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SEI 2017 ANNUAL REPORT

This was a successful year for your company. We delivered increased earnings and made significant progress executing growth strategies that strengthen SEI's position as a leading global provider of wealth and investment management solutions.

SEI New ways. New answers.®

SEI OAKS, PA

ABOUT SEI

SEI is a leading global provider of asset management, investment processing and investment operations solutions.

We help professional wealth managers, institutional investors, investment management firms and private investors create and manage wealth. We also enable their long-term success by providing solutions that are both innovative and comprehensive.

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SEI's internet site, seic.com, offers additional information about the company, including earnings announcements, corporate press releases and regulatory filings. This Annual Report, Form 10-K and Proxy Statement are available in the Investor Relations section of the website.

Forward-Looking Statements

This report contains statements that constitute forward-looking statements as defined under U.S. federal securities laws. These statements include discussions about future strategies, operations and financial results. These statements are based upon estimates and assumptions that involve risks and uncertainties and may not prove to be accurate. Future revenues and income could differ materially from expected results. You should refer to the 2017 Annual Report on Form 10-K, included herein, for a description of various risks and uncertainties that could affect our future financial results.

SEI 2017 ANNUAL REPORT

SEI OAKS, PA

FINANCIAL SUMMARY

(In thousands, except per-share data)	2017	Change from 2016
Revenues	**$1,526,552**	9%
Income from operations	**$396,944**	6%
Net income	**$404,389**	21%
Diluted common shares outstanding	**162,269**	(1%)
Diluted earnings per share	**$2.49**	23%

HIGHLIGHTS

- SEI's financial results reflect positive capital market performance, increased cash flows into SEI asset management programs, new client growth and increased earnings from affiliate LSV.
- We also increased investments in technology and operations to support business growth and to develop and deliver new solutions. These investments position the company for longer-term opportunities.
- SEI continues to generate strong cash flow which is primarily used to reinvest in the business and return to shareholders. In 2017, SEI returned $337.2 million to shareholders through stock purchases and paid dividends.
- Financial results also reflect an effective tax rate that benefited from the adoption of an accounting standard and the estimated impact of the Tax Cuts and Jobs Act.

TO OUR SHAREHOLDERS

This was a successful year for your company. We delivered increased earnings and made significant progress executing growth strategies that strengthen SEI's position as a leading global provider of wealth and investment management technology, operational and asset management solutions. We remain focused on creating long-term value for clients as well as sustainable growth and value for shareholders.

The markets we serve are dynamic and require comprehensive solutions to address rapidly evolving industry needs. As a leading innovator in the wealth management industry, we are well positioned to capitalize on these opportunities. We are focused on delivering next-generation platforms that broaden our capabilities, strengthen our ability to serve clients and expand our market opportunities.

ALFRED P. WEST, JR.
Chairman and
Chief Executive Officer

FINANCIAL RESULTS

Revenues increased 9% to $1.53 billion, net income grew 21% to $404.4 million and diluted earnings per share increased 23% to $2.49.

Revenue growth was driven primarily by success in delivering comprehensive platforms to investment management firms and through increased cash flows into SEI investment management programs from both new and existing clients, enhanced by strong capital market performance. An important measure of success, average assets under management (excluding those of affiliate LSV), increased 13% to $214.1 billion. Average assets under administration grew 13% to $497.6 billion.

"We continued to generate strong cash flow, which we used to reinvest in the business and return to shareholders."

Earnings for the year reflect increased operating profits and increased LSV earnings while making ongoing investments to support long-term business growth and deliver new solutions to clients. We increased investments in the technology and operating infrastructure of the SEI Wealth Platform℠ (the Platform) to advance the implementations of large bank clients and investment advisor clients. We made investments to develop and deliver new capabilities and platforms for investment managers. We also acquired Archway Technology Partners, a leader in serving the family office market, enabling SEI's entry into this adjacent market.

Financial results also reflect an effective tax rate that benefited from the adoption of an accounting standard and the estimated impact of the Tax Cuts and Jobs Act.

We continued to generate strong cash flow which we use to reinvest in the business and return to shareholders. In 2017, SEI returned $337.2 million to shareholders through stock purchases and paid dividends.

The 2017 Annual Report on Form 10-K, which accompanies this letter, provides a detailed discussion of company and segment financial results.

SALES RESULTS

Sales events, net of client losses, were $77.8 million and are expected to generate net annualized recurring revenues of $49.1 million when contract values are fully realized. The Investment Managers and Investment Advisors segments had strong sales years and were significant contributors to new business growth. A sizeable contribution from the Private Banks segment was offset by the loss of SEI's only U.S. government client, a legacy TRUST 3000® relationship. Excluding the loss of this unique federal contract, SEI's net sales were $95.6 million of which $66.9 million represents annualized recurring revenues.

In the **Private Banks** segment, sales events included contributions from sales of the Platform and organic business growth from existing Platform clients, reflecting continued progress with the market adoption of the Platform. However, net sales were lower than we would have liked due to extended sales cycles with prospective Platform clients, and the previously mentioned client loss.

Despite lower net sales, we continued to gain traction with sales of the SEI Wealth Platform in 2017. For the year, we signed nine new clients. We now have a total of 41 Platform relationships, including both new names and current clients transitioning from Trust 3000®, representing a diverse mix of client sizes and types in both the United States and the United Kingdom.

Sales of non-recurring professional services primarily related to Platform installations were also a significant contributor to sales events. In addition, this segment's global Asset Management Distribution business achieved growth from positive net-cash flows onto SEI's investment management platform from key distributors in Asia, Europe and the United States.

We had a good year with sales of investment management programs and the recruiting of new advisors in the **Investment Advisors** segment. Net growth in assets under management was driven by positive capital markets and cash flows from new clients. We achieved these results while making steady progress with transitioning clients and the SEI's advisory business onto the SEI Wealth Platform.

> **"Sales events, net of client losses, were $77.8 million** and are expected to generate net annualized recurring revenues of $49.1 million when contract values are fully realized."

In the **Institutional Investors** segment, sales activity was focused on growth markets although net results were affected by slowing activity and a flurry of acquisitions in the U.S. corporate defined-benefit (DB) market. New business comprised a broad array of sources including non-corporate DB plan sponsors such as municipalities and unions, foundations and endowments, defined-contribution (DC) retirement plan sponsors, as well as DB and DC plan sponsors in selected global markets.

We had another excellent year for new business in the **Investment Managers** segment. Sales of operational-outsourcing services were strong and net results were near historic highs. Sales momentum was derived from sales events from both new and existing clients in all market segments and asset classes, including the expansion of relationships in our global market. We also had several family office wins in the newly acquired Archway business.

GROWTH STRATEGIES

We made significant progress in executing growth strategies in each of our major segments as we continued investments to build and deliver next-generation platforms for clients.

One of SEI's most significant investments is the SEI Wealth Platform which serves clients of both the Private Banks and Investment Advisor segments. We are adding new clients, processing higher volumes, developing and delivering capabilities important to our markets and scaling operations to improve efficiency.

In the **Private Banks** segment, we continued to achieve momentum with Platform installations as we successfully implemented five new bank clients. The highlight of the year was the Regions Bank implementation, an event that signaled SEI's ability to install and support business-process outsourcing for a large Platform-as-a-Service client. We are also investing in the conversion and service infrastructure of the Platform in order to accept processing for an even

larger Software-as-a-Service client (Wells Fargo Bank). We believe successful installations in both service con“gurations will further galvanize interest in the Platform among large and jumbo wealth management “rms.

The Private Banks segment also delivers investment management programs to banks and other “nancial intermediaries. We made good progress with expanding existing distribution relationships, building a global footprint and delivering new capabilities such as SEI•s new manager research platform.

We made excellent progress in transitioning the business of the Investment Advisor s segment onto the SEI Wealth Platform. In 2017 we continued to transition large groups of clients and are now processing over one-half of SEI•s advisory assets under management on the Platform. We are also focused on assisting advisors with this business transformation and helping them to use the Platform to its full advantage.

The Institutional Investor s segment is pursuing opportunities to take advantage of the growing interest in Outsourced Chief Investment O cer (OCIO) solutions. SEI has been a leading provider in this market for 25 years and we are well positioned to capitalize on this industry trend. We are investing in SEI•s OCIO platform for U.S. markets including DC plans, foundations, endowments, as well as union and public pension plans. In addition, we are focused on growing SEI•s OCIO business in key global markets.

We are making investments in the Investment Manager s segment to expand its o ering and deliver new platforms that are strategically important to the markets we serve, such as SEI•s Regulatory Compliance Platform. We are also investing in platforms to further automate operations, deliver advanced risk and compliance reporting and provide insightful business analytics. Other investments are aimed at entering new and adjacent markets such as the family o ce market.

• We now have a total of 41 Platform relationships, including both new names and current clients transitioning from Trust 3000®, representing a diverse mix of client sizes and types in both the United States and the United Kingdom Ž

PART I

Forward Looking Statements

This Annual Report on Form 10-K contains certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve certain known and unknown risks, uncertainties and other factors, many of which are beyond our control, and are not limited to those discussed in Item 1A, "Risk Factors." All statements that do not relate to historical or current facts are forward-looking statements. These statements may include words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," and other words and terms of similar meaning in connection with any discussion of future operating or financial performance. In particular, these include statements relating to present or anticipated products and markets, future revenues, capital expenditures, dividends, plans, future financing and liquidity, personnel, and other statements regarding matters that are not historical facts or statements of current condition.

Any or all forward-looking statements contained within this Annual Report on Form 10-K may turn out to be wrong. They can be affected by inaccurate assumptions we might make, or by known or unknown risks and uncertainties. Many factors mentioned in the discussion below will be important in determining future results. Consequently, we cannot guarantee any forward-looking statements. Actual future results may vary materially.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. You are advised, however, to consult any further disclosures we make on related subjects in our filings with the U.S. Securities and Exchange Commission ("SEC").

Item 1. Business.

Overview

Now in its 50th year of business, SEI (NASDAQ: SEIC) is a leading global provider of investment processing, investment management and investment operations platforms. We help corporations, financial institutions, financial advisors, institutional investors and ultra-high-net-worth families create and manage wealth by providing comprehensive, innovative, investment and investment-business platforms. As of December 31, 2017, through its subsidiaries and partnerships in which the company has a significant interest, SEI manages, advises or administers $860.6 billion in private equity, mutual fund and pooled or separately managed assets, including $337

The TRUST 3000 platform is a comprehensive trust and investment accounting system that provides securities processing and investment accounting for all types of domestic and global securities and support for multiple account types, including personal trust, corporate trust, institutional trust and non-trust investment accounts. This platform is delivered as Software as a Service (SaaS) or as Platform as a Service (PaaS).

The SEI Wealth Platform provides a global, unified and scalable platform for operating a wealth management business. This comprehensive platform includes investment processing and infrastructure services, and advanced capabilities to support wealth advisory, asset management, and wealth administration functions. The Platform also provides global wealth management capabilities including a 24/7 operating model, global securities processing, and multi-currency accounting and reporting. Built around a client-centric relationship model, the Platform has an open architecture and supports workflow management and straight-through processing.

The Platform is offered in SaaS and PaaS delivery modes. We began delivering the SEI Wealth Platform (PaaS) to private banks and independent wealth advisers in the United Kingdom in 2007, to banks in the United States in 2012, and to investment advisor clients in the United States in 2015. We are currently implementing our first SaaS bank client through a multi-year conversion.

Investment processing revenues are earned as monthly fees for contracted SaaS and PaaS services. Revenues are primarily earned based upon the type and number of investor accounts serviced or as a percentage of the market value of the clients' assets processed. These revenues are recognized in Information processing and software servicing fees on the accompanying Consolidated Statements of Operations.

Professional services revenues are earned from contracted, project-oriented services, including client implementations, and are recognized in Information processing and software servicing fees on the accompanying Consolidated Statements of Operations.

Transaction execution revenues are earned primarily from commissions earned on securities trades executed on behalf of clients through one of our investment processing platforms. These revenues are recognized as Transaction-based and trade execution fees on the accompanying Consolidated Statements of Operations.

Investment Management

SEI's investment management platform consists of investment products including money market, fixed-income and equity mutual funds, collective investment products, alternative investment portfolios and separately managed accounts. Through our wholly owned subsidiaries, we serve as sponsor, administrator, transfer agent, investment advisor, distributor and shareholder servicer for many of these products. We distribute these investment products through investment advisory firms, including investment advisors and banks, and directly to institutional and individual investors.

Investment products are used to formulate an investment strategy tailored to meet the needs of different investors, taking into consideration their objectives and risk tolerances. SEI's clients, or the investors served by client intermediaries, are the investors in these products. Investors typically invest in a globally diversified portfolio that consists of multiple asset classes and investment styles.

We have expanded our investment management platform to include other consultative, operational and technology components, and have created comprehensive solutions tailored to the needs of a specific market. These components may include investment strategies, consulting services, administrative and processing services and technology tools.

As of December 31, 2017, SEI managed $232.0 billion in assets including: $172.6 billion invested in fixed-income and equity funds and separately managed account programs; $49.4 billion invested in collective trust fund programs and $10.0 billion invested in liquidity or money market funds. An additional $105.3 billion in assets is managed by our unconsolidated affiliate LSV, a registered investment advisor that specializes in a value equity management style for their clients.

Investment management revenues are primarily earned as a percentage of net assets under management. These revenues are recognized in Asset management, administration and distribution fees on the accompanying Consolidated Statements of Operations. Our interest in the earnings of LSV is recognized in Equity in earnings of unconsolidated affiliates on the accompanying Consolidated Statements of Operations.

Investment Operations

Investment operations outsourcing platforms consist of accounting and administration services, distribution support services and regulatory and compliance services. We deliver these platforms to investment management firms that offer traditional and alternative products. We support traditional managers who advise a variety of investment products including mutual funds, UCITS schemes, collective investment trusts (CITs), exchange-traded funds (ETFs), institutional accounts and separately managed accounts. We also provide comprehensive platforms to investment managers worldwide that sponsor and distribute alternative investment products such as hedge funds, funds of hedge funds, private equity funds and real estate funds, across both registered and partnership structures.

Accounting and administration services include account and fund administration, investment portfolio and fund accounting; cash administration and treasury services; trade capture, settlement and reconciliation; trustee and custodial services; legal, audit and

tax support; and investor services. Distribution support services may include access to distribution channels and industry analyses to identify specific product distribution opportunities. Risk and compliance services assist clients in meeting requirements in the areas of regulatory reporting, investment compliance, investment risk and performance. These offerings are delivered by utilizing a highly integrated, robust and scalable technology platform that is configured to the specific business needs of our investment manager clients.

As of December 31, 2017, we administered $518.4 billion in client assets for traditional and alternative investment funds, including mutual funds, hedge funds and private equity funds. Revenues from these products are primarily earned as a percentage of net assets under administration.

Revenues for the processing of institutional separate accounts and separately managed accounts are generally earned on the number of investor accounts serviced. Assets associated with this separate account processing are not included in reported assets under administration. Both revenue categories are recognized in Management, administration and distribution fees on the accompanying Consolidated Statements of Operations.

Business Segments

Business segments are generally organized around our client markets. Financial information about each business segment is contained in Note 13 to the Consolidated Financial Statements. Our business segments are:

- Private Banks, which provides outsourced investment processing and investment management platforms to banks and trust institutions, independent wealth advisers and financial advisors worldwide;
- Investment Advisors, which provides investment management and investment processing platforms to independent investors through a network of independent registered investment advisors, financial planners and investment professionals in the United States;
- Institutional Investors, which provides investment management and administrative outsourcing platforms to retirement plan sponsors, healthcare systems and not-for-profit organizations worldwide;
- Investment Managers, which provides investment operations outsourcing platforms to fund companies, banking institutions and both traditional and non-traditional investment managers worldwide; and
- Investments in New Businesses, which focuses on providing investment management programs to ultra-high-net-worth families residing in the United States; developing internet-based investment services and advice platforms; entering new markets; and conducting other research and development activities.

The percentage of consolidated revenue generated by each business segment for the last three years was:

	2017	2016	2015
Private Banks	31%	33%	34%
Investment Advisors	24%	23%	23%
Institutional Investors	21%	22%	22%
Investment Managers	23%	21%	20%
Investments in New Businesses	1%	1%	1%
	100%	100%	100%

Private Banks

We are a leading provider of investment-processing outsourcing platforms for banks and trust institutions, independent wealth advisers and financial advisors worldwide.

We offer more than 3000 investment processing options in both SaaS or PaaS delivery modes. SaaS clients outsource investment processing software services and information processing, but retain responsibility for back-office investment operations. PaaS clients also outsource investment operations, including custody and safekeeping of certain assets, income collection, securities settlement and other back-office accounting activities.

Marketing efforts in this segment are focused on the

option vesting targets and other personnel-related costs. The increase in corporate overhead expenses in 2016 was primarily due to higher salary and other personnel-related costs and expenses associated with ongoing litigation and regulatory activity.

Other income and expense items

Other income and expense items on the accompanying Consolidated Statements of Operations consist of:

Year Ended December 31,	2017	2016	2015
Net gain (loss) from investments	**$ 1,269**	$ 112	$ (456)
Interest and dividend income	**7,057**	4,316	3,358
Interest expense	**(781)**	(531)	(483)
Equity in earnings of unconsolidated affiliates	**152,550**	126,103	137,057
Gain on sale of subsidiary	**—**	2,791	2,791
Total other income and expense items, net	**$ 160,095**	$ 132,791	$ 142,267

Equity in earnings of unconsolidated affiliates

Equity in earnings of unconsolidated affiliates includes our ownership in LSV. The table below presents the revenues and net income of LSV and our proportionate share in LSV's earnings.

Year Ended December 31,	2017	2016	Percent Change	2015	Percent Change
Revenues	**$ 491,872**	$ 399,462	23%	$ 427,653	(7)%
Net income	**392,141**	323,381	21%	352,845	(8)%
SEI's proportionate share in the earnings of LSV	**$ 152,550**	$ 126,103	21%	$ 138,407	(9)%

The increase in our earnings in 2017 was primarily due to higher assets under management from LSV's existing clients due to market appreciation and increased performance fees associated with their investment products; however, our earnings were negatively impacted by increased personnel expenses of LSV. LSV's average assets under management increased $16.1 billion to $96.7 billion during 2017 as compared to $80.6 billion during 2016, an increase of 20 percent.

The decrease in 2016 was primarily due to a reduction in performance fees and increased personnel expenses of LSV. LSV's average assets under management decreased $2.2 billion to $80.6 billion during 2016 as compared to $82.8 billion during 2015, a decrease of three percent.

In April 2016, LSV provided an interest in the partnership to select key employees which reduced the ownership percentage of each existing partner on a pro-rata basis. As a result, our total partnership interest in LSV was reduced from approximately 39.2 percent to approximately 38.9 percent.

Gain on sale of subsidiary

On July 31, 2012, we entered into an agreement to sell all of our ownership interest in SEI AK and completed the sale on March 28, 2013. We recorded gains from the sale of $2.8 million during 2016 and 2015. The gain recorded in 2016 was the result of the final in a series of three annual payments related to the contingent purchase price we received from the sale. These gains are included in Gain on sale of subsidiary on the accompanying Consolidated Statement of Operations (See Note 15 to the Consolidated Financial Statements for more information).

Income Taxes

Our effective tax rate was 27.4 percent for 2017, 34.3 percent for 2016 and 33.7 percent for 2015. Our effective tax rate is affected by recurring items, such as the U.S. federal tax rates and tax rates in various states and foreign jurisdictions and the relative amount of income we earned in those jurisdictions. These amounts have been fairly consistent in prior years. Our effective tax rate is also affected by discrete items that may occur in any given year, but are not consistent from year to year.

