

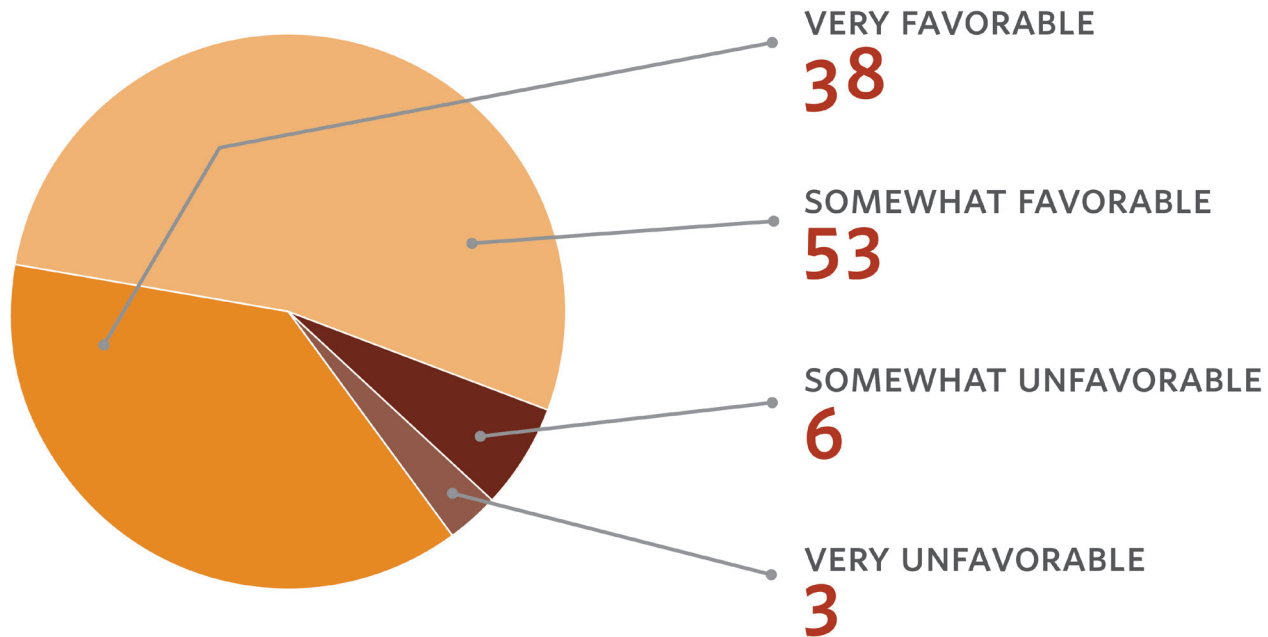
ENDURING CONFIDENCE IN THE 401(k) SYSTEM

Investor Attitudes and Actions

NATIONAL PRESS CLUB
WASHINGTON, DC
JANUARY 8, 2010

AMERICANS HOLD FAVORABLE IMPRESSION OF 401(k)

PERCENTAGE OF U.S. HOUSEHOLDS EXPRESSING OPINIONS ON 401(k) AND SIMILAR RETIREMENT ACCOUNTS:



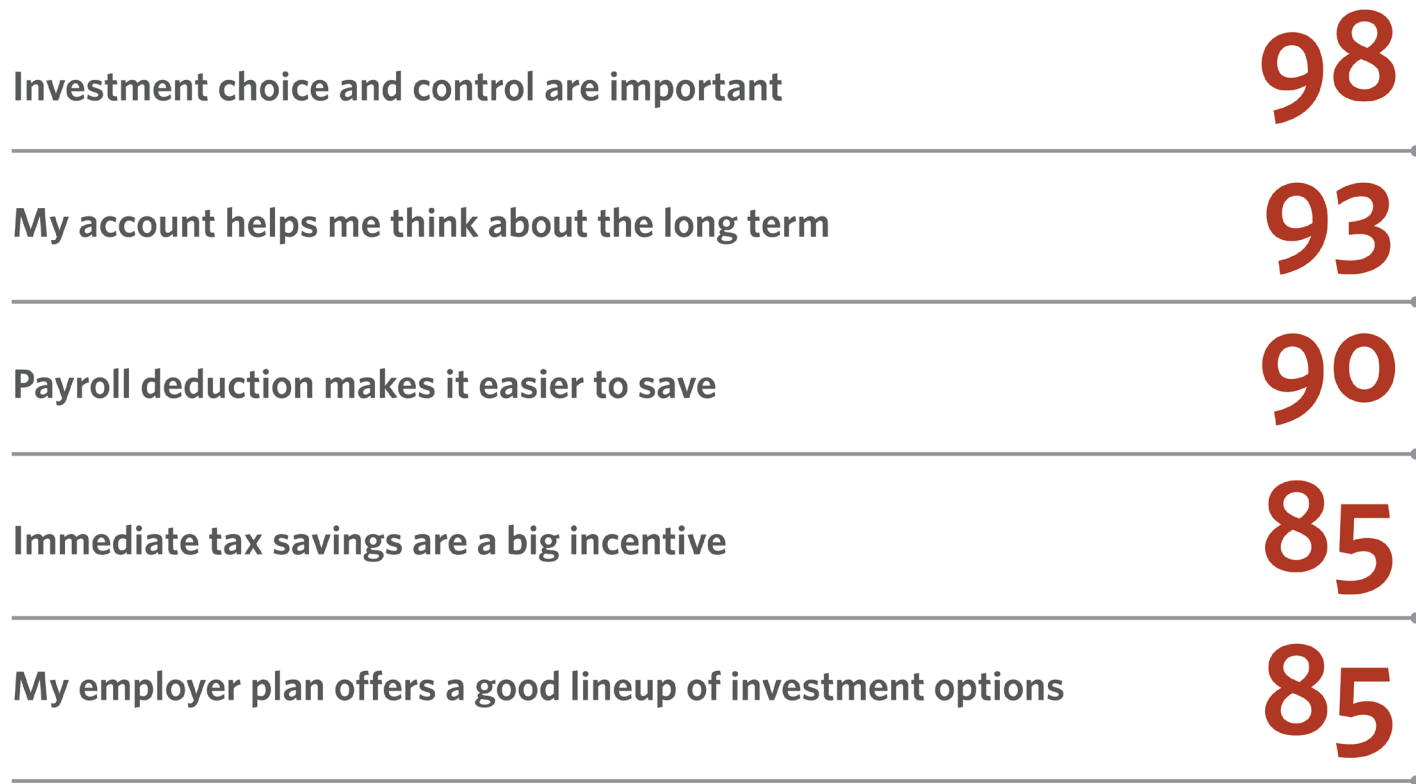
Note: "No opinion" responses excluded

Source: ICI tabulation of GfK OmniTel survey data (November and December 2009)

Base: 2,069 U.S. households

SAVERS VALUE KEY 401(k) FEATURES

PERCENTAGE OF DC-OWNING HOUSEHOLDS AGREEING THAT:

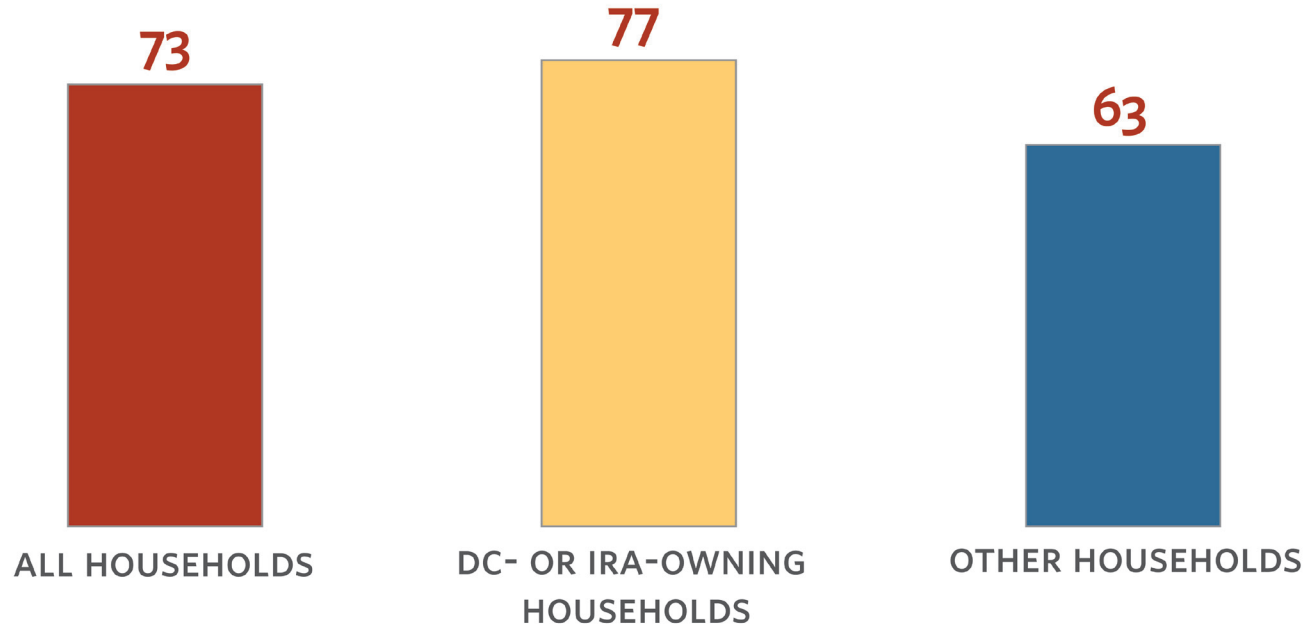


Source: ICI tabulation of GfK OmniTel survey data (November and December 2009)

Base: 1,627 U.S. households

AMERICANS ARE CONFIDENT 401(k)s CAN HELP MEET RETIREMENT GOALS

PERCENTAGE OF U.S. HOUSEHOLDS "VERY" OR "SOMEWHAT" CONFIDENT THAT 401(k) AND SIMILAR PLANS CAN HELP PEOPLE MEET RETIREMENT GOALS:



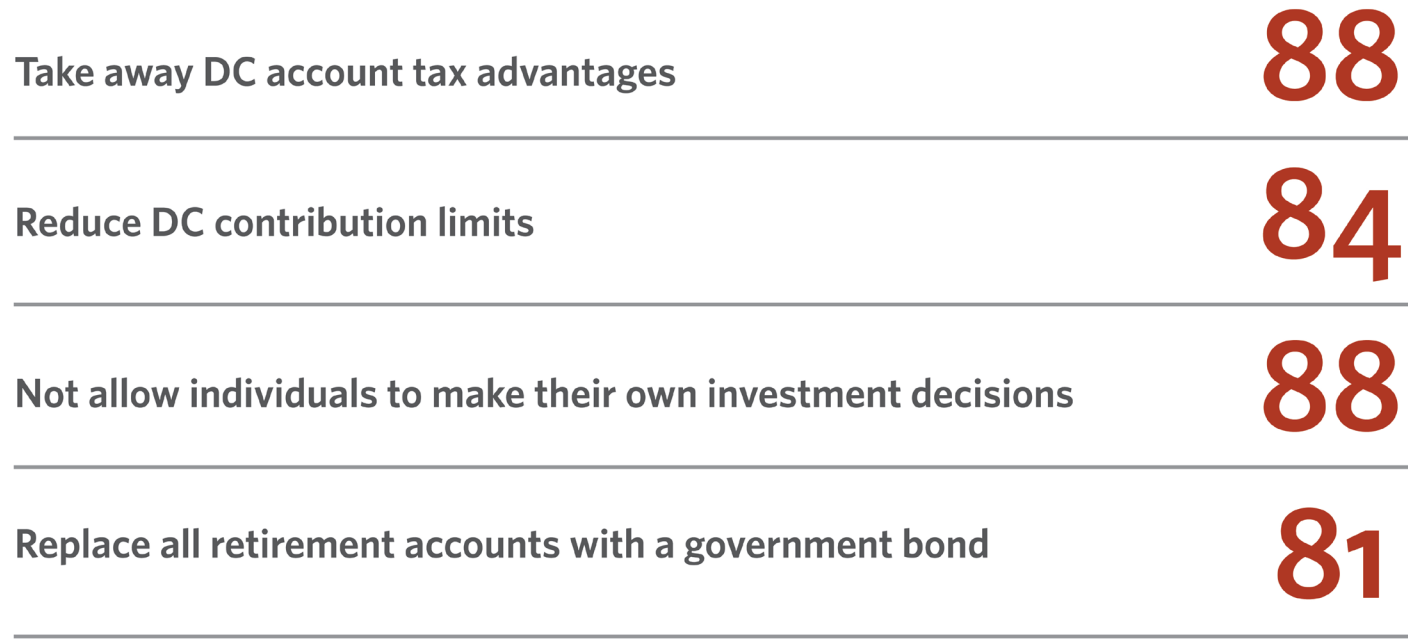
Source: ICI tabulation of GfK OmniTel survey data (November and December 2009)

