



## **CALLAN LAUNCHES TARGET MATURITY FUNDS**

*Firm's Trust Advisory Group to advise on Callan GlidePath<sup>®</sup> funds*

*sponsored by AST Capital Trust Company*

SAN FRANCISCO

NEW JERSEY

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SAN FRANCISCO, Sept. 19, 2007 – Callan Associates today announced that its Trust Advisory Group (TAG) will act as advisor to a series of target maturity collective funds designed for participants in defined contribution (DC) plans. The Callan GlidePath<sup>®</sup> series went live on July 2, 2007 and will initially use nine investment advisory firms managing a complete range of asset classes. The funds are sponsored and maintained by AST Capital Trust Company. Callan, through TAG, will act as the investment advisor responsible for asset allocation and manager selection.

Callan believes that its resources and its 34 years of consulting experience put it in a unique position to develop a series of target maturity funds that embody the best-practices of the country's most successful defined benefit (DB) plans.

“Target maturity funds are rapidly replacing defined benefit plans as the nation's primary retirement savings vehicle,” said Greg Allen, president and director of research for Callan Associates. “Our industry has an obligation to build funds that can live up to that challenge.”

A core tenet of the Callan GlidePath<sup>®</sup> funds is the use of an “open-architecture” approach. Open-architecture means using a diverse set of specialized managers, rather than relying on a single firm to manage the entire portfolio. The flexibility offered by this approach has made it the industry standard for large DB plans.

“Open-architecture solves many of the problems that the single-manager funds are running into as they grow and reach capacity constraints,” comments Allen. “It also forces investment managers to compete, which can drive fund expenses down.”

The Callan GlidePath<sup>®</sup> fund series currently use nine separate managers specializing in areas as diverse as small cap equities and inflation protected securities. The series will also use direct real estate funds rather than a portfolio of Real Estate Investment Trusts (REITs) to gain real estate exposure. Direct real estate is a powerful diversifier when combined with a traditional stock and bond portfolio and has a number of advantages relative to a REIT portfolio.

“We are really excited about the fact that our funds will be among the first to allow DC participants to invest in direct real estate rather than REITs,” said Kelly Cliff, chief investment officer for TAG. “Direct real estate has been one of the cornerstones of the portfolio for defined benefit plans since the early 1990s, and its appearance in the portfolios of DC participants is long overdue.”

AST Capital Trust Company, the trustee and sponsor for the funds, selected Callan as the advisor because it believes Callan’s experience and industry presence give them a significant advantage in attracting and retaining a blue chip list of advisors.

“One of the attractions of working with Callan in building these collective funds was their ability to access several of the most highly regarded managers in the country at very competitive fee structures,” said Steve Ferber, executive vice president, AST Capital Trust Company. “In many instances advisors were willing to put in place additional operational procedures just to be a part of these funds.”

Callan’s GlidePath<sup>®</sup> series funds are issued in five-year increments, 2005 through 2045. Callan plans to extend its series to include a 2050 fund for newer employees just entering the workforce.

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### **About Callan Associates Inc.**

Founded in 1973, Callan Associates Inc. is one of the largest independently owned investment consulting firms in the country. Headquartered in San Francisco, Calif., the firm provides research, education, decision support, and advice to a broad array of institutional investors through five distinct lines of business: Fund Sponsor Consulting, Independent Adviser Group, Institutional Consulting Group, Callan Investments Institute and the Trust Advisory Group. Callan employs more than 170 people and maintains four regional offices located in Denver, Chicago, Atlanta, and Florham Park, N.J.

Callan's Trust Advisory Group, Callan's asset management division, specializes in building and managing discretionary multi-manager portfolios for institutional investors. For more information, visit [www.callan.com](http://www.callan.com).

### **About AST Capital Trust Company**

AST Capital Trust Company is a Delaware State chartered trust company with operations in Wilmington, DE and Phoenix, AZ. An affiliate of American Stock Transfer & Trust Company, the country's largest independent stock transfer company, AST Capital Trust was originally chartered in 1900. The company provides directed trustee, trust administration and back-office services to retirement plans, individuals, families, companies, foundations, organizations and financial institutions. AST Capital Trust works exclusively with professional advisors to help end-clients achieve financial goals by utilizing trust strategies and the benefits of Delaware law. AST Capital Trust is one of the largest independent trust companies in the U.S. and administers over \$21 billion in trust assets. For more information, please visit [www.astcapitaltrust.com](http://www.astcapitaltrust.com).