Below are the most significant recurring and discrete items (See Note 12 to the Consolidated Financial Statements for more information):

Year Ended December 31,	2017	2016	2015
Statutory rate	**$ 35.0**	$ 35.0	$ 35.0
State taxes, net of federal tax benefit	**1.3**	1.3	1.6
Foreign tax expense and tax rate differential	**(1.1)**	(0.8)	(1.2)
Tax benefit from stock option exercises	**(3.9)**	—	—
Enactment of the Tax Cuts and Jobs Act:			
Re-measurement of deferred tax liability	**(4.9)**	—	—
One-time transition tax on repatriation of foreign earnings and withholding tax	**2.6**	—	—
Research and development tax credit	**(0.9)**	(0.8)	(0.6)
Domestic Production Activities Deduction	**(0.5)**	(0.6)	(0.6)
Settlement of state tax petition	**—**	—	(0.8)
Other, net	**(0.2)**	0.2	0.3
	$ 27.4	$ 34.3	$ 33.7

The decrease in our tax rate for 2017 was primarily due to the adoption of ASU 2016-09 and the estimated impact from the enactment of the Tax Act in December 2017. According to ASU 2016-09, we no longer record excess tax benefits from stock option exercises as an increase to additional paid in capital, but record such excess tax benefits as a reduction of income tax expense in the reporting period in which the exercises occur.

The Tax Act was enacted on December 22, 2017 and included numerous changes to the current tax law including a permanent reduction in the corporate tax rate from 35.0 percent to 21.0 percent, as well as the imposition of a territorial rather than worldwide system which requires a one-time transition tax on the repatriation of previously deferred foreign earnings. Under the Tax Act, the undistributed earnings from our foreign subsidiaries are deemed repatriated. As a result, we determined that a portion of these foreign earnings are no longer indefinitely reinvested and therefore accrued foreign withholding taxes.

The impact of the Tax Act to our 2017 tax rate was a combination of a $27.1 million benefit from the re-measurement of our estimated net deferred tax liability as of December 31, 2017 based upon the new corporate tax rate of 21.0 percent offset by the one-time transition tax expense of $11.5 million relating to the estimated impact of the deemed repatriation and withholding taxes of $3.2 million for our previously undistributed foreign earnings for a net tax benefit of $12.4 million. Under the enactment of the Tax Act, the Domestic Production Activities Deduction will no longer be available to us beginning in 2018. We expect our effective tax rate in 2018, exclusive of the impact of stock option exercises, to be approximately 20.0 percent to 22.0 percent. The increase in our tax rate for 2016 was primarily due to lower foreign income in jurisdictions with lower effective rates and the one-time reduction in 2015 due to a favorable settlement of a state tax petition.

Stock-Based Compensation

During 2017, 2016 and 2015, we recognized approximately $36.4 million, $16.0 million and $17.3 million, respectively, in stock-based compensation expense. All of our stock options have performance-based vesting provisions that tie vesting of the options to our financial performance and do not contain any time-based vesting provisions. The amount of stock-based compensation expense recognized is based upon an estimate of when the earnings per share targets may be achieved. Any change in our estimate could result in the remaining amount of stock-based compensation expense to be accelerated, spread out over a longer period, or reversed. This may cause volatility in the recognition of stock-based compensation expense and materially affect our earnings.

During 2017, we revised the estimate made as of December 31, 2016 of when certain vesting targets were expected to be achieved. This change in estimate resulted in an increase of $11.2 million in stock-based compensation expense in 2017. The change in our estimate resulted from the higher than expected growth in earnings from the market appreciation of our assets under management and administration and the estimated impact from the enactment of the Tax Act in December 2017.

There was approximately $62.1 million of unrecognized compensation cost related to unvested employee stock options at December 31, 2017 and we expect to recognize approximately $20.1 million in stock-based compensation costs in 2018. These amounts do not reflect any estimate of forfeitures or cancellations in future periods. Actual forfeitures and cancellations occurring in a future period will reduce our stock-based compensation expense.

Fair Value Measurements

The fair value of our financial assets and liabilities, except for the investment funds sponsored by LSV, is determined in accordance with the fair value hierarchy. The fair value of the investment funds sponsored by LSV is measured using the net asset value per share

(NAV) as a practical expedient. The fair value of all other financial assets are determined using Level 1 or Level 2 inputs and consist mainly of investments in equity or fixed-income mutual funds that are quoted daily and Government National Mortgage Association (GNMA) and other U.S. government agency securities that are single issuer pools that are valued based on current market data of similar assets. We did not have any financial liabilities at December 31, 2017 or 2016 that were required to be measured at fair value on a recurring basis (See Note 5 to the Notes to Consolidated Financial Statements for more information).

Regulatory Matters

Like many firms operating within the financial services industry, we are experiencing a difficult regulatory environment across our markets. Our current scale and reach as a provider to the financial services industry, the introduction and implementation of new solutions for our financial services industry clients, the increased regulatory oversight of the financial services industry generally, new laws and regulations affecting the financial services industry and ever-changing regulatory interpretations of existing laws and regulations, and a greater propensity of regulators to pursue enforcement actions and other sanctions against regulated entities, have made this an increasingly challenging and costly regulatory environment in which to operate.

SEI and some of our regulated subsidiaries have undergone or been scheduled to undergo a range of periodic or thematic reviews, examinations or investigations by numerous regulatory authorities around the world, including the Office of the Comptroller of the Currency, the Securities and Exchange Commission, the Financial Industry Regulatory Authority, the Financial Conduct Authority of the United Kingdom (FCA), the Central Bank of Ireland and others. These regulatory activities typically result in the identification of matters or practices to be addressed by us or our subsidiaries and, in certain circumstances, the regulatory authorities require remediation activities or pursue enforcement proceedings against us or our subsidiaries. As described under the caption "Regulatory Considerations" in Item 1 of this report, the range of possible sanctions that are available to regulatory authorities include limitations on our ability to engage in business for specified periods of time, the revocation of registration, censures and fines. The direct and indirect costs of responding to these regulatory activities and of complying with new or modified regulations, as well as the potential financial costs and potential reputational impact against us of any enforcement proceedings that might result, is uncertain but could have a material adverse impact on our operating results or financial position.

Acquisition of Archway

On July 3, 2017, we acquired Archway, a provider of operating technologies and services to the family office industry, for $81.6 million in cash consideration with up to an additional $8.0 million payable to the seller as a contingent purchase price with respect to two one-year periods ending December 31, 2017 and 2018 depending upon whether Archway achieves specified financial measures during such periods. The results of operations of Archway and any adjustments related to the acquisition are included in the Investment Managers business segment (See Note 16 to the Notes to Consolidated Financial Statements).

Liquidity and Capital Resources

Year Ended December 31,	2017	2016	2015
Net cash provided by operating activities	**$ 459,898**	$ 434,220	$ 407,516
Net cash used in investing activities	**(172,302)**	(79,585)	(78,015)
Net cash used in financing activities	**(253,633)**	(328,672)	(305,861)
Effect of exchange rate changes on cash and cash equivalents	**14,583**	(9,923)	(11,425)
Net increase in cash and cash equivalents	**48,546**	16,040	12,215
Cash and cash equivalents, beginning of year	**695,701**	679,661	667,446
Cash and cash equivalents, end of year	**$ 744,247**	$ 695,701	$ 679,661

Cash requirements and liquidity needs are primarily funded through our cash flow from operations and our capacity for additional borrowing. At December 31, 2017, our unused sources of liquidity consisted of our cash and cash equivalents and the amount available under our credit facility.

Our credit facility provides for borrowings of up to $300.0 million and is scheduled to expire in June 2021 (See Note 7 to the Consolidated Financial Statements). The availability of the credit facility is subject to compliance with certain covenants set forth in the agreement. The credit facility contains covenants which restrict our ability to engage in mergers, consolidations, asset sales, investments, transactions with affiliates, or to incur liens, as defined in the agreement. In the event of a default under the credit facility, we would also be restricted from paying dividends on, or repurchasing our common stock. Currently, our ability to borrow from the credit facility is not limited by any covenant of the agreement. In July 2017, we borrowed $40.0 million under the credit facility for the acquisition of Archway (See Note 16 to the Consolidated Financial Statements). We made principal payments of $10.0 million each in the months of October 2017 and January 2018. As of January 31, 2018, the amount of the credit facility available for corporate purposes was $280.0 million.

The majority of our excess cash reserves are primarily placed in accounts located in the United States that invest in SEI-sponsored money market mutual funds denominated in the U.S. dollar. We also utilize demand deposit accounts or money market accounts at several well-established financial institutions located in the United States. Accounts used to manage these excess cash reserves do not impose any restrictions or limitations that would prevent us from being able to access such cash amounts immediately. As of January 31, 2018, the amount of cash and cash equivalents considered free and immediately accessible for other general corporate purposes was $227.9 million.

Our cash and cash equivalents include accounts managed by our subsidiaries that are used in their operations or to cover specific business and regulatory requirements. The availability of this cash for other purposes beyond the operations of these subsidiaries may be limited. We therefore do not include accounts of our foreign subsidiaries in our calculation of free and immediately accessible cash for other general corporate purposes. With the enactment of the Tax Act, a portion of the undistributed earnings of our foreign subsidiaries are deemed repatriated and we have accrued the estimated one-time transition tax under this legislation in 2017. Any subsequent transfer of available cash related to the repatriated earnings of our foreign subsidiaries could significantly increase our free and immediately accessible cash.

Cash flows from operations increased $25.7 million in 2017 compared to 2016 primarily from the increase in our net income, higher distributions payments received from our unconsolidated affiliate, LSV and non-cash items such as the increase in stock-based compensation expense. The increase was partially offset by the net change in our working capital accounts, mainly receivables. The increase in cash flows from operations in 2017 was also partially offset by the retrospective reclassification of excess tax benefits recognized on stock-based compensation expense. Cash flows from operations increased $26.7 million in 2016 compared to 2015 primarily from net change in our working capital accounts, mainly receivables. The increase was partially offset by lower distribution payments received from LSV.

Net cash used in investing activities includes:

- Cash paid for acquisition, net of cash acquired. We completed the acquisition of Archway in July 2017. The purchase price paid included $81.6 million in cash consideration; however, we acquired $1.4 million in cash during the transaction for a net cash payment of $80.2 million (See Note 16 to the Consolidated Financial Statements).
- Purchases, sales and maturities of marketable securities. Our purchases, sales and maturities of marketable securities during 2017, 2016 and 2015 were as follows:

Year Ended December 31,	2017	2016	2015
Purchases	**$ (69,525)**	$ (73,193)	$ (52,538)
Sales and maturities	**65,830**	69,293	46,312
Net investing activities from marketable securities	**$ (3,695)**	$ (3,900)	$ (6,226)

  Marketable securities purchased generally consisted of investments in short-term U.S. government agency securities through SIDCO's cash management program, additional GNMA securities to satisfy applicable regulatory requirements of SPTC and investments for the start-up of new investment products. Proceeds received from sales and maturities primarily included maturities of short-term securities owned by SIDCO and sales and principal prepayments related to the GNMA securities owned by SPTC.
- The capitalization of costs incurred in developing computer software. We capitalized $61.0 million, $50.4 million and $29.4 million of software development costs in 2017, 2016 and 2015, respectively. Amounts capitalized primarily include costs for significant enhancements and upgrades for the expanded functionality of the SEI Wealth Platform. Our capitalized software amounts also include $9.7 million, $10.6 million and $4.9 million in 2017, 2016 and 2015, respectively, for new technological capabilities for the Investment Managers segment. We expect this new technology to be placed into service during the first quarter of 2018 with an estimated useful life of five to seven years.
- Capital expenditures. Our capital expenditures in 2017, 2016 and 2015 primarily include purchased software and equipment for our data center operations. Our expenditures in 2016 also include software and equipment for a new U.S. disaster recovery site. Our expenditures in 2015 include $13.8 million to relocate our London operations to a new facility. In 2018, we intend to expand our corporate headquarters. Cash outlays during 2018 for the expansion are estimated to range from approximately $12.0 million to $15.0 million. This phase of the expansion is currently estimated to be completed in late 2019.
- Receipt of contingent payment from sale of SEI AK. The sale of SEI AK was completed during the first quarter of 2013. We received cash of $2.8 million during 2016 and 2015 resulting from annual payments related to the contingent purchase price from the sale. The cash received in 2016 was the final payment in the series of annual payments. Additional information pertaining to the sale is presented in Note 15 to the Consolidated Financial Statements.

Net cash used in financing activities includes:

- Borrowings and principal repayments on revolving credit facility. In July 2017, we borrowed $40.0 million for the funding of the acquisition of Archway. We made principal payments of $10.0 million each during October 2017 and January 2018 and intend to repay the entire outstanding balance during 2018 (See Note 7 to the Consolidated Financial Statements).
- The repurchase of our common stock. Our Board of Directors has authorized the repurchase of our common stock through multiple authorizations. Currently, there is no expiration date for our common stock repurchase program. The following table lists information regarding repurchases of our common stock during 2017, 2016 and 2015:

Year	Total Number of Shares Repurchased	Average Price Paid per Share	Total Cost
2017	**4,403,000**	**$ 56.36**	**$ 248,114**
2016	6,600,000	44.60	294,374
2015	5,951,000	48.66	289,587

- Proceeds from the issuance of our common stock. We received $53.6 million, $48.3 million and $65.5 million in proceeds from the issuance of our common stock during 2017, 2016 and 2015, respectively. The proceeds we receive from the issuance of our common stock is directly attributable to the levels of stock option exercise activity.
- Dividend payments. Our cash dividends paid during 2017, 2016 and 2015 were as follows:

Year	Cash Dividends Paid	Cash Dividends Paid per Share
2017	**$ 88,862**	**$ 0.56**
2016	84,686	0.52
2015	80,030	0.48

Our Board of Directors declared a semi-annual cash dividend of $0.30 per share on December 12, 2017. The dividend was paid on January 8, 2018 for a total of $47.2 million.

We believe our operating cash flow, available borrowing capacity, and existing cash and cash equivalents should provide adequate funds for ongoing operations; continued investment in new products and equipment; our common stock repurchase program and future dividend payments.

Significant Arrangement

On October 1, 2012, we provided an unsecured guaranty of the obligations of LSV Employee Group III to CIBC Bank USA (formerly The PrivateBank and Trust Company) and certain other lenders. We entered into this agreement in order to facilitate the acquisition of certain partnership interests of LSV by LSV Employee Group III. In June 2017, LSV Employee Group III made the final principal payment and, therefore, the Company has no further obligation regarding the agreement. Additional information pertaining to the agreement is presented in Note 2 to the Consolidated Financial Statements.

Contractual Obligations and Contingent Obligations

As of December 31, 2017, the Company is obligated to make payments in connection with its lines of credit, operating leases, maintenance contracts and other commitments in the amounts listed below. The Company has no unrecorded obligations other than the items noted in the following table:

	Total	2018	2019	2020 to 2021	2022 and thereafter
Line of credit (a)	$ 34,266	$ 1,231	$ 1,231	$ 31,804	$ —
Operating leases and maintenance agreements (b)	63,139	10,046	9,427	14,495	29,171
Other commitments (c)	14,819	4,190	904	1,808	7,917
Total	$ 112,224	$ 15,467	$ 11,562	$ 48,107	$ 37,088

(a) Amounts include estimated interest charges, commitment fees and the outstanding balance of our credit facility. Our credit facility is scheduled to expire in 2021. See Note 7 to the Consolidated Financial Statements.

(b) See Note 11 to the Consolidated Financial Statements.

(c) Amounts include the portion of uncertain tax liabilities classified as a current liability and the estimated tax impact of the deemed repatriation of our previously undistributed foreign earnings associated with the Tax Act. The actual cash payment associated with these commitments may differ. See Note 12 to the Consolidated Financial Statements.

Critical Accounting Policies

The accompanying consolidated financial statements and supplementary information were prepared in accordance with accounting principles generally accepted in the United States. Our significant accounting policies are discussed in Note 1 to the Consolidated Financial Statements. Inherent in the application of many of these accounting policies is the need for management to make estimates and judgments in the determination of certain revenues, expenses, assets and liabilities. Materially different financial results can occur as circumstances change and additional information becomes known. We believe that the following accounting policies require extensive judgment by our management to determine the recognition and timing of amounts recorded in our financial statements.

Revenue Recognition:

Revenues are recognized in the periods in which the related services are performed provided that persuasive evidence of an agreement exists, the fee is fixed or determinable, and collectibility is reasonably assured. Cash received by us in advance of the performance of services is deferred and recognized as revenue when earned. Our principal sources of revenues are: (1) asset management, administration and distribution fees calculated as a percentage of the total average daily net assets under management or administration; (2) information processing and software servicing fees that are either recurring and primarily earned based upon the number of trust accounts being serviced or a percentage of the total average daily market value of our clients' assets processed on our platforms, or non-recurring and based upon project-oriented contractual agreements related to client implementations; and (3) transaction-based fees for providing trade-execution services.

Our revenues are based on contractual arrangements. Certain portions of our revenues require management's consideration of the nature of the client relationship in determining whether to recognize as revenue the gross amount billed or net amount retained after payments are made to vendors for certain services related to the product or service offering. For the majority of our services, we are the primary obligor responsible for fulfilling the performance obligations of the contract. In addition, we retain full discretion in establishing the price charged to the customer, control the nature, type, characteristics or specifications of the performance obligations identified in the contract, and assume all credit risk associated with the client. Based on the foregoing, fees received from our clients for these services are recorded as gross revenues and vendor costs are recorded as gross expenses. However, we are also party to certain arrangements whereby we are not the primary obligor responsible for fulfilling the performance obligations of the contract. Fees received for those arrangements are reported net of costs associated with the provision of those services.

Computer Software Development Costs:

We utilize internally developed computer software as part of our product offerings. In the development of a new software product, substantial consideration must be given by management to determine whether costs incurred are research and development costs, or internal software development costs eligible for capitalization. Management must consider a number of different factors during their evaluation of each computer software development project that includes estimates and assumptions. Costs considered to be research and development are expensed as incurred. After meeting specific requirements, internal software development costs are capitalized as incurred. The capitalization and ongoing assessment of recoverability of software development costs requires considerable judgment by management with respect to certain external factors, including, but not limited to, technological and economic feasibility, and estimated economic life. Amortization of capitalized software development costs begins when the product is ready for its intended use. Capitalized software development costs are amortized on a project basis using the straight-line method over the estimated economic life of the product or enhancement.

We evaluate the carrying value of our capitalized software when circumstances indicate the carrying value may not be recoverable. The review of capitalized software for impairment requires significant assumptions about operating strategies, underlying technologies utilized, and external market factors. Our capitalized software was developed using mainstream technologies that are industry standards and are based on technology developed by multiple vendors that are significant industry leaders. External market factors include, but are not limited to, expected levels of competition, barriers to entry by potential competitors, stability in the target market and governmental regulations.

Income Tax Accounting:

We use the asset and liability method of accounting for income taxes. Under this method, income tax expense is recognized for the amount of taxes payable or refundable for the current year. In addition, deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating losses and tax credit carryforwards. Management must make assumptions, judgments and estimates to determine our current provision for income taxes and also our deferred tax assets and liabilities and any valuation allowance to be recorded against a deferred tax asset.

Our assumptions, judgments and estimates relative to the current provision for income taxes take into account current tax laws, our interpretation of current tax laws and possible outcomes of current and future audits conducted by foreign and domestic tax authorities. We have established reserves for income taxes to address potential exposures involving tax positions that could be

challenged by tax authorities. Although we believe our assumptions, judgments and estimates are reasonable, changes in tax laws or our interpretation of tax laws and the resolution of any future tax audits could significantly impact the amounts provided for income taxes in our consolidated financial statements.

Our assumptions, judgments and estimates relative to the value of a deferred tax asset take into account predictions of the amount and category of future taxable income, such as income from operations or capital gains income. Actual operating results and the underlying amount and category of income in future years could render our current assumptions, judgments and estimates of recoverable net deferred taxes inaccurate. Any of the assumptions, judgments and estimates mentioned above could cause our actual income tax obligations to differ from our estimates, thus materially impacting our financial position and results of operations.

Stock-Based Compensation:

Stock-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense over the requisite service period, which is the vesting period. We currently use the Black-Scholes option pricing model to determine the fair value of stock options. The determination of the fair value of stock-based payment awards on the date of grant using an option-pricing model is affected by our stock price as well as various other assumptions. These assumptions include our expected stock price volatility over the term of the awards, actual and projected employee stock option exercise behaviors, risk-free interest rate and expected dividends. We account for forfeitures as they occur. The amount of stock-based compensation expense that is recognized in a given period is dependent upon management's estimate of when the earnings per share targets are expected to be achieved. If this estimate proves to be inaccurate, the remaining amount of stock-based compensation expense could be accelerated, spread out over a longer period, or reversed. We currently base our expectations for these assumptions from historical data and other applicable factors. These expectations are subject to change in future periods.