Base: 2,913 U.S. households

AMERICANS DISAGREE WITH SUGGESTED 401(k) CHANGES

PERCENTAGE OF U.S. HOUSEHOLDS DISAGREEING THAT:

The government should:



Source: ICI tabulation of GfK OmniTel survey data (November and December 2009)

Base: 3,000 U.S. households

AMERICANS WANT RETIREES TO CONTROL THEIR OWN ACCOUNTS

PERCENTAGE OF U.S. HOUSEHOLDS AGREEING THAT:

Retirees should make their own decisions about managing retirement assets and income

96

Source: ICI tabulation of GfK OmniTel survey data (November and December 2009)
Base: 3,000 U.S. households

AMERICANS REJECT ANNUITY MANDATES

PERCENTAGE OF U.S. HOUSEHOLDS DISAGREEING WITH THE STATEMENT:

The government should require retirees to trade a portion of their retirement plan accounts for a fair contract that promises to pay them income for life:

From an insurance company

72

From the government

71

Source: ICI tabulation of GfK OmniTel survey data (November and December 2009)

Base: 3,000 U.S. households

SAVERS ARE STICKING WITH 401(k)

PERCENTAGE OF DC PLAN PARTICIPANTS IN JANUARY-SEPTEMBER 2009 WHO:

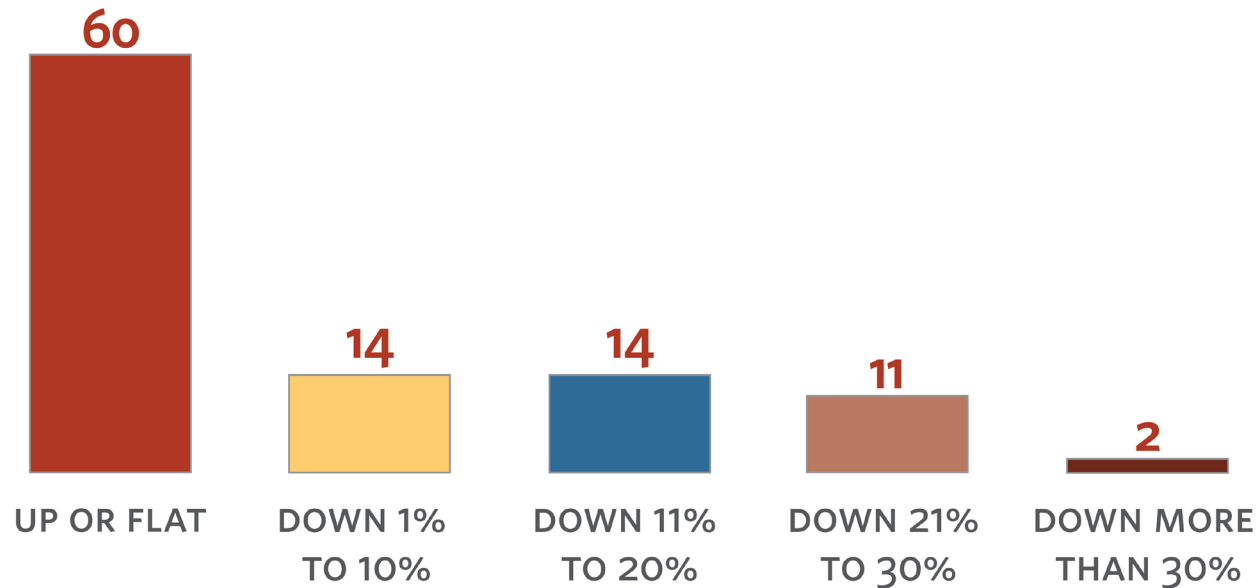


Source: ICI survey of DC plan recordkeeper data, January-September 2009

Base: 24 million DC plan participants

MOST ACCOUNT BALANCES ARE UP DESPITE MARKET

PERCENTAGE OF CONTINUOUS 401(k) PARTICIPANTS,
SEPTEMBER 2007–SEPTEMBER 2009, WHOSE ACCOUNT BALANCES WERE:



Median change in account balance

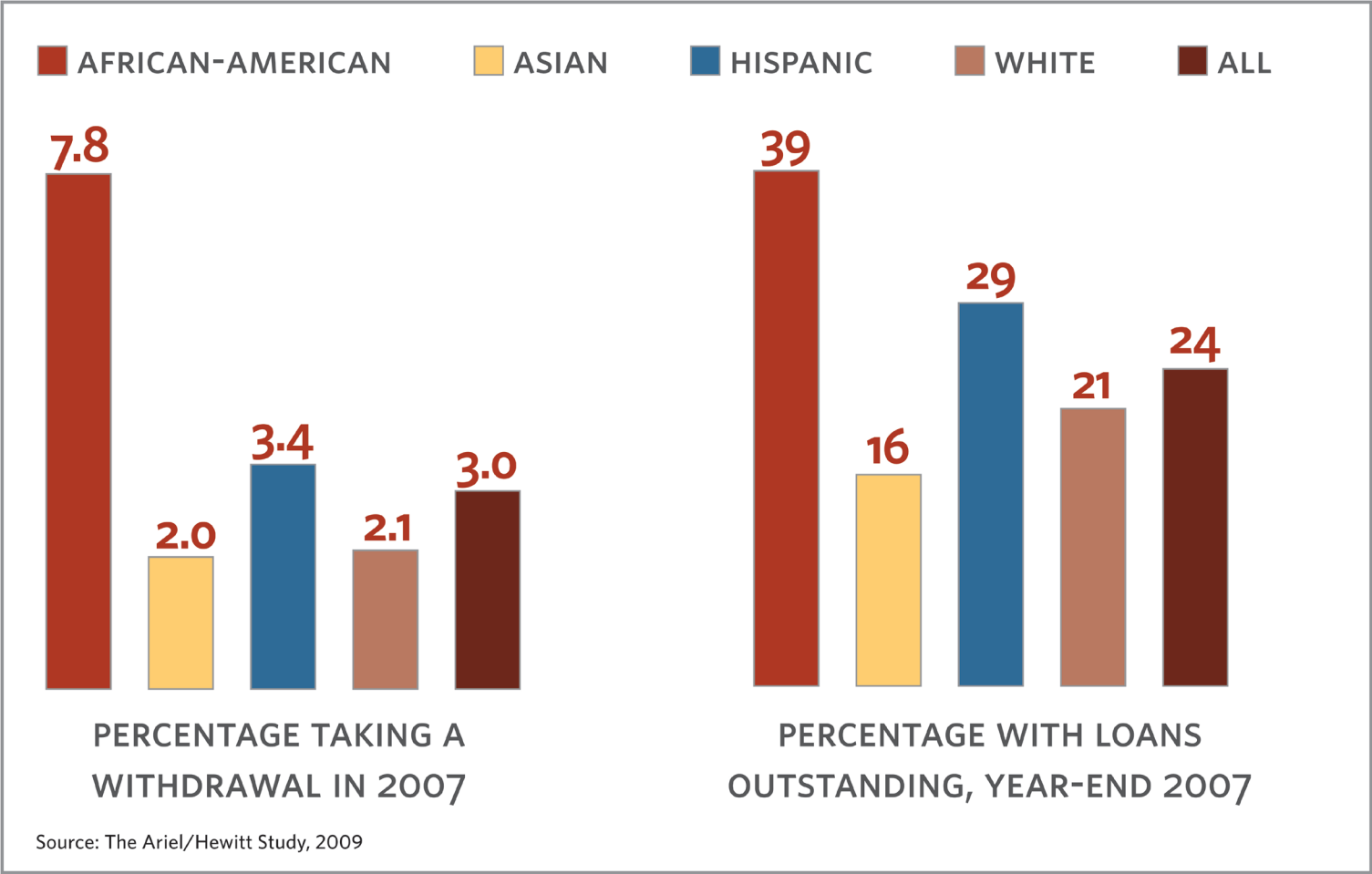
+7%

INVESTING FOR THE FUTURE

	AFRICAN-AMERICAN	ASIAN	HISPANIC	WHITE	ALL
PARTICIPATION	66%	76%	65%	77%	74%
AVERAGE CONTRIBUTION AMONG PARTICIPANTS	6.0%	9.4%	6.3%	7.9%	7.6%
AVERAGE PERCENTAGE IN EQUITIES	66%	73%	70%	72%	71%

