PRRL

Public Retirement Research Lab
A collaborative effort of EBRI and NAGDCA

Fast Fact
August 13, 2026

Collective Investment Trusts (CITs) in Public-Sector DC Plans

Since the share of collective investment trust (CIT)[1] investments in large corporate 401(k) plans increased significantly from 6 percent in 2000 to an estimated 34 percent in 2023,[2] a better understanding of the use of CIT investments in public-sector defined contribution (DC) plans is of interest, particularly with the discussion of adding them to 403(b) plans. This *Fast Fact* explores the use of CITs in public-sector 401(a) and 457(b) DC plans. The analysis is based on year-end 2024 data from the Public Retirement Research Lab (PRRL), which includes nearly 2 million public-sector DC plan participants with total assets exceeding $154 billion.[3]

Share of Assets in CITs

Examining the asset holdings in 457(b) and 401(a) plans from the PRRL Database shows that, among assets with identifiable investment vehicles, 38.1 percent of total assets in 457(b) plans were in CITs vs. 61.9 percent in mutual funds (Figure 1).[4] For 401(a) plans, 52.3 percent of the identifiable assets were in CITs (Figure 2). Additionally, 40.8 percent and 43.4 percent of participants in 457(b) and 401(a) plans had some investments in CITs (Figure 3).

Figure 1
Investment Type Distribution in 457(b)

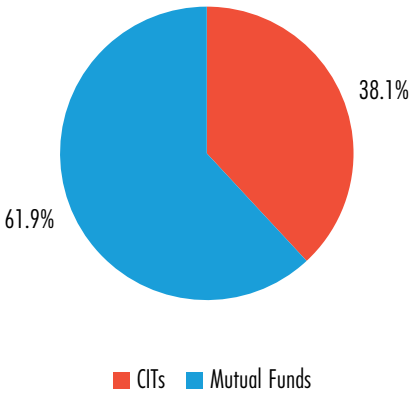
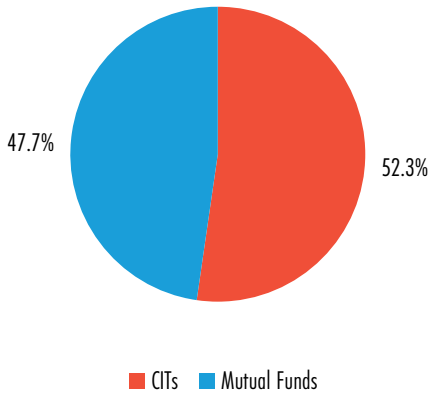
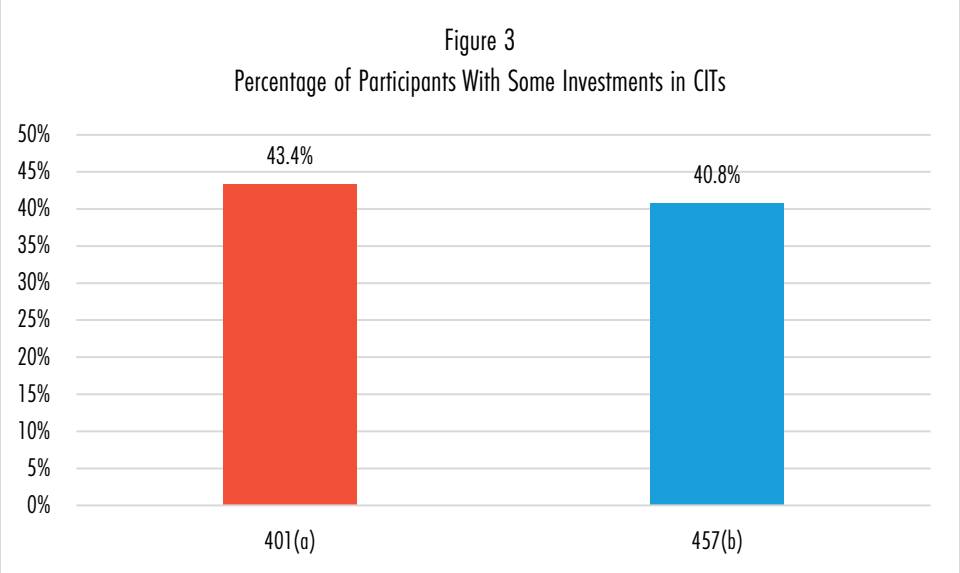


Figure 2
Investment Type Distribution in 401(a)





Asset Allocation Among CIT Users

To understand how CITs are used, the asset allocation of the participants in 401(a) and 457(b) plans who had100 percent of their assets in CITs are examined to see the asset classes that are being used in CITs. On a dollar-weighted basis, 63 percent of the assets of those with all their assets in CITs in 457(b) plans were allocated to target-date funds (TDFs) and another 20 percent to equity funds. The next largest asset class was stable-value funds at 12 percent of the assets (Figure 4). The distribution of asset classes in 401(a) plans was very similar.

At the participant level, TDFs were an even larger share of assets, on average, due to many lower-tenure and younger participants being 100 percent invested in TDFs. The stable-value fund share was also higher in 457(b) plans, with 17 percent, on average, of the assets among these participants being allocated to them.

