SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)*

X Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended September 30, 2000 or

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

0-10200
(Commission File Number)

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

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

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

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No ____

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

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

*APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of September 30, 2000: 53,331,949 shares of common stock, par value $.01 per share.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Consolidated Balance Sheets

(In thousands)

	September 30, 2000 (unaudited)	December 31, 1999
Assets		
Current assets:		
Cash and cash equivalents	$107,114	$ 73,206
Receivables from regulated investment companies	26,658	24,179
Receivables, net of allowance for doubtful accounts of $1,700	55,969	33,554
Deferred income taxes	11,335	10,934
Prepaid expenses and other current assets	4,586	5,119
Total current assets	205,662	146,992
Property and equipment, net of accumulated depreciation and amortization of $79,901 and $71,415	70,748	65,640
Capitalized software, net of accumulated amortization of $11,272 and $9,838	13,284	15,626
Other assets, net	37,404	25,521
Total Assets	$327,098	$253,779

The accompanying notes are an integral part of these statements.

Consolidated Balance Sheets

(In thousands, except par value)

	September 30, 2000 (unaudited)	December 31, 1999
Liabilities and Shareholders' Equity		
Current liabilities:		
Current portion of long-term debt	$ 2,000	$ 2,000
Accounts payable	6,858	7,397
Accrued expenses	123,812	110,201
Deferred revenue	19,376	19,320
Total current liabilities	152,046	138,918
Long-term debt	27,000	29,000
Deferred income taxes	7,554	6,859
Shareholders' equity:		
Common stock, $.01 par value, 100,000 shares authorized; 53,332 and 17,692 shares issued and outstanding	533	177
Capital in excess of par value	81,734	71,501
Retained earnings	58,738	7,373
Accumulated other comprehensive losses	(507)	(49)
Total shareholders' equity	140,498	79,002
Total Liabilities and Shareholders' Equity	$327,098	$253,779

The accompanying notes are an integral part of these statements.

Consolidated Statements of Income

(unaudited)

(In thousands, except per share data)

	Three Months Ended September 30, 2000	1999
Revenues	$155,628	$117,199
Expenses:		
Operating and development	72,147	52,577
Sales and marketing	38,064	34,383
General and administrative	4,312	3,004
Income from operations	41,105	27,235
Equity in the earnings of unconsolidated affiliate	1,853	1,625
Interest income	1,938	570
Interest expense	(572)	(585)
Income before income taxes	44,324	28,845
Income taxes	16,843	11,105
Net income	27,481	17,740
Other comprehensive (loss) income, net of tax:		
Foreign currency translation adjustments, net of income tax expense (benefit) of $158 and $(168)	257	(269)
Unrealized holding losses on investments, net of income tax (benefit) expense of $(362) and $75	(590)	120
Other comprehensive loss	(333)	(149)
Comprehensive income	$ 27,148	$ 17,591
Basic earnings per common share	$ .52	$ .33
Diluted earnings per common share	$ .48	$ .31

The accompanying notes are an integral part of these statements.

Consolidated Statements of Income

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

	Nine Months Ended September 30, 2000	Nine Months Ended September 30, 1999
Revenues	$440,814	$333,139
Expenses:		
Operating and development	207,593	156,744
Sales and marketing	115,243	92,069
General and administrative	12,097	9,134
Income from operations	105,881	75,192
Equity in the earnings of unconsolidated affiliate	5,363	4,904
Interest income	3,989	1,443
Interest expense	(1,722)	(1,763)
Income before income taxes	113,511	79,776
Income taxes	43,134	30,713
Net income	70,377	49,063
Other comprehensive (loss) income, net of tax:		
Foreign currency translation adjustments, net of income tax expense (benefit) of $163 and $(69)	266	(110)
Unrealized holding losses on investments, net of income tax benefit of $444 and $15	(724)	24
Other comprehensive loss	(458)	(86)
Comprehensive income	$ 69,919	$ 48,977
Basic earnings per common share	$ 1.33	$ .92
Diluted earnings per common share	$ 1.24	$ .86

The accompanying notes are an integral part of these statements.

Consolidated Statements of Cash Flows

(unaudited)
(In thousands)

	Nine Months Ended September 30, 2000	Nine Months Ended September 30, 1999
Cash flows from operating activities:		
Net income	$ 70,377	$ 49,063
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	12,793	11,568
Equity in the earnings of unconsolidated affiliate	(5,363)	(4,904)
Tax benefit on stock options exercised	5,040	11,362
Write-off of intangible assets	3,737	--
Other	4,619	2,236
Change in current assets and liabilities:		
Decrease (increase) in		
Receivables from regulated investment companies	(2,479)	(2,758)
Receivables	(22,415)	(9,558)
Prepaid expenses and other current assets	533	1,957
Increase (decrease) in		
Accounts payable	(539)	(736)
Accrued expenses	17,149	11,620
Deferred revenue	56	1,136
Net cash provided by operating activities	83,508	70,986
Cash flows from investing activities:		
Additions to property and equipment	(18,822)	(13,429)
Additions to capitalized software	(449)	(987)
Purchase of investments available for sale	(14,863)	(1,000)
Other	3,533	(3,286)
Net cash used in investing activities	(30,601)	(18,702)
Cash flows from financing activities:		
Payment on long-term debt	(2,000)	(2,000)
Purchase and retirement of common stock	(14,948)	(50,312)
Proceeds from issuance of common stock	5,734	6,889
Payment of dividends	(7,785)	(6,411)
Net cash used in financing activities	(18,999)	(51,834)
Net increase in cash and cash equivalents	33,908	450
Cash and cash equivalents, beginning of period	73,206	52,980
Cash and cash equivalents, end of period	$107,114	$ 53,430

The accompanying notes are an integral part of these statements.

Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies

Nature of Operations

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

Summary Financial Information and Results of Operations

In the opinion of the Company, the accompanying unaudited Consolidated Financial Statements contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the financial position as of September 30, 2000, the results of operations for the three and nine months ended September 30, 2000 and 1999, and cash flows for the nine months ended September 30, 2000 and 1999.

