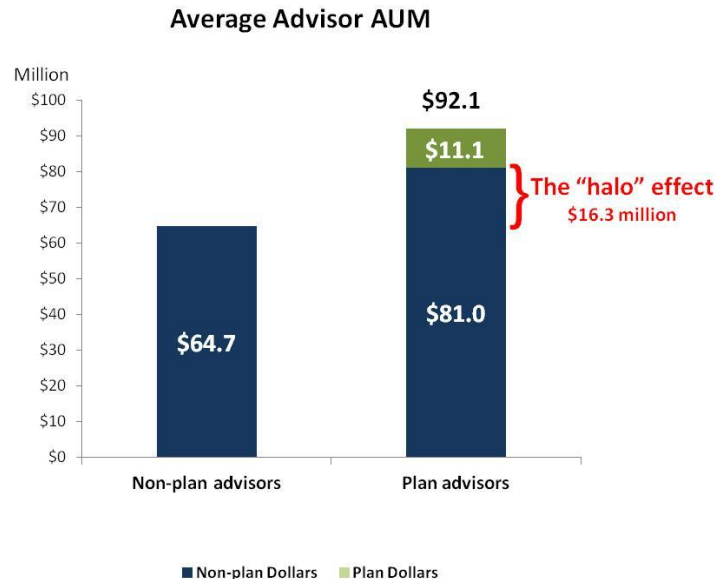




New Report Reveals That Advisors Who Sell DC Plans are 40% More Successful

CAMBRIDGE, MASS., (December 17, 2009) – Advisors who cultivate relationships with retirement plan sponsors benefit from significantly larger books of business than their peers. In fact, plan advisors wield a total AUM that is more than 40% larger than their peers. Advisors who sell and manage workplace retirement plans manage \$92 million in assets (on average), compared to the \$65 million book of a typical non-plan producer. While one might assume that the incremental dollars in the hands of plan advisors are solely due to the plans, it turns out that even after you exclude plan dollars, these advisors continue to best their peers by 25% (or \$16.3 million dollars in AUM, on average). These findings are included in a new report entitled *Success at Work: Capturing Advisor-Sold Retirement Plan Dollars* released today by Cogent Research.



According to the report’s author, Carrie Merrick of Cogent Research, the “halo” effect is a reflection of a generally more sophisticated subgroup of advisors. “These advisors have figured out that managing retirement plan assets grants them access to the non-qualified dollars of senior-level planholders and sponsors, which are oftentimes substantial” said Merrick.

The market will continue to grow over the next two years, as one out of every three advisors intends to add plan assets, either by augmenting their existing retirement plan assets, or entering the business. Specifically, among the 55% of retail advisors who sell and support employer-sponsored retirement plans today, four in ten (43%) expect to increase their retirement plan business in the future (which nets out to 24% of all advisors). In addition, 6% of all advisors anticipate entering the retirement plan space within the next two years.

“Today’s plan advisors are among the most motivated, advanced, and successful advisors in the business,” says Merrick. “Plan providers, sub-account managers, and alternative product providers all need to develop more effective strategies to target these producers.”

One strategy clearly relates to having the right investment options – the variable that is most likely to drive trial and loyalty. “Given that retirement plan advisors have a penchant for ETFs – both inside and outside of plans – plan providers would be wise to incorporate them into their investment options” said Christy White, Principal of Cogent Research.

Unfortunately, when it comes to most areas of retirement plan design and service, very few providers are performing well in the eyes of advisors. Two exceptions include American Funds and The Hartford, both of which perform well compared to other plans, particularly ADP which receives the lowest scores across the board from advisors using their plan.

Nationwide and American Funds enjoy stronger loyalty among the advisors they serve, and stand to benefit from advisors, especially those in the independent channel, increasing their retirement plan business. Nationwide, in particular, is in an enviable position as they are already entrenched with “high-performing” plan advisors, a group managing \$40 million or more in retirement plan assets.

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