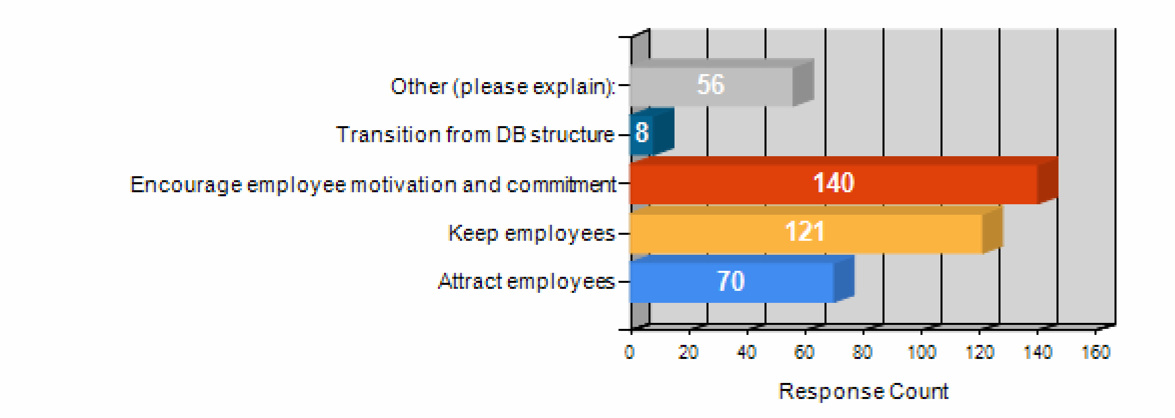
PSCA Target-Date Funds Survey

PSCA received 397 responses from plan sponsors to our target-date survey conducted in April 2009. 54.8 percent of responding companies have more than 1,000 participants.

Number of Participants	Percent of Respondents
1-49	9.0%
50-199	12.4%
200-999	23.7%
1,000-4,999	27.4%
5,000+	27.4%

Below is a summary of the results.

1. **What is the most important business objective for your DC plan?**



Objective	Percent of Plans
Attract employees.	17.7%
Keep employees.	30.6%
Encourage employee motivation and commitment.	35.4%
Transition from DB structure.	2.0%
Other	14.2%

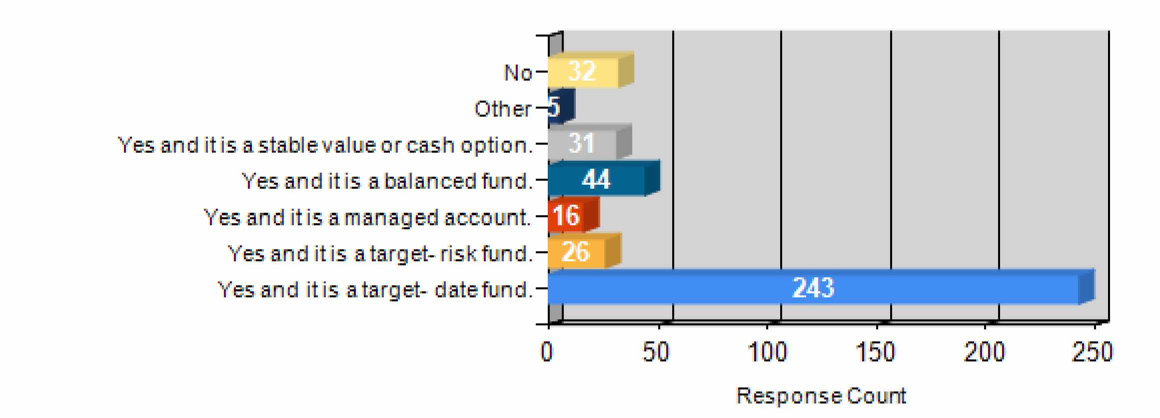
2. How would you rank the following, in order of importance, in designing your plan?
(5 = most important, 1=least important)

	Mean
Minimize fiduciary risk.	3.0
Offer the most cost effective plan for employer.	2.9
Offer participants the ability to accumulate assets.	3.2
Provide participants with the opportunity for a secure retirement.	3.4
Ensure participants have access to the most advanced retirement tools possible.	2.6

3. Which statement do you agree with the most?

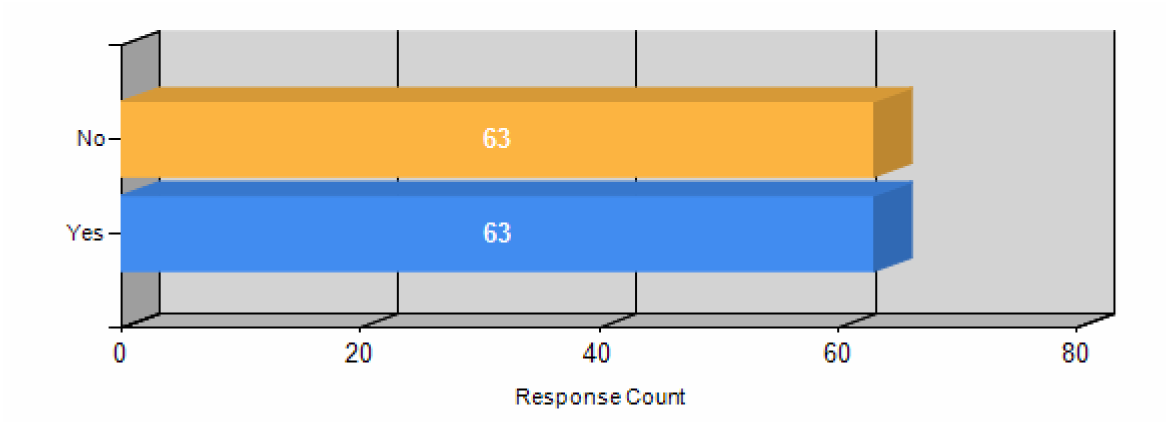
	Percent of Plans
Our plan seeks to retain and service employee accounts post-retirement.	33.3 %
Our plan does not seek to retain and service employee accounts post-retirement.	66.7 %