Interim Financial Information

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

Principles of Consolidation

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

Property and Equipment

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

	September 30, 2000	December 31, 1999	Estimated Useful Lives (In Years)
Equipment	$ 67,638,000	$ 62,437,000	3 to 5
Buildings	34,695,000	34,676,000	10 to 39
Land	9,096,000	7,686,000	N/A
Purchased software	14,829,000	13,302,000	3
Furniture and fixtures	14,176,000	12,554,000	3 to 5
Leasehold improvements	7,295,000	6,400,000	Lease Term
Construction in progress	2,920,000	--	N/A
	150,649,000	137,055,000	
Less: Accumulated depreciation and amortization	(79,901,000)	(71,415,000)	
Property and Equipment, net	$ 70,748,000	$ 65,640,000	

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

Capitalized Software

The Company accounts for software development costs in accordance with Statement of Financial Accounting Standards No. 86, "Accounting for the Costs of Computer Software to Be Sold, Leased, or Otherwise Marketed" ("SFAS 86"). Under SFAS 86, costs incurred to create a computer software product are charged to research and development expense as incurred until technological feasibility has been established. The Company establishes technological feasibility upon completion of a detail program design. At that point, computer software costs are capitalized until the product is available for general release to customers. The establishment of technological feasibility and the ongoing assessment of recoverability of capitalized software development costs require considerable judgment by management with respect to certain external factors, including, but not limited to, anticipated future revenues, estimated economic life, and changes in technology. Amortization begins when the product is released. Capitalized software development costs are amortized on a product-by-product basis using the straight-line method over the estimated economic life of the product or enhancement, which is primarily three to ten years, with a weighted average remaining life of approximately 7.8 years.

Earnings per Share

The Company computes earnings per common share in accordance with Statement of Financial Accounting Standards No. 128, "Earnings per Share" ("SFAS 128"). Pursuant to SFAS 128, dual presentation of basic and diluted earnings per common share is required on the face of the statements of income for companies with complex capital structures. Basic earnings per common share is calculated by dividing net income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted earnings per common share reflects the potential dilution from the exercise or conversion of securities into common stock, such as stock options. All common share figures have been restated to reflect the three-for-one stock split in June 2000.

	For the Three-Month period ended September 30, 2000		
	Income (Numerator)	Shares (Denominator)	Per Share Amount
Basic earnings per common share	$27,481,000	53,251,000	$ .52
Dilutive effect of stock options	--	3,977,000	
Diluted earnings per common share	$27,481,000	57,228,000	$ .48

	For the Three-Month period ended September 30, 1999		
	Income (Numerator)	Shares (Denominator)	Per Share Amount
Basic earnings per common share	$17,740,000	53,289,000	$ .33
Dilutive effect of stock options	--	3,327,000	
Diluted earnings per common share	$17,740,000	56,616,000	$ .31

Options to purchase 18,000 and 60,000 shares of common stock, with an average exercise price per share of $69.56 and $32.42 were outstanding during the third quarter of 2000 and 1999, respectively, but were excluded from the diluted earnings per common share calculation because the options' exercise prices were greater than the average market price of the Company's common stock.

	For the Nine-Month period ended September 30, 2000		
	Income (Numerator)	Shares (Denominator)	Per Share Amount
Basic earnings per common share	$70,377,000	53,108,000	$1.33
Dilutive effect of stock options	--	3,563,000	
Diluted earnings per common share	$70,377,000	56,671,000	$1.24

	For the Nine-Month period ended September 30, 1999		
	Income (Numerator)	Shares (Denominator)	Per Share Amount
Basic earnings per common share	$49,063,000	53,352,000	$ .92
Dilutive effect of stock options	--	3,741,000	
Diluted earnings per common share	$49,063,000	57,093,000	$ .86

Options to purchase 18,000 shares of common stock, with an average exercise price per share of $69.56 were outstanding during the first nine months of 2000, but were excluded from the diluted earnings per common share calculation because the options' exercise prices were greater than the average market price of the Company's common stock. All options outstanding during the first nine months of 1999 were included in the diluted earnings per common share calculation.

Statements of Cash Flows

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

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

	2000	1999
Interest paid	$ 2,207,000	$ 2,351,000
Interest and dividends received	$ 3,762,000	$ 1,434,000
Income taxes paid	$36,622,000	$17,944,000

Management's Use of Estimates

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

Note 2. Sale of Fund Evaluation Services Business - On July 31, 2000, the Company entered into a definitive agreement to sell all the rights and titles to its Canadian performance measurement business along with the related assets of such business to Royal Trust Corporation of Canada ("Royal Trust"), a unit of Royal Bank of Canada. The performance measurement business measured and evaluated investment portfolio performance for defined benefit plan sponsors and investment managers located in Canada. Under the terms of the agreement, the Company received cash consideration, which was subject to adjustment at closing. A transition plan is currently being implemented for integrating the clients, affected employees and systems to Royal Trust by the end of 2000. The Company recognized a minimal gain from the sale in the third quarter 2000, which was immaterial.

Note 3. Comprehensive Income - The Company computes comprehensive income in accordance with Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" ("SFAS 130"). SFAS 130 establishes standards for reporting and presentation of comprehensive income and its components (revenues, expenses, gains and losses) in a full set of general-purpose financial statements that is presented with equal prominence as other financial statements. Comprehensive income includes net income, foreign currency translation adjustments, and unrealized holding gains and losses and is presented on the accompanying Consolidated Statements of Income.

