

Fidelity tops two lists of 'top-of-mind' retirement brands

By Kerry Pechter *Thu, Jan 30, 2014*

In two surveys, Cogent Reports (formerly Cogent Research), a unit of Market Strategies International since last May, asked plan advisors and investors to name the most familiar DC providers and rollover destinations, respectively.

Top 10 Leaders in DC Brand Equity Among Plan Advisors (Unaided consideration, awareness and brand impression)	
DC Investment Managers	DC Plan Providers
1. Fidelity Investments	1. Fidelity Investments
2. American Funds	2. American Funds
3. Vanguard	3. John Hancock Financial Services
4. John Hancock Funds	4. Principal Financial Group
5. Principal Funds	5. Great-West Retirement Services
6. BlackRock	6. Nationwide Financial
7. Franklin Templeton Investments	7. Vanguard
8. PIMCO	8. ADP Retirement Services
9. OppenheimerFunds	9. Transamerica Retirement Solutions
10. ING	10. Ascensus

Source: Market Strategies International, Cogent Wealth Reports: *Retirement Plan Advisor Trends*, December 2013.

Even financial advisors who claim to focus on the defined contribution (DC) plan market still hold most of their total AUM with individual clients, according to a new study by Cogent Reports, a unit of Market Strategies International.

As a result, “their perceptions of and exposure to investment managers and DC plan providers are largely shaped by their retail relationships and experience,” Cogent Reports said in a release about its new *Retirement Plan Advisors Trends* report.

If that’s true, Cogent said in the release, then DC providers with strong retail businesses may be better equipped to compete for those advisors’ DC plan business. In other words, full-service DC providers would have an advantage over DCIO (DC-investment only) asset managers and recordkeeping specialists.

According to Cogent Reports, among financial advisors who manage at least \$10 million in DC assets:

- Only 35% report that DC plan assets comprise one-fourth or more of their total book.
- Just 15% of these plan producers have \$50 million or more in DC plan assets under management.

All of which helps explain the rankings on the lists below. Starting with Fidelity, these represent the ten firms that plan advisors are most likely to name when prompted to recall DC asset managers and service providers, according to the Cogent survey. These firms evidently have the most brand equity among advisers.

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Source: Market Strategies International, Cogent Wealth Reports: <i>Retirement Plan Advisor Trends</i> , December 2013.	

The message for DCIO firms and pure recordkeepers is: Think like a retailer. “Emphasize what DC plan advisors care most about: best-in-class advisor service and support, good value for the money, and strong risk management practices and fiduciary support,” said Linda York, an author of the study.

Cogent’s list of IRA destinations

Of 4,170 investors who opted-in to a recent Cogent Reports online survey and who said they have over \$100,000 in investable assets and at least one “old” employer-sponsored retirement account, 9% said they were likely to roll over their old account to an IRA within the next 12 months.

That was one of the findings of Cogent’s latest *Investor Rollover Assets in Motion* study. One in four (24%) investors has at least one retirement plan with a previous employer where a significant portion (25%) of his/her investable assets still resides, the study also found. Separately, Cogent calculated that U.S. investors will roll over about \$280 billion from employer plans to IRAs in 2014.

Investors’ criteria for choosing a rollover provider were:

- Low fees and expenses.
- An easy process.
- Brand reputation.
- Existing relationship with the financial services company.

Changing employers and retiring remained the top triggers for initiating a rollover. Consistent with previous Cogent reports, Fidelity Investments and Vanguard—two of the largest full-service retirement plan providers as well as two of the largest IRA custodians—retained their status as the top desired providers for rollover IRAs. Three firms—E*TRADE, Ameriprise and J.P. Morgan Chase—strengthened their positions among the top 10.

Top 10 Rollover Destinations in next 12 months
Fidelity Investments†
Vanguard†
E*TRADE
Charles Schwab†
USAA
Ameriprise
Wells Fargo Advisors†
J.P. Morgan Chase†
Edward Jones
T. Rowe Price†
Source: Cogent Reports, <i>Rollover Assets in Motion</i> , December 2013.