4. Does your plan have a default option?



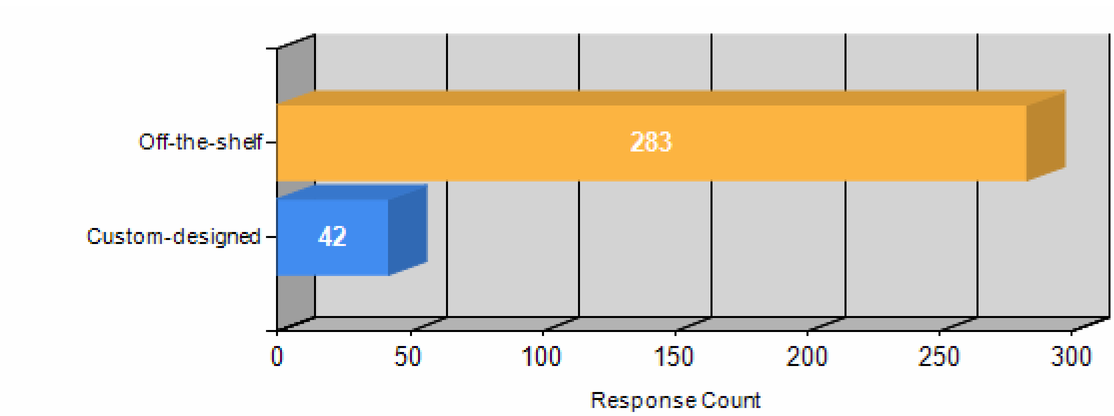
Default Option	Percent of Plans
Yes, and it is a target-date fund.	61.2%
Yes, and it is a target-risk fund.	6.6%
Yes, and it is a managed account.	4.0%
Yes, and it is a balanced fund.	11.1%
Yes, and it is a stable value or cash option.	7.8%
Other	1.3%
No	8.1%

5. If you do not use a target-date fund as a default option, does your plan offer target-date retirement funds or target-risk funds as stand-alone (non-default) options?



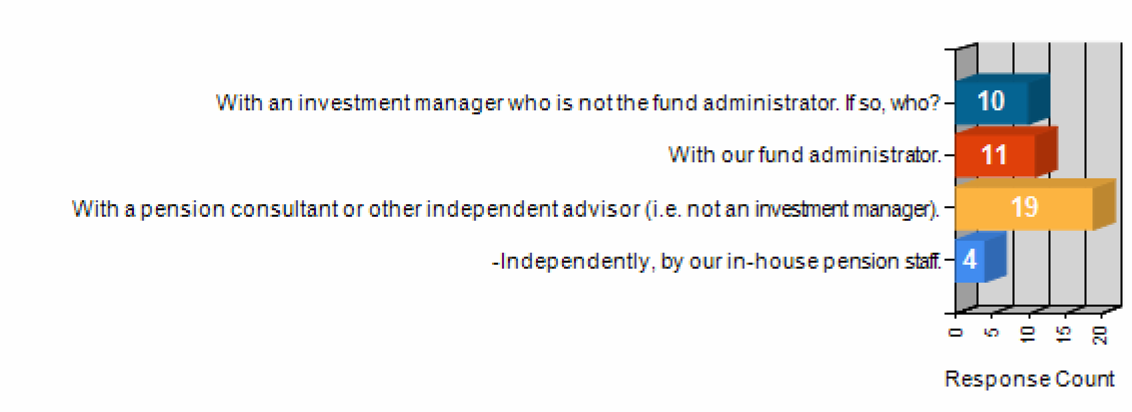
	Percent of Plans
Yes	50.0%
No	50.0%

6. Was your current target-date or target-risk series custom-designed or off-the-shelf?



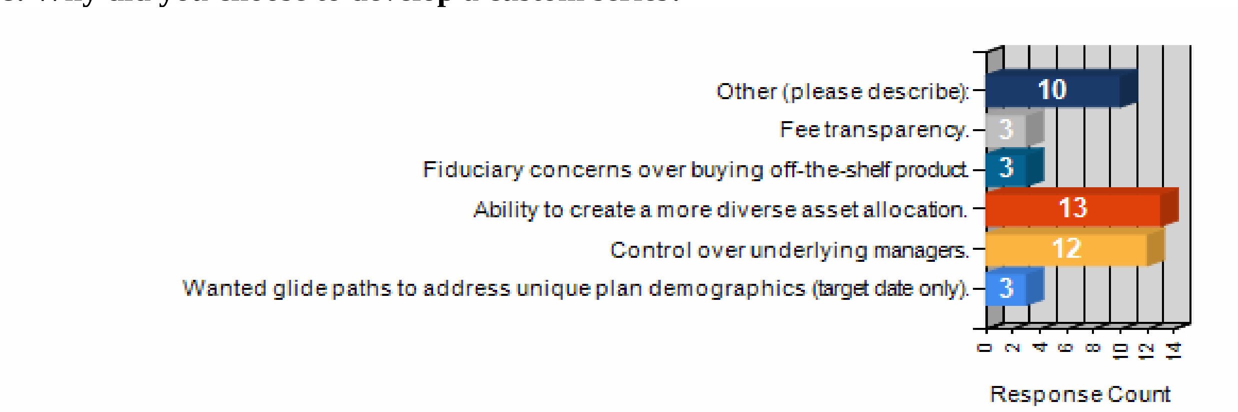
	Percent of Plans
Custom-designed	12.9%
Off-the-shelf	87.1%