	Foreign Currency Translation Adjustments	Unrealized Holding Gains(Losses) on Investments	Accumulated Other Comprehensive Losses
Beginning balance	$(469,000)	$ 420,000	$ (49,000)
Current period change	266,000	(724,000)	(458,000)
Ending Balance	$(203,000)	$(304,000)	$(507,000)

Note 4. Receivables - Receivables on the accompanying Consolidated Balance Sheets consist of the following:

	September 30, 2000	December 31, 1999
Trade receivables	$31,910,000	$16,339,000
Fees earned, not received	2,275,000	2,304,000
Fees earned, not billed	23,484,000	16,611,000
	57,669,000	35,254,000
Less: Allowance for doubtful accounts	(1,700,000)	(1,700,000)
	$55,969,000	$33,554,000

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

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

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

	September 30, 2000	December 31,1999
Investments available for sale	$21,072,000	$ 6,704,000
Investment in unconsolidated affiliate	5,204,000	5,305,000
Other, net	11,128,000	13,512,000
Other assets	$37,404,000	$25,521,000

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

At September 30, 2000, Investments available for sale had an aggregate cost of $21,469,000 and an aggregate market value of $21,072,000 with gross unrealized losses of $397,000. At that date, the net unrealized holding losses of $304,000 (net of income tax benefit of $93,000) were reported as a separate component of Accumulated other comprehensive losses on the accompanying Consolidated Balance Sheets.

At December 31, 1999, Investments available for sale had an aggregate cost of $6,235,000 and an aggregate market value of $6,704,000 with gross unrealized holding gains of $469,000. At that date, the net unrealized holding gains of $420,000 (net of income tax expense of $49,000) were reported as a separate component of Accumulated other comprehensive losses on the accompanying Consolidated Balance Sheets.

Investment in Unconsolidated Affiliate - LSV Asset Management ("LSV") is a partnership formed between the Company and three leading academics in the field of finance. LSV is a registered investment advisor that provides investment advisory services to institutions, including pension plans and investment companies. LSV is currently the portfolio manager for a number of Company-sponsored mutual funds. The Company's interest in LSV for the first nine months in 2000 and 1999 was approximately 47 percent. LSV is accounted for using the equity method of accounting due to the less than 50 percent ownership. The Company's portion of LSV's net earnings is reflected in Equity in the earnings of unconsolidated affiliate on the accompanying Consolidated Statements of Income.

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

	2000	1999
Revenues	$5,853,000	$5,041,000
Net income	$3,980,000	$3,457,000

The following table contains the Condensed Statements of Income of LSV for the nine months ended September 30:

	2000	1999
Revenues	$16,532,000	$14,595,000
Net income	$11,527,000	$10,431,000

The following table contains the Condensed Balance Sheets of LSV:

	September 30, 2000	December 31, 1999
Current assets	$ 9,899,000	$9,459,000
Non-current assets	117,000	131,000
Total assets	$10,016,000	$9,590,000
Current liabilities	$ 1,293,000	$ 782,000
Partners' capital	8,723,000	8,808,000
Total liabilities and partners' capital	$10,016,000	$9,590,000

Note 6. Accrued Expenses - Accrued expenses on the accompanying Consolidated Balance Sheets consist of the following:

	September 30, 2000	December 31, 1999
Accrued compensation	$ 45,070,000	$ 39,846,000
Accrued proprietary fund services	14,044,000	11,562,000
Accrued corporate income taxes	10,841,000	9,801,000
Accrued consulting services	8,848,000	7,342,000
Other accrued expenses	45,009,000	41,650,000
Total accrued expenses	$123,812,000	$110,201,000

Note 7. Line of Credit - The Company has a line of credit agreement (the "Agreement") with its principal lending institution. The Agreement provides for borrowings of up to $50,000,000. The Agreement ends on August 31, 2001, at which time the outstanding principal balance, if any, becomes due unless the Agreement is extended. Management believes the agreement will be extended. The line of credit, when utilized, accrues interest at the Prime rate or one and one-quarter percent above the London Interbank Offered Rate. The Company is obligated to pay a commitment fee equal to one-quarter of one percent per annum on the average daily unused portion of the commitment. Certain covenants under the Agreement require the Company to maintain specified levels of net worth and place certain restrictions on investments. The Company had no outstanding borrowings on its line of credit at September 30, 2000.

Note 8. Long-term Debt - On February 24, 1997, the Company signed a Note Purchase Agreement authorizing the issuance and sale of $20,000,000 of 7.20% Senior Notes, Series A, and $15,000,000 of 7.27% Senior Notes, Series B, (collectively, the "Notes") in a private offering with certain financial institutions. The Notes are unsecured with final maturities ranging from 10 to 15 years. The proceeds from the Notes were used to repay the outstanding balance on the Company's line of credit at that date. The Note Purchase Agreement, as amended, contains various covenants, including limitations on indebtedness, maintenance of minimum net worth levels, and restrictions on certain investments. In addition, the agreement limits the Company's ability to merge or consolidate, and to sell certain assets. None of these covenants negatively affect the Company's liquidity or capital resources.

Principal payments on the Notes are made annually from the date of issuance while interest payments are made semi-annually. The Company made its scheduled annual payment of $2,000,000 in February 2000. The current portion of the Notes amounted to $2,000,000 at September 30, 2000. The carrying amount of the Company's long-term debt approximates its fair value.

Note 9. Common Stock Buyback - The Board of Directors has authorized the purchase of the Company's common stock on the open market or through private transactions of up to an aggregate of $403,365,000, including an additional $50 million authorization in October 2000. Through September 30, 2000, a total of 49,005,000 shares (adjusted for the three for one-stock split) at an aggregate cost of $345,196,000 have been purchased and retired. The Company purchased 432,000 shares at a total cost of $14,948,000 during the nine month period ended September 30, 2000.

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.

Note 10. Stock Split - On May 10, 2000, the Board of Directors declared a three-for-one stock split of the Company's $.01 par value common stock, effected in the form of a stock dividend which was paid on June 19, 2000 to shareholders of record as of June 5, 2000. A total of 35,400,000 additional shares of common stock were issued in connection with the stock split. The par value of the common stock remains unchanged. All references in the accompanying financial statements to the number of shares of common stock, and per share amounts have been restated to reflect the effect of the stock split.

