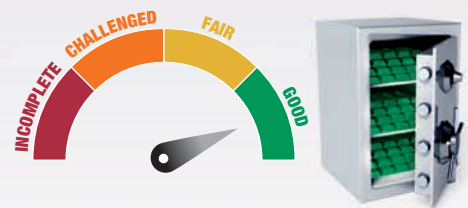


2011 Default Report

Turning the Lights On

Introducing The Vault Rating



Benchmarking the effectiveness
of Default Strategies

More information inside.

Thank you to all the schemes who have joined our data community. These include:

| | | | |
|-------------------------------|-------------------------------|--------------------------|--------------------|
| Aberdeen Asset Management | Centrica | Intercontinental Hotels | Novartis |
| Aegon UK | Church of England | JIB Pension Scheme | Oracle |
| Aetna | Colt Technologies | John Lewis | Orange |
| AgustaWestland | Combined Nuclear Pension Plan | KBR | Pearson |
| Akzo Nobel | CSC | KeyCorp | PwC |
| Alliance Boots | Deloitte | Kingfisher | British Rail |
| Alliance & Leicester | DHL | Kuehne+Nagel | RSA |
| Allianz Insurance | Dow Corning | Legal & General | Sainsbury's |
| Atkins UK | DuPont | L-3 Communications | Santander |
| Baker Tilly | Experian | Lane, Clark and Peacock | Schroders |
| B&CE | Fidelity National Financial | LV= | Societe Generale |
| Barclays | FirstEnergy | Marks & Spencer | Somerfield |
| Bayer | Fiserv | Mission Support Alliance | Telegraph |
| BlackRock | Hachette | Motorola | Thomas Miller |
| BNY Mellon | Hendersons | Mouchel | TUI (First Choice) |
| BOC | Hiscox | NATS | Unilever |
| Bank of America Merrill Lynch | Home Retail Group | Network Rail | Unisys |
| BUPA | Hewlett Packard | NEXT | United Utilities |
| Cable & Wireless | HSBC | Nordstrom | Vodafone |
| Cemex | IBM | | Wincanton |
| | | | Xerox |



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To be involved in the next cycle of the DCisions Default Report, see contact details on page 33 or visit: www.dcisions.com/vault



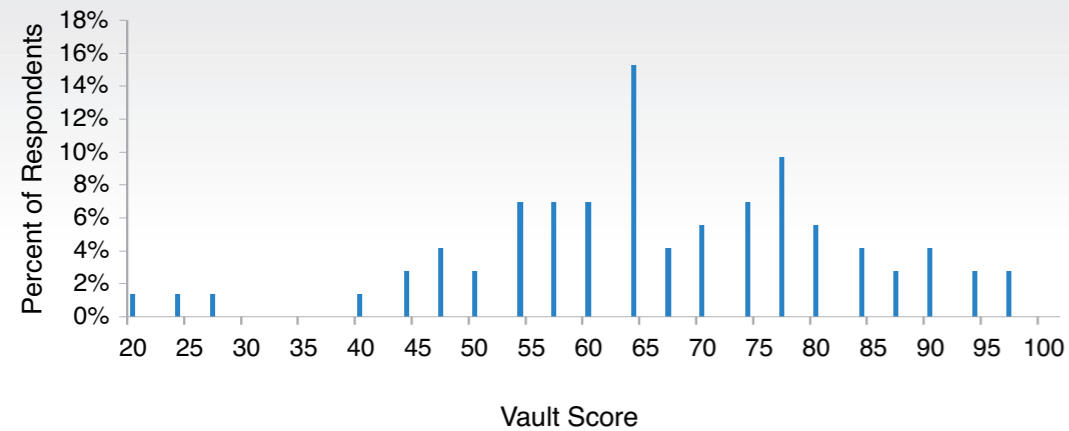
2011 Category Leaders

Thank you once again to everyone who has joined our data community. DCisions surveys are one source of data for our firm. These sit alongside our unique database on the investment and saving behaviours of UK consumers. We call this database CuBIT and it processes anonymous transaction details sourced from record keeping systems. This database is now representative of the UK market and, for the first time, offers the UK market a unique empirical reference point.

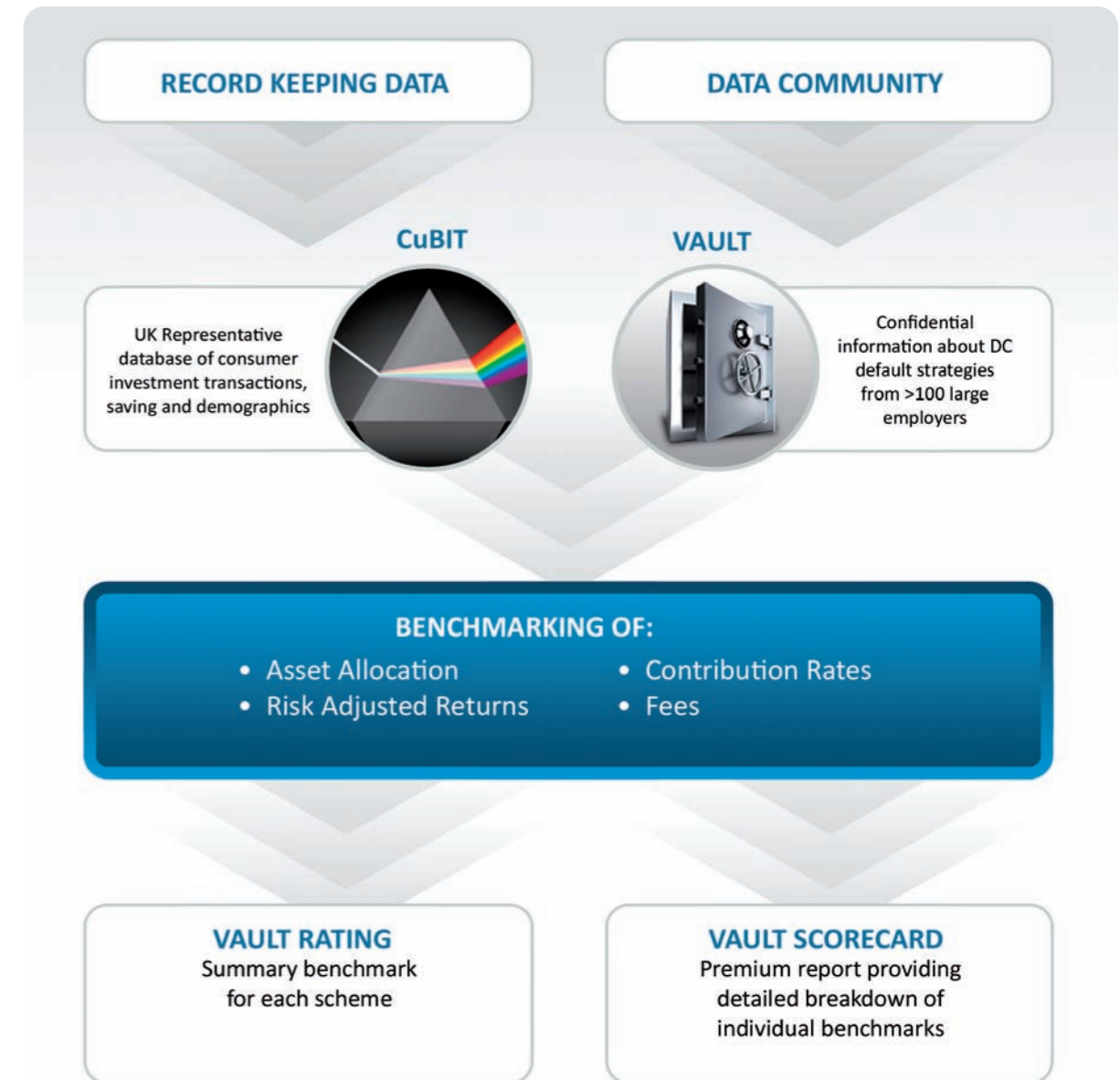
Confidentiality is paramount and our survey community is assured that their information will never be attributed without their permission. This year we have conducted comprehensive analysis of the investment strategy, risk, return and contribution levels of each scheme's default, and cross-referenced this with CuBIT. This enables us to benchmark objectively each individual scheme and calculate a Vault Score. Based on the resulting insights, we would like to commend the following DC schemes:

| Scheme size | Scheme |
|--|------------------|
| Small scheme (<1,000 active members) | NATS |
| Mid-size scheme (1,001 – 3,000 active members) | United Utilities |
| Large scheme (>3,000 active members) | CSC |

Figure 1: Distribution of Vault Scores for Respondents



The following graphic provides an overview of how Vault Ratings and Scores are calculated:



Fees and contribution levels are of course influenced by the size and commercial context of individual DC schemes. It is possible however, using CuBIT, to benchmark investment design and performance across schemes, on a risk adjusted basis. For the first time this year, we have cross-referenced the risk and return characteristics and diversification of each default strategy with the investment consultant advising that scheme and also commend the following firm for the impact of its advice:

- Lane Clark & Peacock

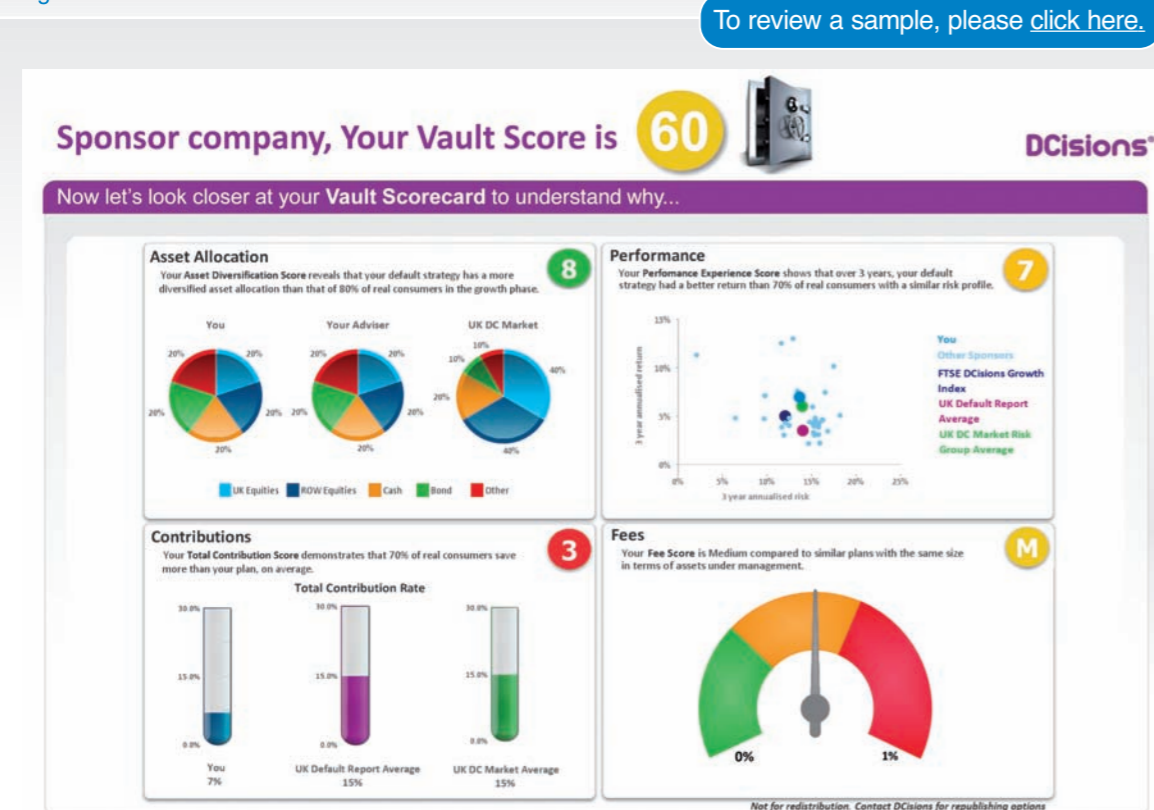
Figure 2: League Table for Investment Consultants

| | Vault Score | Performance Experience Score | Asset Diversification Score |
|------------------------------|-------------|------------------------------|-----------------------------|
| Lane Clark & Peacock | 67 | 6.3 | 7.0 |
| Investment Consultant A | 65 | 7.1 | 5.8 |
| Investment Consultant B | 63 | 6.9 | 5.7 |
| Investment Consultant C | 63 | 5.6 | 6.9 |
| Other Investment Consultants | 61 | 5.1 | 7.2 |

Vault Scores only reported for those Investment Consultants with at least 5 plans participating in the Survey. The top 4 UK investment consultants hold 81% market share. The Performance Experience Score for the investment consultants only takes account of those plans with 3 year return and volatility history.

This year we have introduced a premium service for schemes in our data community. The **Vault Scorecard** provides detailed benchmarking of each scheme's default characteristics relative to our UK market representative database.

Figure 3: Vault Scorecard



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Foreword by Paul Thornton



For too long now investment practices in defined contribution and retail investing more broadly have been reliant on conjecture. Almost every article and 'thought leadership' piece on the topic of investment design talks about the needs of consumers in the abstract. Assertions are made about the long-term performance of something or other, relative to an arbitrary benchmark such as inflation, specific equity categories or the like. At the same time, scenarios are painted about the likely savings habits of a 'typical' consumer.

There is a simple reason for this. We suffer from an abject lack of insight into the performance that real people actually experience, taking into account how different investment products are blended by them (or more often for them, by their adviser), and when these products are bought and sold. Nor has there been much attempt to understand the saving patterns of real consumers in any significant or meaningful way and how this interacts with their risk exposure.

With these critical knowledge gaps commentators and advisers tend to fall back on less relevant, but more accessible data relating to the performance of investment products and to combine this with received wisdom about how consumers behave. This leads to a reliance on assumptions about how much consumers might save; how they might react to volatility; how much they might pay in fees and when they might choose to retire. The result is a morass of intellectual speculation, rather than the solid ground of a fact set that can properly inform the debate and move it forward.

The news that DCisions has achieved a critical mass of objective data on the actual saving and investing behaviours of real consumers is a true milestone. As this report demonstrates, this data set, which is representative of the UK population, is enabling a new approach to product development, advice, marketing and risk management. Through systematic observation and measurement of the actions of consumers and the risk and return that they actually experience, DCisions has created a resource that enables guesswork to be replaced by science. For schemes wishing to calibrate their approach, consultants and IFAs wishing to demonstrate value or asset managers wishing to prove their skill, there is no longer any need to work in the dark - the empirical consumer data which provides the essential foundation to do so is at last available.

Paul Thornton, MA FIA OBE
 Non-Executive Advisor to DCisions

Foreword by Mark Ashworth



This report is a valuable factual resource for those responsible for the design and operation of DC schemes. It is also a valuable prompt for thought and debate.

There are no easy answers for DC investors (be they members, or scheme designers). This reflects two key facts. First, most members are probably contributing too little to be able to look forward to an adequate pension with the degree of confidence which they would like. Secondly, available investment strategies appear to veer between low risk and low return and high risk with (only) possibly high return. These observations are clearly related. A safe strategy allied with low contributions implies confident penury in old age. Whilst a risky strategy coupled with low contributions implies a very uncertain, and quite possibly penurious future.

Faced with these stark and unpalatable choices, we are seeking a third way which combines acceptable risk with adequate returns. Hence the increased interest in and adoption of diversified growth strategies and target date funds. The middle way, of acceptable risk and acceptable returns, may exist. We must certainly continue to seek it, and to refine our investment thinking and products. This is a vital and joint challenge for all concerned. However, my personal hunch, and fear, is that there is only so much that can be achieved by investment strategy alone. I suspect that, unless we couple our new investment approaches, as revealed in this report, with greater contributions than are reported in this report, we will not find a robust and viable answer to the need which nearly all DC members share of planning for a comfortable retirement, with confidence.

I recognise how unpalatable it is for most, and that it is impossible for many, to increase their contributions. However, there are steps which can be taken to increase contribution levels. The insight of behavioural finance can be helpful here, as well as in designing investments strategy. An example is the “save more tomorrow” approach which takes advantage of the human willingness - as attested by St Augustine - to be good in the future even though we live today as if the future will never arrive.

I would like to end with a personal suggestion, and plea. It would be enormously helpful if DC members could purchase a (possibly limited) amount of pension which would be certain (or as near to certain as can be achieved). If built up year by year, this could provide a firm (and very low risk) basis on which to plan for retirement. These foundation stones used to be called deferred annuities. I would encourage investment professionals, as well as the Government, to respond to this challenge. We all need to give our DC members, and fellow citizens, the tools. Then they can finish the job.

Mark Ashworth

Pensions Director, Law Debenture

Foreword by Tim Banks



DCisions would like to thank Alliance Bernstein for sponsoring the 2011 DCisions Default Report.

At Alliance Bernstein, we recognise the importance of this report and the debate it seeks to promote, in ensuring that DC members get the best possible outcome from the savings they make. As the report shows, the outcome will be to a large extent a function of the success of each DC plan's default fund, to generate superior age-appropriate risk-adjusted returns.

It appears to us that the world of investment design is ready to move on, to adopt more innovative structures, combining the best features from around the globe into default investment funds. Furthermore, it needs to reflect the changing retirement landscape, including the ending of the default retirement age and the fact that flexible retirement is becoming more prevalent. Against that background, we believe the traditional method of lifestyling appears too inflexible and end-point sensitive to cope.

With the adoption of the target date structure by NEST we are seeing increased interest in intelligent flexible solutions that can accommodate these changes and be easily and cheaply adapted through time.

Flexible target date solutions combine simplicity for members with the investment complexity necessary to achieve superior member outcomes. A majority of members will naturally look to the trustees or plan sponsor to provide the investment expertise they so clearly lack. A one-fund-for-life approach delivered through a target date fund is a simple concept for members to understand, allowing all of the investment sophistication to go on ‘under the bonnet’ from the member's perspective.

From a governance perspective, trustees and plan sponsors need to understand the member's journey through time. A target date approach enables this, the performance of each target date fund being the return their members actually experience.

In our view, the best default funds will need to incorporate diversification and dynamism, and an ability to change seamlessly through time.

Diversification should not be limited to the various asset classes but should extend to the fund managers used for each of those asset classes. As managers come in and out of favour, the ability to seamlessly change individual components of the default and incorporate the best investment ideas is important.

Similarly, no longer is a static asset allocation through time an appropriate solution. Volatile markets mean that a static glide path can lead to the misalignment of portfolio risk with members' risk capacity. We believe that funds should be dynamically managed on an age appropriate basis to smooth the journey for members through time, to ensure that they do not overreact to short term fluctuations.

Finally we welcome the DWP and TPR consultation on governance, believing that very few plan sponsors and trustees understand that they are the ‘asset allocation’ manager, directly affecting member outcomes. A clarification of the roles and responsibilities will benefit all in delivering the next generation of solutions.

Tim Banks

Head of Sales and Client Relations Alliance Bernstein, Defined Contribution Investments

See [p.32](#) for further details

Introduction

We believe that the DC market is in need of some illumination.

There are three reasons why DCisions data is making an important contribution to the efficiency of workplace savings arrangements:

- 1 There is no single right answer when it comes to investing someone else's money. Asset allocation decisions in default strategies require calibration to give them context.
- 2 The source of advice on default design is arguably the most significant driver of the outcome. Traditional fund manager analysis is inadequate.
- 3 A robust understanding of risk is needed in order to make sense of return figures. An empirical data set reflecting both the risk and the return delivered to consumers is essential to inform ongoing governance and risk management.

The game is changing and it is no longer acceptable simply to ensure that a DC default strategy hits its benchmark. Consumers largely do not care about benchmarks, they care about outcomes and as DC schemes mature, consumers will increasingly scrutinise the quality of investment stewardship from their employer. Missing a well-devised investment objective could prove substantially superior to hitting a plain vanilla index target, in terms of the ultimate value delivered to consumers. In short, the days of hiding behind simple benchmarks are numbered.

Figuring out what asset allocation approach best fits the needs of employees, setting a well-considered objective that drives the right asset allocation behaviour, and assigning responsibility for this asset allocation are vital. This report shows that the nature of objective setting is changing and that the choice (conscious or not) about who holds primary responsibility for asset allocation is critical.

In short, this report should help to turn on the lights.