7. How was your custom target-date or target-risk series developed?



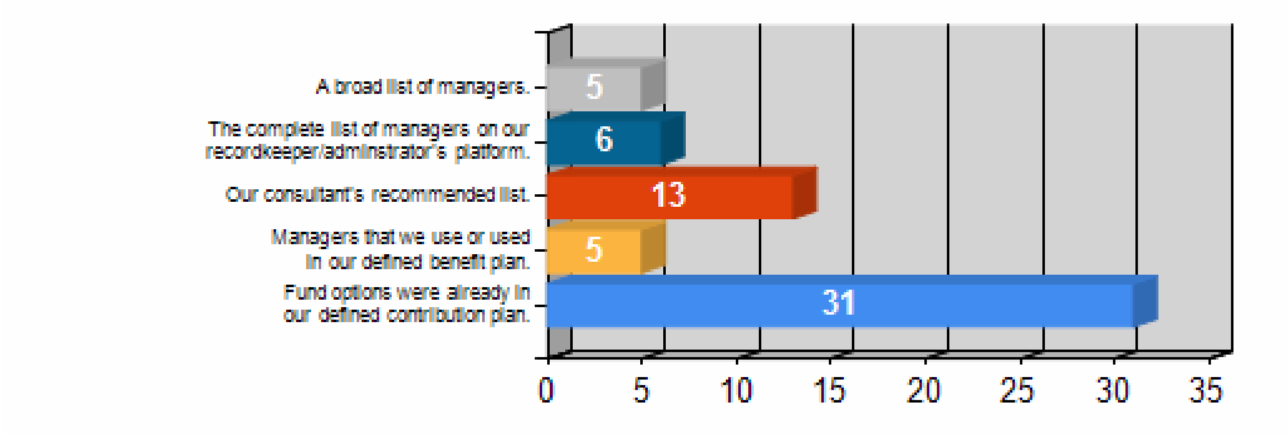
	Percent of Plans
Independently, by our in-house pension staff.	9.1%
With a pension consultant or other independent advisor (i.e. not an investment manager).	43.2%
With our fund administrator.	25.0%
With an investment manager who is not the fund administrator.	22.7%

8. Why did you choose to develop a custom series?



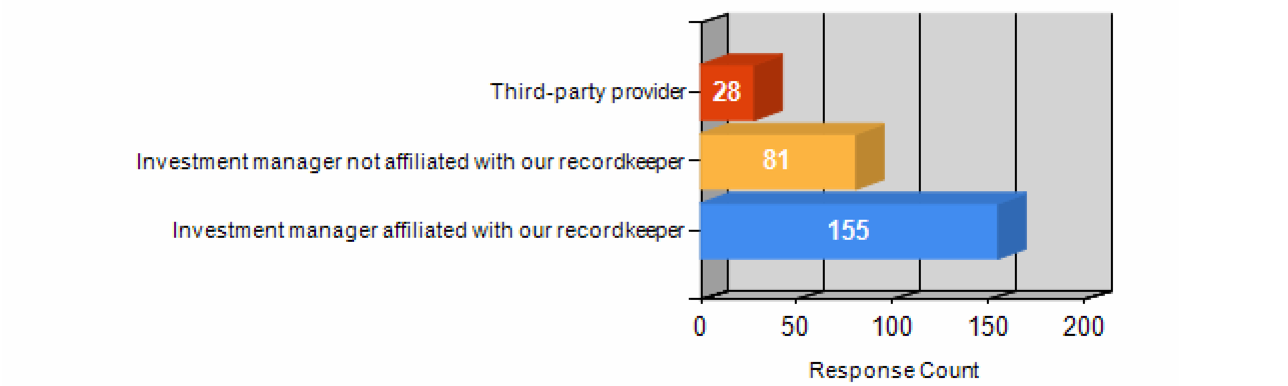
	Percent of Plans
Wanted glide paths to address unique plan demographics (target-date only).	6.8%
Control over underlying managers.	27.3%
Ability to create a more diverse asset allocation.	29.6%
Fiduciary concerns over buying off-the-shelf product.	6.8%
Fee transparency.	6.8%
Other	22.7%

