

P I M C O

*PIMCO's 12<sup>th</sup> Annual*

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# Defined Contribution Consulting Support and Trends Survey

For institutional investor use only

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# Survey overview

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PIMCO's DC Practice has prepared the 12th annual ***Defined Contribution Consulting Support and Trends Survey*** to help plan sponsors understand the breadth of views and consulting services available within the DC marketplace. Our 2018 survey captures data, trends and opinions from **77 firms**, the highest number in the 12-year history of the survey. These firms advise over **\$4.4 trillion** in U.S. DC assets, accounting for almost 60% of all U.S. DC assets (\$7.69T\*).

## **SURVEY PARTICIPANTS**

**77** DC consultants and advisors from 23 states

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**17k+** DC plan sponsor clients represented

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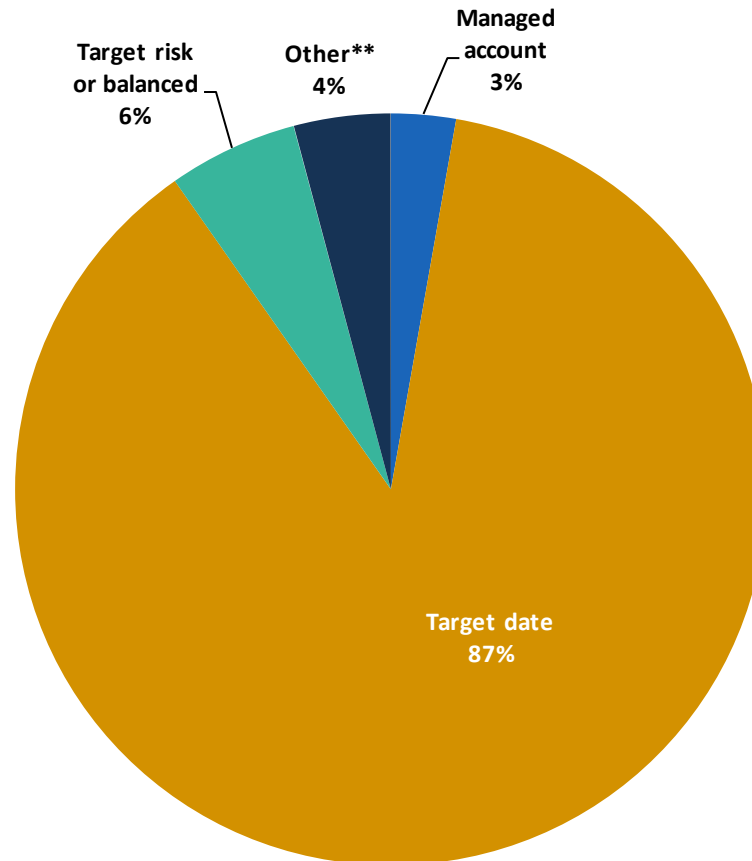
**\$4.4+** trillion in client DC assets

\*ICI Retirement Market Statistics, March 2018

# Consultants overwhelmingly recommend target-date strategies over managed account “robo advice” as DC plan investment default