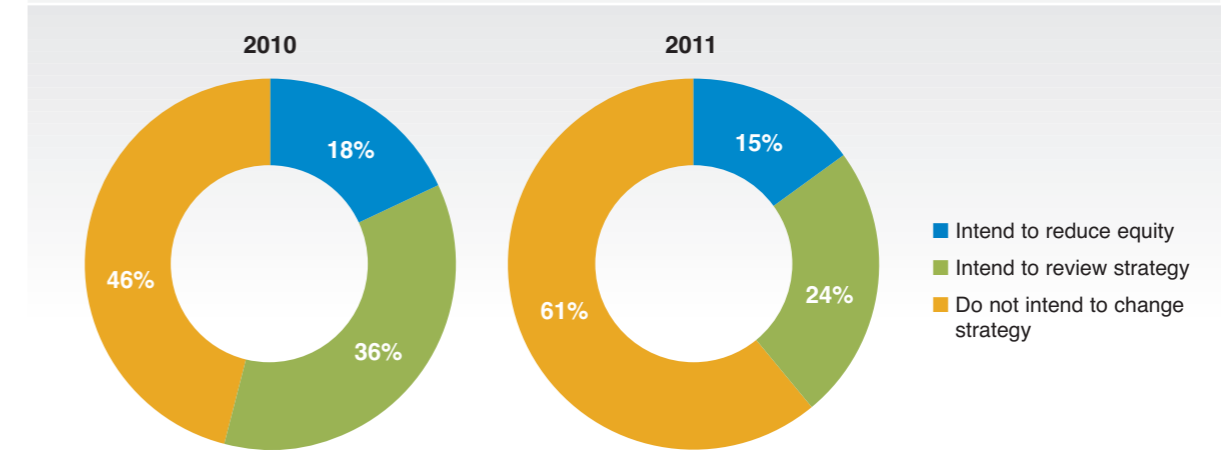
Data Partner Benefits



Data partners are entitled to FTSE DCisions index privileges, without charge. To learn more and to gain access please visit www.dcsions.com/vault

The market turmoil of recent years threw into sharp relief some of these issues and it is perhaps worrying that as markets stabilise, the data reveals attitudes have changed significantly, with fewer than 40pc of plans intending to review their default strategy or reduce its equity exposure this year, down from 54pc in 2010.

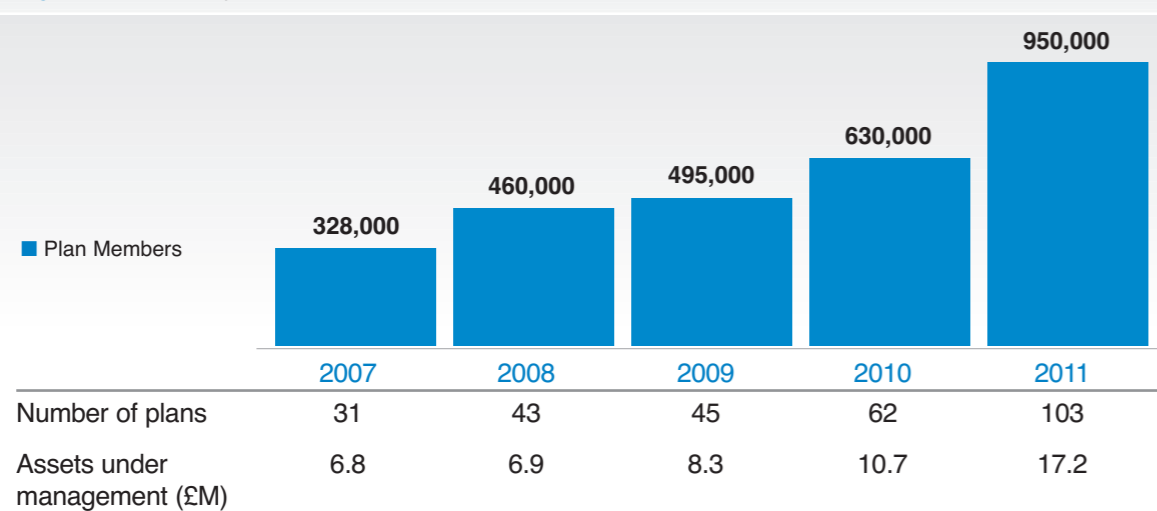
Figure 4: Distribution of UK Plans Considering Changing Their Default Strategy



Continued Growth in the DCisions Community

The average headcount of the UK DC plans in this year's Report is 9,200 employees, across a total of 103 plans, representing collective assets of £17 billion. The underlying community of DC schemes has more than tripled since 2007:

Figure 5: UK Survey Composition



This year we have added insights from our US data set to provide the additional benefit of cross-market comparison. The average headcount of the US DC plans is 28,000 employees, across a total of 75 plans. This is a very small number of plans relative to the US as a whole however it provides insight into developments in some of the largest DC schemes in one of the world's most advanced markets.



UK and US Compared

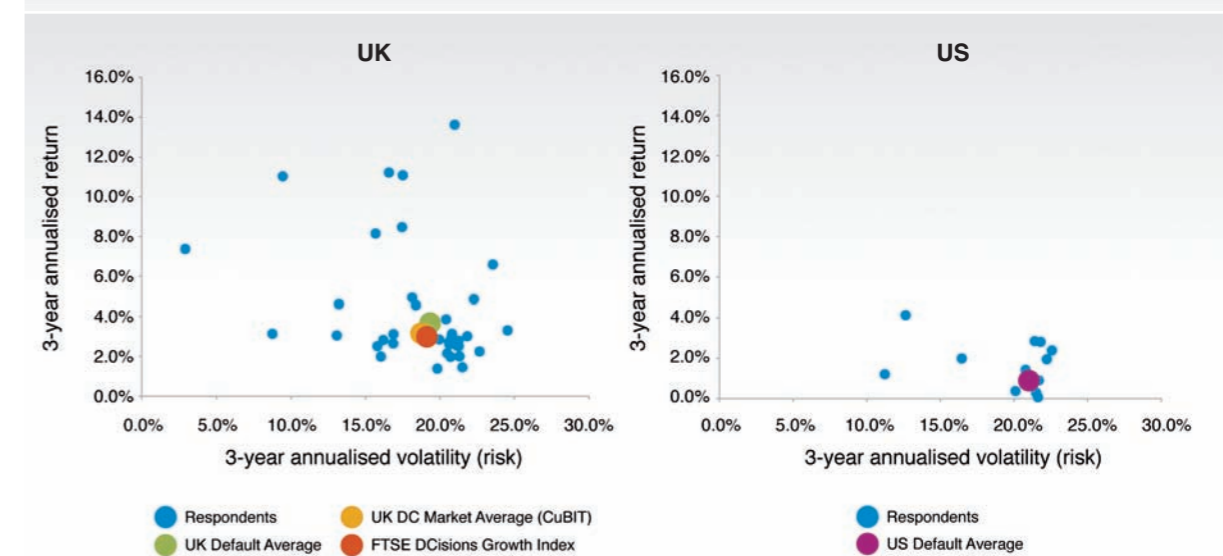
While the data is sourced primarily from large plans, some interesting differences emerge with respect to the concentration in the market for different services.



There is considerable scope for more competition and efficiency in the UK market

The US exhibits greater diversity in the array of consultants and asset managers and more consolidation in record keeping services. The larger asset pool in the US arguably has driven a more competitive market for investment management and advice, and greater economies of scale in record keeping. The proportion of white labeled solutions in the UK is also significantly higher. The UK workplace pensions market is already struggling to deliver services profitably and this trend runs the risk of adding further cost and complexity. Trustees and employers must satisfy themselves that blending and white labeling adds value. The IMA's case studies on these issues and other potential conflicts of interest are a useful reference point: <http://www.investmentuk.org/assets/files/press/2008/ConflictsCaseStudies.pdf>

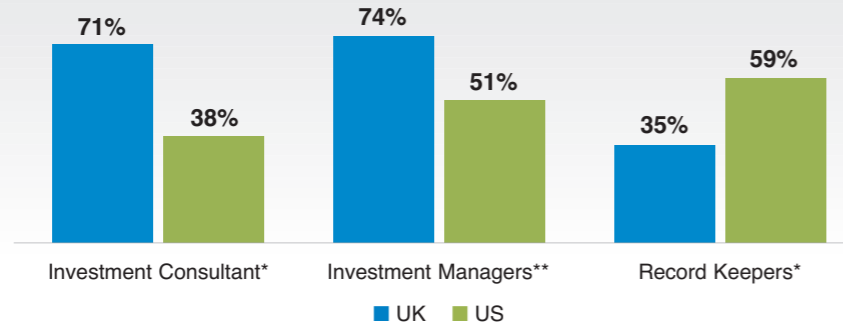
Figure 6: 3-Year Risk and Return Outcome (Growth Phase*)



UK figures based on GBP returns. US figures based on USD returns.

*Growth Phase represents investment outcomes for members at least 15 years from retirement.

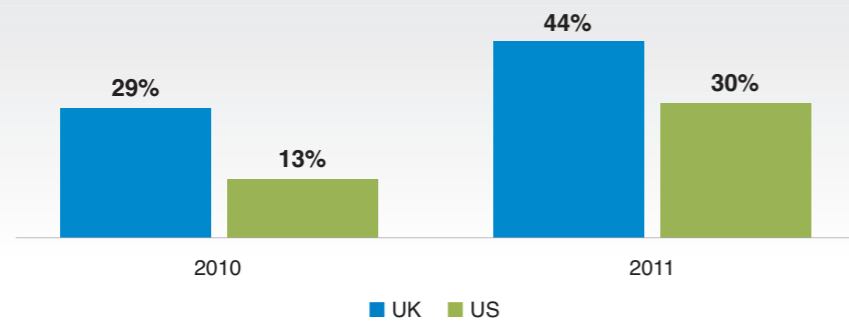
Figure 7: Market Concentration for Top 3 Players



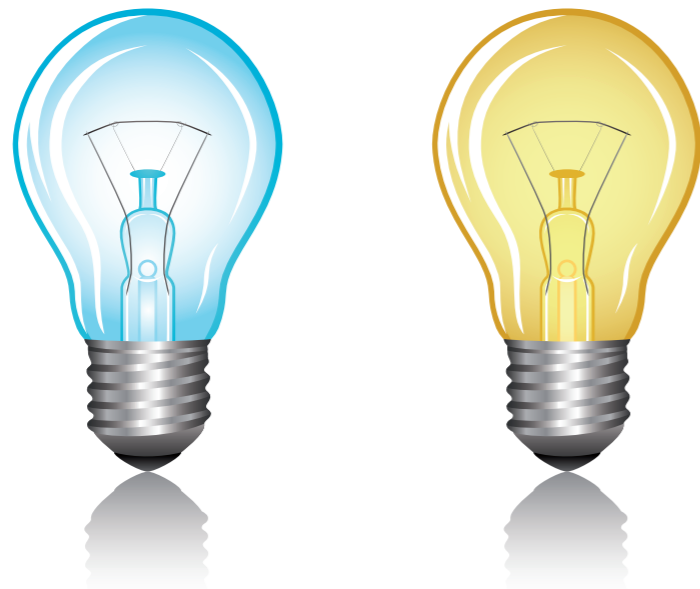
* Concentration by number of plans

** Concentration by assets under management

Figure 8: Proportion of Customised Solutions



Figures include solutions that are bespoke by the investment consultant and white-labeled by the platform provider.