9. Where did the underlying managers come from? Choose all that apply.



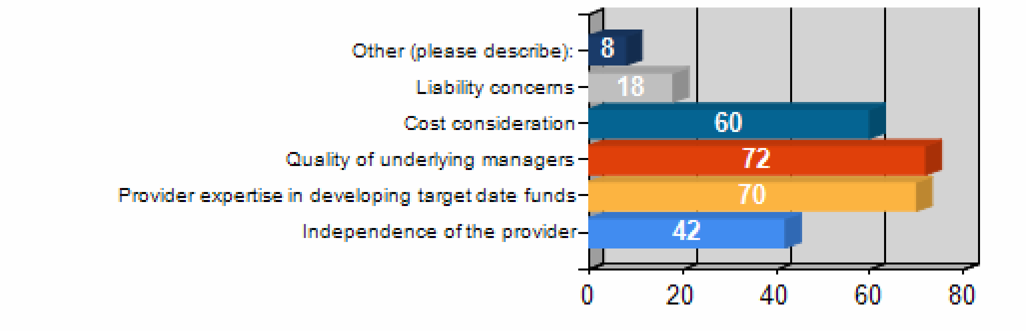
Source of Underlying Managers	Percent of Plans
Fund options were already in our defined contribution plan.	70.5 %
Managers that we use or used in our defined benefit plan.	11.4%
Our consultant's recommended list.	29.6%
The complete list of managers on our recordkeeper/adminstrator's platform.	13.6%
A broad list of managers.	11.4%

10. If they were off-the-shelf, from whom did you chose the funds?



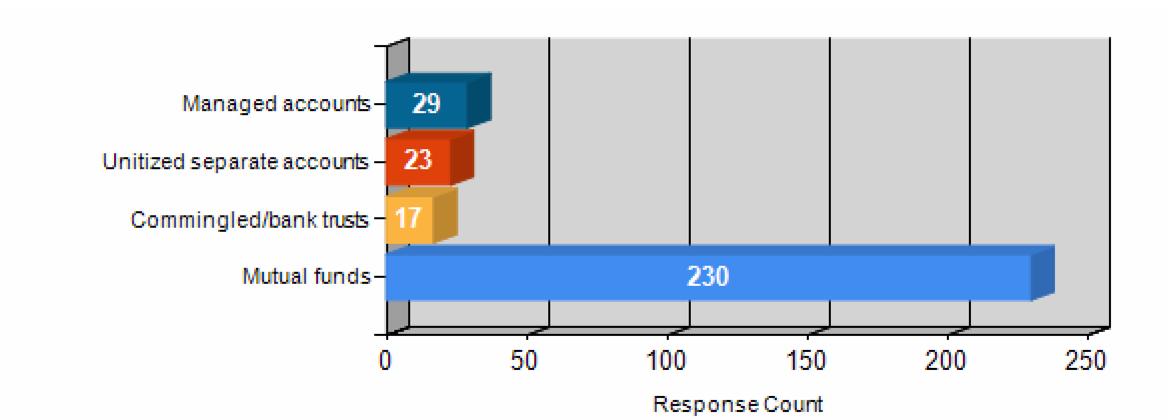
	Percent of Plans
Investment manager affiliated with our recordkeeper.	58.7%
Investment manager not affiliated with our recordkeeper.	30.7%
Third-party provider.	10.6%

11. Why did you do so? Check all that apply. (Question refers to answer choices B and C in question 10.)



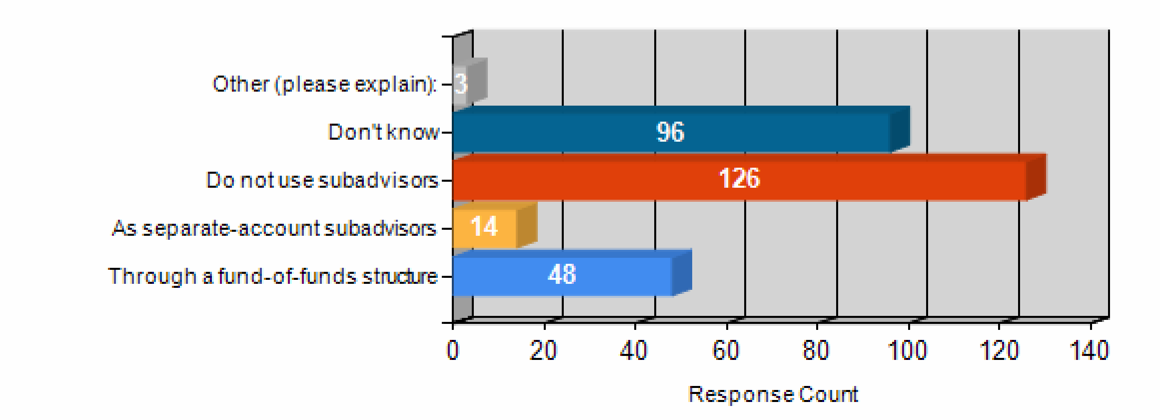
Reason	Percent of Plans
Independence of the provider.	38.5%
Provider expertise in developing target date funds.	64.2%
Quality of underlying managers.	66.1%
Cost consideration.	55.1%
Liability concerns.	16.5%
Other	7.3%