## INVESTMENT STRUCTURE

**Q:** What **qualified default investment alternative (QDIA)** do you generally recommend?\* (n=72)



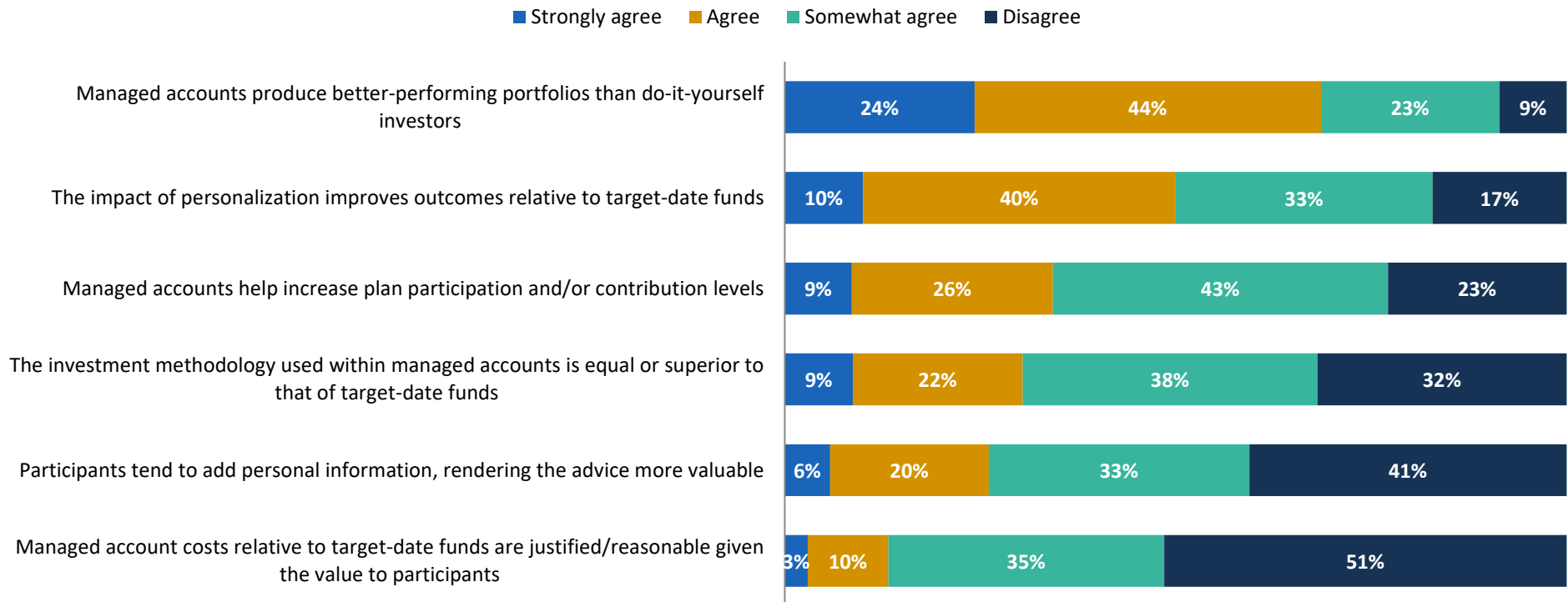
\*Percent may not sum to 100% due to rounding.

\*\*Other: Asset allocation models; custom hybrid target date/target risk

# Managed account “robo advice” viewed as superior to “do-it-yourself” but inferior to target-date given added cost

## INVESTMENT STRUCTURE

Q: What is your firm’s view on **managed accounts**?\*† (n=70)



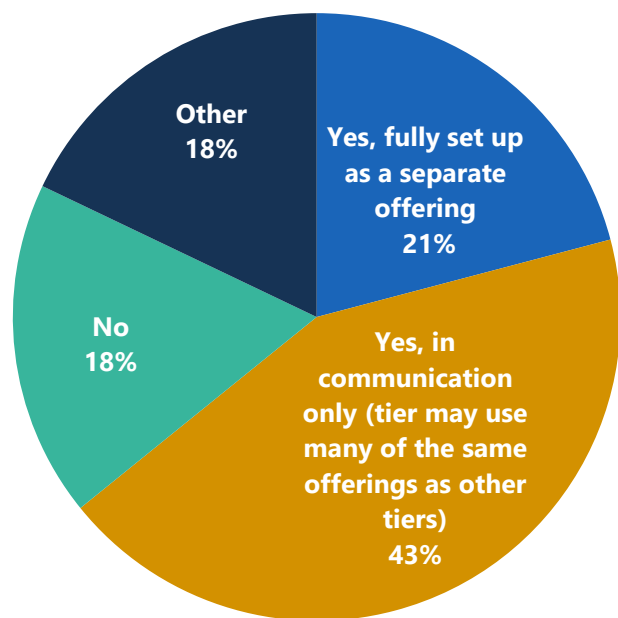
\*Responses “Custom Target Dates that allow meta data are superior to simple Managed Accounts” and “Using managed account as a QDIA would reduce cost and improve outcome on average” were removed from graph as there was only 1 response for each.