Attitude and Reliance on Default



Default solutions are perceived favourably by the majority of schemes

The perceived risk from reliance on default solutions continues to decline significantly, while the level of investment decision making has remained low over the last five years. Where schemes do perceive a risk, they tend to exhibit a relatively higher default rate.

Figure 9: Average UK Default Rates

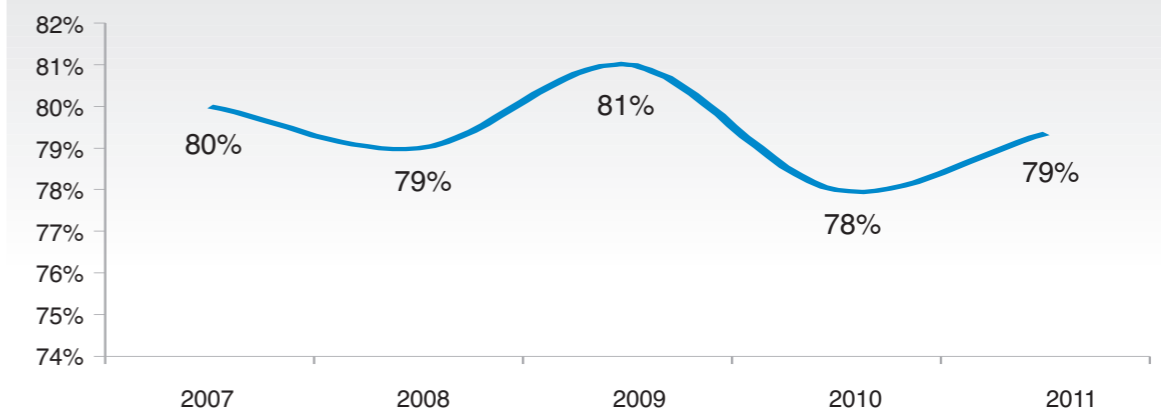


Figure 10: UK Perception of Risk Associated with Reliance on Default Solutions

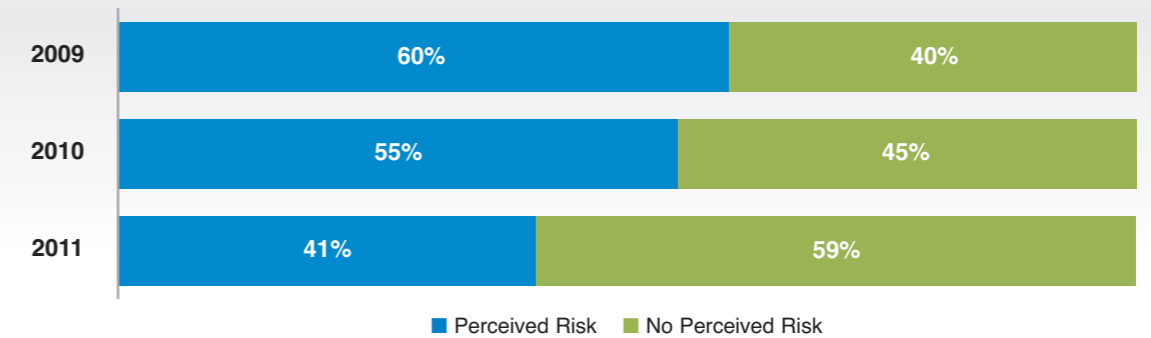
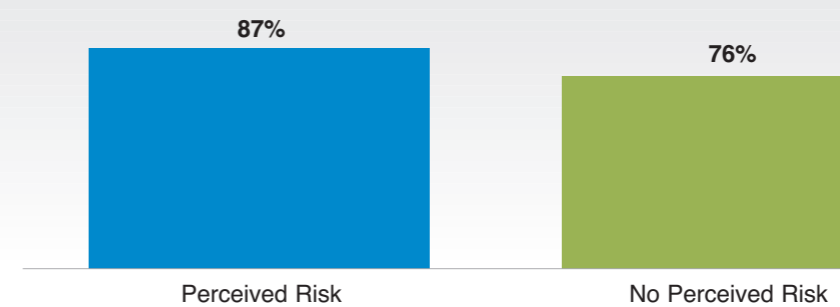


Figure 11: UK Default Rates by Risk Perception



Asset Allocation

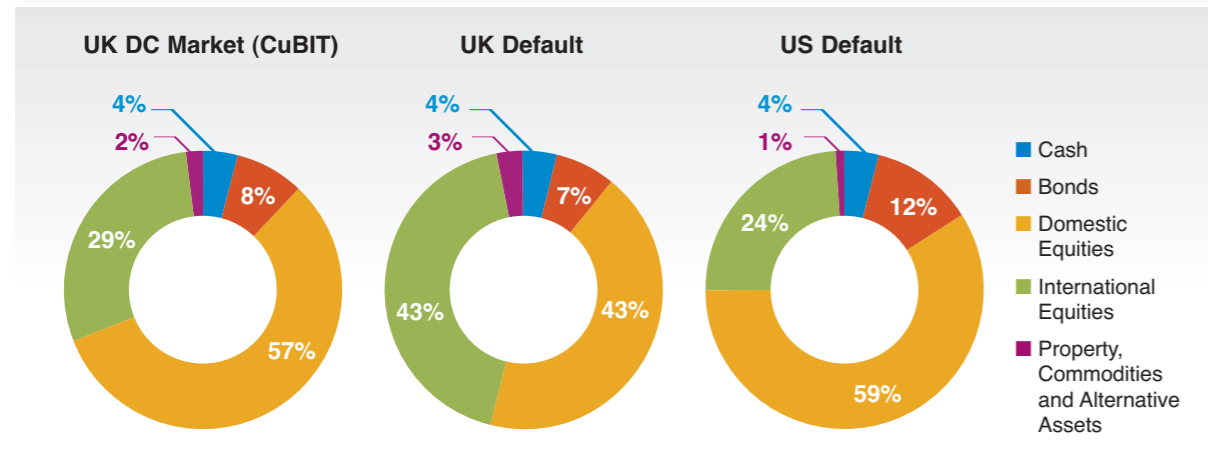
PART I | GROWTH PHASE



Adviser selection has a significant influence on asset allocation

Asset allocations remain heavily tilted towards equities during the growth phase, with an average total equity allocation in excess of 80pc. The US exhibits a much higher degree of home bias with more than two thirds of the total equity position allocated to the domestic market. Asset allocations continue to vary widely depending on which investment consultant is selected, leading to significant variations in the risk and return experienced by employees across DC plans.

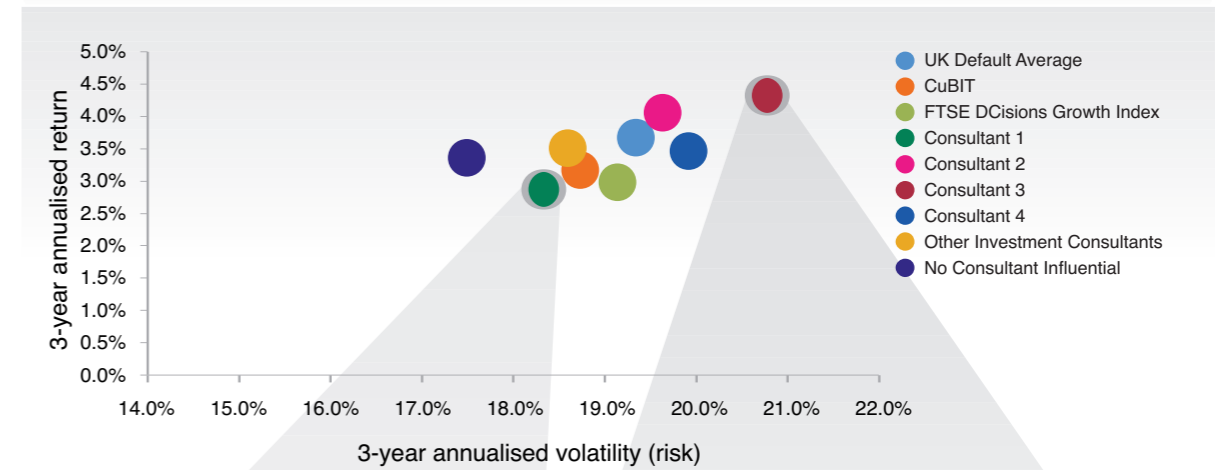
Figure 12: Average Asset Allocation for the UK Market, UK Default and US Default as at December 2010 (Growth Phase*)



*At least 15 years from retirement.

While three years is a limited period to observe performance, many of the solutions implemented do not have longer track records. It will be important to see how performance evolves as further time passes; however the following three year observations do offer valuable insight into the different levels of risk exposure across workplace schemes.

Figure 13: 3-Year Risk and Return Outcome for UK Investment Consultants as at December 2010 (Growth Phase*)



Figures reported for those UK respondents who cited a specific investment consultant as being influential in the design of their default solution. Investment consultants with less than 5 plans in the sample have been aggregated into 'Other Investment Consultants'. Figures based on GBP returns.

*At least 15 years from retirement.

