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Contact: Courtney O'Leary
COleary@Dalbar.com
617-624-7285

DALBAR Performs In-House QDIA Validation

T. Rowe Price Retirement Funds Validated

(Boston, MA - March 18, 2009) DALBAR successfully tested the T. Rowe Price Retirement Funds using the recently announced QDIA Validation standard. In the absence of a standard in December 2007, DALBAR used an informal selection process when selecting the T. Rowe Price Retirement Funds for its PPA compliant 401(k) plan.

With the introduction of the new QDIA Validation standard, DALBAR elected to formally undergo the evaluation process to confirm the selection and establish a record of the prudent process that was used (See attachment).

"We are delighted, that our choice of T. Rowe Price Retirement Funds has now been confirmed and documented and the funds are fully compliant for our plan," said Louis Harvey, DALBAR's President. He added, "In view of the trillion dollar losses in retirement plans and a new enforcement culture in Washington, we need to be sure that our house is in good order when regulators start investigating."

The new QDIA Validation standard addresses the quandary that both employers and advisers face in meeting the DoL requirement to prudently select and monitor QDIAs. The QDIA Validation now establishes a standard that fiduciaries and administrators can use to compare various QDIAs in their selection and monitoring. The uniform evaluation against a single set of standards permits a rational comparison of a very diverse set of alternatives.

The QDIA Validation produces a detailed report that identifies compliance and deficiencies of each investment tested. Deficiencies that often exist can be self-corrected to avoid regulatory action. Unlike fund tracking, the QDIA Validation provides a line-by-line regulatory evaluation of each investment and applies uniform standards to the diverse types of investments that constitute valid QDIA alternatives.

QDIA investments can take several forms. While simple age based funds (popularly known as target date funds) have been used most often in the past, model portfolios, risk based investments, managed accounts, short term investments and stable value funds qualify and may be more appropriate under certain conditions.

DALBAR's QDIA Validation documentation includes:

Allocation Alignment. The equity allocation in each fund is compared to industry norms to determine if the exposure to risk is consistent with the consensus across all age-based funds.

Applicability as a QDIA. By examining various factors, including risks and investment policies, strategies and objectives, DALBAR determines which QDIA alternatives represent appropriate

uses for an investment under examination.

Qualification. DALBAR evaluates the investment and investment manager based on applicable Department of Labor regulations and guidelines.

Reasonableness as a plan investment option. Using a prudent man standard, DALBAR compares each investment and the asset classes underlying the investment (as appropriate) to respective standards or peers in the following categories:

- Length of investment history (track record of investment and/or asset classes)
- Stability and tenure of investment manager
- Assets under management (Size)
- Consistency of holdings relative to investment strategies and objectives
- Correlation to style or peer group
- All fees and expenses in investment as well as any underlying investments
- Performance relative to assumed risk within asset classes
- Performance relative to a peer group within asset classes

The QDIA Validation service is available to employers and their advisers to compare selected sets of investment alternatives. DALBAR recognizes that the regulations for QDIAs are subject to change and is committed to making ongoing revisions as regulations, legislation and circumstances warrant.

DALBAR is the leading provider of fiduciary adviser audits and certifications for ERISA and IRA plans. DALBAR has a 30-year history as an independent third party evaluator in the financial services industry. DALBAR certifications are also recognized as a mark of excellence in adviser services, communications, E-business, and customer service.

DALBAR is not an affiliate, employee, investment adviser representative or registered representative of any QDIA provider, its advisers, affiliates or any other securities firm. Nor is DALBAR an agent of any QDIA provider, as it has no authority to act on a provider's behalf. DALBAR has no material contractual relationship with any QDIA provider.

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