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Figure 4
Dollar-Weighted Asset Allocation Among Those Only Investing in CITs, by Plan Type

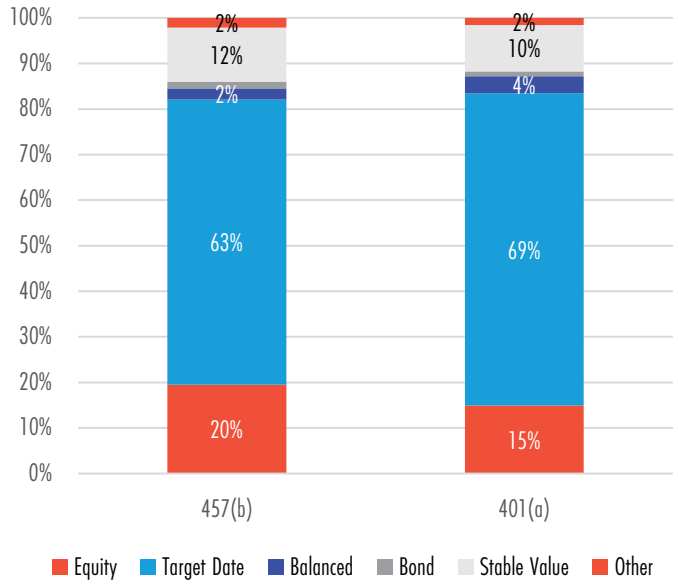
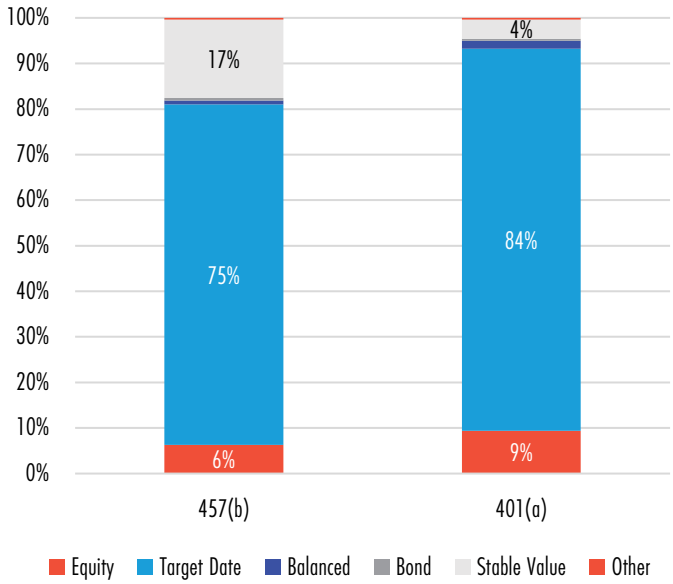


Figure 5
Participant-Weighted Asset Allocation Among Those Only Investing in CIT By Plan Type



Conclusion

This *Fast Fact* explores the use of collective investment trusts (CITs) in public-sector defined contribution (DC) plans and finds that about two-fifths of the assets in 457(b) plans and half of the assets in 401(a) plans are in CITs. Furthermore, 40.8 percent and 43.4 percent of participants in 457(b) and 401(a) plans have some assets in CITs, showing that they are a significant share of the public-sector DC plan market. Among plans that had 100 percent of their assets in CITs, most of the assets were in target-date funds (TDFs), with 63 percent of total assets in 457(b) plans and 69 percent in 401(a) plans allocated to TDFs, followed by the sizable share of equity and stable-value funds.

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About PRRL

The Public Retirement Research Lab is a retirement-industry-sponsored collaborative effort of the Employee Benefit Research Institute (EBRI) and the National Association of Government Defined Contribution Administrators (NAGDCA). The PRRL analyzes data from its Public Retirement Research Database, the first-ever database specific to public-sector defined contribution data, to produce unbiased, actionable research aimed at enhancing understanding of the design and utilization of public-sector defined contribution retirement plans to better inform public plan design, management, innovation, and legislation. To learn more, visit www.prrl.org.

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[1] A collective investment trust (CIT), also called a collective trust fund, is a pooled investment vehicle that combines the money of multiple investors into a single portfolio with a specific investment strategy. CITs are maintained by banks and trust companies. CITs are available to individual investors only through certain tax-qualified retirement plans, like 401(k) plans. For more information, see https://www.investor.gov/introduction-investing/investing-basics/glossary/collective-investment-trust-cit.

[2] Investment Company Institute, "An Overview of Operating Collective Investment Trusts at Scale." (March 2026). Available at https://www.ici.org/system/files/2026-04/26-ppr-operating-collective-investment-trusts.pdf.

[3] For more information about the PRRL Database, see https://www.prrl.org/uploads/1/5/0/3/150377327/6_prrl_genderlens_final.pdf.

[4] CITs are identified in the database from the investment's Morningstar description or a flag from the recordkeeper that indicates that the fund is a CIT. Seventy percent of the 401(a) and 457(b) plan assets in the database can be identified as being from CITs or mutual funds. Of those not identified, there is no discernible reason that they would make a significant change in the relative percentages between the investment vehicles if they could be identified.

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