Figure 13a: Consultant 1 Asset Allocation:

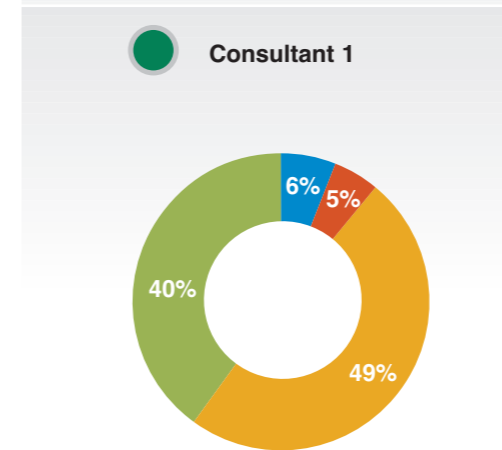
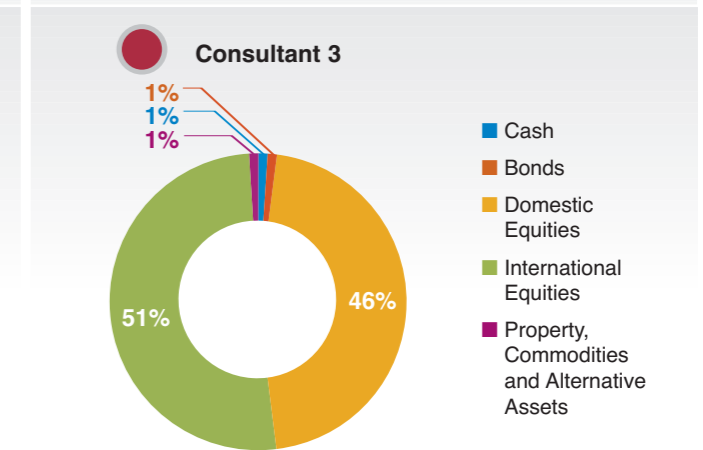
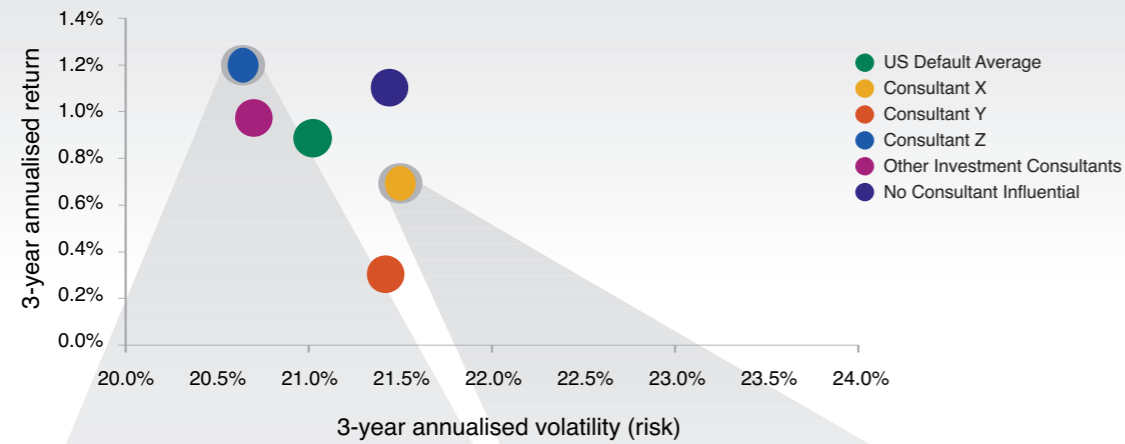


Figure 13b: Consultant 3 Asset Allocation:



Asset allocation applies only to those plans with 3 year return and volatility history.

Figure 14: 3-Year Risk and Return Outcome for US Investment Consultants as at December 2010 (Growth Phase)



Figures reported for those US respondents who cited a specific investment consultant as being influential in the design of their default solution. Figures based on USD returns.

Figure 14a: Consultant Z Asset Allocation

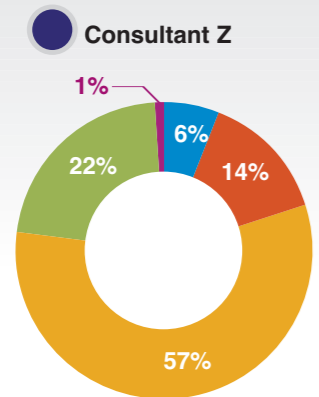
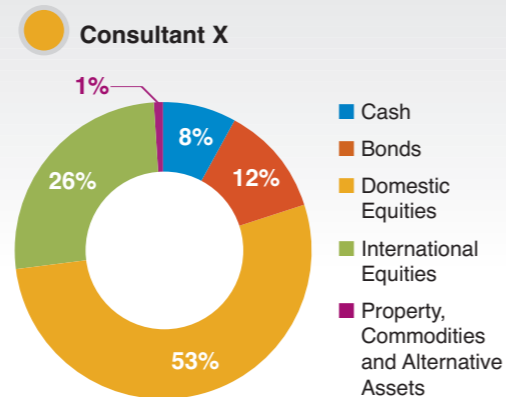
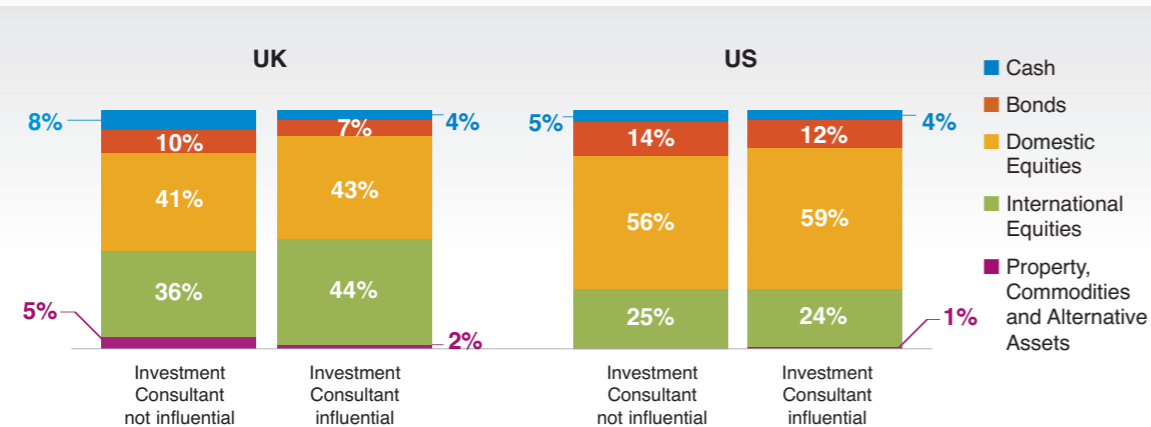


Figure 14b: Consultant X Asset Allocation



Asset allocation applies only to those plans with 3 year return and volatility history.

Figure 15: Asset Allocation for Plans Who Perceive Their Investment Consultant as Influential versus Plans Who Do Not Perceive Their Investment Consultant as Influential as at December 2010



PART II | DE-RISKING



The US has shown rapid adoption of target date approaches while the UK continues to rely heavily on lifestyling

In the UK, operationally intensive 'lifestyling' remains the most common approach to managing the glide path towards retirement, with a typical de-risking period of 8 years. In contrast, in the US market, the vast majority of approaches are target date where the asset manager adjusts asset allocation over 40 years or more. Many believe that with NEST typically adopting a target date approach this concept will become more common. Schemes must satisfy themselves that regardless of the glide path mechanism the period and flexibility of the de-risking process is appropriate and cost effective. This is a critical asset allocation decision.

Figure 16: Distribution of Plans Using Target Date Solutions

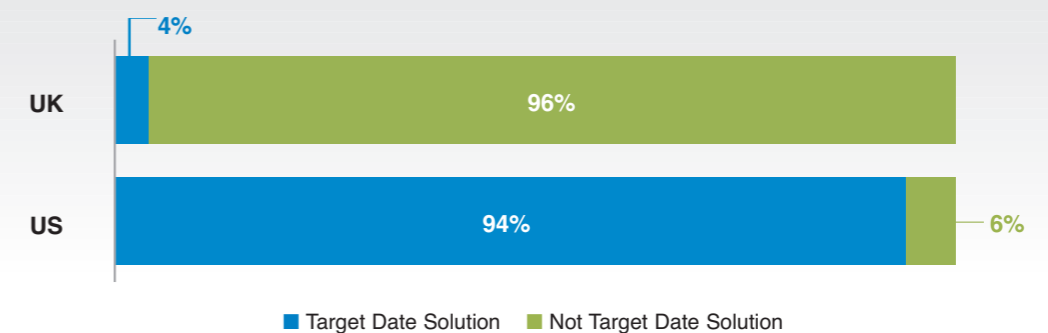


Figure 17: Average Number of De-risking Years in UK Default Strategies



PART III | AT RETIREMENT



Level annuity purchase remains most common

In the UK, the most common at retirement objective is purchase of a level annuity, accounting for 50pc of plans. 25pc of plans target purchase of an inflation-linked annuity. With legislative changes leading to less annuitisation in the future it is essential that those tasked with steering DC plans ensure that the 'end game' of their default strategy is appropriate both in terms of timing the retirement event accurately and the asset allocation at that point in time.

