

NEWS RELEASE

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U.S. Retirement Assets Hit \$16.6 Trillion in First Quarter, October 2007

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ICI Launches New Series of Quarterly Updates for Americans' Savings

Washington, DC, October 18, 2007 – Americans' assets for retirement rose to a record \$16.6 trillion as of March 30, 2007, according to a new statistical series launched today by the Investment Company Institute, the national association of U.S. mutual funds and other investment companies.

ICI, which for many years has published the earliest comprehensive releases on year-end retirement assets, will now update total and detailed figures on retirement savings on a quarterly basis. ICI has long served as a primary source of data on Individual Retirement Accounts (IRAs) and provides detailed measures of assets held in 401(k), 403(b), and other defined contribution plans. Federal agencies use ICI data to help measure the retirement holdings of American households.

"Ensuring that working Americans are preparing for retirement is a public policy of vital concern," said Paul Schott Stevens, President and CEO of ICI. "We are committed to providing the policy community with the most accurate and most up-to-date information on trends in retirement savings. We hope this quarterly report and those that follow will prove to be valuable resources for Congress, the administration, academics, journalists, and others interested in Americans' retirement security."

Among other things, the report shows that:

- Total U.S. retirement assets climbed to \$16.6 trillion in the first quarter of 2007, up from \$16.4 trillion at year-end 2006. Retirement savings account for almost 40 percent of all household financial assets in the United States.
- IRAs held more than \$4.3 trillion in the first quarter of this year, up from \$4.2 trillion at year-end 2006. Mutual funds manage 47 percent of IRA assets.
- Americans held \$2.75 trillion in 401(k) plans and \$4.16 trillion in all employer-based defined contribution plans. Those figures are up from \$2.7 trillion and \$4.08 trillion, respectively.
- Mutual funds managed \$2.16 trillion in assets in 401(k), 403(b), and other defined contribution plans in the first quarter, up from \$2.10 trillion at year-end 2006. Mutual

funds manage 52 percent of defined-contribution assets.

- Lifecycle funds, whose managers automatically readjust their ratio of equity to fixed-income holdings from year to year as shareholders age, continued to grow rapidly. They managed \$133 billion at the end of the first quarter of 2007, compared to \$114 billion at year-end 2006. Almost 90 percent of assets in lifecycle funds are held in retirement accounts.
- Lifestyle funds, which mix equity and fixed-income investments to maintain predetermined risk level, managed \$204 billion on March 30, up from \$189 billion on December 31. Almost half of lifestyle fund assets are in retirement accounts.

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