



Jessica Kipp
Atomic PR for BrightScope
415-593-1400
jessica.kipp@atomicpr.com

BrightScope Ranks the Top 12 Small-Cap Funds Held in America's 401k Plans

Vanguard Small Cap Index Claims Top Spot

SAN DIEGO, Calif. (November 19, 2013) – BrightScope (www.brightscope.com), a leading provider of independent financial information and investment research, today announced the Top 12 Small-Cap Funds for the 401k and defined contribution industry. This list is part of a series of rankings BrightScope will regularly publish to provide investment managers, mutual fund companies, investors, and others with more insight into the top funds and managers in the retirement marketplace. The proliferation of this critical information will dramatically increase the efficiency of the field and lead to lower cost plans and better outcomes for the 60 million Americans who depend on their 401k plan for retirement.

“Small-cap funds are a great way to diversify an investor’s portfolio,” said Brooks Herman, Head of Data & Research at BrightScope. “Traditionally, small-caps are considered more risky but have a higher expected return. The funds in this list have attracted retirement assets because they demonstrate favorable risk and return profiles.”

Since its infancy, the 401k marketplace has suffered from a lack of quality data that is comprehensive enough to be useful for most strategic functions. Historically, it has been virtually impossible to determine a specific mutual fund’s total distribution in 401k plans. BrightScope’s revolutionary database includes a detailed investment menu on nearly 50,000 plans, representing nearly 90 percent of all the assets in 401ks. With this dataset, BrightScope is able to provide detailed analysis of total fund distributions.

Noteworthy findings since BrightScope’s last release of this list, August 2011:

- Vanguard Small Cap Index climbed from the number three spot on the list to take the top honors at number one this year
- The previous #1 fund, Neuberger Berman Genesis, fell completely off the list since 2011, and was joined by fellow no-shows Royce Low Priced Stock and Wells Fargo Advantage Small Cap Value
- BrightScope welcomes BlackRock Russell 2000 Index(#2), SSgA Russell 2000 Index (#5), and Northern Trust Russell 2000 Equity Index (#12) to the list this year

The Top 12 small-cap funds by total distribution include:

1. Vanguard Small Cap Index
2. BlackRock Russell 2000 Index
3. Vanguard Explorer
4. AllianzGI NFJ Small Cap Value

5. SSgA Russell 2000 Index
6. T. Rowe Price New Horizons
7. T. Rowe Price Small-Cap Stock
8. Lord Abbett Small-Cap Value
9. American Beacon Small Cap Value
10. T. Rowe Price Small-Cap Value
11. Vanguard Small Cap Growth Index
12. Northern Trust Russell 2000 Equity Index

BrightScope's technology uncovers audited financial data on investment funds held within real 401k plans. The BrightScope database is superior to the industry's traditional survey-based approach. When surveys are done, they usually capture no more than 10 percent of total distribution and skew heavily towards funds prominent in the survey company's client base. Through BrightScope Beacon, investment managers can access comprehensive data, giving them a transparent view into their own fund distribution, as well as the distribution of their competitors.

For more information, please visit www.brightscope.com.

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About BrightScope

BrightScope is a financial information company that brings transparency to opaque markets through independent research and analysis. Delivered through web-based software, BrightScope data drives better decision-making for individual investors, corporate plan sponsors, asset managers, broker-dealers, and financial advisors. The BrightScope Rating™, developed in partnership with leading independent 401k fiduciaries, reviews more than 200 unique data inputs per plan and calculates a single numerical score which defines plan quality at the company level. In April 2011, the company launched BrightScope Advisor Pages™, the first comprehensive and publicly available directory of financial advisors designed to help consumers discover information and conduct due diligence on wealth management professionals. BrightScope also markets a suite of data analytics software products to Fortune 1000 companies, asset managers, broker-dealers, financial advisors, and other market participants. Public ratings for nearly 50,000 retirement plans as well as rating definitions, criteria and methodologies, and information on nearly 600,000 financial advisors and nearly 40,000 advisory firms are available for free at www.brightscope.com.