Note 11. Dividend - On May 10, 2000, the Board of Directors declared a cash dividend of $.08 per share on the Company's common stock, which was paid on June 19, 2000, to shareholders of record on June 5, 2000. The dividend per share amounts above were adjusted to reflect the three-for-one stock split paid on June 19, 2000.

Note 12. Segment Information - The Company defines its business segments in accordance with Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information" ("SFAS 131"). SFAS 131 establishes standards for the way public business enterprises report financial information about operating segments in financial statements. SFAS 131 also requires additional disclosures about products and services, geographic areas, and major customers.

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

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

The following tables highlight certain unaudited financial information about each of the Company's segments for the three and nine months ended September 30, 2000 and 1999.

	Technology Services	Asset Management	Mutual Fund Services	Investments In New Business	General And Administrative	Total
	For the Three-Month Period Ended September 30, 2000					
Revenues	$57,564,000	$57,612,000	$31,740,000	$ 8,712,000		$155,628,000
Operating Income (loss)	$20,516,000	$22,333,000	$ 7,758,000	$(5,190,000)	$ (4,312,000)	$ 41,105,000
Other income, net						$ 3,219,000
Income before Income taxes						$ 44,324,000
Depreciation and Amortization	$ 2,989,000	$ 588,000	$ 377,000	$ 320,000	$ 120,000	$ 4,394,000
Capital expenditures	$ 4,666,000	$ 1,238,000	$ 508,000	$ 1,035,000	$ 915,000	$ 8,362,000
	For the Three-Month Period Ended September 30, 1999					
Revenues	$46,951,000	$36,105,000	$27,790,000	$ 6,353,000		$117,199,000
Operating income (loss)	$16,600,000	$10,236,000	$ 6,168,000	$(2,765,000)	$(3,004,000)	$ 27,235,000
Other income, net						$ 1,610,000
Income before income taxes						$ 28,845,000
Depreciation and amortization	$ 3,017,000	$ 596,000	$ 328,000	$ 210,000	$ 100,000	$ 4,251,000
Capital expenditures	$ 1,309,000	$ 678,000	$ 196,000	$ 157,000	$ 204,000	$ 2,544,000

	Technology Services	Asset Management	Mutual Fund Services	Investments In New Business	General And Administrative	Total
	For the Nine-Month Period Ended September 30, 2000					
Revenues	$164,145,000	$156,629,000	$93,899,000	$ 26,141,000		$440,814,000
Operating income (loss)	$ 59,444,000	$ 50,329,000	$19,481,000	$(11,276,000)	$ (12,097,000)	$105,881,000
Other income, net						$ 7,630,000
Income before income taxes						$113,511,000
Depreciation and amortization	$ 8,868,000	$ 1,656,000	$ 1,005,000	$ 887,000	$ 377,000	$ 12,793,000
Capital expenditures	$ 11,369,000	$ 2,160,000	$ 1,900,000	$ 1,974,000	$ 1,419,000	$ 18,822,000
	For the Nine-Month Period Ended September 30, 1999					
Revenues	$140,010,000	$96,556,000	$80,843,000	$15,730,000		$333,139,000
Operating income (loss)	$ 45,582,000	$28,155,000	$17,898,000	$(7,309,000)	$(9,134,000)	$ 75,192,000
Other income, net						$ 4,584,000
Income before income taxes						$ 79,776,000
Depreciation and amortization	$ 8,163,000	$ 1,617,000	$ 943,000	$ 557,000	$ 288,000	$ 11,568,000
Capital expenditures	$ 9,049,000	$ 2,110,000	$ 457,000	$ 739,000	$ 1,074,000	$ 13,429,000

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

(In thousands, except per share data)

We are organized around our four business lines: Technology Services, Asset Management, Mutual Fund Services, and Investments in New Business. Financial information on each of these segments is reflected in Note 12 of the Notes to Consolidated Financial Statements.

Results of Operations

Third Quarter Ended September 30, 2000 Compared to Third Quarter Ended September 30, 1999

Consolidated Overview

Income Statement Data

(In thousands, except per common share data)	3RD QTR 2000	3RD QTR 1999	PERCENT CHANGE
Revenues:			
Technology Services	$ 57,564	$ 46,951	23%
Asset Management	57,612	36,105	60%
Mutual Fund Services	31,740	27,790	14%
Investments in New Business	8,712	6,353	37%
Total revenues	$155,628	$117,199	33%
Operating Income (Loss):			
Technology Services	$ 20,516	$ 16,600	24%
Asset Management	22,333	10,236	118%
Mutual Fund Services	7,758	6,168	26%
Investments in New Business	(5,190)	(2,765)	(88%)
General and Administrative	(4,312)	(3,004)	(44%)
Income from operations	41,105	27,235	51%
Other income, net	3,219	1,610	100%
Income before income taxes	44,324	28,845	54%
Income taxes	16,843	11,105	52%
Net Income	$ 27,481	$ 17,740	55%
Diluted earnings per common share	$ .48	$ .31	55%

During the third quarter of 2000, we experienced a substantial increase in revenues and earnings in our primary business lines. We can attribute this growth to two primary factors. First, the demand for our services are steadily gaining market acceptance evidenced by the substantial increase in assets under management and our ability to cross sell new services to our existing clients. In addition, our outsourcing services are gaining momentum in new markets that we have targeted within the past few years. Second, the growth we are currently experiencing stems from the leverage that is built within our operations. We are achieving economies of scale in most of our back-office and investment management operations as well as having many shared technology development projects. We anticipate the current growth experienced in revenues and earnings can continue through the delivery of new products and services as well as through the utilization of our current infrastructure to manage expenses across a higher net incremental revenue base. However, continued consolidation in the banking industry or a prolonged unfavorable change in the financial securities markets could impede growth in revenues and earnings.