12. In what structure are your target-date/target-risk funds?



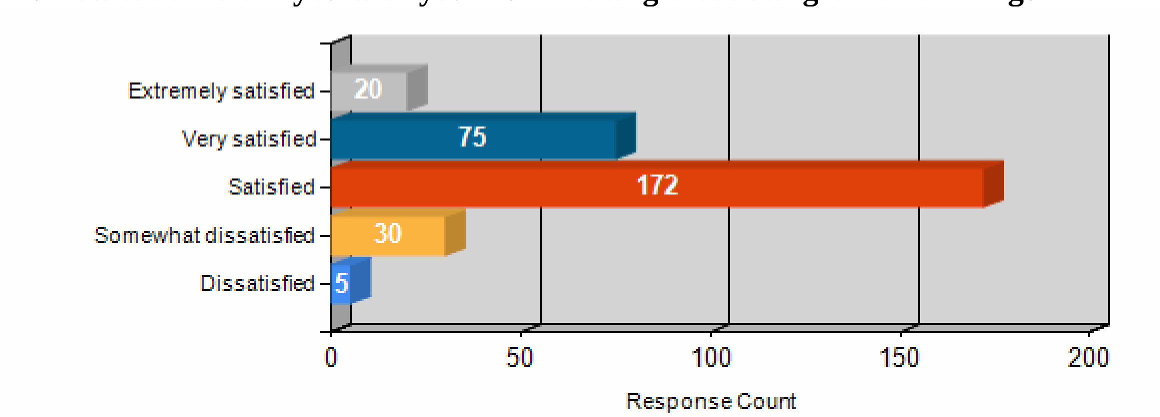
Structure	Percent of Plans
Mutual funds	76.9%
Commingled/bank trusts	5.7%
Unitized separate accounts	7.7%
Managed accounts	9.7%

13. If your target-date/target-risk options use subadvisors, how are they employed?



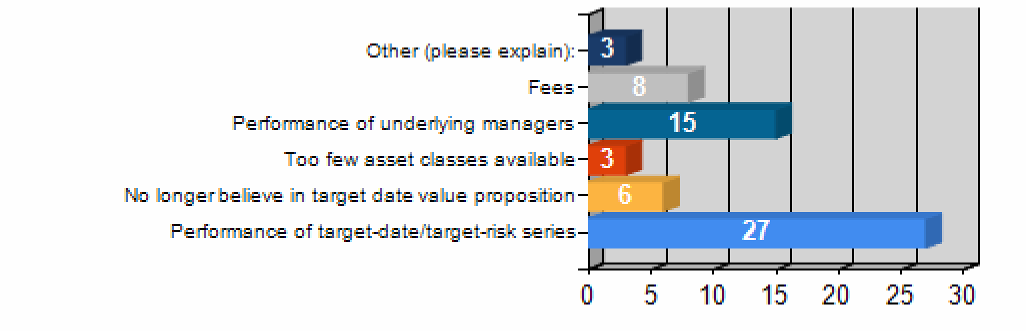
	Response Percent
Through a fund-of-funds structure.	16.7%
As separate-account subadvisors.	4.9%
Do not use subadvisors.	44.0%
Don't know.	33.5%
Other	1.1%

14. How satisfied are you with your current target-date/target-risk offering?



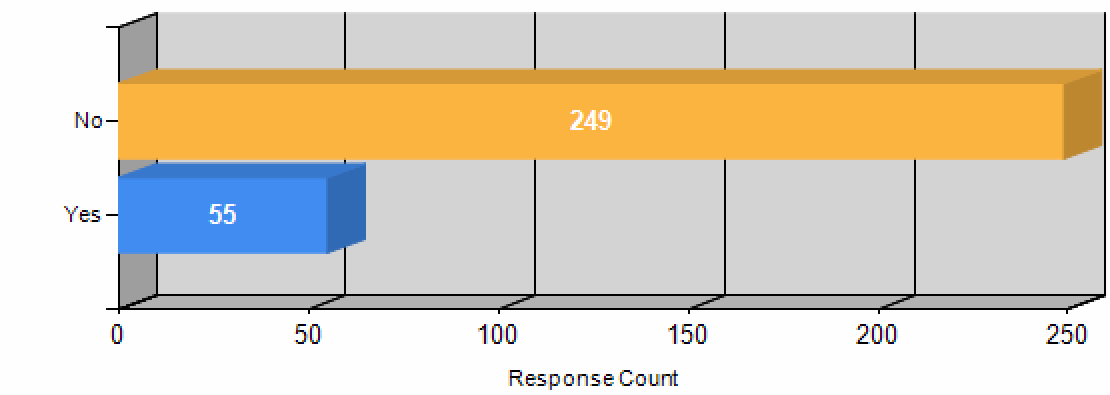
Satisfaction Level	Response Percent
Dissatisfied	1.7%
Somewhat dissatisfied	9.9%
Satisfied	57.0%
Very satisfied	24.8%
Extremely satisfied	6.6%

15. Why are you dissatisfied or somewhat dissatisfied with your fund offerings? Choose all that apply.



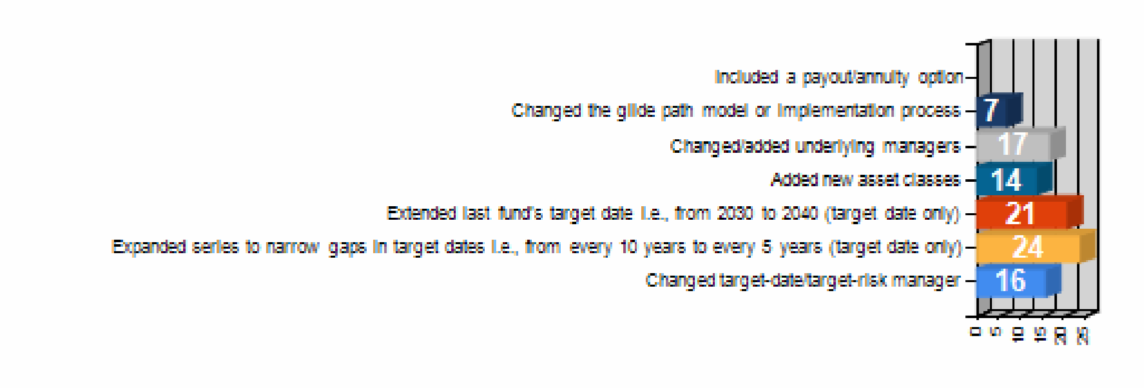
Choice	Percent of Plans
Performance of target-date/target-risk series	77.1%
No longer believe in target-date value proposition	17.1%
Too few asset classes available	8.6%
Performance of underlying managers	42.9%
Fees	22.9%
Other	8.6%