The assessment of critical accounting policies is not meant to be an all-inclusive discussion of the uncertainties to financial results that can occur from the application of the full range of our accounting policies. Materially different financial results could occur in the application of other accounting policies as well. Also, materially different results can occur upon the adoption of new accounting standards.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Information required by this item is set forth under the captions "Our revenues and earnings are affected by changes in capital markets" and "Changes in interest rates may affect the value of our fixed-income investment securities" in Item 1A "Risk Factors" and under the caption "Sensitivity of our revenues and earnings to capital market fluctuations" in Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Item 8. Financial Statements and Supplementary Data.

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All other schedules are omitted because they are not applicable, or not required, or because the required information is included in the Consolidated Financial Statements or notes thereto.

Report of Independent Registered Public Accounting Firm

To the stockholders and board of directors
SEI Investments Company:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of SEI Investments Company and subsidiaries (the Company) as of December 31, 2017 and 2016, the related consolidated statements of operations, comprehensive income, changes in equity, and cash flows for each of the years in the three year period ended December 31, 2017, and the related notes and financial statement Schedule II referred to in Item 15(2) of this Form 10-K (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the years in the three year period ended December 31, 2017, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 22, 2018 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Change in Accounting Principle

As discussed in Note 1 to the consolidated financial statements, the Company has changed its method of accounting for stock-based compensation in 2017 due to the adoption of Accounting Standards Update 2016-09, Improvements to Employee Share-Based Payment Accounting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ **KPMG LLP**

We have served as the Company's auditor since 2014.

Philadelphia, Pennsylvania
February 22, 2018

Report of Independent Registered Public Accounting Firm

To the stockholders and board of directors
SEI Investments Company:

Opinion on Internal Control Over Financial Reporting

We have audited SEI Investments Company and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2017 and 2016, the related consolidated statements of operations, comprehensive income, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2017, and the related notes and financial statement Schedule II referred to in Item 15(2) of this Form 10-K (collectively, the consolidated financial statements), and our report dated February 22, 2018 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting (Item 9A). Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ **KPMG LLP**

Philadelphia, Pennsylvania
February 22, 2018

Consolidated Balance Sheets

SEI Investments Company and Subsidiaries

(In thousands)

	December 31,	2017	2016
Assets	**Current Assets:**		
	Cash and cash equivalents	**$ 744,247**	$ 695,701
	Restricted cash	**3,505**	3,500
	Receivables from investment products	**56,666**	61,761
	Receivables, net of allowance for doubtful accounts of $695 and $523	**282,706**	227,957
	Securities owned	**21,526**	21,339
	Other current assets	**31,158**	27,575
	Total Current Assets	**1,139,808**	1,037,833
	Property and Equipment, net of accumulated depreciation of $309,955 and $285,322	**146,428**	146,190
	Capitalized Software, net of accumulated amortization of $350,045 and $303,540	**310,405**	295,867
	Investments Available for Sale	**87,983**	84,033
	Investments in Affiliated Funds, at fair value	**6,034**	4,858
	Investment in Unconsolidated Affiliates	**59,492**	50,459
	Goodwill	**52,990**	—
	Intangible Assets, net of accumulated amortization of $1,552	**28,578**	—
	Deferred Income Taxes	**2,767**	2,127
	Other Assets, net	**18,884**	15,456
	Total Assets	**$ 1,853,369**	$ 1,636,823

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Balance Sheets

SEI Investments Company and Subsidiaries

(In thousands)

	December 31,	2017	2016
Liabilities and Equity	**Current Liabilities:**		
	Accounts payable	**$ 5,268**	$ 5,966
	Accrued liabilities	**265,058**	240,525
	Deferred revenue	**4,723**	2,880
	Total Current Liabilities	**275,049**	249,371
	Borrowings Under Revolving Credit Facility	**30,000**	—
	Long-term Income Taxes Payable	**10,629**	—
	Deferred Income Taxes	**48,472**	69,693
	Other Long-term Liabilities	**12,380**	14,645
	Total Liabilities	**376,530**	333,709
	Commitments and Contingencies		
	Shareholders' Equity:		
	Series Preferred stock, $.05 par value, 50 shares authorized; no shares issued and outstanding	**—**	—
	Common stock, $.01 par value, 750,000 shares authorized; 157,069 and 159,031 shares issued and outstanding	**1,571**	1,590
	Capital in excess of par value	**1,027,709**	955,461
	Retained earnings	**467,467**	384,018
	Accumulated other comprehensive loss, net	**(19,908)**	(37,955)
	Total Shareholders' Equity	**1,476,839**	1,303,114
	Total Liabilities and Equity	**$ 1,853,369**	$ 1,636,823

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Operations

SEI Investments Company and Subsidiaries

(In thousands, except per-share data)

Year Ended December 31,	2017	2016	2015
Revenues:			
Asset management, administration and distribution fees	**$ 1,180,789**	$ 1,072,176	$ 1,010,511
Information processing and software servicing fees	**321,741**	300,346	290,893
Transaction-based and trade execution fees	**24,022**	29,023	32,804
Total revenues	**1,526,552**	1,401,545	1,334,208
Expenses:			
Subadvisory, distribution and other asset management costs	**179,181**	170,961	160,062
Software royalties and other information processing costs	**31,275**	30,323	31,497
Brokerage commissions	**17,845**	22,152	24,388
Compensation, benefits and other personnel	**458,737**	414,622	395,774
Stock-based compensation	**36,366**	16,017	17,312
Consulting, outsourcing and professional fees	**186,357**	166,769	146,436
Data processing and computer related	**71,909**	64,930	58,884
Facilities, supplies and other costs	**72,352**	68,245	74,968
Amortization	**48,275**	45,392	42,630
Depreciation	**27,311**	26,440	24,044
Total expenses	**1,129,608**	1,025,851	975,995
Income from operations	**396,944**	375,694	358,213
Net gain (loss) from investments	**1,269**	112	(456)
Interest and dividend income	**7,057**	4,316	3,358
Interest expense	**(781)**	(531)	(483)
Equity in earnings of unconsolidated affiliates	**152,550**	126,103	137,057
Gain on sale of subsidiary	**—**	2,791	2,791
Income before income taxes	**557,039**	508,485	500,480
Income taxes	**152,650**	174,668	168,825
Net income	**$ 404,389**	$ 333,817	$ 331,655
Basic earnings per common share	**$ 2.56**	$ 2.07	$ 2.00
Shares used to compute basic earnings per share	**158,177**	161,350	165,725
Diluted earnings per common share	**$ 2.49**	$ 2.03	$ 1.96
Shares used to compute diluted earnings per share	**162,269**	164,431	169,598
Dividends declared per common share	**$ 0.58**	$ 0.54	$ 0.50

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Comprehensive Income SEI Investments Company and Subsidiaries

(In thousands)

Year Ended December 31,	2017	2016	2015
Net income	**$ 404,389**	$ 333,817	$ 331,655
Other comprehensive gain (loss), net of tax:			
Foreign currency translation adjustments	**17,597**	(12,131)	(14,900)
Unrealized holding gain (loss) on investments:			
Unrealized holding gains (losses) during the period, net of income taxes of $1, $457 and $822	**190**	(918)	(1,659)
Less: reclassification adjustment for losses realized in net income, net of income taxes of $(99), $(201) and $(76)	**260**	384	164
Total other comprehensive gain (loss), net of taxes	**18,047**	(12,665)	(16,395)
Comprehensive income	**$ 422,436**	$ 321,152	$ 315,260

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Changes in Equity

SEI Investments Company and Subsidiaries

(In thousands, except per-share data)

Year Ended December 31,	2017	2016	2015
Shares of Common Stock			
Beginning balance	**159,031**	163,733	166,688
Purchase and retirement of common stock	**(4,403)**	(6,600)	(5,951)
Issuance of common stock under the employee stock purchase plan	**71**	88	69
Issuance of common stock upon exercise of stock options	**2,370**	1,810	2,927
Ending balance	**157,069**	159,031	163,733
Common Stock			
Beginning balance	**$ 1,590**	$ 1,637	$ 1,667
Purchase and retirement of common stock	**(44)**	(66)	(60)
Issuance of common stock under the employee stock purchase plan	**1**	1	1
Issuance of common stock upon exercise of stock options	**24**	18	29
Ending balance	**$ 1,571**	$ 1,590	$ 1,637
Capital In Excess of Par Value			
Beginning balance	**$ 955,461**	$ 910,513	$ 834,615
Cumulative effect upon adoption of ASU 2016-09	**2,582**	—	—
Purchase and retirement of common stock	**(20,243)**	(28,306)	(22,984)
Issuance of common stock under the employee stock purchase plan	**3,280**	3,357	2,798
Issuance of common stock upon exercise of stock options	**50,263**	44,896	62,716
Stock-based compensation	**36,366**	16,017	17,312
Tax benefit on stock options exercised	**—**	8,984	16,056
Ending balance	**$ 1,027,709**	$ 955,461	$ 910,513
Retained Earnings			
Beginning balance	**$ 384,018**	$ 402,860	$ 420,226
Cumulative effect upon adoption of ASU 2016-09	**(1,669)**	—	—
Net income	**404,389**	333,817	331,655
Purchase and retirement of common stock	**(227,827)**	(266,002)	(266,543)
Dividends declared ($0.58, $0.54 and $0.50 per share)	**(91,444)**	(86,657)	(82,478)
Ending balance	**$ 467,467**	$ 384,018	$ 402,860
Accumulated Other Comprehensive (Loss) Income			
Beginning balance	**$ (37,955)**	$ (25,290)	$ (8,895)
Other comprehensive gain (loss)	**18,047**	(12,665)	(16,395)
Ending balance	**$ (19,908)**	$ (37,955)	$ (25,290)
Total Equity	**$ 1,476,839**	$ 1,303,114	$ 1,289,720

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows

SEI Investments Company and Subsidiaries

(In thousands)

Year Ended December 31,	2017	2016	2015
Cash flows from operating activities:			
Net income	**$ 404,389**	$ 333,817	$ 331,655
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	**27,311**	26,440	24,044
Amortization	**48,275**	45,392	42,630
Equity in earnings of unconsolidated affiliates	**(152,550)**	(126,103)	(137,057)
Distributions received from unconsolidated affiliate	**143,517**	125,224	141,767
Stock-based compensation	**36,366**	16,017	17,312
Provision for losses on receivables	**172**	(126)	(135)
Deferred income tax expense	**(21,046)**	4,794	(1,394)
Gain from sale of SEI AK	**—**	(2,791)	(2,791)
Net (gain) loss from investments	**(1,269)**	(112)	456
Tax benefit on stock options exercised	**—**	8,984	16,056
Change in long-term taxes payable	**10,629**	—	—
Change in other long-term liabilities	**(2,265)**	3,248	1,070
Change in other assets	**(1,489)**	(1,917)	783
Write off of capitalized and purchased software	**—**	—	6,055
Other	**(2,191)**	390	(2,440)
Change in current assets and liabilities:			
Decrease (increase) in:			
Receivables from investment products	**5,095**	(13,663)	295
Receivables	**(52,726)**	(4,807)	(28,469)
Other current assets	**(3,583)**	(1,368)	(8,014)
Increase (decrease) in:			
Accounts payable	**(909)**	1,455	(5,441)
Accrued liabilities	**20,992**	18,851	10,498
Deferred revenue	**1,180**	495	636
Total adjustments	**55,509**	100,403	75,861
Net cash provided by operating activities	**$ 459,898**	$ 434,220	$ 407,516

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows

SEI Investments Company and Subsidiaries

(In thousands)

Year Ended December 31,	2017	2016	2015
Cash flows from investing activities:			
Decrease in restricted cash	**—**	2,000	301
Additions to property and equipment	**(25,525)**	(31,397)	(44,465)
Additions to capitalized software	**(61,043)**	(50,392)	(29,416)
Purchases of marketable securities	**(69,525)**	(73,193)	(52,538)
Prepayments and maturities of marketable securities	**65,830**	54,141	38,551
Sales of marketable securities	**—**	15,152	7,761
Cash paid for acquisition, net of cash acquired	**(80,234)**	—	—
Receipt of contingent payment from sale of SEI AK	**—**	2,791	2,791
Other investing activities	**(1,805)**	1,313	(1,000)
Net cash used in investing activities	**(172,302)**	(79,585)	(78,015)
Cash flows from financing activities:			
Borrowings under revolving credit facility	**40,000**	—	—
Repayments under revolving credit facility	**(10,000)**	—	—
Purchase and retirement of common stock	**(248,339)**	(292,258)	(291,374)
Proceeds from issuance of common stock	**53,568**	48,272	65,543
Payment of dividends	**(88,862)**	(84,686)	(80,030)
Net cash used in financing activities	**(253,633)**	(328,672)	(305,861)
Effect of exchange rate changes on cash and cash equivalents	**14,583**	(9,923)	(11,425)
Net increase in cash and cash equivalents	**48,546**	16,040	12,215
Cash and cash equivalents, beginning of year	**695,701**	679,661	667,446
Cash and cash equivalents, end of year	**$ 744,247**	$ 695,701	$ 679,661
Interest paid	**$ 699**	$ 531	$ 460
Income taxes paid	**$ 165,049**	$ 157,255	$ 159,605
Non-cash financing activities			
Dividends declared but not paid	**$ 47,179**	$ 44,596	$ 42,625

The accompanying notes are an integral part of these consolidated financial statements.

(all figures are in thousands except share and per-share data)

Note 1 — Summary of Significant Accounting Policies

Nature of Operations

SEI Investments Company (the Company), a Pennsylvania corporation, provides investment processing, investment management, and investment operations platforms to financial institutions, financial advisors, institutional investors, investment managers and ultra-high-net-worth families in the United States, Canada, the United Kingdom, continental Europe and other various locations throughout the world. Investment processing platforms consist of application and business process outsourcing services, professional services and transaction-based services. Revenues from investment processing platforms are recognized in Information processing and software servicing fees on the accompanying Consolidated Statements of Operations, except for fees earned associated with trade execution services.

Investment management programs consist of mutual funds, alternative investments and separate accounts. These include a series of money market, equity, fixed-income and alternative investment portfolios, primarily in the form of registered investment companies. The Company serves as the administrator and investment advisor for many of these products. Revenues from investment management programs are recognized in Asset management, administration and distribution fees on the accompanying Consolidated Statements of Operations.

Investment operations platforms offer investment managers support for traditional investment products such as mutual funds, collective investment trusts, exchange-traded funds, and institutional and separate accounts, by providing outsourcing services including fund and investment accounting, administration, reconciliation, investor servicing and client reporting. These platforms also provide support to managers focused on alternative investments who manage hedge funds, funds of hedge funds, private equity funds and real estate funds, across registered, partnership and separate account structures domiciled in the United States and overseas. Revenues from investment operations platforms are recognized in Asset management, administration and distribution fees on the accompanying Consolidated Statements of Operations.

Principles of Consolidation

The Consolidated Financial Statements include the accounts of the Company and its wholly-owned subsidiaries and entities in which it holds a controlling financial interest. The Company determines whether it has a controlling financial interest either by its decision-making ability through voting interests or by the extent of the Company's participation in the economic risks and rewards of the entity through variable interests. The Company's principal subsidiaries are SEI Investments Distribution Co. (SIDCO), SEI Investments Management Corporation (SIMC), SEI Private Trust Company (SPTC), SEI Trust Company (STC), SEI Global Services, Inc. (SGSI) and SEI Investments (Europe) Limited (SIEL). All intercompany accounts and transactions have been eliminated.

The Company accounts for investments in unconsolidated entities that are 20 percent to 50 percent owned or are 20 percent or less owned and have the ability to exercise significant influence over the operating and financial policies of the entity under the equity method of accounting. Under this method of accounting, the Company's interest in the net assets of unconsolidated entities is reflected in Investment in unconsolidated affiliates on the accompanying Consolidated Balance Sheet and its interest in the earnings or losses of unconsolidated entities is reflected in Equity in earnings of unconsolidated affiliates on the accompanying Consolidated Statement of Operations.

Variable Interest Entities

The Company has involvement with various variable interest entities (VIE or VIEs) primarily co-sponsored investment products established for clients created in the form of various types of legal entity structures. Effective January 1, 2016, the Company adopted the amendments contained in Accounting Standards Update (ASU) No. 2015-02, Consolidation (Topic 810): Amendments to the Consolidation Analysis (ASU 2015-02) which amends the current guidance for both the VIE and the voting interest entity (VOE) consolidation models. This guidance rescinds the indefinite deferral of the VIE guidance for investment companies that permitted application of the risks and rewards based approach. The adoption of ASU 2015-02 did not have any affect on the consolidated financial statements and related disclosures (See Note 3).

Management's Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States (U.S. GAAP) 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.

Revenue Recognition

The Company's principal sources of revenues are: (1) asset management, administration and distribution fees earned based upon a contractual percentage of net assets under management or administration; (2) information processing and software servicing fees that are either recurring and primarily earned based upon the number of trust accounts being serviced or a percentage of the total average daily market value of the clients' assets processed on the Company's platforms, or non-recurring and based upon project-oriented contractual agreements related to client implementations; and (3) transaction-based fees for providing trade-execution services.

The Company's revenues are based on contractual arrangements. Revenues are recognized in the periods in which the related services are performed provided that persuasive evidence of an agreement exists, the fee is fixed or determinable, and collectibility is reasonably assured. Cash received by the Company in advance of the performance of services is deferred and recognized as revenue when earned. Reimbursements received for out-of-pocket expenses incurred are recorded as revenue. Certain portions of the Company's revenues require management's consideration of the nature of the client relationship in determining whether to recognize as revenue the gross amount billed or net amount retained after payments are made to suppliers for certain services related to the product or service offering. For the majority of the Company's services, the Company is the primary obligor responsible for fulfilling the performance obligations of the contract. In addition, management retains full discretion in establishing the price charged to the customer, control the nature, type, characteristics or specifications of the performance obligations identified in the contract, and assume all credit risk associated with the client. Based on the foregoing, fees received by the Company for these services are recorded as gross revenues and vendor costs are recorded as gross expenses. However, the Company is also party to certain arrangements whereby the Company is not the primary obligor responsible for fulfilling the performance obligations of the contract. Fees received for those arrangements are reported net of costs associated with the provision of those services.

Cash and Cash Equivalents

The Company considers investment instruments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents include $401,292 and $374,760 at December 31, 2017 and 2016, respectively, primarily invested in SEI-sponsored open-ended money market mutual funds. The SEI-sponsored mutual funds are considered Level 1 assets.

Restricted Cash

Restricted cash includes $3,000 at December 31, 2017 and 2016 segregated for regulatory purposes related to trade-execution services conducted by SIEL. Restricted cash also includes $505 and $500 at December 31, 2017 and 2016, respectively, segregated in special reserve accounts for the benefit of SIDCO customers in accordance with certain rules established by the Securities and Exchange Commission for broker-dealers.

Allowances for Doubtful Accounts

The Company provides an allowance for doubtful accounts equal to the estimated uncollectible amounts. The Company's estimate is based on historical collection experience and a review of the current status of trade accounts receivable.

Concentration of Credit Risk

Financial instruments which potentially expose the Company to concentrations of credit risk consist primarily of cash equivalents and trade receivables. Cash equivalents are principally invested in short-term money market funds or placed with major banks and high-credit qualified financial institutions. Cash deposits maintained with institutions are in excess of federally insured limits. Concentrations of credit risk with respect to the Company's receivables are limited due to the large number of clients and their dispersion across geographic areas. No single group or customer represents greater than ten percent of total accounts receivable.

Property and Equipment

Property and Equipment are recorded at cost. Expenditures for major additions and improvements are capitalized and minor replacements, maintenance, and repairs are charged to expense as incurred. Construction in progress includes the cost of construction and other direct costs attributable to the construction. When property and equipment are retired or disposed of, the related cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the results of operations for the respective period. Depreciation is provided over the estimated useful lives using the straight line method for financial statement purposes. No provision for depreciation is made for construction in progress until such time as the relevant assets are completed and put into service. The Company uses other depreciation methods, generally accelerated, for tax purposes where appropriate. Buildings and building improvements are depreciated over 25 to 39 years. Equipment, purchased software and furniture and fixtures have useful lives ranging from 3 to 5 years. Amortization of leasehold improvements is computed using the straight line method over the shorter of the remaining lease term or the estimated useful lives of the improvements.