Figure 18: Distribution of Retirement Allocation Objective

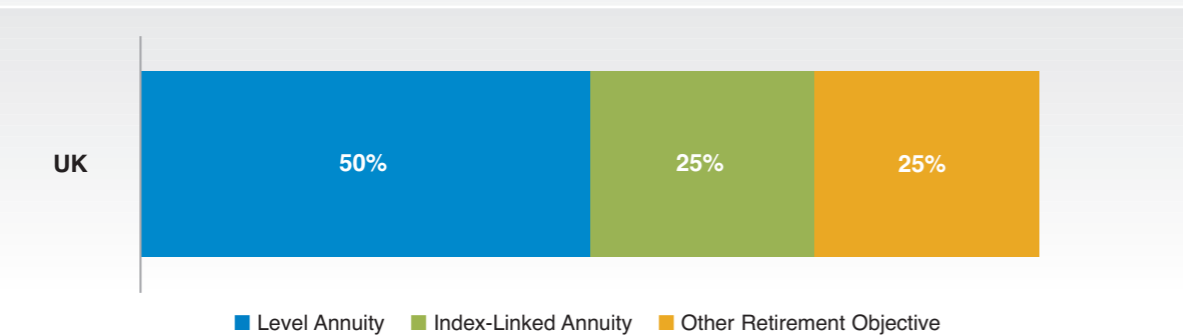
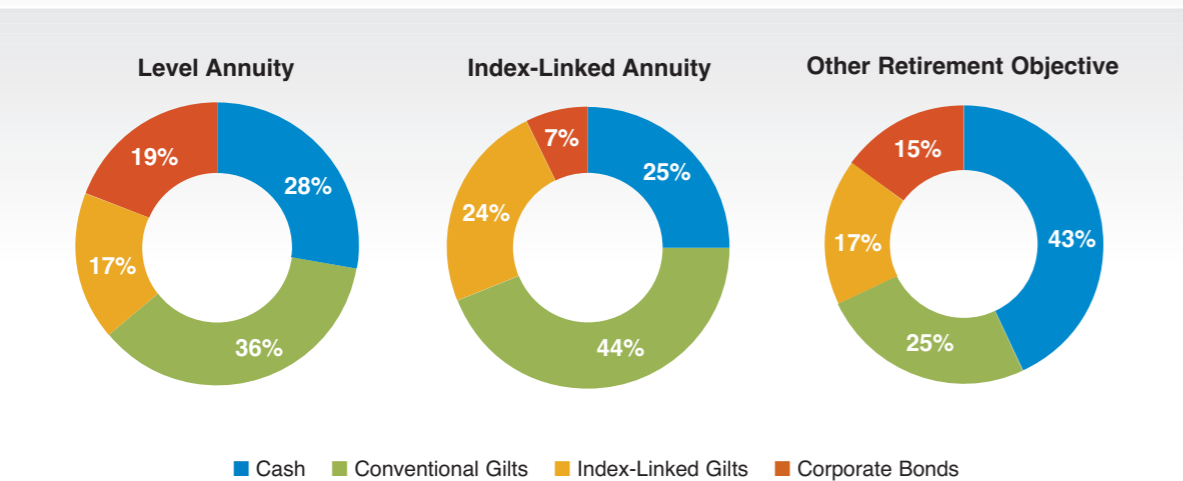


Figure 19: Average Target Retirement Asset Allocation in UK Default Strategies by Retirement Allocation Objective



Objective Setting and Responsibility



The question of whether to empower consultants or asset managers with responsibility for asset allocation is growing in importance

The approach to objective setting in the UK is markedly different from the US. More than 60pc of UK plans target asset class benchmarks and employ passive strategies, virtually guaranteeing that they will achieve their objective. In contrast more than 90pc of the observed US plans follow a target date strategy and it is far more common for responsibility for asset allocation to be delegated to the fund manager.

Evidence from the UK shows that where responsibility is delegated to fund managers, the level of diversification tends to be higher, with a beneficial impact on the risk return balance.

Analysis conducted by DCisions on behalf of NEST, using data insights from CuBIT has demonstrated that increased volatility is associated with consumers reducing or ceasing to make contributions. **It is important to challenge the theoretical argument that long term returns from pure equity strategies are superior**, and ensure that projections of benefit accumulation also take account of the impact of individual lifetime saving behaviour.

Figure 20: Distribution of Investment Objectives

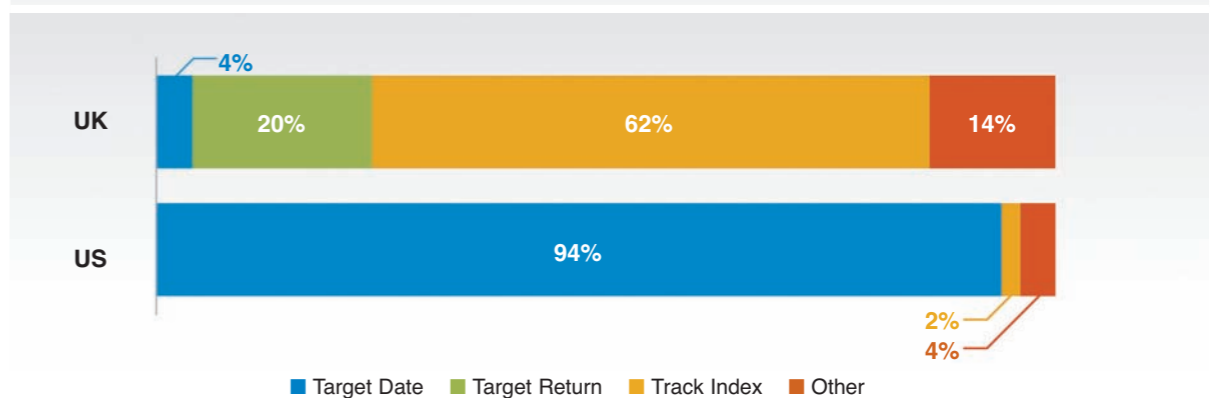


Figure 21: Distribution of Entities Responsible for Asset Allocation

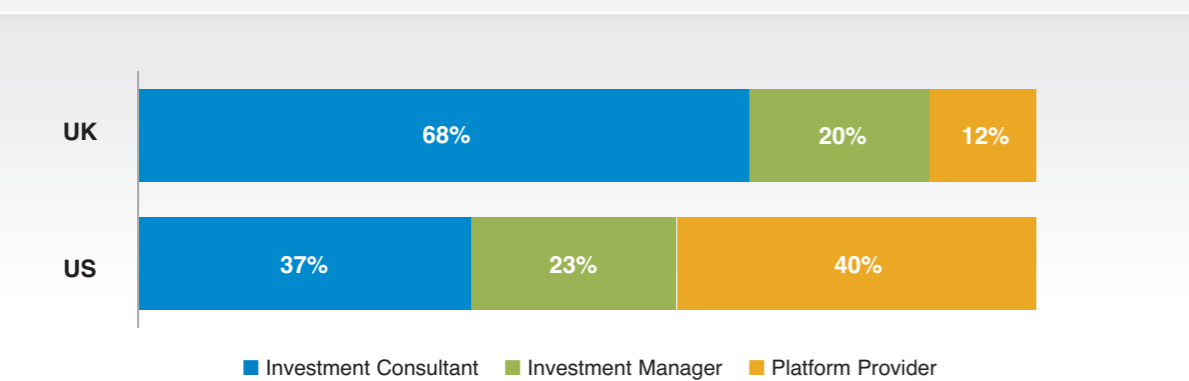
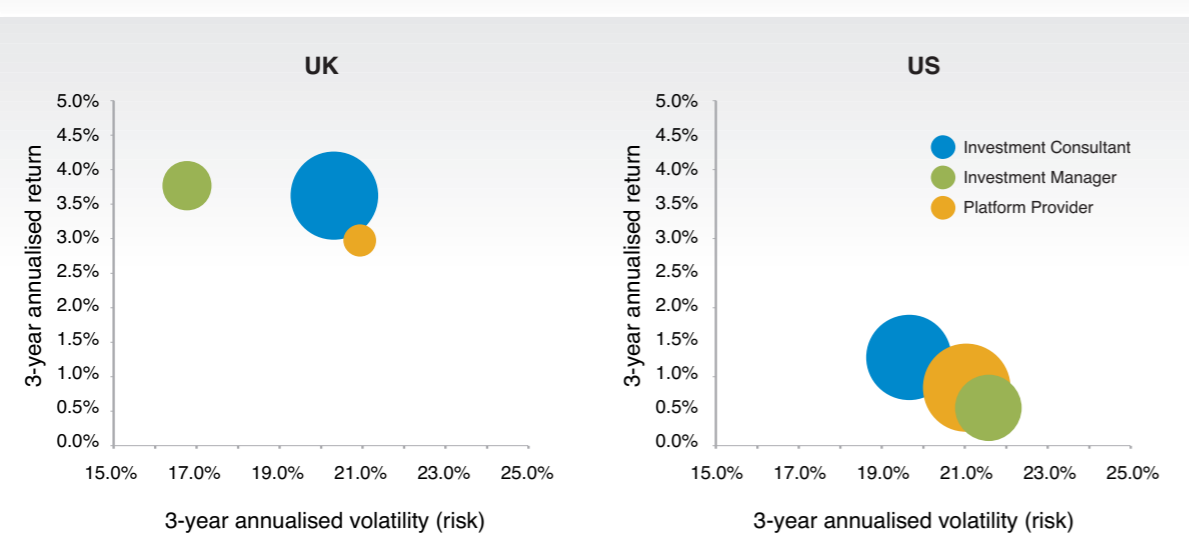


Figure 22: 3-Year Annualised Risk and Return Outcome for Entities Responsible for Asset Allocation as at December 2010 (Growth Phase)



UK figures based on GBP returns. US figures based on USD returns. The size of bubble indicates the market share in terms of number of schemes.



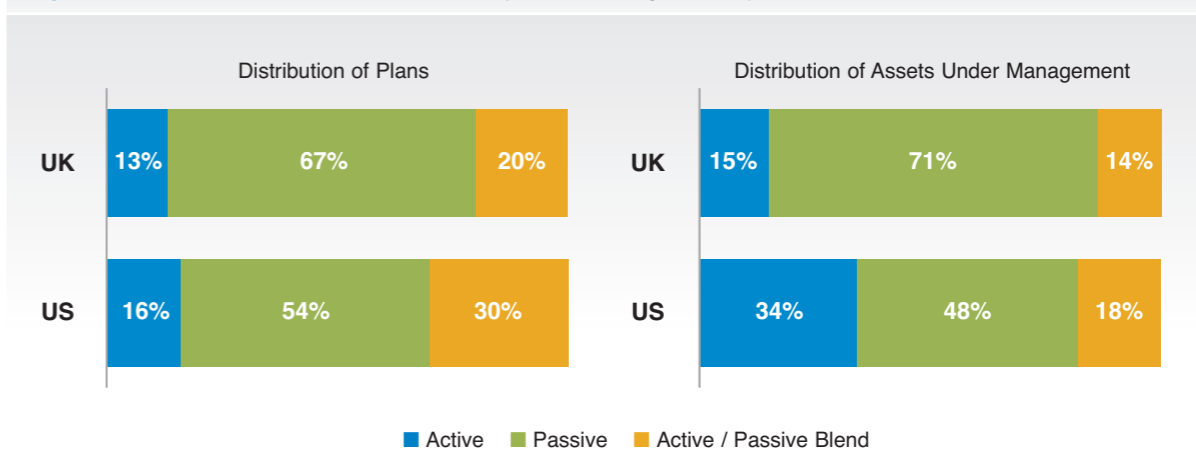
Investment consultants are increasingly in competition with asset managers to control asset allocation

As we have observed in previous publications, there is clear 'co-opetition' between asset managers and consultants in the UK in the battle to control asset allocation, and to capture the associated remuneration for this activity. More than 50pc of default strategies observed in the UK follow a static asset allocation, whereas in the US a significantly greater proportion of plans

delegate authority to the asset manager to oversee this process and respond more swiftly to market conditions.