Asset Balances
(In millions)

	As of September 30, 2000	1999	PERCENT CHANGE
Assets invested in equity and fixed income programs	$ 51,798	$ 34,310	51%
Assets invested in liquidity funds	24,897	20,569	21%
Assets under management	76,695	54,879	40%
Client proprietary assets under administration	195,699	149,199	31%
Assets under management and administration	$272,394	$204,078	33%

Assets under management consist of total assets invested in our equity and fixed income investment programs and liquidity funds for which we provide management services. Assets under management and administration consist of total assets for which we provide management and administrative services, including client proprietary fund balances for which we provide administration and/or distribution services.

Technology Services

Technology Services provides trust and investment operations outsourcing to financial institutions with our TRUST 3000 product line. TRUST 3000 incorporates a myriad of integrated products and sub-systems that provide complete trust and investment accounting capabilities for financial institutions.

Trust operations outsourcing incorporates the TRUST 3000 product line within a package of services that includes full operations, custody and securities processing support. The client maintains only minimal support staff, while virtually all processing work is handled by our employees. Oftentimes, the client will also elect to outsource their investment management requirements, where we provide investment products and distribution support.

	3RD QTR 2000	3RD QTR 1999	DOLLAR CHANGE	PERCENT CHANGE
Revenues:				
Trust technology services	$51,081	$41,470	$ 9,611	23%
Trust operations outsourcing	6,483	5,481	1,002	18%
Total revenues	57,564	46,951	10,613	23%
Expenses:				
Operating and development	29,057	22,020	7,037	32%
Sales and marketing	7,991	8,331	(340)	(4%)
Total operating profits	$20,516	$16,600	$ 3,916	24%
Profit margin	36%	35%	--	--

The increase in Trust Technology Services revenues is primarily attributable to an increase in recurring processing fees. The conversion of new clients onto the TRUST 3000 product line during the past year accounts for a significant portion of the increase in recurring processing fees. In addition, the delivery of new products has provided us with the opportunity to leverage additional recurring revenues from our existing clients. As a result, recurring processing fees increased $4.1 million or 17 percent. Another significant contributor to the growth in revenues was an increase in brokerage services revenues associated with securities trade execution activities by our TRUST 3000 clients. We expect our recurring revenue base to increase through the delivery of new products and services to our existing clients and the contracting of new clients for processing services. However, consolidations among our banking clients continue to be a major strategic issue facing this segment.

Trust Operations Outsourcing revenues increased primarily due to growth in investment management fees. We continue to evaluate new alternatives and possible new markets for this business. We still believe that this business provides an attractive alternative to any financial institution faced with the task of building the necessary infrastructure to support the delivery of trust services.

The increase in operating profits and profit margin were primarily due to the increase in revenues previously discussed. In addition, our current infrastructure enables us to manage expenses carefully across a higher net incremental revenue base. Because we have been achieving real economy to scale in our operational groups, we have continued to make significant investments in the development of new products and the expansion of our services into possible new markets without negatively affecting operating profits and profit margin. As a percentage of sales, operating and development expenses increased to 50 percent from 47 percent and sales and marketing expenses decreased to 14 percent from 18 percent.

Asset Management

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

	3RD QTR 2000	3RD QTR 1999	DOLLAR CHANGE	PERCENT CHANGE
Revenues:				
Investment management fees	$52,728	$31,823	$20,905	66%
Liquidity management fees	4,884	4,282	602	14%
Total revenues	57,612	36,105	21,507	60%
Expenses:				
Operating and development	15,071	9,415	5,656	60%
Sales and marketing	20,208	16,454	3,754	23%
Total operating profits	$22,333	$10,236	$12,097	118%
Profit margin	39%	28%	--	--

The increase in Investment Management Fees was primarily due to significant growth in assets under management generated through new business in both our investment advisory and institutional asset management businesses. Average assets under management increased $13.6 billion or 57 percent to $37.4 billion for the third quarter of 2000, as compared to $23.8 billion for the third quarter of 1999. In our investment advisory business, we continue to be successful at recruiting new registered investment advisors. We have also been working closely with our existing advisors to increase their asset-gathering potential by growing their existing client base through the introduction of new investment options and programs. Our Institutional asset management business also experienced a significant increase in new business. We anticipate continued growth in both these businesses through the establishment of new client relationships and the delivery of new investment products and services. We also believe that our diversified investment programs and services afford us the ability to retain these assets.

The increase in Liquidity Management Fees was due to an increase in assets under management invested in our liquidity funds from institutional clients. Average assets under management invested in our liquidity products increased to $5.3 billion for the third quarter of 2000, as compared to $4.3 billion for the third quarter of 1999. The increase in assets under management was primarily due to new sales of our cash sweep technology product. However, the increase in assets under management was partially offset by a decrease in the average basis points recognized.

Operating profits in Asset Management continues to grow at a significant pace primarily through the generation of new business. As a percentage of sales, operating and development expenses remained flat at 26 percent and sales and marketing expenses decreased to 35 percent from 46 percent. With the increased sales momentum in our investment advisory and institutional asset management businesses and the delivery of new investment products and services, favorable operating results are expected to continue in the near future. However, any prolonged devaluation in the financial securities markets could negatively affect future revenues and profits.

Mutual Fund Services

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

	3RD QTR 2000	3RD QTR 1999	DOLLAR CHANGE	PERCENT CHANGE
Total revenues	$31,740	$27,790	$3,950	14%
Expenses:				
Operating and development	18,811	17,021	1,790	11%
Sales and marketing	5,171	4,601	570	12%
Total operating profits	$ 7,758	$ 6,168	$1,590	26%
Profit margin	24%	22%	--	--

The increase in Mutual fund services revenues was fueled by growth in average proprietary fund balances, which increased $42.7 billion to $194.4 billion for the third quarter of 2000 versus $151.7 billion for the third quarter of 1999. We are beginning to see the impact of our sales efforts in the non-bank investment management and offshore markets as clients in these markets constitute a larger portion of average proprietary fund balances. We have also seen an increase in average proprietary fund balances from our bank clients. However, total revenues were negatively affected by a decrease in average basis points earned because of fee concessions granted in exchange for longer-term contracts with a few large bank clients. We will continue to aggressively focus our efforts on the non-bank investment management and offshore markets. Initially, clients in these markets will not generate as much revenue as a large bank complex would, but we believe that these will be continually growing markets.