Marketable Securities

The classification of investments in marketable securities is determined at the time of purchase and reevaluated at each balance sheet date. Debt and equity securities classified as available-for-sale are reported at fair value as determined by the most recently traded price of each security at the balance sheet date. Unrealized gains and losses, net of income taxes, are reported as a separate component of comprehensive income. SIDCO, the Company's broker-dealer subsidiary, reports changes in fair value of marketable securities through current period earnings due to specialized accounting practices related to investments by broker-dealers. The Company records its investments in funds sponsored by LSV on the accompanying Consolidated Balance Sheets at fair value. Unrealized gains and losses from the change in fair value of these securities are recognized in current period earnings. The specific identification method is used to compute the realized gains and losses on all of the Company's marketable securities (See Note 6).

The Company evaluates the realizable value of its marketable securities on a quarterly basis. In the event that the carrying value of an investment exceeds its fair value and the decline in value is determined to be other-than-temporary, an impairment charge is recorded and a new cost basis for the investment is established. Some of the factors considered in determining other-than-temporary impairment for equity securities include, but are not limited to, significant or prolonged declines in the fair value of the investments, the Company's ability and intent to retain the investment for a period sufficient to allow the value to recover, and the financial condition of the investment. Some of the factors considered in determining other-than-temporary impairment for debt securities include, but are not limited to, the intent of management to sell the security, the likelihood that the Company will be required to sell the security before recovering its cost, and management's expectation to recover the entire amortized cost basis of the security even if there is no intent to sell the security.

Fair Value of Financial Instruments

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The fair value hierarchy describes three levels of inputs that may be used by the Company to measure fair value:

Level 1 — Quoted prices in active markets for identical assets or liabilities without adjustment. The Company's Level 1 assets primarily include investments in mutual funds sponsored by SEI that are quoted daily.

Level 2 — Observable inputs other than Level 1 prices, such as quoted prices for similar assets, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 financial assets consist of Government National Mortgage Association (GNMA) mortgage-backed securities, Federal Home Loan Bank (FHLB) and other U.S. government agency short-term notes. The investments in GNMA mortgage-backed securities were purchased for the sole purpose of satisfying applicable regulatory requirements imposed on our wholly-owned limited purpose federal thrift subsidiary, SPTC. The investments in FHLB and other U.S. government agency short-term notes were purchased as part of a cash management program requiring only short term, top-tier investment grade government and corporate securities.

Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, or similar techniques, as well as instruments for which the determination of fair value requires significant judgment by management. The Company had no Level 3 financial assets or liabilities at December 31, 2017 or 2016 that were required to be measured at fair value on a recurring basis.

The fair value of an asset or liability may include inputs from more than one level in the fair value hierarchy. The lowest level of significant inputs used to value the asset or liability determines which level the asset or liability is classified in its entirety. Transfers between levels of the fair value hierarchy are reported at fair value as of the beginning of the period in which the transfers occur.

See Note 5 for information on related disclosures regarding fair value measurements.

Capitalized Software

Costs incurred for the development of internal use software to be offered in a hosting arrangement is capitalized during the development stage of the software application. These costs include direct external and internal costs to design the software configuration and interfaces, coding, installation, and testing. Costs incurred during the preliminary and post-implementation stages of the software application are expensed as incurred. Costs associated with significant enhancements to a software application are capitalized while costs incurred to maintain existing software applications are expensed as incurred. The capitalization of software development costs requires considerable judgment by management with respect to certain external factors, including, but not limited to, technological and economic feasibility, and estimated economic life. Amortization of capitalized software development costs

begins when the product is ready for its intended use. 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.

The Company capitalized $61,043, $50,392 and $29,416 of software development costs during 2017, 2016 and 2015, respectively. The Company's capitalized software development costs primarily relate to the further development of the SEI Wealth Platform℠ (the Platform). The Company capitalized $51,353, $39,785 and $24,515 of software development costs for significant enhancements to the Platform during 2017, 2016 and 2015, respectively. As of December 31, 2017, the net book value of the Platform was $285,207. The net book value includes $38,093 of capitalized software development costs in-progress associated with future releases.

The Company also capitalized $9,690, $10,607 and $4,901 of software development costs during 2017, 2016 and 2015, respectively, related to an application for the Investment Managers segment. Capitalized software development costs in-progress at December 31, 2017 associated with this application were $25,198. The application is expected to be placed into service during the first quarter 2018.

The amount of amortization expense recognized related to the SEI Wealth Platform is based upon management's estimate of its useful life. Management continually reassesses the estimated useful life of the Platform and any change in management's estimate could result in the remaining amortization expense to be accelerated or spread out over a longer period. The initial version of the Platform was placed into service in July 2007 with an estimated useful life of 15 years. All significant enhancements to the Platform were being amortized over the remaining useful life and would have been fully amortized by June 2022. As a result of recent development efforts, successful client installation onto the Platform of a large-scale regional bank and market acceptance as evidenced by a contractual arrangement with a large-scale national bank, the Company adjusted the remaining useful life of certain components and functionality of the Platform that were placed into service during the past several years. This change in estimate was applied prospectively effective October 1, 2017. The initial version of the Platform and certain subsequent releases were not adjusted. The adjustment resulted in a decrease to the Company's amortization expense in 2017 of $4,347, and accordingly, increased income from operations by $4,347 and increased net income by $3,156, or $0.02 diluted earnings per share. As of December 31, 2017, the Platform has a weighted average remaining life of 8.2 years. Amortization expense for the Platform was $46,505, $45,047 and $42,401 in 2017, 2016 and 2015, respectively, and is included in Amortization expense on the accompanying Consolidated Statements of Operations.

The Company currently expects to recognize amortization expense related to all capitalized software development costs placed into service as of December 31, 2017 each year from 2018 through 2022 as follows:

2018	$	43,717
2019		43,717
2020		43,717
2021		43,439
2022		29,556

The Company evaluates the carrying value of capitalized software development costs when circumstances indicate the carrying value may not be recoverable. The review of capitalized software development costs for impairment requires significant assumptions about operating strategies, underlying technologies utilized, and external market factors. External market factors include, but are not limited to, expected levels of competition, barriers to entry by potential competitors, stability in the target market and governmental regulations. During 2015, the Company determined that specific functionality within the Platform was no longer in use and wrote off $5,533 of previously capitalized software development costs reported under the Private Banks and Investment Advisors business segments. The expense associated with the write off is included in Facilities, supplies and other costs on the accompanying Consolidated Statement of Operations. The Company did not recognize any impairment charges related to its capitalized software development costs in 2017 or 2016.

Business Combinations

The Company accounts for business combinations in accordance with Accounting Standards Codification Topic 805, Business Combinations (ASC 805). ASC 805 establishes principles and requirements for recognizing the total consideration transferred, assets acquired and liabilities assumed in a business combination. ASC 805 also provides guidance for recognizing and measuring goodwill acquired in a business combination and requires the acquirer to disclose information needed to evaluate and understand the financial impact of the business combination. The Company recognizes assets and liabilities acquired at their estimated fair values. Management uses judgment to identify the acquired assets and liabilities assumed; estimate the fair value of these assets and liabilities; estimate the useful life of the assets; and assess the appropriate method for recognizing depreciation or amortization expense over the estimated useful life of the assets.

Goodwill and Other Intangible Assets

The Company reviews long-lived assets and identifiable definite-lived intangible assets for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. For purposes of recognizing and measuring an impairment loss, a long-lived asset is grouped with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent.

Identifiable definite-lived intangible assets on the Company's Consolidated Balance Sheet are amortized on a straight-line basis according to their estimated useful lives. Goodwill is not amortized but is reviewed for impairment annually or more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. Current guidance require that a two-step, fair value based test be performed to assess goodwill for impairment. In the first step, the fair value of each reporting unit is compared with its carrying value, including goodwill. If the fair value exceeds the carrying value, goodwill is not impaired and no further testing is performed. The second step is performed if the carrying value exceeds the fair value. The second step requires an allocation of fair value to the individual assets and liabilities using a purchase price allocation in order to determine the implied fair value of goodwill. If the implied fair value of goodwill is less than the carrying amount, an impairment loss is recognized.

Income Taxes

The Company applies the asset and liability approach to account for income taxes whereby deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Foreign Currency Translation

The assets and liabilities and results of operations of the Company's foreign subsidiaries are measured using the foreign subsidiary's local currency as the functional currency. Assets and liabilities have been translated into U.S. dollars using the rates of exchange at the balance sheet dates. The results of operations have been translated into U.S. dollars at average exchange rates prevailing during the period. The resulting translation gain and loss adjustments are recorded as a separate component of comprehensive income.

Transaction gains and losses from exchange rate fluctuations are included in the results of operations in the periods in which they occur. There were no material gains or losses from exchange rate fluctuations in 2017, 2016 or 2015.

Earnings Per Common Share

Basic earnings per common share is computed by dividing net income attributable to SEI Investments common shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings per common share is computed by dividing net income attributable to SEI Investments common shareholders by the combination of the weighted average number of common shares outstanding and the dilutive potential common shares, such as stock options, outstanding during the period.

The calculations of basic and diluted earnings per share for 2017, 2016 and 2015 are:

	2017	2016	2015
Net income	**$ 404,389**	$ 333,817	$ 331,655
Shares used to compute basic earnings per common share	**158,177,000**	161,350,000	165,725,000
Dilutive effect of stock options	**4,092,000**	3,081,000	3,873,000
Shares used to compute diluted earnings per common share	**162,269,000**	164,431,000	169,598,000
Basic earnings per common share	**$ 2.56**	$ 2.07	$ 2.00
Diluted earnings per common share	**$ 2.49**	$ 2.03	$ 1.96

Employee stock options to purchase approximately 5,196,000, 10,632,000 and 10,730,000 shares of common stock, with an average exercise price per share of $45.49, $35.02 and $33.99, were outstanding during 2017, 2016 and 2015, respectively, but not included in the computation of diluted earnings per common share because either the performance conditions have not been satisfied or would have been satisfied if the reporting date was the end of the contingency period or the option's exercise price was greater than the average market price of the Company's common stock and the effect on diluted earnings per common share would have been anti-dilutive (See Note 8).

Stock-Based Compensation

Stock-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense over the requisite service period, which is the vesting period. The amount of stock-based compensation expense that is recognized in a given period is dependent upon management's estimate of when the vesting targets are expected to be achieved. If this estimate

proves to be inaccurate, the remaining amount of stock-based compensation expense could be accelerated, spread out over a longer period, or reversed (See Note 8).

The Company adopted ASU 2016-09, Improvements to Employee Share-Based Payment Accounting (ASU 2016-09) during 2017. As required by ASU 2016-09, excess tax benefits recognized on stock-based compensation expense are reflected in the accompanying Consolidated Statements of Operations as a component of the provision for income taxes on a prospective basis (See Note 12). Additionally, excess tax benefits or deficiencies recognized on stock-based compensation expense are classified as an operating activity in the accompanying Consolidated Statements of Cash Flows. The Company has applied this provision retrospectively for all periods presented. As a result, net cash provided by operating activities for 2016 and 2015 increased by $8,984 and $16,056, respectively, with corresponding offsets to net cash used for financing activities.

ASU 2016-09 also allows for the option to account for forfeitures as they occur when determining the amount of compensation cost to be recognized, rather than estimating expected forfeitures over the course of a vesting period. The Company elected to account for forfeitures as they occur. In addition, ASU 2016-09 eliminates anticipated windfalls and shortfalls that were included in the calculation of assumed proceeds for computing the dilutive effect of share-based payment awards in the calculation of diluted earnings per share. No adjustments to the Company's prior period reported diluted earnings per share amounts were permitted by ASU 2016-09.

The net cumulative effect to the Company from the adoption of ASU 2016-09 was an increase to paid-in capital of $2,582, a reduction to retained earnings of $1,669 and an increase to deferred tax assets of $913 as of January 1, 2017.

New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606) (ASU 2014-09). ASU 2014-09 provides a single comprehensive model to be used in the accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. The principal concept in ASU 2014-09 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard requires an entity to apply a five-step model that includes identifying the contract with a customer, identifying the performance obligations in the contract, determining the transaction price, allocating the transaction price to the performance obligations, and recognizing revenue when (or as) an entity satisfies a performance obligation. The standard also specifies the accounting for certain costs to obtain or fulfill a contract with a customer and requires expanded disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

The FASB issued several amendments to ASU 2014-09. These amendments include, but are not limited to, clarification of principal versus agent guidance in situations in which a revenue transaction involves a third party in providing goods or services to a customer. In such circumstances, an entity must determine whether the nature of its promise to the customer is to provide the underlying goods or services (the entity is the principal in the transaction and reports the transaction gross) or to arrange for a third party to provide the underlying goods or services (the entity is the agent in the transaction and reports the transaction net). The amendments also clarify, in terms of identifying performance obligations, how entities would determine whether promised goods or services are separately identifiable from other promises in a contract and, therefore, would be accounted for separately.

ASU 2014-09 is effective for the Company on January 1, 2018 and provides for either full retrospective adoption or a modified retrospective adoption by which it is applied only to the most current period presented. The Company has concluded that it will utilize the modified retrospective method of adoption with a cumulative catch up adjustment and will provide additional disclosures in its 2018 consolidated financial statements. The Company has completed analyses, executed project management relative to the process of adopting ASU 2014-09, and conducted detailed reviews of customer contracts to complete necessary adjustments to existing accounting policies. The Company has implemented changes to its accounting systems, processes and internal controls over revenue reporting and the new disclosure requirements, as necessary, in the application of the new standard.

The adoption of ASU 2014-09 did not change the accounting for the majority of the Company's revenue arrangements and will not have a material impact to the Company's consolidated financial statements. A summary of the Company's assessment and the primary changes that will be implemented in the first quarter of 2018 due to the adoption of the new standard are presented below:

- The majority of the Company's services are bundled together, and provided and completed for the client on a monthly basis. For these revenue arrangements, the Company will continue to recognize revenue on a monthly basis as the client consumes the benefits continuously over time. The timing and recognition of revenues from these arrangements will not change as a result of the adoption of ASU 2014-09.
- Some contracts include implementation fees, which are recognized in Information processing and software servicing fees, and fund conversion fees, which are recognized in Asset management, administration and distribution fees. The Company concluded that for most of the arrangements that included implementation or fund conversion services were a distinct and separate performance obligation. As a result, upon the adoption of ASU 2014-09, the timing and recognition of fees from most of these arrangements did not change. However, future revenue arrangements that include implementation or fund conversion services may not be considered

distinct performance obligations which would require such fees to be recognized over the life of the client which could be longer. The Company will evaluate each contract in accordance with the requirements of ASU 2014-09.

- Research services provided by SIDCO, the Company's broker-dealer subsidiary, to customers in soft-dollar arrangements were determined to be a separate performance obligation that should be allocated a portion of the transaction price. Research services provided by a broker-dealer may be internally generated or provided by a third party and paid directly by the broker-dealer on the customer's behalf. It was determined that SIDCO is considered an agent since it does not control the research services before they are transferred to the customer. Therefore, fees received for research services should be recorded net of amounts paid for the soft dollar arrangement. These amounts paid by the Company were previously recorded as an expense and beginning January 1, 2018 will be recorded net of any revenue recognized. The amounts recorded as an expense in 2017, 2016 and 2015 were $14,623, $18,409, and $20,333 respectively.
- Incremental contract acquisition costs, primarily sales compensation costs paid to the Company's sales personnel, related to information processing contracts in the Private Banks segment and fund administration contracts in the Investment Managers segment will be deferred and recognized over the expected client life. The deferred asset from contract acquisition costs is assessed for impairment on a periodic basis. The Company will utilize the practical expedient permitting the expensing of costs to obtain a contract when the expected amortization period is one year or less. As a result, incremental contract acquisition costs will be capitalized and subsequently amortized upon adoption on January 1, 2018 as a cumulative-effect adjustment to equity.

The Company is in the process of finalizing its assessment of the cumulative-effect adjustment of initially applying the new revenue standard but does not believe there are any remaining significant implementation items associated with the adoption of the new standard that have not yet been addressed. The cumulative-effect adjustment to equity of initially applying the new standard on January 1, 2018 is expected to be immaterial.

In January 2016, the FASB issued ASU No. 2016-01, Recognition and Measurement of Financial Assets and Financial Liabilities (ASU 2016-01) that will significantly change the income statement impact of equity investments held by an entity, and the recognition of changes in fair value of financial liabilities when the fair value option is elected. The Company adopted ASU 2016-01 during the first quarter 2018. Management currently believes the most significant impact will be the requirement to recognize all changes in fair value of available-for-sale equity securities in current period earnings. Previously, these changes in fair value were recognized as a separate component of comprehensive income. ASU 2016-01 will require a cumulative-effect adjustment to retained earnings as of January 1, 2018. The Company does not believe the cumulative-effect adjustment will have a material impact to its consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, Leases (ASU 2016-02) requiring lessees to recognize a right-of-use asset and a lease liability on the balance sheet for all leases with the exception of short-term leases. For lessees, leases will continue to be classified as either operating or finance leases in the income statement. Lessor accounting is similar to the current model but updated to align with certain changes to the lessee model. Lessors will continue to classify leases as operating, direct financing or sales-type leases. The new standard must be adopted using a modified retrospective transition and requires application of the new guidance at the beginning of the earliest comparative period presented. The updated standard is effective for the Company beginning in the first quarter of 2019. Early adoption is permitted. The Company is currently evaluating the transition method that will be elected and the effect that the updated standard will have on its consolidated financial statements and related disclosures.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASU 2016-13) which requires that expected credit losses relating to financial assets measured on an amortized cost basis and available-for-sale debt securities be recorded through an allowance for credit losses. ASU No. 2016-13 limits the amount of credit losses to be recognized for available-for-sale debt securities to the amount by which carrying value exceeds fair value and also requires the reversal of previously recognized credit losses if fair value increases. ASU 2016-13 becomes effective for the Company during the first quarter of 2020. Early adoption is permitted. The Company is currently evaluating the effect that the updated standard will have on its consolidated financial statements and related disclosures.

In November 2016, the FASB issued ASU No. 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash (ASU 2016-18) which requires restricted cash and cash equivalents to be included with cash and cash equivalents when reconciling beginning-of-period and end-of-period amounts shown on the statement of cash flows. Under this guidance, the statement of cash flows should explain the total change in cash balances, including amounts described as restricted. The Company adopted ASU 2016-18 during the first quarter 2018. The Company has determined ASU 2016-18 will not have a material impact on its consolidated financial statements and related disclosures.

In January 2017, the FASB issued ASU 2017-04, Simplifying the Test for Goodwill Impairment (ASU 2017-04). The objective of ASU 2017-04 is to simplify the subsequent measurement of goodwill by entities performing their annual goodwill impairment tests by comparing the fair value of a reporting unit, including income tax effects from any tax-deductible goodwill, with its carrying amount and recognizing an impairment charge for the amount by which the carrying amount exceeds fair value. ASU 2017-04 is effective for

the Company beginning in the first quarter of 2020. Early adoption is permitted. The Company is currently evaluating the impact of adopting ASU 2017-04 on its consolidated financial statements and related disclosures.

Reclassifications

Certain prior year amounts have been reclassified to conform to current year presentation.

Note 2 — Investment in Unconsolidated Affiliates

LSV Asset Management

The Company has an investment in the general partnership LSV Asset Management (LSV), a registered investment advisor that provides investment advisory services primarily to institutions, including pension plans and investment companies. LSV is currently an investment sub-advisor for a limited number of SEI-sponsored mutual funds. As of December 31, 2017, the Company's total partnership interest in LSV was approximately 38.9 percent. The Company accounts for its interest in LSV using the equity method because of its less than 50 percent ownership. The Company's interest in the net assets of LSV is reflected in Investment in unconsolidated affiliates on the accompanying Consolidated Balance Sheets and its interest in the earnings of LSV is reflected in Equity in earnings of unconsolidated affiliates on the accompanying Consolidated Statements of Operations.

At December 31, 2017, the Company's total investment in LSV was $59,492. The Company's proportionate share in the earnings of LSV was $152,550, $126,103 and $138,407 in 2017, 2016 and 2015, respectively. The Company receives partnership distributions related to the earnings of LSV on a quarterly basis. As such, the Company considers these distribution payments as returns on investment rather than returns of the Company's original investment in LSV and has therefore classified the associated cash inflows as an operating activity on the Consolidated Statements of Cash Flows. The Company received partnership distribution payments from LSV of $143,517, $125,224 and $141,767 in 2017, 2016 and 2015, respectively.

