



Registered Investment Advisor

**For Immediate Release**

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## ***Five-Year Back-Study Reveals Veracity of Scorecard<sup>SM</sup> System***

*Concludes the Best Managers Are Adding Value Despite Lower Account Balances from 2008 Fallout*

Aliso Viejo, CA, February 10, 2010—[401\(k\) Advisors](#) announces the completion of its **Five-Year Back-Study Report**, undertaken to measure the accuracy of its signature performance-monitoring tool, the **Scorecard<sup>SM</sup>** System.

In brief, the Back-Study Report concluded that: 1) 93% of funds scoring acceptably (7-10) outperformed benchmark at the beginning *and* end of the study; 2) the remaining 7% of funds scoring acceptably, but underperforming the benchmark, maintained a more consistent style, lower risk, and outperformed funds Scoring 6 or below, and; 3) top-ranked large cap growth funds (9-10) outperformed by 2.03%.

Scorecard<sup>SM</sup> outperforms the Russell 1000<sup>®</sup> Large Cap Growth benchmark, earning higher returns than performance benchmarking alone, which did not provide better, if any, protection from the downturn. Scorecard<sup>SM</sup> also increased the probability of identifying a future outperforming fund manager, thus reducing overall investment risk. **Net takeaway: Pay closer attention to return statistics than mere returns.**

Created and developed internally by 401(k) Advisors, the Scorecard<sup>SM</sup> System scores funds based on multiple criteria commonly used today by institutional investors and money managers; it applies a straightforward 10-point numerical scoring system to monitor funds, managers, investment styles, and risk/returns. 401(k) Advisors plan consultants use Scorecard to help plan sponsors enhance investment opportunities, manage and control risk, and reduce exposure to fiduciary liability.

“Fallout from 2008, one of the worst years in stock market history, continues to cloud the landscape, and raises questions: *Did our funds, our managers really do that badly?*” explains Jeff Elvander, Chief Investment Officer for 401(k) Advisors. “Perception transcends reality. We needed to understand if actual Scorecard results would reassure plan sponsors and participants during this major transitional period in the U.S. equity markets. Return statistics outweighed returns only.”

Data Gathering Period: Firm analysts gathered data over separate multi-year periods to test ex-post and ex-ante results from first quarter 2001 to fourth quarter 2005, thus producing fund scores as of first quarter 2006. Data was then tested against the Russell 1000<sup>®</sup> Large Cap Growth Index as the benchmark, which comprised 30 popular large cap growth funds on more than 50 vendor platforms with a minimum 5-year performance history. The evaluation period ran from first quarter 2006 to second quarter 2009 and produced a clear snapshot of actual performance results over the subsequent 3-year period, including 2008. All told, 14 quarters of scores (trailing 5-year data) were aggregated and analyzed.

**About 401(k) Advisors:** 401(k) Advisors specializes in retirement plan consulting for major and mid-sized private and institutional plan sponsors, and currently oversees \$10 billion in assets under advisement. Offices are located in the Midwest, Northeast, Southeast, Southcentral and Western regions of the United States. For the past decade, 401(k) Advisors has been recognized for best practices in retirement planning, investment due diligence, vendor service and fee benchmarking, compliance processes, and education for sponsors and participants. Unlike generalist firms with peripheral involvement in qualified plans, 401(k) Advisors is a specialist in the field, and differentiates its value in the marketplace on applied knowledge, efficiency and effectiveness. For more information, log onto to [www.401kadvisors.com](http://www.401kadvisors.com).

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