The increase in operating profits and profit margin was due to revenue growth exceeding the increase in expenses. Although we have made substantial investments repositioning this product line as a result of market changes, the timing of these investments can cause short-term swings in profit margins and should be compared over a longer time period. The increase in expenses is the result of continued investments in new technology that we believe will differentiate and broaden our services in a highly competitive market and from accelerating sales and marketing efforts targeting the non-bank investment management and offshore markets. We will continue to make investments in repositioning this segment. As a percentage of sales, operating and development expenses remained flat at 62 percent while sales and marketing expenses increased to 18 percent from 15 percent.

The market for traditional mutual fund services for banks is maturing and fewer new bank proprietary mutual fund complexes are being established. Also, many of the largest banks with well-established complexes have grown their mutual funds to the point where they are less reliant on the services of an outsourcer. In these markets, we are repositioning our services by emphasizing value-added information and technology products. Also, we believe the non-bank investment management and offshore markets hold the greatest growth potential for our services in the upcoming years. We are currently positioning ourselves to establish a significant presence in these markets. However, continued consolidations in the banking industry or a significant and prolonged unfavorable change in the financial securities markets could negatively affect revenues and profits.

Investments in New Business

Investments in New Business consist primarily of our international asset management initiatives and Canadian operations. Our international operations incorporate various investment products and services to provide investment solutions to institutional and high-net-worth investors outside North America. Products being offered in Canada include investment advisory services.

	3RD QTR 2000	3RD QTR 1999	DOLLAR CHANGE	PERCENT CHANGE
Total revenues	$ 8,712	$ 6,353	$ 2,359	37%
Expenses:				
Operating and development	9,208	4,121	5,087	123%
Sales and marketing	4,694	4,997	(303)	(6%)
Total operating losses	$(5,190)	$(2,765)	$(2,425)	(88%)
Profit margin	(60%)	(44%)	--	--

The significant increase in revenues is due to an increase in assets under management in our non-US asset management business. Our efforts are currently focused on Europe/South Africa, Asia, and Latin America. We experienced substantial revenue growth in the European/South African region because of significant asset growth in the SEI-managed fund complex established in association with Mediolanum S. p. A., which targets the Italian marketplace. Average assets under management from our offshore enterprises were $4.1 billion in the third quarter of 2000 versus $2.6 billion in the third quarter of 1999. We also experienced a substantial increase in revenues in Canada as a result of the generation of new sales of our asset management programs.

Although the pace of global asset gathering and revenue recognition continued to accelerate, we also accelerated the pace of our investment efforts, especially in the European region. We recently opened a London office to address the United Kingdom pension market and to create a platform for other planned European initiatives. The joint venture with Credit Commercial de France ("CCF") was completed in the third quarter of 2000. This joint venture, which is based in Paris, brings our multi-manager capabilities to the French market and, through CCF distribution channels, to selected markets outside France. We believe that global expansion is an area of significant long-term growth for our firm. We will continue to make significant investments in our global initiatives and expect to incur losses throughout the remainder of the year and into 2001.

On July 31, 2000, we sold our Canadian performance measurement business along with the related assets to Royal Trust Corporation of Canada, a unit of Royal Bank of Canada. This decision to exit the performance measurement business allows us to focus on our core asset management business in Canada.

Other

General and administrative expenses increased 44 percent to $4,312 for the third quarter in 2000, as compared to $3,004 for the third quarter in 1999. As a percentage of total consolidated revenues, general and administrative expenses were 3 percent for the third quarter in 2000 and 1999.

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

	3RD QTR 2000	3RD QTR 1999
Equity in the earnings of unconsolidated affiliate	$1,853	$1,625
Interest income	1,938	570
Interest expense	(572)	(585)
Total other income, net	$3,219	$1,610

Equity in the earnings of unconsolidated affiliate on the accompanying Consolidated Statements of Income includes our less than 50 percent ownership in the general partnership of LSV Asset Management ("LSV") (See Note 5 of the Notes to Consolidated Financial Statements). Our interest in LSV's net earnings was $1,853 for the third quarter in 2000 and $1,625 for the third quarter in 1999. Average assets under management for LSV increased $1.1 billion, or 21 percent, to $6.4 billion for the third quarter of 2000, as compared to $5.3 billion for the corresponding quarter in 1999.

Interest income for the third quarter in 2000 was $1,938, as compared to $570 for the third quarter in 1999. Interest income is earned based upon the amount of cash that is invested daily and fluctuations in interest income recognized for one period in relation to another is due to changes in the average cash balance invested for the period.

Interest expense for the third quarter in 2000 was $572, as compared to $585 for the third quarter in 1999. Interest expense primarily relates to our long-term debt.

Nine Months Ended September 30, 2000 Compared to Nine Months Ended September 30, 1999

Consolidated Overview

Income Statement Data
(In thousands, except per common share data)

	NINE MONTHS 2000	NINE MONTHS 1999	PERCENT CHANGE
Revenues:			
Technology Services	$164,145	$140,010	17%
Asset Management	156,629	96,556	62%
Mutual Fund Services	93,899	80,843	16%
Investments in New Business	26,141	15,730	66%
Total revenues	$440,814	$333,139	32%
Operating Income (Loss):			
Technology Services	$ 59,444	$ 45,582	30%
Asset Management	50,329	28,155	79%
Mutual Fund Services	19,481	17,898	9%
Investments in New Business	(11,276)	(7,309)	(54%)
General and Administrative	(12,097)	(9,134)	(32%)
Income from operations	105,881	75,192	41%
Other income, net	7,630	4,584	66%
Income before income taxes	113,511	79,776	42%
Income taxes	43,134	30,713	40%
Net Income	$ 70,377	$ 49,063	43%
Diluted earnings per common share	$ 1.24	$ .86	44%

Revenues and earnings increased in the nine months ended September 30, 2000 primarily from new business generated in Technology Services and Asset Management. Technology Services operating results reflect increases in recurring processing fees generated from new clients and the delivery of new products to our existing clients. In addition, our current infrastructure enables us to leverage expenses over a higher net incremental revenue base. Operating results in Asset Management were boosted by significant increases in assets under management from new and existing clients in our investment advisory and institutional asset management businesses.