16. Since first adding target-date/target-risk funds, have you made any changes to them?



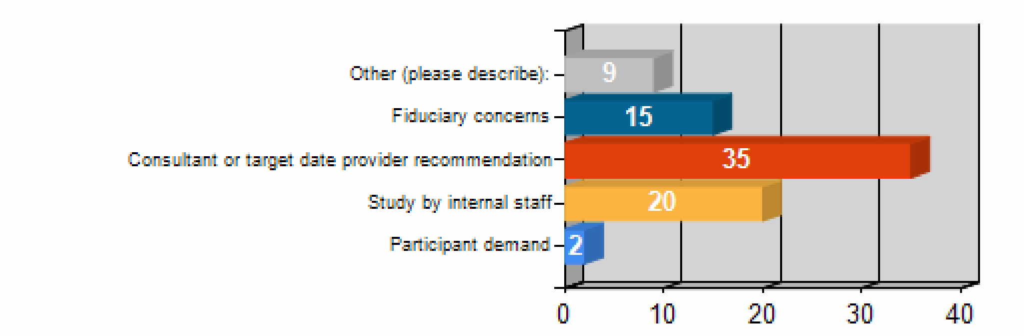
	Percent of Plans
Yes	18.1%
No	81.9%

17. What changes have you made? Check all that apply.



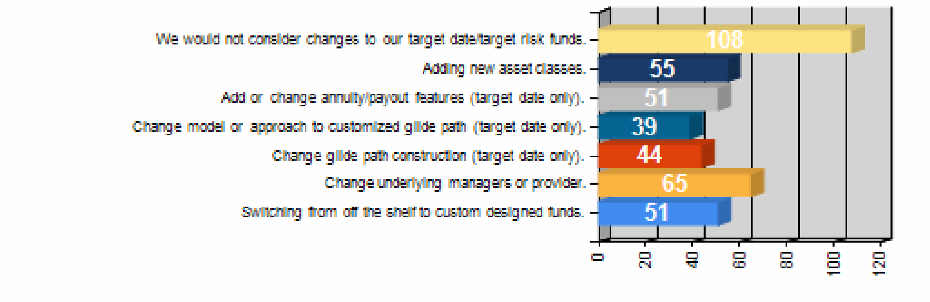
Changes	Percent of Plans
Changed target-date/target-risk manager.	29.6%
Expanded series to narrow gaps in target dates i.e., from every 10 years to every 5 years (target date only).	44.4%
Extended last fund's target date i.e., from 2030 to 2040 (target-date only).	38.9%
Added new asset classes.	25.9%
Changed/added underlying managers.	31.5%
Changed the glide path model or implementation process.	13.0%
Included a payout/annuity option.	0.0%

18. What caused you to make a change?



Reason for Change	Percent of Plans
Participant demand.	3.6%
Study by internal staff.	36.4%
Consultant or target date provider recommendation.	63.6%
Fiduciary concerns.	27.3%
Other	16.4%

19. What changes might you consider making to your target-date/target-risk funds over the next 3 years?



Changes	Percent of Plans
Switching from off-the-shelf to custom-designed funds.	17.4%
Change underlying managers or provider.	22.2%
Change glide path construction (target-date only).	15.0%
Change model or approach to customized glide path (target-date only).	13.3%
Add or change annuity/payout features (target-date only).	17.4%
Adding new asset classes.	18.8%
We would not consider changes to our target-date/target-risk funds.	36.9%

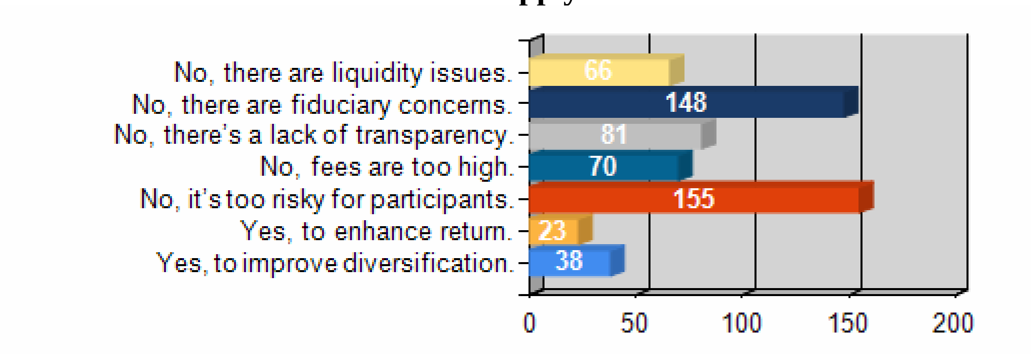
20. Which asset classes are currently included in your target-date/target-risk funds? Check all that apply.