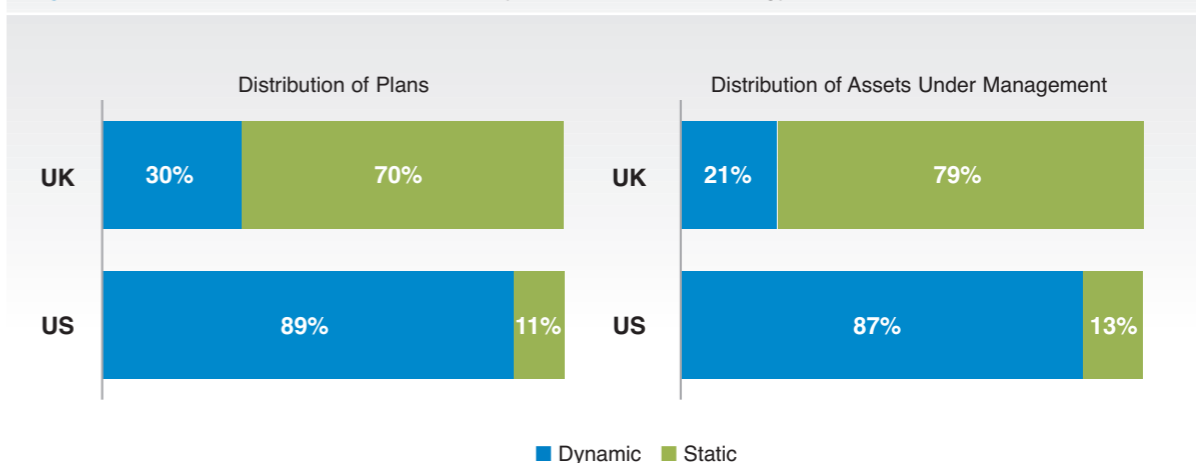
Investment management fees are also generally higher in the US, despite this arguably being a more mature and competitive market than the UK. **It is remarkable to see evidence of lower fees for asset management in the UK, versus the US, despite the greater maturity and competition in the US market.** This may reflect the significantly higher influence of consultants in the UK market and co-opetition for share of the total fees paid by schemes.

Figure 23: Distribution of Plans and Assets by Fund Management Type



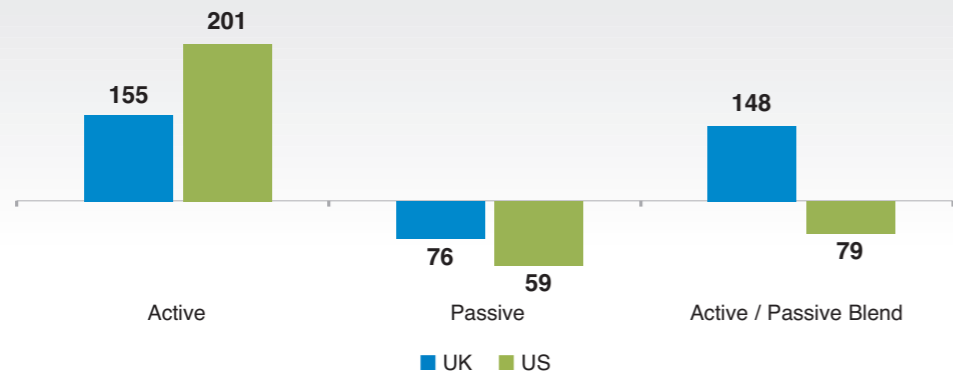
Active / Passive blend indicates those solutions that have a combination of active and passive sub-funds.

Figure 24: Distribution of Plans and Assets by Asset Allocation Strategy



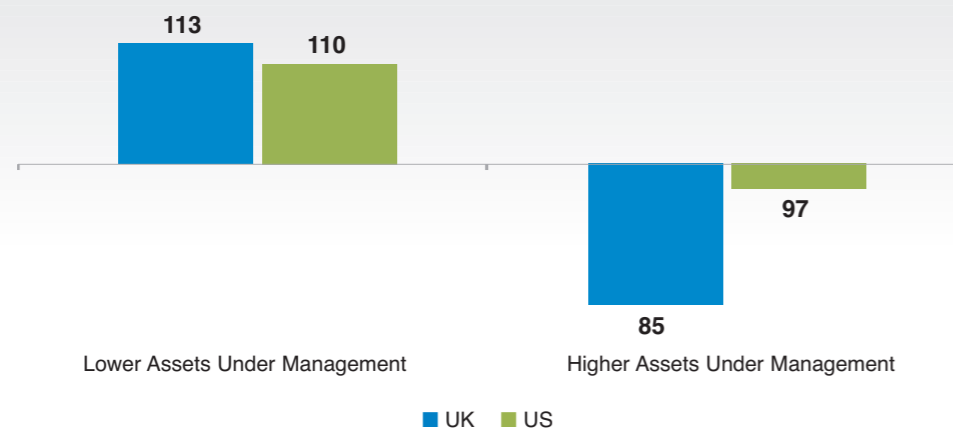
Static includes balanced strategies.

Figure 25: Average Fees by Investment Approach (Index = 100 for Total Default Survey Average)



Index is the mean of all reported fees across both the US and UK default respondents. Active / Passive blend indicates those solutions that have a combination of active and passive sub-funds.

Figure 26: Average Fees by Assets Under Management (Index = 100 for Total Default Survey Average)



Index is the mean of all reported fees across both the US and UK default respondents. For the UK population, 'Lower Assets Under Management' indicates plans with assets under management less than or equal to £50 million and 'Higher Assets Under Management' indicates plans with assets under management exceeding £50 million. For the US population, 'Lower Assets Under Management' indicates plans with assets under management less than or equal to \$2 billion and 'Higher Assets Under Management' indicates plans with assets under management greater than \$2 billion.

Consultant Satisfaction

Schemes indicated a generally high level of satisfaction with their investment consultant, with only a small degree of variation between different providers. An interesting picture is beginning to emerge which suggests that the subjective satisfaction scores given by schemes in relation to their consultant may be inversely related to the value delivered through default solution design. We will monitor this closely with a view to sharing more information in the future.



Engagement

To the extent that participation and investment decision making are reflective of engagement levels, US plans enjoy greater engagement with the consumer, with higher participation rates (averaging 83pc versus 69pc in the UK) and lower reliance on default investment strategies (averaging 25pc versus 79pc in the UK).

Figure 27: Cumulative Distribution of Participation Rates

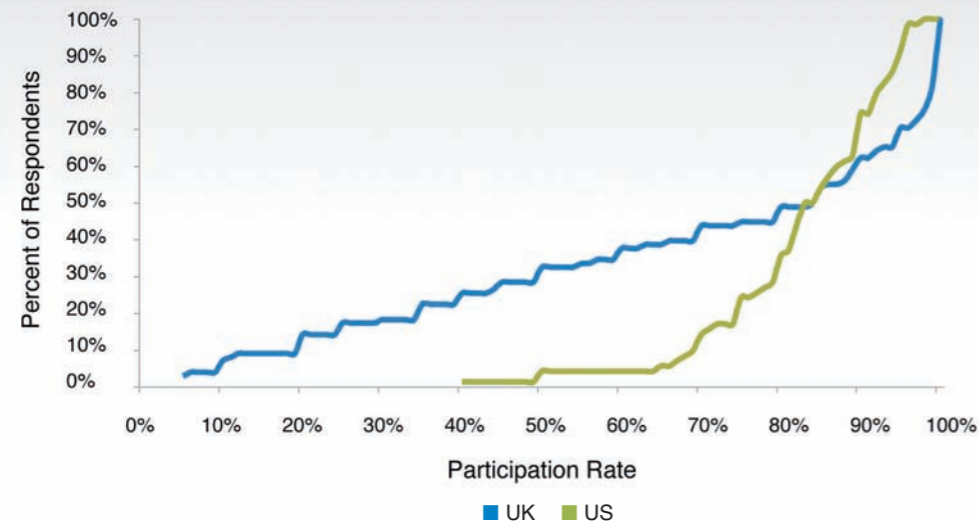
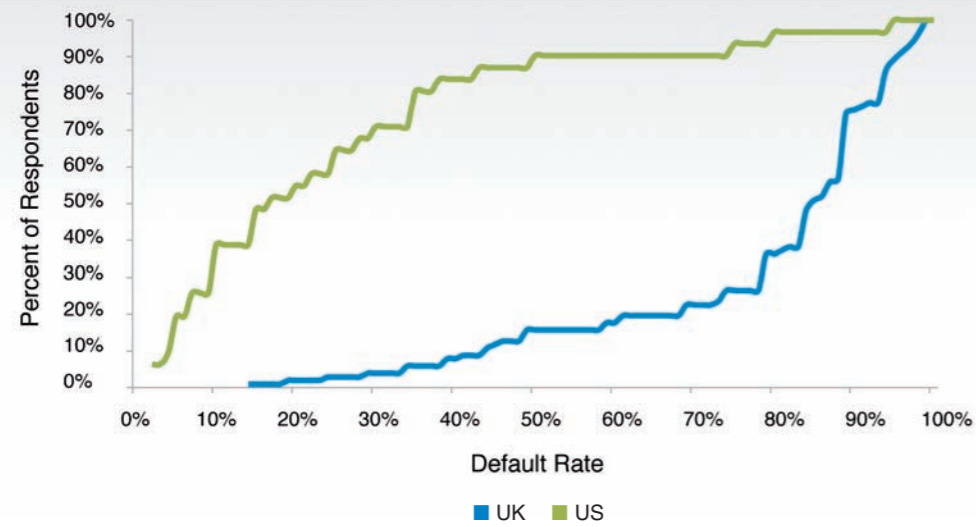


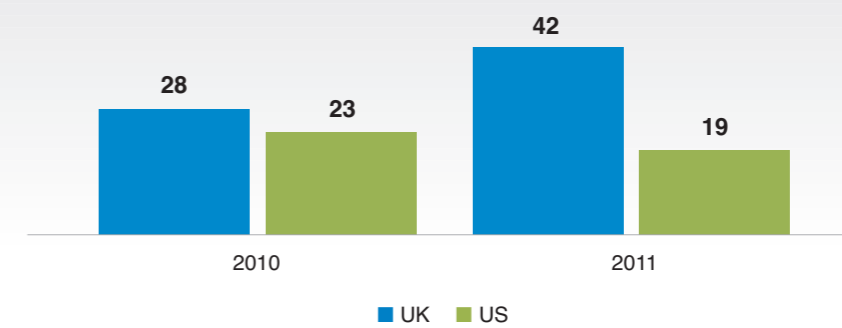
Figure 28: Cumulative Distribution of Default Rates



Range of Choice

Across both trust and contract plans in the UK, the average number of fund choices is 42, versus 19 in the US. Surprisingly, the average number of choices in the UK has trended upwards. This is explained in part by a higher number of contract-based plans observed in this year's report.