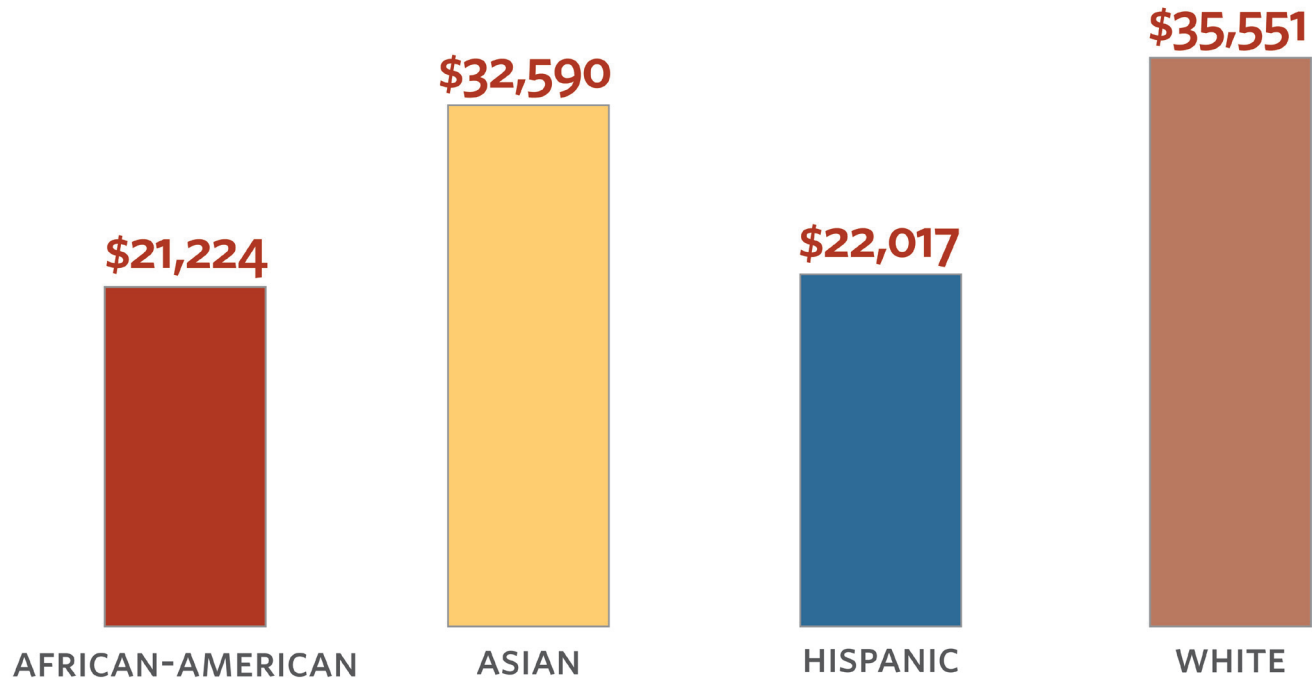
Source: The Ariel/Hewitt Study, 2009

KEEPING SAVINGS INTACT



ADDING IT ALL UP

AVERAGE 401(k) ACCOUNT BALANCE FOR
EMPLOYEES EARNING \$30,000-\$59,999



Source: The Ariel/Hewitt Study, 2009

STRENGTHENING RETIREMENT SECURITY (I)

THE FUND INDUSTRY SUPPORTS MEASURES TO:

- 1. Improve disclosure about all investment options in 401(k)s.**
- 2. Enhance understanding of target date funds by highlighting key information.**
- 3. Increase opportunities for small employers to offer plans by making them less complex and expensive.**
- 4. Increase opportunities for workers who lack plans to save in IRAs via payroll deduction.**

Source: Investment Company Institute

STRENGTHENING RETIREMENT SECURITY (II)

THE FUND INDUSTRY SUPPORTS MEASURES TO:

5. Redouble efforts by educators, employers, financial firms, and government to provide financial and investor education to all Americans from elementary school through adulthood.
6. Put Social Security on sound financial footing.
7. Relax required minimum distribution rules.
8. Remove obstacles to let employers automatically diversify near-retirees out of company stock.