These tables contain condensed financial information of LSV:

Condensed Statement of Operations

Year ended December 31,	2017	2016	2015
Revenues	**$ 491,872**	$ 399,462	$ 427,653
Net income	**$ 392,141**	$ 323,381	$ 352,845

Condensed Balance Sheets

December 31,	2017	2016
Current assets	**$ 155,239**	$ 125,872
Non-current assets	**1,407**	1,927
Total assets	**$ 156,646**	$ 127,799
Current liabilities	**$ 46,486**	$ 39,303
Partners' capital	**110,160**	88,496
Total liabilities and partners' capital	**$ 156,646**	$ 127,799

Guaranty Agreement with LSV Employee Group III

In October 2012, a group of existing employees of LSV formed a new limited liability company called LSV Employee Group III and agreed to purchase a portion of the partnership interest of existing LSV employees for $77,700, of which $69,930 was financed through syndicated term loan facilities contained in a credit agreement with CIBC Bank USA (formerly The PrivateBank and Trust Company). LSV Employee Group III owns the purchased partnership interest. The Company provided an unsecured guaranty for $45,000 of the obligations of LSV Employee Group III to the lenders through a guaranty agreement. In addition, LSV agreed to provide an unsecured guaranty for the remaining $24,930 of the obligations of LSV Employee Group III to the lenders through a separate guaranty agreement.

The Company's direct interest in LSV was unchanged as a result of this transaction. The Company determined that LSV Employee Group III was a VIE; however, the Company was not considered the primary beneficiary because it did not have the power to direct the activities that most significantly impact the economic performance of LSV Employee Group III either directly or through any financial responsibility from the guaranty.

In September 2014 and June 2017, LSV Employee Group III made the final principal payments related to the term loans guaranteed by LSV and the Company, respectively, and has no further obligation regarding the agreement. The Company has no other interests in LSV Employee Group III and, therefore, no longer considers LSV Employee Group III to be a VIE.

Note 3 — Variable Interest Entities — Investment Products

The Company or its affiliates have created numerous investment products for its clients in various types of legal entity structures. The Company serves as the Manager, Administrator and Distributor for these investment products and may also serve as the Trustee for some of the investment products. The Company receives asset management, distribution, administration and custodial fees for these services. Clients are the equity investors and participate in proportion to their ownership percentage in the net income or loss and net capital gains or losses of the products, and, on liquidation, will participate in proportion to their ownership percentage in the remaining net assets of the products after satisfaction of outstanding liabilities.

The Company has concluded that it is not the primary beneficiary of the entities and; therefore, is not required to consolidate any of the pooled investment vehicles for which it receives asset management, distribution, administration and custodial fees under the VIE model. The entities either do not meet the definition of a VIE or the Company does not hold a variable interest in the entities. The entities either qualify for the money market scope exception, or are entities in which the Company's asset management, distribution, administration and custodial fees are commensurate with the services provided and include fair terms and conditions, or are entities that are limited partnerships which have substantive kick-out rights. The Company acts as a fiduciary and does not hold any other interests other than insignificant seed money investments in the pooled investment vehicles. For this reason, the Company also concluded that it is not required to consolidate the pooled investment vehicles under the voting interest entity (VOE) model.

The Company is a party to expense limitation agreements with certain SEI-sponsored money market funds subject to Rule 2a-7 of the Investment Company Act of 1940 which establish a maximum level of ordinary operating expenses incurred by the fund in any fiscal year including, but not limited to, fees of the administrator or its affiliates. Under the terms of these agreements, the Company waived $27,434, $41,227 and $55,713 in fees during 2017, 2016 and 2015, respectively.

Note 4 — Composition of Certain Financial Statement Captions

Receivables

Receivables on the accompanying Consolidated Balance Sheets consist of:

		2017		2016
Trade receivables	**$**	**76,760**	$	48,683
Fees earned, not billed		**194,331**		168,971
Other receivables		**12,310**		10,826
		283,401		228,480
Less: Allowance for doubtful accounts		**(695)**		(523)
Receivables, net	**$**	**282,706**	$	227,957

Fees earned, not billed represents receivables earned but unbilled and results from timing differences between services provided and contractual billing schedules. These billing schedules generally provide for fees to be billed on a quarterly basis. In addition, certain fees earned from investment operations services are calculated based on assets under administration that have a prolonged valuation process which delays billings to clients.

Property and Equipment

Property and Equipment on the accompanying Consolidated Balance Sheets consists of:

	2017	2016
Buildings	**$ 153,961**	$ 152,171
Equipment	**115,546**	106,759
Land	**10,030**	10,030
Purchased software	**134,610**	128,008
Furniture and fixtures	**18,114**	17,292
Leasehold improvements	**18,017**	15,175
Construction in progress	**6,105**	2,077
	456,383	431,512
Less: Accumulated depreciation	**(309,955)**	(285,322)
Property and Equipment, net	**$ 146,428**	$ 146,190

Depreciation expense related to property and equipment for 2017, 2016 and 2015 was $27,311, $26,440 and $24,044, respectively.

Other Assets

Other assets consist of long-term prepaid expenses, deposits, other investments at cost and various other assets. Amortization expense for certain other assets for 2017, 2016 and 2015 was $218, $345 and $229, respectively.

Accrued Liabilities

Accrued Liabilities on the accompanying Consolidated Balance Sheets consist of:

	2017	2016
Accrued employee compensation	**$ 88,960**	$ 79,735
Accrued consulting, outsourcing and professional fees	**29,658**	24,428
Accrued sub-advisory, distribution and other asset management fees	**42,365**	41,666
Accrued dividend payable	**47,179**	44,596
Other accrued liabilities	**56,896**	50,100
Accrued liabilities	**$ 265,058**	$ 240,525

Note 5 — Fair Value Measurements

The fair value of the Company's financial assets and liabilities, except for the Company's investment funds sponsored by LSV, is determined in accordance with the fair value hierarchy. The fair value of the Company's Level 1 financial assets consists mainly of investments in open-ended mutual funds that are quoted daily. Level 2 financial assets consist of Government National Mortgage Association (GNMA) mortgage-backed securities held by the Company's wholly-owned limited purpose federal thrift subsidiary, SEI Private Trust Company (SPTC), Federal Home Loan Bank (FHLB) and other U.S. government agency short-term notes held by SIDCO. The financial assets held by SIDCO were purchased as part of a cash management program requiring only short term, top-tier investment grade government and corporate securities. The financial assets held by SPTC are debt securities issued by GNMA and are backed by the full faith and credit of the U.S. government. These securities were purchased for the sole purpose of satisfying applicable regulatory requirements and have maturity dates which range from 2020 to 2041.

The fair value of the Company's investment funds sponsored by LSV is measured using the net asset value per share (NAV) as a practical expedient. The NAVs of the funds are calculated by the funds' independent custodian and are derived from the fair values of the underlying investments as of the reporting date. The funds allow for investor redemptions at the end of each calendar month. This investment has not been classified in the fair value hierarchy but is presented in the tables below to permit reconciliation to the amounts presented on the accompanying Consolidated Balance Sheets.

The valuation of the Company's Level 2 financial assets held by SIDCO and SPTC are based upon securities pricing policies and procedures utilized by third-party pricing vendors. The Company had no Level 3 financial assets or liabilities at December 31, 2017 or 2016 that were required to be measured at fair value on a recurring basis. There were no transfers of financial assets between levels within the fair value hierarchy during 2017.

Valuation of GNMA and Other U.S. Government Agency Securities

All of the Company's investments in GNMA, FHLB and other U.S. government agency securities are held in accounts at well-established financial institutions. The Company's selection of a financial institution for the purpose of purchasing securities considered a number of various factors including, but not limited to, securities pricing policies and procedures utilized by that financial institution. Each financial institution utilizes the services of independent pricing vendors. These vendors utilize evaluated and industry accepted pricing models that vary by asset class and incorporate available trade, bid and other market information to determine the fair value of the securities. The market inputs, listed in approximate order of priority, include: benchmark yields, reported trade, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data. The Company evaluated the information regarding the pricing methodologies and processes utilized by the independent pricing vendors during the selection process of the financial institution. The Company analyzed this information for the purpose of classifying the securities into the appropriate level within the fair value hierarchy and to ensure that each pricing model for each asset class provided the fair value of those specific securities in accordance with generally accepted accounting principles. The Company continually monitors the price of each security for any unanticipated deviations from the previously quoted price or deviations from anticipated changes in a security's price based upon an assessment of market factors and other factors relative to a specific issue expected to affect a security's price. In the event of any unanticipated deviations in a security's price, additional analysis is conducted which may include the comparison of the security's price as determined by other independent pricing vendors. The Company's investments in GNMA, FHLB and other U.S. government agency securities have been recorded at the prices provided by the independent pricing vendor without adjustment.

The fair value of certain financial assets and liabilities of the Company was determined using the following inputs:

		Fair Value Measurements at Reporting Date Using	
	December 31, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Assets			
Equity available-for-sale securities	$ 11,250	$ 11,250	$ —
Fixed-income available-for-sale securities	76,733	—	76,733
Fixed-income securities owned	21,526	—	21,526
Investment funds sponsored by LSV (1)	6,034		
	$ 115,543	$ 11,250	$ 98,259

		Fair Value Measurements at Reporting Date Using	
	December 31, 2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Assets			
Equity available-for-sale securities	$ 9,581	$ 9,581	$ —
Fixed-income available-for-sale securities	74,452	—	74,452
Fixed-income securities owned	21,339	—	21,339
Investment funds sponsored by LSV (1)	4,858		
	$ 110,230	$ 9,581	$ 95,791

(1) The fair value amounts presented in the tables above are intended to permit reconciliation of the fair value hierarchy to the amounts presented on the accompanying Consolidated Balance Sheets (See Note 6).

Note 6 — Marketable Securities

Investments Available For Sale

Investments available for sale classified as non-current assets consist of:

At December 31, 2017	Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Fair Value
SEI-sponsored mutual funds	$ 7,369	$ 110	$ (143)	$ 7,336
Equities and other mutual funds	3,456	458	—	3,914
Debt securities	77,745	—	(1,012)	76,733
	$ 88,570	$ 568	$ (1,155)	$ 87,983

At December 31, 2016	Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Fair Value
SEI-sponsored mutual funds	$ 7,357	$ 24	$ (996)	$ 6,385
Equities and other mutual funds	2,968	228	—	3,196
Debt securities	74,843	—	(391)	74,452
	$ 85,168	$ 252	$ (1,387)	$ 84,033

Net unrealized holding losses at December 31, 2017 and 2016 were $386 (net of income tax benefit of $201) and $836 (net of income tax benefit of $299), respectively. These net unrealized losses are reported as a separate component of Accumulated other comprehensive loss on the accompanying Consolidated Balance Sheets.

There were gross realized gains of $529 and gross realized losses of $888 from available-for-sale securities during 2017. In 2016, there were gross realized gains of $284 and gross realized losses of $869 from available-for-sale securities. There were gross realized gains of $489 and gross realized losses of $729 from available-for-sale securities during 2015. Gains and losses from available-for-sale securities, including amounts reclassified from accumulated comprehensive income (loss), are reflected in Net gain (loss) from investments on the accompanying Consolidated Statements of Operations.

Investments in Affiliated Funds

The Company has an investment related to the startup of investment funds sponsored by LSV. The Company records this investment on the accompanying Consolidated Balance Sheets at fair value. Unrealized gains and losses from the change in fair value of these funds are recognized in Net gain (loss) from investments on the accompanying Consolidated Statements of Operations.

The investment primarily consists of U.S. dollar denominated funds that invest in equity securities of Canadian, Australian and Japanese companies. The underlying securities held by the funds are translated into U.S. dollars within the funds. The funds had a fair value of $6,034 and $4,858 at December 31, 2017 and 2016, respectively. The Company recognized gains of $1,176 and $819 and losses of $389 from the change in fair value of the funds during 2017, 2016 and 2015, respectively.

Securities Owned

The Company's broker-dealer subsidiary, SIDCO, has investments in U.S. government agency securities with maturity dates less than one year. These investments are reflected as Securities owned on the accompanying Consolidated Balance Sheets. Due to specialized accounting practices applicable to investments by broker-dealers, the securities are reported at fair value and changes in fair value are recorded in current period earnings. The securities had a fair value of $21,526 and $21,339 at December 31, 2017 and 2016, respectively. There were no material net gains or losses from the change in fair value of the securities during 2017, 2016 and 2015.

Note 7 — Line of Credit

On June 13, 2016, the Company entered into a five-year $300,000 Credit Agreement (the Credit Facility) with Wells Fargo Bank, National Association (Wells Fargo) and a syndicate of other lenders. The Credit Facility is scheduled to expire in June 2021, at which time any aggregate principal amount of loans outstanding becomes payable in full. Any borrowings made under the Credit Facility will accrue interest at rates that, at the Company's option, are based on a base rate (the Base Rate) plus a premium that can range from 0.25 percent to 1.00 percent or the London InterBank Offered Rate (LIBOR) plus a premium that can range from 1.25 percent to 2.00 percent depending on the Company's Leverage Ratio (a ratio of consolidated indebtedness to consolidated EBITDA for the four preceding fiscal quarters, all as defined in the related agreement). The Base Rate is defined as the highest of a) the Federal Funds Rate, as published by the Federal Reserve Bank of New York, plus 0.50 percent, b) the prime commercial lending rate of Wells Fargo,

c) the applicable LIBOR plus 1.00 percent, or d) 0 percent. The Company also pays quarterly commitment fees based on the unused portion of the Credit Facility. The quarterly fees for the Credit Facility can range from 0.15 percent of the amount of the unused portion to 0.30 percent, depending on the Company's Leverage Ratio. Certain wholly-owned subsidiaries of the Company have guaranteed the obligations of the Company under the agreement. The aggregate amount of the Credit Facility may be increased by an additional $100,000 under certain conditions set forth in the agreement.

The Credit Facility contains covenants that restrict the ability of the Company to engage in mergers, consolidations, asset sales, investments, transactions with affiliates, or to incur liens, as defined in the agreement. In the event of a default under the Credit Facility, the Company would also be restricted from paying dividends on, or repurchasing, its common stock without the approval of the lenders. None of the covenants of the Credit Facility negatively affect the Company's liquidity or capital resources. Upon the occurrence of certain financial or economic events, significant corporate events, or certain other events of default constituting an event of default under the Credit Facility, all loans outstanding may be declared immediately due and payable and all commitments under the agreement may be terminated.

In July 2017, the Company borrowed $40,000 under the Credit Facility for the funding of an acquisition (See Note 16). In October 2017, the Company made a principal payment of $10,000. As of December 31, 2017, the outstanding balance of the Credit Facility was $30,000 and is included in Borrowings Under Revolving Credit Facility on the accompanying Consolidated Balance Sheet. The Company was in compliance with all covenants of the Credit Facility during 2017.

In January 2018, the Company made a principal payment of $10,000. As of January 31, 2018, the amount of the Credit Facility that is available for general corporate purposes was $280,000.

The Company considers the book value of long-term debt related to the borrowings through the Credit Facility to be representative of its fair value.

The Company incurred $781, $531 and $483 in interest charges and commitment fees relating to the current and since expired lines of credit during 2017, 2016 and 2015, respectively, which are reflected in Interest expense on the accompanying Consolidated Statements of Operations. The weighted average interest rate applied to the outstanding balance of the Credit Facility during 2017 was 2.58 percent.

Note 8 — Shareholders' Equity

Stock-Based Compensation

The Company's active equity compensation plan, the 2014 Omnibus Equity Compensation Plan (the 2014 Plan), is the successor plan to the 2007 Equity Compensation Plan (the 2007 Plan) which was merged with and into the 2014 Plan in May 2014. The 2014 Plan provides for the grant of stock options, stock units, stock awards, stock appreciation rights, dividend equivalents and other stock-based awards.

Outstanding grants under the 2007 Plan will continue according to the terms in effect before the plan merger, but the outstanding shares will be issued or transferred under the 2014 Plan. Permitted grantees under the 2014 Plan include employees, non-employee directors and consultants who perform services for the Company. The plan is administered by the Compensation Committee of the Board of Directors of the Company. The Company has only non-qualified stock options outstanding under the 2014 Plan.

All outstanding stock options have performance-based vesting provisions that tie the vesting of stock options to the Company's financial performance. The Company's stock options vest at a rate of 50 percent when a specified diluted earnings per share target is achieved, and the remaining 50 percent when a second, higher-specified diluted earnings per share target is achieved. Options do not vest due to the passage of time but as a result of achievement of the financial vesting targets. Options granted in December 2017 include a service condition which requires a minimum two or four year waiting period from the grant date along with the attainment of the applicable financial vesting target. Earnings per share targets exclude the impact of stock-based compensation and are established at time of grant. The targets are measured annually on December 31. The amount of stock-based compensation expense recognized in the period is based upon management's estimate of when the earnings per share targets may be achieved. Any change in management's estimate could result in the remaining amount of stock-based compensation expense to be accelerated, spread out over a longer period, or reversed. This may cause volatility in the recognition of stock-based compensation expense in future periods and could materially affect the Company's earnings.

The Company uses the Black-Scholes option pricing model to determine the fair value of stock options. The determination of the fair value of stock options on the date of grant using an option-pricing model is affected by the price of the Company's common stock as well as other variables. These variables include expected stock price volatility over the term of the awards, actual and projected employee stock exercise behaviors, risk-free interest rate and expected dividends. The Company primarily uses historical data to

estimate the variables used in the option-pricing model except expected volatility. The Company uses a combination of historical and implied volatility.

The weighted average fair value of the Company's stock options granted during 2017, 2016 and 2015 were $16.78, $12.43 and $12.16, respectively, using the following assumptions:

	2017	2016	2015
Expected term (in years)	**6.00**	6.00	5.58
Expected volatility	**22.58%**	25.44%	23.86%
Expected dividend yield	**0.82%**	1.10%	1.00%
Risk-free interest rate	**2.29%**	2.18%	1.90%

The Company recognized stock-based compensation expense in its Consolidated Financial Statements in 2017, 2016 and 2015 as follows:

	2017	2016	2015
Stock-based compensation expense	**$ 36,366**	$ 16,017	$ 17,312
Less: Deferred tax benefit	**(7,891)**	(5,612)	(6,107)
Stock-based compensation expense, net of tax	**$ 28,475**	$ 10,405	$ 11,205

During 2017, 2016 and 2015, the Company revised its estimates of when some vesting targets are expected to be achieved. The change in management's estimate during 2017 resulted in an increase of $11,206 in stock-based compensation expense in 2017. The changes in management's estimates during 2016 or 2015 were not material.

As of December 31, 2017, there was approximately 6,088,000 unvested employee stock options with an unrecognized compensation cost of $62,070 that the Company expects will vest and be expensed through 2022 with a weighted average period of 2.3 years.

This table presents certain information relating to the Company's stock option plans for 2017, 2016 and 2015:

	Number of Shares	Weighted Avg. Price
Balance as of December 31, 2014	20,461,000	$ 25.26
Granted	2,005,000	53.34
Exercised	(2,927,000)	21.44
Expired or canceled	(302,000)	28.97
Balance as of December 31, 2015	19,237,000	$ 28.71
Granted	2,310,000	49.57
Exercised	(1,809,000)	24.82
Expired or canceled	(1,669,000)	30.86
Balance as of December 31, 2016	18,069,000	$ 31.57
Granted	2,057,000	69.87
Exercised	(2,370,000)	21.22
Expired or canceled	(1,044,000)	33.42
Balance as of December 31, 2017	16,712,000	$ 37.63
Exercisable as of December 31, 2017	10,624,000	$ 28.99
Available for future grant as of December 31, 2017	24,108,000	

As of December 31, 2016 and 2015, there were 6,692,000 and 8,508,000 shares exercisable, respectively. The expiration dates for options outstanding at December 31, 2017 range from December 16, 2018 to December 12, 2027 with a weighted average remaining contractual life of 6.3 years.

Upon exercise of stock options, the Company will issue new shares of its common shares. The Company does not hold any shares in treasury. The total intrinsic value of options exercised during 2017 and 2016 was $83,628 and $41,607, respectively. The total options exercisable as of December 31, 2017 had an intrinsic value of $455,528. The total options outstanding as of December 31, 2017 had an intrinsic value of $572,024. The total intrinsic value for options outstanding and options exercisable is calculated as the difference between the market value of the Company's common stock as of December 31, 2017 and the exercise price of the shares. The market value of the Company's common stock as of December 31, 2017 was $71.86 as reported by the Nasdaq Stock Market, LLC.

