 1999 year-end data for recovery purposes.
2.) Current Year 2000 project expertise will remain dedicated to the Year 2000 program to be available to resolve potential issues.
3.) Budget funds into the Year 2000 to support potential issues.
4.) All future product releases will be analyzed for potential date related changes. If such a change is identified as having an impact to our Year 2000 certification, tests will be performed to re-certify the modified code.
5.) To reconfirm the TRUST 3000 product line as Year 2000 compliant, a full re-certification of compliance will be conducted in the third quarter of 1999.

As part of our Corporate Year 2000 due diligence, all of our insurance programs were reviewed with regard to the Year 2000. There are no specific Year 2000 exclusions in any of our policies. In addition, we have reviewed and will continue to review the status of our Year 2000 program efforts with our insurance carriers.

Contingency Plans

Contingency planning efforts have been focused on the most critical business functions and vary significantly based on a system's functionality and how it operates. Manual overrides exist for many functions and in some cases alternative suppliers or delivery channels have been identified. The contingency strategy for our own proprietary products focuses on additional planned resources to react in the Year 2000. A plan exists to identify, correct and release Year 2000 related core and custom problems in the quickest fashion possible. A rapid response team will be available during peak processing times that will execute this plan. Clients will be apprised of the plan and advised on appropriate data retention. In the event electrical suppliers are not Year 2000 compliant and an interruption in electrical services occurs, each facility has a backup generator that will supply necessary electrical service to core processing systems and databases.

Forward-Looking Information

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements. Certain information contained in this discussion is or may be considered forward-looking. Forward-looking statements relate to future operations, strategies, financial results or other developments, and contain words or phrases such as "may," "expects," "anticipates," or similar expressions. Forward-looking statements are based upon estimates and assumptions that involve certain risks and uncertainties, including but not limited to, economic, competitive, governmental and technological, many of which are beyond our control or are subject to change. Although we believe the assumptions underlying the forward-looking statements contained herein are reasonable, any of the assumptions could be inaccurate. Therefore, we caution the reader that revenues and income could differ materially from those expected to occur. We disclaim any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

Quantitative and Qualitative Disclosures About Market Risk.

We currently have several offices located outside the United States that conduct business in the local currencies of that country. We do not use foreign currency exchange contracts or other types of derivative financial investments to hedge local currency cash flows. All foreign operations aggregate approximately 4 percent of total consolidated revenues. Due to this limited activity, we do not expect any material loss with respect to foreign currency risk.

Exposure to market risk for changes in interest rates relate primarily to our investment portfolio and long-term debt. Currently, we do not invest in derivative financial instruments. We do not undertake any specific actions to cover our exposure to interest rate risk and are not a party to any interest rate risk management transactions. We place our investments in financial instruments that meet high credit quality standards. We are adverse to principal loss and ensure the safety and preservation of our invested funds by limiting default risk, market risk, and reinvestment risk. The interest rate on our long-term debt is fixed and is not traded on any established market. We have no cash flow exposure due to rate changes for our long-term debt.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) The following is a list of exhibits filed as part of the Form 10-Q.

Exhibit 27   Financial Data Schedule

(b) Reports on Form 8-K

There were no reports on Form 8-K filed by the Company during the quarter ended June 30, 1999.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SEI INVESTMENTS COMPANY

Date August 11, 1999 By /s/ Kathy Heilig
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Kathy Heilig
Vice President and Controller

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