Asset Classes	Percent of Plans
Global equity	94.8%
High yield	56.1%
Global fixed income	65.7%
Emerging market equity	64.4%
Emerging market debt	22.6%
REITs	19.1%
Direct real estate	4.4%
Fund of hedge funds or hedge funds	1.3%
130/30 strategies	1.7%
Private equity	6.1%
Commodities	6.5%

21. If you would consider adding new asset classes which ones would you add? Check all that apply.

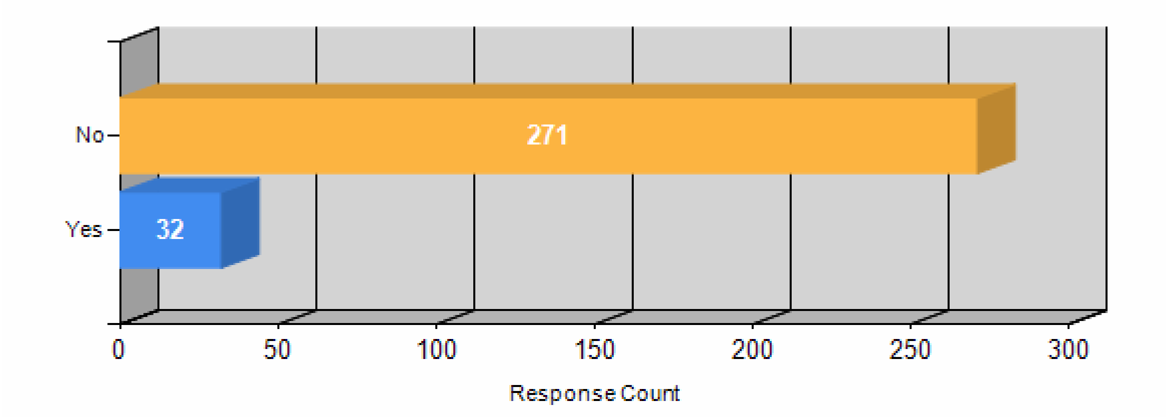
Asset Classes	Percent of Plans
Global equity	3.2%
High yield	5.0%
Global fixed income	7.7%
Emerging market equity	5.4%
Emerging market debt	3.6%
REITs	15.3%
Direct real estate	2.3%
Fund of hedge funds or hedge funds	5.0%
130/30 strategies	4.1%
Private equity	2.7%
Commodities	8.6%
We would not consider adding new asset classes.	62.2%
Other	6.8%

22. Do you believe that alternative products (such as fund of hedge funds, hedge funds, direct real estate, 130/30 strategies, commodities, and private equity) should play a role in target-date/target-risk retirement funds? Check all that apply.



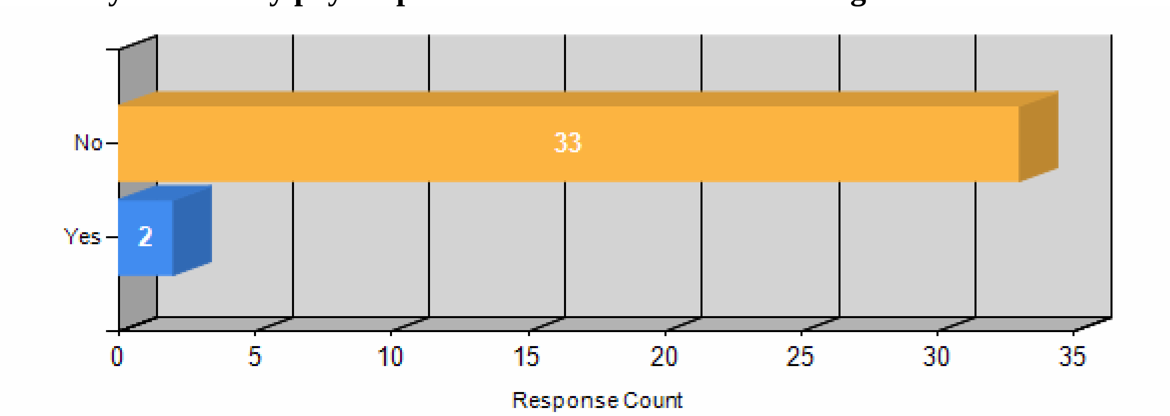
	Percent of Plans
Yes, to improve diversification.	13.3%
Yes, to enhance return.	8.0%
No, it's too risky for participants.	54.2%
No, fees are too high.	24.5%
No, there's a lack of transparency.	28.3%
No, there are fiduciary concerns.	51.8%
No, there are liquidity issues.	23.1%