This table summarizes information relating to all options outstanding and exercisable at December 31, 2017:

	Options Outstanding at December 31, 2017			Options Exercisable at December 31, 2017		
Range of Exercise Prices (Per Share)	Number of Shares	Weighted Average Exercise Price (Per Share)	Weighted Average Remaining Contractual Life (Years)	Number of Shares	Weighted Average Exercise Price (Per Share)	Weighted Average Remaining Contractual Life (Years)
$ 14.62 – 15.77	2,178,000	$ 15.45	3.16	2,178,000	$ 15.45	3.16
17.65 – 21.05	1,174,000	17.67	2.01	1,174,000	17.67	2.01
22.45 – 23.86	3,432,000	23.19	3.95	3,422,000	23.19	3.96
27.03 – 39.15	1,815,000	33.65	6.09	747,000	33.58	6.09
40.64 – 53.16	4,190,000	45.49	8.54	2,095,000	45.49	8.08
53.34 – 71.12	3,923,000	62.01	9.05	1,008,000	53.39	8.14
	16,712,000			10,624,000		

Employee Stock Purchase Plan

The Company has an employee stock purchase plan that provides for offerings of common stock to eligible employees at a price equal to 85 percent of the fair market value of the stock at the end of the stock purchase period, as defined. The Company has reserved 15,600,000 shares for issuance under this plan. At December 31, 2017, 11,962,000 cumulative shares have been issued. There were no material costs incurred by the Company related to the employee stock purchase plan in 2017, 2016 and 2015.

Common Stock Buyback

The Board of Directors, under multiple authorizations, has authorized the purchase of the Company's common stock on the open market or through private transactions. As of December 31, 2017, the Company had approximately $170,638 of authorization remaining for the purchase of common stock. The following table provides the total number of shares repurchased and the related total costs in 2017, 2016 and 2015:

Year	Total Number of Shares Repurchased	Total Cost
2017	**4,403,000**	**$ 248,114**
2016	6,600,000	294,374
2015	5,951,000	289,587

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

Rights Agreement

In December 2008, the Company's Board of Directors declared a dividend distribution pursuant to a Rights Agreement (the Rights Agreement) which became effective on January 6, 2009. The purpose of the Rights Agreement is to deter coercive or unfair takeover tactics and to prevent a person or group (an Acquiring Person) from acquiring control of the Company without offering a fair price to all shareholders. Under the Rights Agreement, all common shareholders receive one Right for each common share outstanding. Each Right entitles the registered holder to purchase from the Company a unit consisting of one twenty-thousandths of a share of Series A Junior Participating Preferred Shares, $0.05 par value per share, or a combination of securities and assets of equivalent value, at a purchase price of $150.00 per unit, subject to adjustment. The Rights will become exercisable and trade separately from the common stock ten days following a public announcement that an Acquiring Person has beneficial ownership of more than 20 percent of the outstanding common stock of the Company or the commencement of a tender or exchange offer that would result in an Acquiring Person owning 20 percent or more of the outstanding common stock of the Company. Upon exercise, holders, other than an Acquiring Person, will have the right to purchase the common stock of the Company equal to twice the value of the exercise price of the Rights. In lieu of requiring payment of the purchase price upon exercise of the Rights following certain events, the Company may permit the holders simply to surrender the Rights, in which event they will be entitled to receive common shares and other property, as the case may be, with a value of 50 percent of what could be purchased by payment of the full purchase price. The Rights, which do not have voting rights, will expire on January 6, 2019, and may be redeemed by the Company any time until ten days following the announcement of an Acquiring Person at a price of $0.01 per Right.

Cash Dividends

On May 24, 2017, the Board of Directors declared a cash dividend of $0.28 per share on the Company's common stock, which was paid on June 16, 2017, to shareholders of record on June 7, 2017. On December 12, 2017, the Board of Directors declared a cash dividend of $0.30 per share on the Company's common stock, which was paid on January 8, 2018, to shareholders of record on December 27, 2017.

The cash dividends declared in 2017, 2016 and 2015 were $91,444, $86,657 and $82,478, respectively. The Board of Directors has indicated its intention to declare future cash dividends on a semiannual basis.

Note 9 — Accumulated Other Comprehensive Income (Loss)

Other comprehensive income (loss) consists of net income and other gains and losses affecting shareholders' equity that are excluded from net income. Other comprehensive income (loss) includes unrealized gains and losses on available for sale securities and foreign currency translation adjustments. The Company presents other comprehensive income (loss) in its Consolidated Statements of Comprehensive Income. Components of Accumulated other comprehensive income (loss), net of tax, consisted of:

	Foreign Currency Translation Adjustments	Unrealized Holding Gains (Losses) on Investments	Accumulated Other Comprehensive Income (Loss)
Balance, January 1, 2015	$ (10,088)	$ 1,193	$ (8,895)
Other comprehensive loss before reclassifications	(14,900)	(1,659)	(16,559)
Amounts reclassified from accumulated other comprehensive loss	—	164	164
Net current-period other comprehensive loss	(14,900)	(1,495)	(16,395)
Balance, December 31, 2015	$ (24,988)	$ (302)	$ (25,290)
Other comprehensive loss before reclassifications	(12,131)	(918)	(13,049)
Amounts reclassified from accumulated other comprehensive loss	—	384	384
Net current-period other comprehensive loss	(12,131)	(534)	(12,665)
Balance, December 31, 2016	$ (37,119)	$ (836)	$ (37,955)
Other comprehensive gain before reclassifications	17,597	190	17,787
Amounts reclassified from accumulated other comprehensive loss	—	260	260
Net current-period other comprehensive gain	17,597	450	18,047
Balance, December 31, 2017	$ (19,522)	$ (386)	$ (19,908)

Note 10 — Employee Benefit Plan

The Company has a tax-qualified defined contribution plan (the Plan). The Plan provides retirement benefits, including provisions for early retirement and disability benefits, as well as a tax-deferred savings feature. After satisfying certain requirements, participants are vested in employer contributions at the time the contributions are made. All Company contributions are discretionary and are made from available profits. The Company contributed $10,929, $9,665 and $9,162 to the Plan in 2017, 2016 and 2015, respectively.

Note 11 — Commitments and Contingencies

The Company leases software, facilities, and data processing equipment under non-cancelable operating leases, some which contain escalation clauses for increased taxes and operating expenses. The Company has entered into maintenance agreements primarily for its data processing equipment. Rent expense, primarily related to user licenses for software, was $32,619, $28,016 and $25,074 in 2017, 2016 and 2015, respectively.

The aggregate noncancellable minimum commitments at December 31, 2017 are:

2018	$	10,046
2019		9,427
2020		7,413
2021		7,082
2022 and thereafter		29,171
	$	63,139

In the ordinary course of business, the Company from time to time enters into contracts containing indemnification obligations of the Company. These obligations may require the Company to make payments to another party upon the occurrence of certain events including the failure by the Company to meet its performance obligations under the contract. These contractual indemnification provisions are often standard contractual terms of the nature customarily found in the type of contracts entered into by the Company. In many cases, there are no stated or notional amounts included in the indemnification provisions. There are no amounts reflected on the Consolidated Balance Sheets as of December 31, 2017 and 2016 related to these indemnifications.

In the normal course of business, the Company is party to various claims and legal proceedings.

SEI has been named in seven lawsuits filed in Louisiana courts; four of the cases also name SPTC as a defendant. The underlying allegations in all actions relate to the purported role of SPTC in providing back-office services to Stanford Trust Company. The complaints allege that SEI and SPTC participated in some manner in the sale of "certificates of deposit" issued by Stanford International Bank so as to be a "seller" of the certificates of deposit for purposes of primary liability under the Louisiana Securities Law or so as to be secondarily liable under that statute for sales of certificates of deposit made by Stanford Trust Company. Two of the actions also include claims for violations of the Louisiana Racketeering Act and possibly conspiracy, and a third also asserts claims of negligence, breach of contract, breach of fiduciary duty, violations of the uniform fiduciaries law, negligent misrepresentation, detrimental reliance, violations of the Louisiana Racketeering Act, and conspiracy.

The procedural status of the seven cases varies. The Lillie case, filed originally in the 19th Judicial District Court for the Parish of East Baton Rouge, was brought as a class action and is procedurally the most advanced of the cases. SEI and SPTC filed exceptions, which the Court granted in part, dismissing claims under the Louisiana Unfair Trade Practices Act and permitting the claims under the Louisiana Securities Law to go forward. On March 11, 2013, newly-added insurance carrier defendants removed the case to the United States District Court for the Middle District of Louisiana. On August 7, 2013, the Judicial Panel on Multidistrict Litigation transferred the matter to the Northern District of Texas where MDL 2099, In re: Stanford Entities Securities Litigation ("the Stanford MDL"), is pending. On September 22, 2015, the District Court on the motion of SEI and SPTC dismissed plaintiffs' claims for primary liability under Section 714(A) of the Louisiana Securities Law, but declined to dismiss plaintiffs' claims for secondary liability under Section 714(B) of the Louisiana Securities Law based on the allegations pled by plaintiffs. On November 4, 2015, the District Court granted SEI and SPTC's motion to dismiss plaintiffs' claims under Section 712(D) of the Louisiana Securities Law. Consequently, the only claims of plaintiffs still pending before the District Court in Lillie are plaintiffs' claims for secondary liability against SEI and SPTC under Section 714(B) of the Louisiana Securities Law. On May 2, 2016, the District Court certified the class as being "all persons for whom Stanford Trust Company purchased or renewed Stanford Investment Bank Limited certificates of deposit in Louisiana between January 1, 2007 and February 13, 2009". Notice of the pendency of the class action was mailed to potential class members on October 4, 2016.

On December 1, 2016, a group of plaintiffs who opted out of the Lillie class filed a complaint against SEI and SPTC in the United States District Court in the Middle District of Louisiana, alleging claims essentially the same as those in Lillie. In January 2017, the Judicial Panel on Multidistrict Litigation transferred the proceeding to the Northern District of Texas and the Stanford MDL. During February 2017, SEI filed its response to the Complaint and in March 2017 the District Court for the Northern District of Texas approved the stipulated dismissal of all claims in this complaint predicated on Section 712(D) or Section 714(A) of the Louisiana Securities Law.

Another one of the cases, filed in the 23rd Judicial District Court for the Parish of Ascension, also was removed to federal court and transferred by the Judicial Panel on Multidistrict Litigation to the Northern District of Texas and the Stanford MDL. The schedule for responding to that Complaint has not yet been established.

The plaintiffs in two of the cases remaining in the Parish of East Baton Rouge have granted SEI and SPTC indefinite extensions to respond to the petitions.

In the two additional cases, filed in East Baton Rouge and brought by the same counsel who filed the Lillie action, virtually all of the litigation to date has involved motions practice and appellate litigation regarding the existence of federal subjection matter jurisdiction under the federal Securities Litigation Uniform Standards Act (SLUSA). After the matter was removed to the United States District Court for the Northern District of Texas, that court dismissed the action under SLUSA. The Court of Appeals for the Fifth Circuit

reversed that order, and the Supreme Court of the United States affirmed the Court of Appeals judgment on February 26, 2014. The matter was remanded to state court and no material activity has taken place since that date.

While the outcome of this litigation remains uncertain, SEI and SPTC believe that they have valid defenses to plaintiffs' claims and intend to defend the lawsuits vigorously. Because of uncertainty in the make-up of the Lillie class, the specific theories of liability that may survive a motion for summary judgment or other dispositive motion, the relative lack of discovery regarding damages, causation, mitigation and other aspects that may ultimately bear upon loss, the Company is not reasonably able to provide an estimate of loss, if any, with respect to the foregoing lawsuits.

On November 26, 2014, a Writ of Summons was issued to two of our subsidiaries, SEI Investments - Global Fund Services Limited (GFSL) and SEI Investments - Depositary & Custodial Services (Ireland) Limited (D&C), to appear before the Court of First Instance Antwerp, Belgium. The plaintiffs in this case allege that through their initial investments in collective investment funds domiciled in Netherlands and subsequent transfer of claim rights to a Belgium domiciled partnership, they are beneficial owners of a portfolio of life settlement policies (the Portfolio) which lapsed due to a failure to make premium payments. The plaintiffs seek to recover jointly and severally from nine defendants including GFSL and D&C, damages of approximately $84 million. GFSL and D&C's involvement in the litigation appears to arise out of their historical provision of administration and custody services, respectively, to the Strategic Life Settlement Fund PLC, who, together with its managers, appear to be the principal defendants in this claim. On December 4, 2015, the Belgium court dismissed plaintiff's claims for a lack of jurisdiction. On December 22, 2015, the plaintiffs appealed the dismissal. During October 2017, the Belgium appellate court dismissed plaintiff's appeal.

While the outcome of this action is uncertain given its early phase and the lack of specific theories of liability asserted against GFSL and D&C, each of GFSL and D&C believe that they have valid defenses to plaintiffs' claims and intend to defend the lawsuit vigorously, and GFSL and D&C are not reasonably able to provide an estimate of the ultimate loss, if any, with respect to this lawsuit.

Note 12 — Income Taxes

The federal and state and foreign income tax provision is summarized as follows:

Year Ended December 31,	2017	2016	2015
Current			
Federal	**$ 154,776**	$ 158,411	$ 159,774
State	**11,645**	10,500	7,756
Foreign	**8,002**	5,137	5,224
	174,423	174,048	172,754
Deferred			
Federal	**(26,350)**	788	(5,343)
State	**1,378**	(168)	1,414
Foreign	**3,199**	—	—
	(21,773)	620	(3,929)
Total income taxes	**$ 152,650**	$ 174,668	$ 168,825

Annual tax provisions include amounts considered sufficient to pay assessments that may result from examination of prior year tax returns; however, the amount ultimately paid upon resolution of issues raised may differ materially from the amount accrued. The examination and the resolution process may last longer than one year.

The components of Income before income taxes are summarized as follows:

Year Ended December 31,	2017	2016	2015
Domestic	**$ 523,044**	$ 481,760	$ 472,384
Foreign	**33,995**	26,725	28,096
	$ 557,039	$ 508,485	$ 500,480

The effective income tax rate differs from the federal income tax statutory rate due to the following:

Year Ended December 31,	2017	2016	2015
Statutory rate	**35.0%**	35.0%	35.0%
State taxes, net of federal tax benefit	**1.3**	1.3	1.6
Foreign tax expense and tax rate differential	**(1.1)**	(0.8)	(1.2)
Tax benefit from stock option exercises	**(3.9)**	—	—
Enactment of the Tax Cuts and Jobs Act:			
Re-measurement of deferred tax liability	**(4.9)**	—	—
One-time transition tax on repatriation of foreign earnings and withholding tax	**2.6**	—	—
Research and development tax credit	**(0.9)**	(0.8)	(0.6)
Domestic Production Activities Deduction	**(0.5)**	(0.6)	(0.6)
Settlement of state tax petition	**—**	—	(0.8)
Other, net	**(0.2)**	0.2	0.3
	27.4%	34.3%	33.7%

The decrease in the Company's effective income tax rate in 2017 was primarily due to the adoption of ASU 2016-09 and the estimated impact of the Tax Cuts and Jobs Act (Tax Act). As required by ASU 2016-09, the Company no longer records excess tax benefits from stock option exercises as an increase to additional paid in capital, but records such excess tax benefits as a reduction of income tax expense in the reporting period in which the exercises occur.

The Tax Act was enacted on December 22, 2017 and included numerous changes to the current tax law including a permanent reduction in the corporate tax rate from 35.0 percent to 21.0 percent, as well as the imposition of a territorial rather than worldwide system which requires a one-time transition tax on the repatriation of previously deferred foreign earnings. The Company's estimate of the one-time transition tax as of December 31, 2017 was $11,544, of which $915 is expected to be paid within one year and $10,629 is included in Long-term income taxes payable on the accompanying Consolidated Balance Sheet.

Under the Tax Act, the undistributed earnings of the Company's foreign subsidiaries are deemed repatriated. As a result, the Company has determined that a portion of these earnings are no longer indefinitely reinvested and therefore accrued foreign withholding taxes. The Company's foreign withholding tax was $3,199 and is included in Deferred income taxes on the accompanying Consolidated Balance Sheet as of December 31, 2017.

The impact to the Company's effective tax rate in 2017 from the Tax Act was a combination of a $27,153 tax benefit from the re-measurement of the Company's estimated net deferred tax liability as of December 31, 2017 based upon the new 21.0 percent corporate tax rate offset by expense of $14,743 from the preliminary estimate of the one-time transition tax relating to the impact of the deemed repatriation and withholding tax of the Company's previously undistributed foreign earnings. The net impact to the Company's tax rate in 2017 from the Tax Act was a net tax benefit of $12,410, or $0.08 diluted earnings per share.

The increase in the Company's tax rate for 2016 was primarily due to lower foreign income in jurisdictions with lower effective rates and the one-time reduction in 2015 due to a favorable settlement of a state tax petition.

The SEC staff issued Staff Accounting Bulletin No. 118 (SAB 118) to address the application of U.S. GAAP in situations when a registrant does not have the necessary information available, prepared, or analyzed (including computations) in reasonable detail to complete the accounting for certain income tax effects of the Tax Act and allows the registrant to record provisional amounts during a measurement period not to extend beyond one year of the enactment date. The Company's preliminary estimate of the one-time transition tax and the remeasurement of deferred tax assets and liabilities is subject to the finalization of management's analysis related to certain matters, such as developing interpretations of the provisions of the Tax Act, changes to certain estimates and amounts related to the earnings and profits of certain subsidiaries and the filing of our tax returns. U.S. Treasury regulations, administrative interpretations or court decisions interpreting the Tax Act may require further adjustments and changes in estimates. The final determination of the one-time transition tax and the remeasurement of the Company's deferred assets and liabilities will be completed as additional information becomes available, but no later than one year from the enactment of the 2017 Tax Act in accordance with SAB 118.

Deferred income taxes for 2017, 2016 and 2015 reflect the impact of temporary differences between the amount of assets and liabilities for financial reporting purposes and such amounts as measured by tax laws and regulations. Significant components of our deferred tax assets and liabilities at December 31, 2017 and 2016 are as follows:

Year Ended December 31,	2017	2016
Deferred Tax Assets:		
Stock-based compensation expense	**$ 24,725**	$ 33,459
Foreign and state net operating loss carryforward	**71,236**	20,049
Basis differences in investments	**4,191**	6,165
Federal benefit of state tax deduction for uncertain tax positions	**1,918**	3,647
Revenue and expense recognized in different periods for financial reporting and income tax purposes	**2,631**	5,022
Other assets	**273**	813
Total deferred income tax assets	**104,974**	69,155
Less: valuation allowance	**(68,469)**	(17,922)
Net deferred income tax assets	**$ 36,505**	$ 51,233
Deferred Tax Liabilities:		
Capitalized software currently deductible for tax purposes, net of amortization	**$ (70,575)**	$ (107,897)
Difference in financial reporting and income tax depreciation methods	**(3,182)**	(5,190)
Difference between book and tax basis of other assets	**(3,549)**	(4,597)
Goodwill and other intangibles	**(1,001)**	—
Foreign Dividend Withholding Tax	**(3,199)**	—
Other liabilities	**(704)**	(1,115)
Total deferred income tax liabilities	**$ (82,210)**	$ (118,799)
Net deferred income tax liabilities	**$ (45,705)**	$ (67,566)

The valuation allowances against deferred tax assets at December 31, 2017 and 2016 are related to state net operating losses from certain domestic subsidiaries as well as foreign net operating losses from certain foreign subsidiaries. Certain state and foreign tax statutes significantly limit the utilization of net operating losses for domestic and foreign subsidiaries. Furthermore, these net operating losses cannot be used to offset the net income of other subsidiaries.

The Company recognizes uncertain tax positions in accordance with the applicable accounting guidance and adjusts these liabilities when management's judgment changes as a result of the evaluation of new information not previously available. Due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from our current estimate of the tax liabilities. The Company's total unrecognized tax benefit, not including interest and penalties, as of December 31, 2017 was $14,480, of which $13,737 would affect the effective tax rate if the Company were to recognize the tax benefit. The gross amount of uncertain tax liability of $3,275 which is expected to be paid within one year is netted against the current payable account while the remaining amount of $12,380 is included in Other long-term liabilities on the accompanying Consolidated Balance Sheets. During the year ended December 31, 2017, the Company recognized $5,846 of previously unrecognized tax benefits relating to the lapse of the statute of limitation.