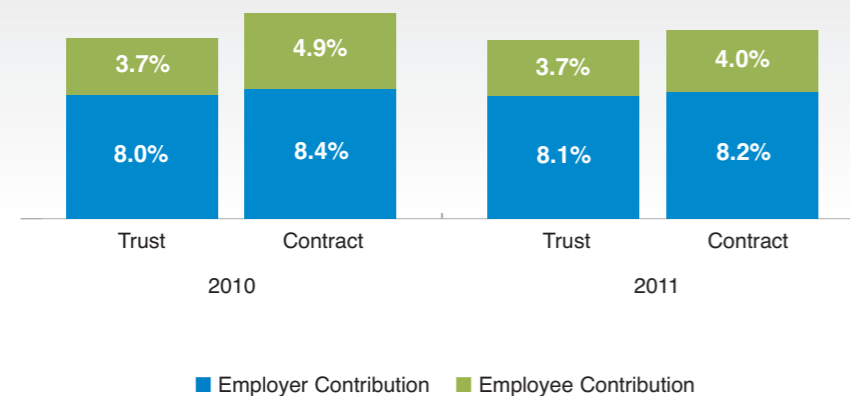
Figure 29: Average Number of Investment Choices



Contribution Levels

The UK contribution rate has remained relatively stable at around 12pc comprising a two third, one third split between employer and employee.

Figure 30: Average UK Contribution Rates



Closing Observations – A Checklist to Consider

Individuals tasked with managing DC schemes face a significant responsibility and we offer the following five point checklist to support ongoing risk management:

- 1 **Review** periodically the overall investment objective of your default strategy to ensure it is driving the right behaviours. Static asset class benchmarks have the advantage of being easy to achieve, but may not be in the best interests of employees.
- 2 **Understand** how much risk your employees are being exposed to and whether this is a reasonable match with their needs and in line with your aspirations as an employer.
- 3 **Assess** whether the return being generated is a fair reward for this level of risk, over the medium term.
- 4 **Calibrate** the asset allocation within your default strategy, during the growth, de-risking and at retirement phases to understand whether risk is being managed effectively.
- 5 **Identify** who is charged with controlling asset allocation decisions (the employer, trustee, consultant or asset manager), **consider** whether they are best placed to do so and **ensure** a suitable level of authority is delegated to them to enable timely and appropriate adjustments.



The Vault Scorecard

Instant, objective insight into the effectiveness of your default solution. [Contact us](#) to learn more.

To review a sample, please [click here](#).

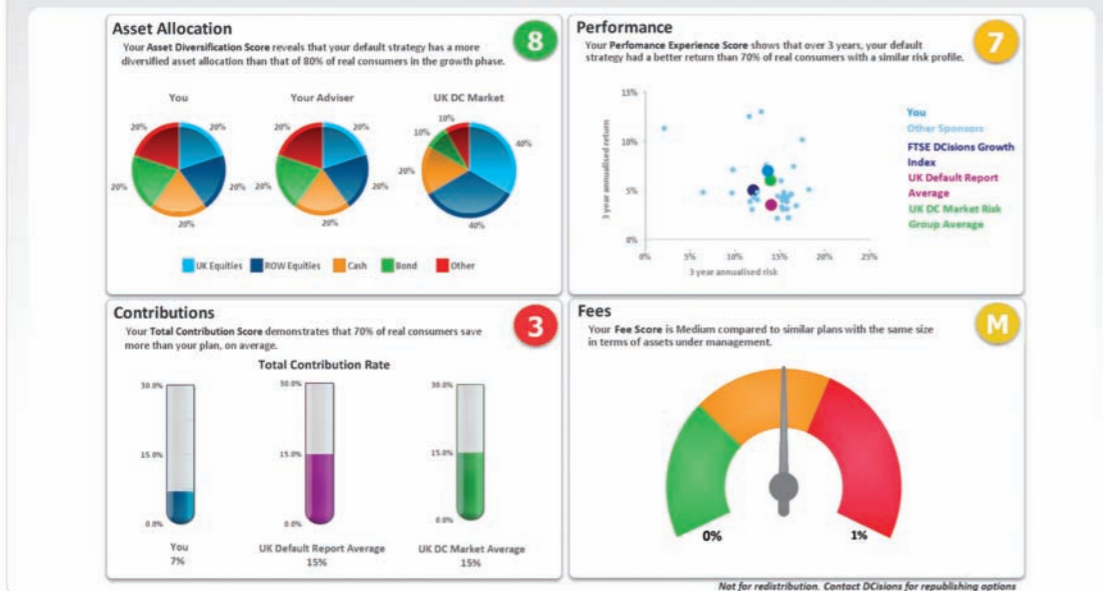
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More information about the Vault Scorecard

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Your Vault Score

The Vault Score compares your default strategy to real consumers within CuBIT™ who are in the growth phase. Those consumers are representative of the UK defined contribution market. All data is as at December 2010. The Vault Score is a simple sum of your component scores that leverage CuBIT™ and benchmarks (i.e. Asset Diversification Score, Performance Experience Score and Total Contribution Score). The scores range from 0 to 100, where 100 is good. Below is a breakdown of how the ratings are assigned: Challenged (Vault Score < 50), Fair (Vault Score 50 – 84), Good (Vault Score ≥ 85).

Asset Diversification Score

The Asset Diversification Score reflects how concentrated your default strategy's assets are in the growth phase relative to real consumers' portfolios. The score is based on the Herfindahl Index, a standard in measuring concentration. The included asset classes are bonds, cash, UK equities, rest-of-world equities and other assets. In cases where global equities are not split between regions, 8% is allocated to the UK and the remaining 92% to the rest-of-world to be aligned with the FTSE All-World. The real consumers' Herfindahl Index is ranked and combined into ten equal-sized groups. The final score is the group in which your default strategy lies, where 10 is highly diversified.

Total Contribution Score

The Total Contribution Score compares the reported total contribution rate on your plan to that of real consumers who are actively saving with at least one year of tenure in their plan. The rates for consumers are ranked and then combined into ten equal-sized groups. The score is the group in which your contribution rate falls, where 10 is assigned to the highest 10% of total contribution rates.

Terms

UK Default Report indicates the all respondents included in the UK Default Report
Your Adviser refers to the average for your adviser across all respondents in the UK Default Report
UK DC Market represents those consumers held in CuBIT™ that are representative of the UK defined contribution market

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About DCisions

DCisions measures the investment performance experienced by consumers and tracks their behaviours over time, including product selection and saving decisions. Using a patented process to unlock insight from transaction data, we enable investment platforms, asset managers and advisers to better understand their customers and improve the value of these relationships.

CuBIT™ is our proprietary insight platform and sits at the heart of our business. Starting with data feeds from our partners, it transforms and analyses customer level data to provide unprecedented insight into real consumers' investment behaviour and experience.

For more information on the company and to inquire about other products and services, you can find us at:

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AllianceBernstein

Helping You Make the Most of DC

It is critical for both employees and employers that DC scheme members get the best possible outcome from their pension savings. That is why it is crucial that they get the highest returns from their savings without taking unnecessary risks.

We can help members achieve these outcomes by providing investment solutions that can be used either as the default option in a DC scheme or as part of a default approach. The heart of our strategy is to maximise returns within the limits imposed by the risks that any individual ought to be taking at their stage in life.

Solutions tailored to your membership's needs

We recognise that not all schemes are alike and that objectives often vary. That's why we've developed a broad suite of strategies to answer a range of needs. We provide blended investment solutions that can be used either as a target date fund range or as part of a lifestyle strategy. Any or all of them can be white labelled, depending on your preferences. They can be customised or packaged to suit your scheme's needs and member demographics. They can use active or passive management styles in any combination of asset classes.

Five good reasons to use AB solutions

- **Diversification** – unconstrained diversification of both asset classes and fund managers
- **Volatility management** – smoothes the ride for DC investors
- **Flexibility** – allows seamless changes as your scheme evolves
- **Cost-efficiency** – competitive single-fund solutions
- **Accountability** – creates peace of mind for scheme sponsors

Dynamic portfolio management

Whichever of our approaches you choose, you can rest assured that the strategy will be actively managed on a daily basis. And when you want to change any element of it, that can be done with the minimum of fuss and at very little cost, without disruption to your membership.

More information

If you would like to find out more please contact us and we'd be delighted to provide further details.

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Director, Sales and Client Relations, AllianceBernstein
Defined Contribution Investments

Telephone: 020 7959 4783

Email: tim.banks@alliancebernstein.com



About DCisions

DCisions gathers and analyses individual consumer level data regarding savings and investments. The resulting insight improves transparency and enables platforms, intermediaries, asset managers, sponsors, trustees and consumers to make better decisions. The company is also the leading provider of insight into DC default strategies and powers the FTSE DCisions Index Series.

The company's independence from investment management, record keeping and investment advice is central to its value proposition.

For more information please visit www.dcions.com.

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Note: All underlying fund factsheets are sourced from Financial Express or the asset managers directly.

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