23. Do you offer any payout/annuity products?



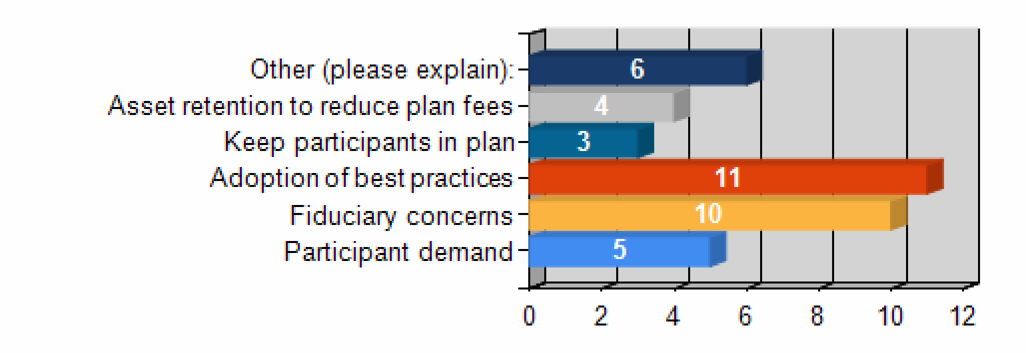
	Percent of Plans
Yes	10.6%
No	89.4%

24. Are your annuity/payout products or features linked to target-date funds?



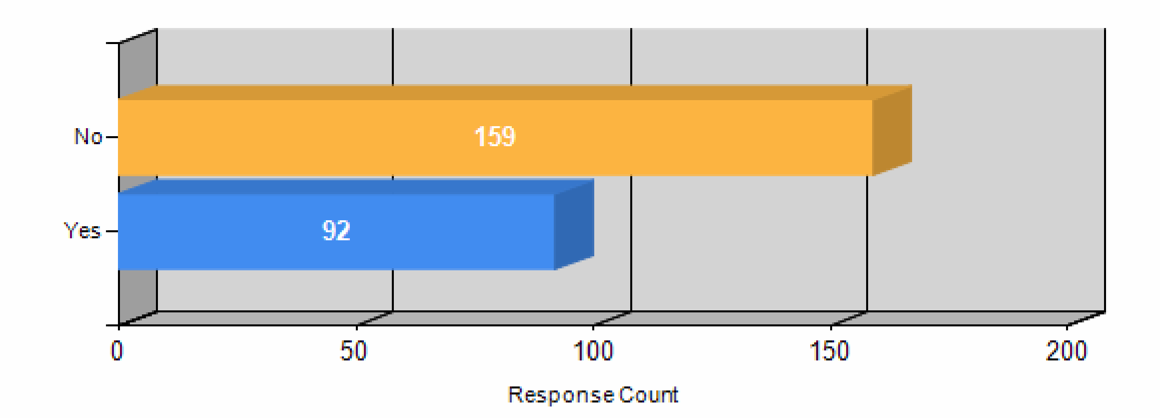
	Percent of Plans
Yes	5.7%
No	94.3%

25. Why were they added? Check all that apply.



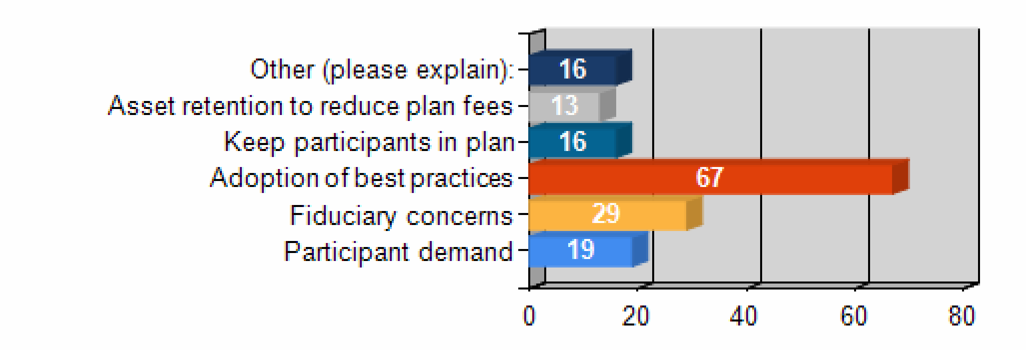
Reason	Percent of Plans
Participant demand.	21.7%
Fiduciary concerns.	43.5%
Adoption of best practices.	47.8%
Keep participants in plan.	13.0%
Asset retention to reduce plan fees.	17.4%
Other	26.1%

26. Do you believe that your plan should offer annuity/payout funds?



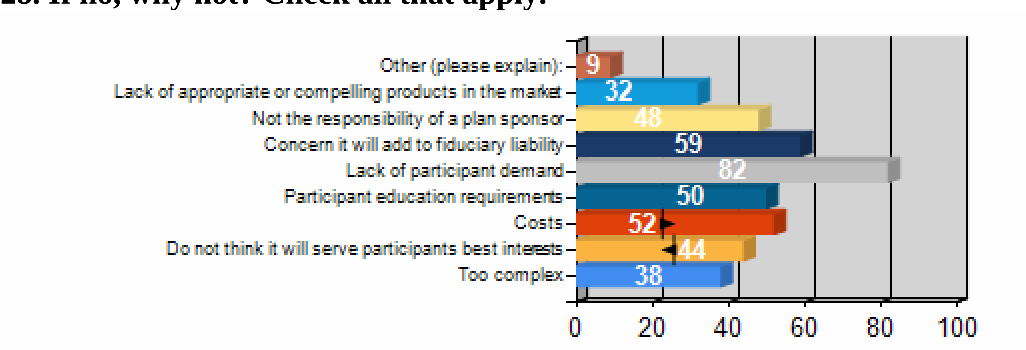
	Percent of Plans
Yes	36.7%
No	63.4%

27. If yes, why? Check all that apply.



Reason	Percent of Plans
Participant demand.	20.9%
Fiduciary concerns.	31.9%
Adoption of best practices.	73.6%
Keep participants in plan.	17.6%
Asset retention to reduce plan fees.	14.3%
Other	17.6%

28. If no, why not? Check all that apply.



Reason	Percent of Plans
Too complex.	25.0%
Do not think it will serve participants' best interests.	29.0%
Costs.	34.2%
Participant education requirements.	32.9%
Lack of participant demand.	54.0%
Concern it will add to fiduciary liability.	38.8%
Not the responsibility of a plan sponsor.	31.6%
Lack of appropriate or compelling products in the market.	21.1%
Other	5.9%