The Company files a consolidated federal income tax return and separate income tax returns with various states. Certain subsidiaries of the Company file tax returns in foreign jurisdictions. The Company is no longer subject to U.S. federal income tax examination for years before 2014 and is no longer subject to state, local or foreign income tax examinations by authorities for years before 2010.

A reconciliation of the beginning and ending amount of unrecognized tax benefit is as follows:

	2017	2016	2015
Balance as of January 1	**$ 17,287**	$ 14,517	$ 14,018
Tax positions related to current year:			
Gross additions	**3,180**	3,756	1,954
Tax positions related to prior years:			
Gross additions	**211**	1,762	297
Settlements	**(352)**	(378)	—
Lapses on statute of limitations	**(5,846)**	(2,370)	(1,752)
Balance as of December 31	**$ 14,480**	$ 17,287	$ 14,517

The above reconciliation of the gross unrecognized tax benefit will differ from the amount which would affect the effective tax rate because of the recognition of the federal and state tax benefits.

The Company classifies all interest and penalties as income tax expense. The Company has recorded $1,175, $1,227 and $1,391 in liabilities for tax-related interest and penalties in 2017, 2016 and 2015, respectively.

The Company estimates it will recognize $3,275 of unrecognized tax benefits within the next twelve months due to lapses on the statute of limitation.

The Company includes its direct and indirect subsidiaries in its U.S. consolidated federal income tax return. The Company's tax sharing allocation agreement provides that any subsidiary having taxable income will pay a tax liability equivalent to what that subsidiary would have paid if it filed a separate income tax return. If the separately calculated federal income tax provision for any subsidiary results in a tax loss, the current benefit resulting from such loss, to the extent utilizable on a separate return basis, is accrued and paid to that subsidiary.

Note 13 — Business Segment Information

The Company's reportable business segments are:

- **Private Banks —** provides outsourced investment processing and investment management platforms to banks and trust institutions, independent wealth advisers and financial advisors worldwide;
- **Investment Advisors —** provides investment management and investment processing platforms to affluent investors through a network of independent registered investment advisors, financial planners and other investment professionals in the United States;
- **Institutional Investors —** provides investment management and administrative outsourcing platforms to retirement plan sponsors, healthcare systems and not-for-profit organizations worldwide;
- **Investment Managers —** provides investment operations outsourcing platforms to fund companies, banking institutions and both traditional and non-traditional investment managers worldwide; and
- **Investments in New Businesses —** focuses on providing investment management programs to ultra-high-net-worth families residing in the United States; developing internet-based investment services and advice platforms; entering new markets; and conducting other research and development activities.

In 2017, 2016 and 2015, no single customer accounted for more than ten percent of revenues in any business segment.

The following tables highlight certain financial information about each of the Company's business segments for the years ended December 31, 2017, 2016 and 2015:

For the Year Ended December 31, 2017	Private Banks	Investment Advisors	Institutional Investors	Investment Managers	Investments In New Businesses	Total
Revenues	$ 474,272	$ 373,473	$ 322,457	$ 349,444	$ 6,906	$ 1,526,552
Expenses	455,119	201,833	161,640	226,504	20,678	1,065,774
Operating profit (loss)	$ 19,153	$ 171,640	$ 160,817	$ 122,940	$ (13,772)	$ 460,778

For the Year Ended December 31, 2016	Private Banks	Investment Advisors	Institutional Investors	Investment Managers	Investments In New Businesses	Total
Revenues	$ 457,886	$ 330,677	$ 312,584	$ 294,390	$ 6,008	$ 1,401,545
Expenses	421,188	180,140	153,117	191,127	20,962	966,534
Operating profit (loss)	$ 36,698	$ 150,537	$ 159,467	$ 103,263	$ (14,954)	$ 435,011
Gain on sale of subsidiary	2,791	—	—	—	—	2,791
Total profit (loss)	$ 39,489	$ 150,537	$ 159,467	$ 103,263	$ (14,954)	$ 437,802

For the Year Ended December 31, 2015	Private Banks	Investment Advisors	Institutional Investors	Investment Managers	Investments In New Businesses	Total
Revenues	$ 456,516	$ 306,620	$ 297,568	$ 267,963	$ 5,541	$ 1,334,208
Expenses	410,975	171,968	145,851	172,094	20,656	921,544
Operating profit (loss)	$ 45,541	$ 134,652	$ 151,717	$ 95,869	$ (15,115)	$ 412,664
Gain on sale of subsidiary	2,791	—	—	—	—	2,791
Total profit (loss)	$ 48,332	$ 134,652	$ 151,717	$ 95,869	$ (15,115)	$ 415,455

A reconciliation of the total reported for the business segments to income from operations in the Consolidated Statements of Operations for the years ended December 31, 2017, 2016 and 2015 is as follows:

Year Ended December 31,	2017	2016	2015
Total operating profit from segments above	**$ 460,778**	$ 435,011	$ 412,664
Corporate overhead expenses	**(63,834)**	(59,317)	(54,451)
Income from operations	**$ 396,944**	$ 375,694	$ 358,213

The following tables provide additional information for the years ended December 31, 2017, 2016 and 2015 pertaining to our business segments:

	Capital Expenditures (1)			Depreciation		
Year Ended December 31,	**2017**	**2016**	**2015**	**2017**	**2016**	**2015**
Private Banks	**$ 47,526**	$ 45,940	$ 41,972	**$ 16,479**	$ 13,222	$ 12,348
Investment Advisors	**17,450**	17,610	13,206	**3,364**	3,880	3,410
Institutional Investors	**4,020**	4,319	5,301	**1,121**	1,367	1,200
Investment Managers	**15,863**	11,209	10,119	**4,698**	4,877	4,040
Investments in New Businesses	**546**	726	736	**826**	2,197	2,278
Total from business segments	**$ 85,405**	$ 79,804	$ 71,334	**$ 26,488**	$ 25,543	$ 23,276
Corporate Overhead	**1,163**	1,985	2,547	**823**	897	768
	$ 86,568	$ 81,789	$ 73,881	**$ 27,311**	$ 26,440	$ 24,044

(1) Capital expenditures include additions to property and equipment and capitalized software.

	Amortization		
Year Ended December 31,	**2017**	**2016**	**2015**
Private Banks	**$ 32,696**	$ 31,675	$ 29,819
Investment Advisors	**10,930**	10,458	9,880
Institutional Investors	**1,599**	1,674	1,558
Investment Managers	**2,593**	1,092	1,029
Investments in New Businesses	**239**	146	116
Total from business segments	**$ 48,057**	$ 45,045	$ 42,402
Corporate Overhead	**218**	347	228
	$ 48,275	$ 45,392	$ 42,630

	Total Assets	
	2017	**2016**
Private Banks	**$ 523,214**	$ 471,435
Investment Advisors	**139,697**	160,717
Institutional Investors	**117,286**	109,879
Investment Managers	**278,540**	158,621
Investments in New Businesses	**19,269**	4,910
Total from business segments	**$1,078,006**	$ 905,562
Corporate Overhead (2)	**775,363**	731,261
	$1,853,369	$ 1,636,823

(2) Unallocated assets primarily consist of cash and cash equivalents, marketable securities, and certain other shared services assets.

The following table presents revenues based on the location of the use of the products or services:

For the Year Ended December 31,	**2017**	**2016**	**2015**
United States	**$1,298,381**	$ 1,191,640	$ 1,123,165
International operations	**228,171**	209,905	211,043
	$1,526,552	$ 1,401,545	$ 1,334,208

The following table presents assets based on their location:

	2017	2016
United States	**$1,471,260**	$ 1,317,235
International operations	**382,109**	319,588
	$1,853,369	$ 1,636,823

Note 14 — Related Party Transactions

The Company, either by itself or through its wholly-owned subsidiaries, serves as the sponsor, administrator, investment advisor, distributor and shareholder servicer for SEI-sponsored investment products. These investment products are offered to clients of the Company and its subsidiaries. Fees earned by the Company for the related services are recognized pursuant to the provisions of investment advisory, fund administration, distribution, and shareholder services agreements directly with the investment products. These fees totaled $453,438, $431,318 and $426,301 in 2017, 2016 and 2015, respectively, and are reflected in Asset management, administration and distribution fees on the accompanying Consolidated Statements of Operations. The Company also serves as an introducing broker-dealer for securities transactions of SEI-sponsored investment products. The Company recognized $1,216, $561 and $365 in commissions during 2017, 2016 and 2015, respectively. These fees are reflected in Transaction-based and trade execution fees on the accompanying Consolidated Statements of Operations.

Receivables from investment products on the accompanying Consolidated Balance Sheets primarily represent fees receivable for distribution, investment advisory, and administration services to various investment products sponsored by SEI.

Note 15 — Sale of SEI Asset Korea

On July 31, 2012, the Company, MetLife International Holdings, Inc. (MetLife) and International Finance Corporation (IFC) entered into a definitive agreement with Baring Asset Management Limited (Barings) to sell all ownership interest in SEI Asset Korea (SEI AK). SEI AK was located in South Korea and provided domestic equity and fixed-income investment management services to financial institutions and pension funds.

On March 28, 2013, all conditions subject to closing the transaction were satisfied and all ownership interests in SEI AK were transferred to Barings. Under the terms of the agreement, a portion of the purchase price was paid upon closing with up to an additional $11,220 payable to the Company as a contingent purchase price with respect to three one-year periods ending on December 31, 2013, 2014 and 2015 depending upon whether SEI AK achieves specified revenue measures during such periods. The Company recognized a pre-tax gain of $2,791, or $0.01 diluted earnings per share, during 2015 and 2016. The Company's gains from the sale of SEI AK are included in Gain on sale of subsidiary on the accompanying Consolidated Statement of Operations.

Note 16 — Business Acquisitions

On July 3, 2017, the Company acquired all ownership interests of Archway Technology Partners, LLC, Archway Finance & Operations, Inc. and Keystone Capital Holdings, LLC (collectively, Archway), a provider of operating technologies and services to the family office industry, from Keystone International Holdings, Inc. With this acquisition, the Company expands its position in the single and multi-family office services market by diversifying its technology and operating solutions.

Under the acquisition method of accounting, the total purchase price was allocated to Archway's net tangible and intangible assets based upon their estimated fair values as of July 3, 2017. The total purchase price for Archway was $81,635 in cash consideration with up to an additional $8,000 payable to the seller as a contingent purchase price with respect to two one-year periods ending December 31, 2017 and 2018 depending upon whether Archway achieves specified financial measures during such periods. The fair value of the contingent consideration was estimated to be $4,800 on the acquisition date. Archway did not attain the specified financial measure for the period ended December 31, 2017. As a result, as of December 31, 2017, the Company reversed the value allocated to the contingent consideration established at the acquisition date. Additionally, the Company recognized a liability for post-acquisition obligations to the members of Archway. The net adjustment of $3,800 was recorded as a reduction in expense and is reflected in Facilities, supplies and other costs on the accompanying Consolidated Statement of Operations.

The Company acquired $1,401 in cash during the acquisition, resulting in $80,234 net cash paid for Archway. According to the terms of the purchase agreement, a portion of the purchase price was placed into escrow to indemnify the Company of any pre-acquisition damages. As of December 31, 2017, the balance available in escrow was $8,000.

The purchase price allocation is as follows:

	Estimated Fair Value	Estimated Useful Life
Current assets, net of current liabilities	$ 2,539	
Property and equipment	776	
Goodwill	52,990	
Identifiable intangible assets		
Acquired technology	13,510	10 years
Client relationships	10,760	15 years
Non-competition agreements	3,470	5 years
Trade names	2,390	7 years
Contingent consideration	(4,800)	
Total purchase price allocation	$ 81,635	

The results of operations of Archway and any adjustments related to the acquisition are included in the Investment Managers business segment and are reflected in the Company's Consolidated Statement of Operations since the completion of the acquisition on July 3, 2017.

All tangible and intangible assets resulting from the Archway transaction have been allocated to the Investment Managers business segment. Amortization expense related to the intangible assets acquired was $1,552 during the period ended December 31, 2017. The Company currently expects to recognize approximately $3,104 in amortization expense related to the intangible assets each year from 2018 through 2021 and $2,757 in expense in 2022. Any goodwill generated from the acquisition is fully deductible for income tax purposes.

Pro forma information has not been presented because the effect of the Archway acquisition is not material to the Company's consolidated financial results.

Note 17 — Quarterly Financial Data (Unaudited)

	For the Three Months Ended			
2017	**March 31**	**June 30**	**September 30**	**December 31(1)**
Revenues	$ 359,984	$ 372,331	$ 386,018	$ 408,219
Income before income taxes	$ 128,660	$ 135,158	$ 140,769	$ 152,452
Net income	$ 88,737	$ 91,769	$ 101,739	$ 122,144
Basic earnings per share	$ 0.56	$ 0.58	$ 0.64	$ 0.78
Diluted earnings per share (2)	$ 0.55	$ 0.57	$ 0.63	$ 0.75
Effective income tax rate	31.0%	32.1%	27.7%	19.9%

(1) During the fourth quarter 2017, the Company recognized an estimated net tax benefit of $12,410, or $0.08 diluted earnings per share, resulting from the impacts of the enactment of the Tax Act on December 22, 2017 (See Note 12).

(2) The sum of the individual quarterly earnings per share amounts may not agree with the annual earnings per share amount as each quarterly computation is based on the weighted average number of shares outstanding during that period.

	For the Three Months Ended			
2016	**March 31**	**June 30**	**September 30**	**December 31(3)**
Revenues	$ 334,263	$ 343,831	$ 354,641	$ 368,810
Income before income taxes	$ 119,638	$ 124,904	$ 130,890	$ 133,053
Net income	$ 77,497	$ 81,005	$ 86,704	$ 88,611
Basic earnings per share	$ 0.48	$ 0.50	$ 0.54	$ 0.55
Diluted earnings per share (2)	$ 0.47	$ 0.49	$ 0.53	$ 0.55
Effective income tax rate	35.2%	35.2%	33.8%	33.4%

(3) During the fourth quarter 2016, the Company recognized a performance fee of $12,286 and a corresponding sub-advisory expense of $6,143 associated with an SEI-sponsored investment product. These items resulted in an after-tax net profit of $4,091, or $0.03 diluted earnings per share.

Schedule II — Valuation and Qualifying Accounts and Reserves

(In thousands) SEI Investments Company and Subsidiaries

Year Ended December 31,		Additions			
Description	Balance at Beginning of Year	Charged to Costs and Expenses	Charged to Other Accounts	(Deductions)	Balance at End of Year
Allowance for doubtful accounts:					
2017	**$ 523**	**$ 172**	**$ —**	**$ —**	**$ 695**
2016	649	—	—	(126)	523
2015	784	—	—	(135)	649
Deferred income tax valuation allowance:					
2017 (1)	**$ 17,922**	**$ —**	**$ 50,547**	**$ —**	**$ 68,469**
2016	14,548	—	3,374	—	17,922
2015	16,509	(1,142)	(819)	—	14,548

(1) Additions to deferred income tax valuation allowance in 2017 reflect the Pennsylvania state tax law change in October 2017 regarding the use of net operating losses.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act), as of the end of the period covered by this report. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective as of the end of the period covered by this annual report to provide reasonable assurance that the information required to be disclosed by us in reports filed under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Act is accumulated and communicated to the issuer's management including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the framework in *Internal Control — Integrated Framework (2013)*, our management concluded that our internal control over financial reporting was effective as of December 31, 2017.

The effectiveness of our internal control over financial reporting as of December 31, 2017 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report which is included herein.

Changes in Internal Control over Financial Reporting

No change in our internal control over financial reporting occurred during the quarter ended December 31, 2017 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Identification of Directors

Information with respect to the members of the Board of Directors of the Company is set forth under the caption "Election of Directors" in the Company's definitive proxy statement to be filed pursuant to Regulation 14A, which information is incorporated herein by reference.

Identification of Executive Officers

The Board of Directors of the Company has determined that the Company's executive officers within the meaning of Rule 3b-7 promulgated under the Securities Exchange Act of 1934, as amended, are as follows:

ALFRED P. WEST, JR., 75, has been the Chairman of the Board of Directors and Chief Executive Officer of the Company since its inception in 1968. Mr. West was President from June 1979 to August 1990.

KEVIN P. BARR, 52, has been an employee of the Company since May 2000. Mr. Barr has been an Executive Vice President since May 2008.

ROBERT F. CRUDUP, 70, has been an employee of the Company since 1987. Mr. Crudup has been an Executive Vice President since January 2001.

KATHY C. HEILIG, 59, has been an employee of the Company since November 1987. Ms. Heilig has been Chief Accounting Officer and Controller since May 1999. Ms. Heilig was Treasurer from May 1997 to May 2005.

N. JEFFREY KLAUDER, 65, has been Executive Vice President and General Counsel of the Company since August 2004. Prior to August 2004, Mr. Klauder was a partner of Morgan Lewis & Bockius, LLP, a law firm.

PAUL F. KLAUDER, 50, has been an employee of the Company since May 1993. Mr. Klauder has been an Executive Vice President since February 2016 and a Senior Vice President since May 2004.

DENNIS J. MCGONIGLE, 57, has been an employee of the Company since August 1985. Mr. McGonigle has been the Chief Financial Officer since December 2002 and an Executive Vice President since July 1996 and a Senior Vice President since May 1995.

STEPHEN G. MEYER, 53, has been an employee of the Company since November 1992. Mr. Meyer has been an Executive Vice President since December 2006 and a Senior Vice President since December 2005.

JOSEPH P. UJOBAI, 56, has been an employee of the Company since May 1998. Mr. Ujobai has been an Executive Vice President since May 2003 and a Senior Vice President since January 2001.

WAYNE M. WITHROW, 62, has been an employee of the Company since January 1990. Mr. Withrow has been an Executive Vice President since March 2000 and a Senior Vice President since January 1994. Mr. Withrow was Chief Information Officer from March 2000 to May 2002.

Section 16(a) Beneficial Ownership Reporting Compliance

Information with respect to the Section 16(a) compliance of the directors and executive officers of the Company is set forth under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" in the Company's definitive proxy statement to be filed pursuant to Regulation 14A, which information is incorporated herein by reference.

Code of Conduct

The Company has adopted a Code of Conduct applicable to all of its employees, including its executive officers, as well as a Code of Ethics for Senior Financial Officers. The Code of Conduct and the Code of Ethics for Senior Financial Officers is posted on our website, www.seic.com under the Investors/Corporate Governance section.

Item 11. Executive Compensation.

Information required by this item is set forth under the caption "Executive Compensation" in the Company's definitive proxy statement to be filed pursuant to Regulation 14A, which information is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Information required by this item is set forth under the caption "Ownership of Shares" in the Company's definitive proxy statement to be filed pursuant to Regulation 14A, which information is incorporated herein by reference.

The following table provides information regarding the aggregate number of securities to be issued under all of our equity compensation plans upon exercise of outstanding options, warrants, and other rights and their weighted-average exercise price as of December 31, 2017. Material features of each of the plans reflected in the table are described below.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)		Weighted — average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))(c)
Equity compensation plans approved by security holders	16,712,177	$	37.63	24,107,806
Equity compensation plans not approved by security holders	—		—	—
Total	16,712,177	$	37.63	24,107,806

The 2014 Omnibus Equity Compensation Plan:

On March 19, 2014, the Board of Directors adopted the 2014 Omnibus Equity Compensation Plan (the 2014 Plan), and the Company's shareholders approved the adoption of the 2014 Plan on May 21, 2014 (the Effective Date). The 2014 Plan replaced the 2007 Equity Compensation Plan (The 2007 Plan). The 2007 Plan has been merged with and into the 2014 Plan as of the Effective Date. Outstanding grants under the 2007 Plan will continue according to the terms in effect before the plan merger, but the outstanding shares with respect to those outstanding grants will be issued or transferred under the 2014 Plan. No additional grants shall be made after the Effective Date under the 2007 Plan.