Technology Services

	NINE MONTHS 2000	NINE MONTHS 1999	DOLLAR CHANGE	PERCENT CHANGE
Revenues:				
Trust technology services	$146,728	$124,409	$22,319	18%
Trust operations outsourcing	17,417	15,601	1,816	12%
Total revenues	164,145	140,010	24,135	17%
Expenses:				
Operating and development	80,325	70,775	9,550	13%
Sales and marketing	24,376	23,653	723	3%
Total operating profits	$ 59,444	$ 45,582	$13,862	30%
Profit margin	36%	33%	--	--

The increase in Trust Technology Services revenues is primarily attributable to an increase in recurring processing fees. The conversion of new clients onto the TRUST 3000 product line during the past year accounts for a significant portion of the increase in recurring processing fees. In addition, the delivery of new products has provided us with the opportunity to generate additional recurring revenues from our existing clients. Another significant contributor to the growth in revenues was an increase in brokerage services revenues associated with securities trade execution activities by our TRUST 3000 clients.

Operating profits and profit margin for Technology Services increased substantially in the nine months ended September 30, 2000. The increase in operating profits and profit margin were primarily due to the increase in revenues previously discussed. In addition, our current infrastructure enables us to manage expenses carefully across the higher net incremental revenue base. This has allowed for continued investments in the development of new products without negatively affecting operating profits and profit margin. As a percentage of sales, operating and development expenses decreased to 49 percent from 50 percent and sales and marketing expenses decreased to 15 percent from 17 percent.

Asset Management

	NINE MONTHS 2000	NINE MONTHS 1999	DOLLAR CHANGE	PERCENT CHANGE
Revenues:				
Investment management fees	$142,192	$83,260	$58,932	71%
Liquidity management fees	14,437	13,296	1,141	9%
Total revenues	156,629	96,556	60,073	62%
Expenses:				
Operating and development	46,003	25,993	20,010	77%
Sales and marketing	60,297	42,408	17,889	42%
Total operating profits	$ 50,329	$28,155	$22,174	79%
Profit margin	32%	29%	--	--

The increase in Investment Management Fees was primarily due to significant growth in assets under management generated through new business in both our investment advisory and institutional asset management businesses and an increase in the average basis points recognized. In our investment advisory business, we continue to be successful at recruiting new registered investment advisors. We have also been working closely with our existing advisors to increase their asset-gathering potential by growing their existing client base through the introduction of new investment options and programs. Our Institutional asset management business also experienced an increase in new business. During the first nine months of 2000, we have asset commitments that have exceeded total asset commitments for all of 1999.

The increase in Liquidity Management Fees was due to an increase in assets under management invested in our liquidity funds from institutional clients. The increase in assets under management was primarily due to new sales of our cash sweep technology product. However, the increase in assets under management was partially offset by a decrease in the average basis points recognized.

Operating profits in Asset Management continues to grow at a significant pace primarily through the generation of new business. As a percentage of sales, operating and development expenses increased to 29 percent from 27 percent and sales and marketing expenses decreased to 39 percent from 44 percent. Our ability to leverage on our infrastructure allowed us to control variable operating costs and thereby increase the pace of investments in the development of new products.

Mutual Fund Services

	NINE MONTHS 2000	NINE MONTHS 1999	DOLLAR CHANGE	PERCENT CHANGE
Total revenues	$93,899	$80,843	$13,056	16%
Expenses:				
Operating and development	57,917	50,085	7,832	16%
Sales and marketing	16,501	12,860	3,641	28%
Total operating profits	$19,481	$17,898	$ 1,583	9%
Profit margin	21%	22%	--	--

The increase in Mutual fund services revenues was fueled by growth in average proprietary fund balances. We are beginning to see the impact of our sales efforts in the non-bank investment management and offshore markets as clients in these markets constitute a larger portion of average proprietary fund balances. We have also seen an increase in average proprietary fund balances from our bank clients. However, total revenues were negatively affected by a decrease in average basis points earned because of fee concessions granted in exchange for longer-term contracts with a few large bank clients.

Although revenues increased 16 percent, operating profits only reported a 9 percent increase in the first nine months of 2000. We have made substantial investments repositioning this product line during the past nine months as a result of market changes. We have accelerated our sales and marketing efforts in the non-bank investment management and offshore markets. We have developed and continue to develop new technology that we believe will differentiate and broaden our services in a highly competitive market. As a percentage of sales, operating and development expenses remained flat at 62 percent while sales and marketing expenses increased slightly to 17 percent from 16 percent.

Investments in New Business

	NINE MONTHS 2000	NINE MONTHS 1999	DOLLAR CHANGE	PERCENT CHANGE
Total revenues	$ 26,141	$15,730	$10,411	66%
Expenses:				
Operating and development	23,348	9,891	13,457	136%
Sales and marketing	14,069	13,148	921	7%
Total operating losses	$(11,276)	$(7,309)	$(3,967)	(54%)
Profit margin	(43%)	(46%)	--	--

The significant increase in revenues is due to an increase in assets under management in our non-US asset management business. Our efforts are currently focused on Europe/South Africa, Asia, and Latin America. In the European/South African region, we experienced substantial asset growth in the SEI-managed fund complex established in association with Mediolanum S. p. A., which targets the Italian marketplace. Our Korean joint venture accounts for all revenue growth in the Asian region.

Although the pace of global asset gathering and revenue recognition continued to accelerate, we also accelerated the pace of our investment efforts, especially in the European region. We recently opened a London office to address the United Kingdom pension market and to create a platform for other planned European initiatives. We also completed the joint venture with Credit Commercial de France ("CCF"). This joint venture, which is based in Paris, brings our multi-manager capabilities to the French market and, through CCF distribution channels, to selected markets outside France.