†New question in the 2018 survey

# Consultants recommend DC plans include a separate retirement tier and support target date, stable value and multi-sector fixed ahead of managed accounts “robo advice”

## RETIREMENT INCOME

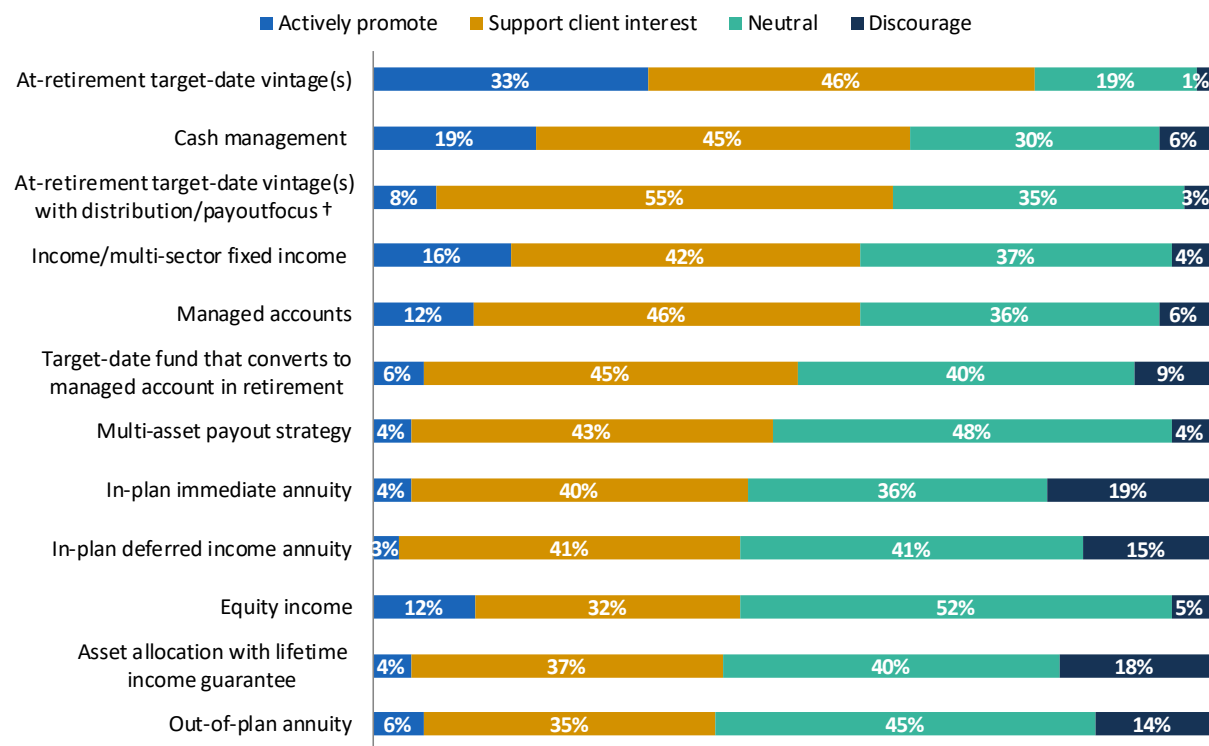
Q: Do you believe plans should offer a **separate retirement income tier**?\*† (n=67)



\*Other: Could be a separate offering, but may include some of the same offerings included in other tiers; dependent upon plan sponsor/participant demographics; depends on circumstances; depends on employer goals and objectives; not necessarily a tier, more like a separate structure since components of core can be included; our research continues in this area – we are proponents of retirement income and support client interest; still seeking to identify best practice; support conceptually and look forward to future industry and product enhancements

†New question in the 2018 survey

Q: What is your firm's position on the use of the following **investment and insurance retirement income strategies**?\* (n=67)



\*Responses ordered by the sum of “Actively promote” and “Support client interest”

†New response option in the 2018 survey

# About PIMCO's DC Practice

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The PIMCO DC Practice is based in Newport Beach, CA and is dedicated to promoting effective DC plan design and innovative retirement solutions. Our team is pleased to support our clients and broader community by sharing ideas and developments in DC plans in the hopes of fostering a more secure financial future for employees of corporations, not-for-profits, governments and other organizations.

**If you have a topic you'd like to discuss, please contact your PIMCO representative or email us at [pimcodcpractice@pimco.com](mailto:pimcodcpractice@pimco.com). We're interested in your ideas and feedback!**

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