The 2014 Plan provides for grants of stock options (incentive stock options and nonqualified stock options), stock units, stock awards, stock appreciation rights (SARs), dividend equivalents and other stock-based awards to all employees (including employees who are also directors) of the Company or its subsidiaries, consultants who perform valuable services to the Company or its subsidiaries and members of the Board of Directors who are not employees of the Company. The Company has only granted nonqualified stock options under the 2014 Plan.

The 2014 Plan is administered and interpreted by the Compensation Committee (the Committee) or another committee appointed by our Board of Directors; however, the Board of Directors or its delegate will administer and interpret all grants under the 2014 Plan to non-employee directors. The Committee has the authority to (i) determine the individuals to whom grants will be made under the 2014 Plan, (ii) determine the type, size and terms and conditions of the grants, (iii) determine the time when grants will be made and the duration of any applicable exercise or restriction period, including the criteria for exercisability and the acceleration of exercisability, (iv) amend the terms and conditions of any previously issued grant, and (v) deal with any other matters arising under the 2014 Plan.

Options granted under the 2014 Plan may be "incentive stock options," which are intended to qualify within the meaning of Section 422 of the Internal Revenue Code, and "nonqualified stock options" which are not intended to so qualify. Options are granted under the 2014 Plan with an exercise price equal to or greater than the fair market value of the Company's common stock on the date of grant and the term of which may not exceed ten years from the date of grant. The vesting period for options commences on the date of grant, or upon the achievement of such vesting requirements, and ends on such date as is determined in each case by the Committee, in its sole discretion, which is specified in the grant agreement. Options may be exercised only while the participant is actively employed by or actively providing service to the Company unless the Committee provides for a period after such employment or service in which the option may be exercised. The Committee may only grant incentive stock options to employees of the Company or its subsidiaries.

The Committee may grant SARs to anyone eligible to participate in the 2014 Plan. Upon exercise of a SAR, the participant will receive an amount equal to the excess of the fair market value of the Company's common stock on the date of exercise over the base amount set forth in the grant agreement. Such payment to the participant will be in cash, in shares of common stock, or in a combination of cash and shares of common stock as determined by the Committee. The Committee will determine the period when SARs vest and become exercisable, the base amount of the SARs, and whether SARs will be granted in connection with, or independently of, any options. SARs may be exercised only while the participant is actively employed by or actively providing service to the Company unless the Committee provides for a period after such employment or service in which the option may be exercised.

The Committee may grant stock units to anyone eligible to participate in the 2014 Plan. A stock unit is a phantom unit that represents the right to receive a share of common stock or an amount based on the value of a share of the Company's common stock. The Committee will determine the number of stock units that a participant will receive and the terms and conditions applicable to such stock units as specified in the grant agreement. The Committee may grant stock units that are payable at the end of a specified vesting period or if specified performance goals or other conditions are met, or under other circumstances. Such payment to the participant will be in cash, in shares of common stock, or in a combination of cash and shares of common stock. The Committee will determine the period and conditions when stock units vest. The Committee will determine in the grant agreement under what circumstances a participant may retain stock units if after employment or service with the Company prior to the vesting of any stock units and the circumstances under which a participant will forfeit stock units.

The Committee may grant dividend equivalents in connection with stock units, under such terms and conditions the Committee deems appropriate. Dividend equivalents may be paid as and when the underlying stock units are paid, or may be deferred. The dividend equivalent amount with respect to a stock unit is determined by multiplying the number of shares of the Company's common stock subject to the stock unit by the per share cash dividend, or the per share fair market value for non-cash dividends, paid by the Company with respect to a dividend record date. Dividend equivalents may be accrued as a cash obligation, or may be converted to additional stock units, and deferred dividend equivalents may accrue interest, all as determined by the Committee. The Company may provide that dividend equivalents are payable based on the achievement of specific performance goals. Dividend equivalents may be paid in cash, shares of common stock, or in a combination of the two, as determined by the Committee.

The Committee may grant stock awards to anyone eligible to participate in the 2014 Plan. A stock award is a grant of shares of the Company's common stock, which may be subject to restrictions. The Committee will determine whether a stock award will be granted, the number of shares that will be subject to such award, when and how restrictions, if any, will lapse, and whether a purchase price must be paid for the shares subject to the award. The Committee will determine the period and conditions when stock awards vest. The Committee will determine in the grant agreement under what circumstances a participant may retain stock awards if after employment or service with the Company prior to the vesting of any stock awards and the circumstances under which a participant will forfeit stock awards.

For each share of common stock that is actually issued or transferred pursuant to a grant, other than a stock option or SAR, and which is settled by the issuance of common stock, will count as three shares against the share limits. Each share of common stock that is actually issued or transferred pursuant to a stock option or SAR will count as one share against the share limits. If and to the extent grants under the 2014 Plan (including stock options granted under the 2007 Plan) terminate, expire, or are canceled, forfeited, exchanged, or surrendered without having been exercised, the shares subject to such grants will again be available for purposes of the 2014 Plan, taking into account the ratios described above.

If there is any change in the number or kind of shares of common stock outstanding by reason of a stock dividend, spin-off, recapitalization, stock split, or combination or exchange of shares, by reason of a merger, reorganization or consolidation, by reason of a recapitalization or change in par value or by reason of any other extraordinary or unusual event affecting the outstanding common stock as a class without the Company's receipt of consideration, or if the value of outstanding shares of common stock is substantially reduced as a result of a spin-off or the Company's payment of an extraordinary dividend or distribution, the maximum number of shares of common stock available for issuance under the 2014 Plan, the maximum number of shares of common stock which any individual may receive pursuant to grants in any year, the kind and number of shares covered by outstanding grants, the kind and number of shares issued and to be issued under the 2014 Plan, and the price per share or the applicable market value of such grants shall be appropriately adjusted by the Committee, in such manner as the Committee deems appropriate, to reflect any increase or decrease in the number of, or change in the kind or value of, the issued shares of common stock to preclude, to the extent practicable, the enlargement or dilution of rights and benefits under the 2014 Plan and such outstanding grants.

Unless otherwise set forth in the grant agreement, with respect to stock options, stock units, stock awards, stock appreciation rights or other stock based awards, if (a) a change of control occurs and (b) during the period commencing on the date of the change of control and ending on the date that is 24 months following the change of control, the participant's employment or service is terminated (i) by the Company or its subsidiaries without "cause" (as defined in the 2014 Plan), (ii) by the participant for "good reason" (as defined in the 2014 Plan), (iii) by the Company or its subsidiaries on account of the participant's Disability (as defined in the 2014 Plan), or (iv) on account of the participant's death, then all outstanding stock options and stock appreciation rights will vest and

become exercisable and all other outstanding grants will vest and all restrictions pertaining to such other grants will lapse and have no further effect.

The Board of Directors may amend or terminate the 2014 Plan at any time, subject to shareholder approval. No grants may be issued under the 2014 Plan after May 20, 2024.

As of December 31, 2017, options to acquire 16,712,177 shares were outstanding under the 2014 Plan, out of a total of 46,934,334 shares of common stock reserved for issuance under the 2014 Plan. The 2014 Plan authorizes the issuance of an additional 30,000,000 new shares of common stock. This is in addition to 16,235,712 shares of common stock which were subject to outstanding grants under the 2007 Plan as of the Effective Date and 698,622 shares of common stock which remained available for issuance or transfer under the 2007 Plan but not subject to previously exercised, vested or paid grants as of the Effective Date. A total of 24,107,806 shares of common stock remain available for issuance under the 2014 Plan for future grants.

The 2007 Equity Compensation Plan:

On April 3, 2007, the Board of Directors adopted the 2007 Equity Compensation Plan (the 2007 Plan), and the Company's shareholders approved the adoption of the 2007 Plan on May 23, 2007. The 2007 Plan provided for grants of stock options (incentive stock options and nonqualified stock options) and stock appreciation rights (SARs) to all employees (including employees who are also directors) of the Company or its subsidiaries, consultants who perform valuable services to the Company or its subsidiaries and members of the Board of Directors who are not employees of the Company. The Company did not grant any incentive stock options or stock appreciation rights under the 2007 Plan.

The 2007 Plan has been merged with and into the 2014 Plan as of May 21, 2014. Outstanding grants under the 2007 Plan will continue according to the terms in effect before the plan merger, but the outstanding shares with respect to those outstanding grants will be issued or transferred under the 2014 Plan. No additional grants shall be made after May 21, 2014 under the 2007 Plan.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Information required by this item is set forth under the captions "Election of Directors," "Executive Compensation," and "Director Compensation" in the Company's definitive proxy statement to be filed pursuant to Regulation 14A, which information is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services.

Information required by this item is set forth under the caption "Ratification or Appointment of Independent Public Accountants" in the Company's definitive proxy statement to be filed pursuant to Regulation 14A, which information is incorporated herein by reference.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

1 and 2. **Financial Statements and Financial Statement Schedules.** The following is a list of the Consolidated Financial Statements of the Company and its subsidiaries and supplementary data filed as part of Item 8 hereof:

Reports of Independent Registered Public Accounting Firm

Consolidated Balance Sheets — December 31, 2017 and 2016

Consolidated Statements of Operations — For the years ended December 31, 2017, 2016 and 2015

Consolidated Statements of Comprehensive Income — For the years ended December 31, 2017, 2016 and 2015

Consolidated Statements of Changes in Equity — For the years ended December 31, 2017, 2016 and 2015

Consolidated Statements of Cash Flows — For the years ended December 31, 2017, 2016 and 2015

Notes to Consolidated Financial Statements

Schedule II - Valuation and Qualifying Accounts and Reserves — For the years ended December 31, 2017, 2016 and 2015

All other schedules are omitted because they are not applicable, or not required, or because the required information is included in the Consolidated Financial Statements or notes thereto.

3. **Exhibits, Including Those Incorporated by Reference.** The exhibits to this Report are listed on the accompanying index to exhibits and are incorporated herein by reference or are filed as part of this Annual Report on Form 10-K.

Signatures

Pursuant to the requirements of Section 13 or 15(d) 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: February 22, 2018

By: /s/ **Dennis J. McGonigle**
Dennis J. McGonigle
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on dates indicated.

Date: February 22, 2018

By: /s/ **Alfred P. West, Jr.**
Alfred P. West, Jr.
Chairman of the Board, Chief Executive Officer, and Director

Date: February 22, 2018

By: /s/ **Carmen V. Romeo**
Carmen V. Romeo
Director

Date: February 22, 2018

By: /s/ **William M. Doran**
William M. Doran
Director

Date: February 22, 2018

By: /s/ **Kathryn M. McCarthy**
Kathryn M. McCarthy
Director

Date: February 22, 2018

By: /s/ **Sarah W. Blumenstein**
Sarah W. Blumenstein
Director

Date: February 22, 2018

By: /s/ **Carl A. Guarino**
Carl A. Guarino
Director

Exhibit Index

The following is a list of exhibits filed as part of this annual report on Form 10-K. For exhibits incorporated by reference, the location of the exhibit in the previous filing is indicated in parentheses.

3.1	(P)	Articles of Incorporation of the Registrant as amended on January 21, 1983. (Incorporated by reference to exhibit 3.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1982.)
3.1.2	(P)	Amendment to Articles of Incorporation of the Registrant, dated May 21, 1992. (Incorporated by reference to exhibit 3.1.2 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1992.)
3.1.3	(P)	Amendment to Articles of Incorporation of the Registrant, dated May 26, 1994. (Incorporated by reference to exhibit 3.1.3 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1994.)
3.1.4	(P)	Amendment to Articles of Incorporation of the Registrant, dated November 21, 1996. (Incorporated by reference to exhibit 3.1.4 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1996.)
3.1.5		Amendment to Articles of Incorporation of the Registrant, dated February 14, 2001. (Incorporated by reference to exhibit 3.1.5 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2000.)
3.2		Amended and Restated By-Laws. (Incorporated by reference to exhibit 3.2 to the Registrant's Current Report on Form 8-K dated January 6, 2009.)
3.2.1		Amendment of Section 3.02 of the Amended and Restated Bylaws. (Incorporated by reference to exhibit 3.2.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2010.)
4.1		Rights Agreement dated January 6, 2009. (Incorporated by reference to exhibit 4.1 to the Registrant's Current Report on Form 8-K dated January 6, 2009.)
4.2		Statement with Respect to Shares of a Domestic Corporation amending the designations of Series A Junior Participating Preferred Shares as a series of the Series Preferred Stock of the Company, dated January 6, 2009. (Incorporated by reference to exhibit 3.1 to the Registrant's Current Report on Form 8-K dated January 6, 2009.)
		Note: Exhibits 10.4 through 10.11 constitute the management contracts and executive compensatory plans or arrangements in which certain of the directors and executive officers of the Registrant participate.
10.4		1998 Equity Compensation Plan, Amended and Restated as of April 8, 2003. (Incorporated by reference to exhibit 99.1 to the Registrant's Registration Statement on Form S-8 (No. 333-111224) filed December 16, 2003.)
10.4.1		Amendment 2006-1 to the 1998 Equity Compensation Plan, Amended and Restated as of April 8, 2003. (Incorporated by reference to exhibit 10.4.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2006.)
10.5		Employee Stock Purchase Plan as Amended and Restated on May 20, 2008. (Incorporated by reference to the Registrant's Current Report on Form 8-K dated May 20, 2008.)
10.6		SEI Capital Accumulation Plan. (Incorporated by reference to exhibit 99(e) to the Registrant's Registration Statement on Form S-8 (No. 333-41343) filed December 2, 1997.)
10.9		Employment Agreement, dated June 25, 2004, between N. Jeffrey Klauder and the Registrant. (Incorporated by reference to exhibit 10.9 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2006.)
10.10		2007 Equity Compensation Plan. (Incorporated by reference to exhibit 10.10 to the Registrant's Current Report on Form 8-K dated April 11, 2007.)
10.11		2014 Omnibus Equity Compensation Plan. (Incorporated by reference to exhibit 10.11 to the Registrant's Current Report on Form 8-K dated May 21, 2014.)
10.22		Credit Facility, dated January 14, 2003 between Royal Bank of Canada and SEI Investments Canada Company, a subsidiary of SEI Investments Company. (Incorporated by reference to exhibit 10.22 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2005.)
10.22.1		First Amendment, dated June 15, 2005 to Credit Facility, dated January 14, 2003 between Royal Bank of Canada and SEI Investments Canada Company, a subsidiary of SEI Investments Company. (Incorporated by reference to exhibit 10.22.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2005.)
10.22.2		Second Amendment, dated February 20, 2006 to Credit Facility, dated January 14, 2003 between Royal Bank of Canada and SEI Investments Canada Company, a subsidiary of SEI Investments Company. (Incorporated by reference to exhibit 10.22.2 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2005.)
10.24		$300,000 Credit Agreement, dated February 2, 2012, among SEI Investments Company, the Lenders Party thereto, U.S. Bank National Association, as Syndication Agent, Citizens Bank of Pennsylvania and Manufacturers and Traders Trust

		Company, each as Documentation Agent, and Wells Fargo Bank, National Association, as Administrative Agent (Incorporated by reference to exhibit 10.24 to the Registrant's Current Report on Form 8-K/A dated February 2, 2012.)
10.25		Guaranty and Collateral Agreement dated as of October 1, 2012 among SEI Investments Company, LSV Employee Group III, LLC, and The PrivateBank and Trust Company. (Incorporated by reference to exhibit 10.25 to the Registrant's Current Report on Form 8-K dated October 1, 2012.)
10.26		Credit Agreement, dated as of June 13, 2016 among SEI Investments Company, the Lenders, U.S. Bank National Association, as Syndication Agent, Citizens Bank of Pennsylvania and Manufacturers and Traders Trust Company, each as Documentation Agent, and Wells Fargo Bank, National Association, as Administrative Agent (Incorporated by reference to exhibit 10.26 to the Registrant's Current Report on Form 8-K dated June 13, 2016.)
14		Code of Ethics for Senior Financial Officers. (Incorporated by reference to exhibit 14 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2003.)
21	*	Subsidiaries of the Registrant.
23.1	*	Consent of KPMG LLP.
23.2	*	Consent of KPMG LLP relating to the financial statements of LSV Asset Management.
31.1	*	Rule 13a-15(e)/15d-15(e) Certification of Chief Executive Officer.
31.2	*	Rule 13a-15(e)/15d-15(e) Certification of Chief Financial Officer.
32	*	Section 1350 Certifications.
99.1		Financial Statements of LSV Asset Management dated December 31, 2010 and 2009. (Incorporated by reference to exhibit 99.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2010.)
99.2		Financial Statements of LSV Asset Management dated December 31, 2011 and 2010. (Incorporated by reference to exhibit 99.2 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2011.)
99.3		Financial Statements of LSV Asset Management dated December 31, 2012 and 2011. (Incorporated by reference to exhibit 99.3 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2012.)
99.4		Financial Statements of LSV Asset Management dated December 31, 2013 and 2012. (Incorporated by reference to exhibit 99.4 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2013.)
99.5		Financial Statements of LSV Asset Management dated December 31, 2014 and 2013. (Incorporated by reference to exhibit 99.5 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2014.)
99.6		Financial Statements of LSV Asset Management dated December 31, 2015 and 2014. (Incorporated by reference to exhibit 99.6 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2015.)
99.7		Financial Statements of LSV Asset Management dated December 31, 2016 and 2015. (Incorporated by reference to exhibit 99.7 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2016.)
99.8	*	Financial Statements of LSV Asset Management dated December 31, 2017 and 2016.
101.INS		XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	*	XBRL Taxonomy Extension Schema Document
101.CAL	*	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	*	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	*	XBRL Taxonomy Extension Definition Linkbase Document

* Filed herewith as an exhibit to this Annual Report on Form 10-K.

(P) Paper exhibit.

Exhibit 31.1

Certifications

I, Alfred P. West, Jr., certify that:

1. I have reviewed this Annual Report on Form 10-K of SEI Investments Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 22, 2018

By: /s/ **Alfred P. West, Jr.**
Alfred P. West, Jr.
Chairman and Chief Executive Officer

Exhibit 31.2

Certifications

I, Dennis J. McGonigle, certify that:

1. I have reviewed this Annual Report on Form 10-K of SEI Investments Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 22, 2018

By: /s/ **Dennis J. McGonigle**
Dennis J. McGonigle
Chief Financial Officer

Exhibit 32

Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act Of 2002

I, Alfred P. West, Jr., Chairman and Chief Executive Officer, and I, Dennis J. McGonigle, Chief Financial Officer, of SEI Investments Company, a Pennsylvania corporation (the "Company"), hereby certify that, to my knowledge:

(1) The Company's Quarterly Report on Form 10-K for the annual period ended December 31, 2017 (the "Form 10-K") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

(2) The information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 22, 2018

/s/ **Alfred P. West, Jr.**

Alfred P. West, Jr.

Chairman and Chief Executive Officer

Date: February 22, 2018

/s/ **Dennis J. McGonigle**

Dennis J. McGonigle

Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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SEI INVESTMENTS COMPANY

(NASDAQ: SEIC)

› Corporate Headquarters

1 Freedom Valley Drive, P.O. Box 1100
Oaks, Pennsylvania 19456-1100
610-676-1000

› Shareholder Assistance

Contact your investment advisor regarding positions held in your accounts with their firms. For questions about positions registered in your name, contact:

American Stock Transfer & Trust Company, LLC
6201 15th Avenue
Brooklyn, NY 11219
800-937-5449

BOARD OF DIRECTORS

Alfred P. West, Jr.
Chairman and *Chief Executive Officer*
SEI

Sarah W. Blumenstein
Philanthropic Consultant

William M. Doran
Consultant. Retired Partner
Morgan, Lewis & Bockius, LLP
(Law Firm)

Carl A. Guarino
Private Investor

Kathryn M. McCarthy
Independent Consultant and
Financial Advisor

Carmen V. Romeo
Private Investor

EXECUTIVE OFFICERS

Alfred P. West, Jr.
Chairman and *Chief Executive Officer*

Kevin P. Barr
Executive Vice President

Robert F. Crudup
Executive Vice President

Kathy C. Heilig
Vice President and *Controller*

N. Jeffrey Klauder
Executive Vice President and
General Counsel

Paul F. Klauder
Executive Vice President

Dennis J. McGonigle
Executive Vice President and
Chief Financial Officer

Stephen G. Meyer
Executive Vice President

Mark H. Samuels
Executive Vice President

Joseph P. Ujobai
Executive Vice President

Wayne M. Withrow
Executive Vice President

1 Freedom Valley Drive
Oaks, PA 19456-1100
610-676-1000

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