Other

General and administrative expenses increased 32 percent to $12,097 for the third quarter in 2000, as compared to $9,134 for the third quarter in 1999. As a percentage of total consolidated revenues, general and administrative expenses were 3 percent for the nine months ended September 30, 2000 and September 30, 1999.

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

	NINE MONTHS 2000	NINE MONTHS 1999
Equity in the earnings of unconsolidated affiliate	$ 5,363	$ 4,904
Interest income	3,989	1,443
Interest expense	(1,722)	(1,763)
Total other income, net	$ 7,630	$ 4,584

Equity in the earnings of unconsolidated affiliate on the accompanying Consolidated Statements of Income includes our less than 50 percent ownership in the general partnership of LSV Asset Management ("LSV") (See Note 5 of the Notes to Consolidated Financial Statements). Our interest in LSV's net earnings was $5,363 for the nine months ended September 30, 2000 and $4,904 for the nine months ended September 30, 1999. The increase in LSV's net earnings is due to an increase in assets under management.

Interest income for the nine months ended September 30, 2000 was $3,989, as compared to $1,443 for the nine months ended September 30, 1999. Interest income is earned based upon the amount of cash that is invested daily and fluctuations in interest income recognized for one period in relation to another is due to changes in the average cash balance invested for the period.

Interest expense for the nine months ended September 30, 2000 was $1,722, as compared to $1,763 for the nine months ended September 30, 1999. Interest expense primarily relates to our long-term debt.

Liquidity and Capital Resources

	Nine Months Ended September 30,	
	2000	1999
Net cash provided by operating activities	$ 83,508	$ 70,986
Net cash used in investing activities	(30,601)	(18,702)
Net cash used in financing activities	(18,999)	(51,834)
Net increase in cash and cash equivalents	33,908	450
Cash and cash equivalents, beginning of period	73,206	52,980
Cash and cash equivalents, end of period	$107,114	$ 53,430

Cash requirements and liquidity needs are primarily funded through operations and our capacity for additional borrowing. We currently have a line of credit agreement that provides for borrowings of up to $50.0 million. The availability of the line of credit is subject to compliance with certain covenants set forth in the agreement (See Note 7 of the Notes to Consolidated Financial Statements). At September 30, 2000, the unused sources of liquidity consisted of cash and cash equivalents of $107.1 million and the unused portion of the line of credit of $50.0 million.

An increase in income, accrued annual compensation payments, and changes in various accrued expenses primarily affected cash flows from operations for the first nine months of 2000 and 1999. Annual compensation and bonus payments are accrued throughout the year and are paid in the first quarter of the following year. Also, an increase in various accrued expenses positively affected cash flows from operations in the first nine months of 2000.

Cash flows from operations were also affected by receivables. Receivables from regulated investment companies increased in the first nine months of 2000 and 1999 primarily due to an increase in assets under management. These balances are paid off in the following month. In addition, an increase in trade receivables in the first nine months of 2000 and 1999 negatively affected cash flows from operations.

Cash flows from investing activities are principally affected by capital expenditures, including capitalized software development costs. Capital expenditures in the first nine months of 2000 primarily related to purchases of equipment and furniture associated with the rise in our headcount due to increased new business. However, capital expenditures in the first nine months of 1999 included significant costs associated with the expansion of our corporate campus. Additionally, we have approved plans to further expand our corporate campus in order to accommodate the additional personnel employed as a result of increased interest in our products. This project should be completed in late 2001 at an estimated cost of $20.0 million. In the second quarter of 2000, we initiated the startup of a new Company-sponsored investment product, an Insurance Products trust, in which we invested approximately $16.0 million. We expect these funds will remain invested until at least early 2001.

Cash flows from financing activities are primarily affected by debt and equity transactions. Principal payments on our long-term debt are made annually from the date of issuance while interest payments are made semi-annually. Principal payments were made in the first quarter of 2000 and 1999 (See Note 8 of the Notes to Consolidated Financial Statements). We continued our common stock repurchase program. We purchased approximately 432,000 shares (adjusted for the three-for-one stock split) of our common stock at a cost of $14.9 million during the first nine months of 2000. As of October 31, 2000, we still had $53.1 million remaining authorized for the purchase of our common stock. Cash dividends of $.15 per share were paid in the first nine months of 2000 and $.12 in the first nine months of 1999.

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

Forward-Looking Information

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements. Certain information contained in this discussion is or may be considered forward-looking. Forward-looking statements relate to future operations, strategies, financial results or other developments. Forward-looking statements are based upon estimates and assumptions that involve certain risks and uncertainties, many of which are beyond our control or are subject to change. Although we believe our assumptions are reasonable, they could be inaccurate. Our actual future revenues and income could differ materially from our expected results. We have no obligation to publicly update or revise any forward-looking statements.

Quantitative and Qualitative Disclosures About Market Risk.

We currently have several offices located outside the United States that conduct business in the local currencies of that country. We do not use foreign currency exchange contracts or other types of derivative financial investments to hedge local currency cash flows. All foreign operations aggregate approximately 7 percent of total consolidated revenues. Due to this limited activity, we do not expect any material loss with respect to foreign currency risk.

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

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

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

Exhibit 27   Financial Data Schedule

(b) Reports on Form 8-K

There were no reports on Form 8-K filed by the Company during the quarter ended September 30, 2000.

SIGNATURES

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

SEI INVESTMENTS COMPANY

Date November 13, 2000

By /s/ Kathy Heilig

Kathy Heilig
Vice President and Controller

5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM CONSOLIDATED BALANCE SHEETS AND CONSOLIDATED STATEMENTS OF INCOME AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

9-MOS
DEC-31-2000
JAN-01-2000
SEP-30-2000
107,114
0
57,669
700
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(79,901)
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533
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322,836
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70,377
0
0
0
70,377
1.33
1.24