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Senior Counsel

January 25, 2007

Ivan Strasfeld, Director
Office of Exemption Determinations
Employee Benefits Security Administration
Room N-5700
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210
Attn: IRA Investment Advice RFI

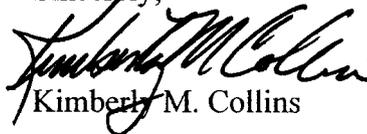
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Dear Mr. Strasfeld:

This letter is in response to your letter of December 13, 2006 to Robert Manning, CEO of MFS Investment Management ("MFS") requesting information about the use of computer models to provide investment advice to Individual Retirement Account ("IRA") owners and beneficiaries. On the attached are MFS' responses to the questions from the Request for Information that the Department published in the Federal Register on December 4, 2006.

MFS does not use a computer model to provide investment advice to its IRA customers, but has provided some information that MFS has learned in the course of its business. If you have any additional questions or need clarification on any item, please call me at 617-954-4939.

Sincerely,



Kimberly M. Collins

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Enclosure
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Request for Information

Q. 1. Are there computer model investment advice programs for the current year and preceding year that are, or may be, utilized to provide investment advice to beneficiaries of plans described in section 4975(e)(1)(B)-(F) (and so much of subparagraph (G) as relates to such subparagraphs) (hereinafter "IRA '2 of the Code which:

- (a) Apply generally accepted investment theories that take into account the historic returns of different asset classes over defined periods of time;*
- (b) Utilize relevant information about the beneficiary, which may include age, life expectancy, retirement age, risk tolerance, other assets or sources of income, and preferences as to certain types of investments;*
- (c) Operate in a manner that is not biased in favor of investments offered by the fiduciary adviser or a person with a material affiliation or contractual relationship with the fiduciary adviser;*
- (d) Take into account the full range of investments, including equities and bonds, in determining the options for the investment portfolios of the beneficiary; and*
- (e) Allow the beneficiary, in directing the investment, sufficient flexibility in obtaining advice to evaluate and select investment options.*

A.1. MFS is aware of several computer based advice programs of this nature; however MFS has not, to this point, offered any to our IRA customers. In MFS' experience, these programs are generally offered by third party providers including Morningstar, KPMG and PricewaterhouseCoopers, rather than by investment managers. The programs that MFS reviewed in the course of its business generally focused on investments in collective investment vehicles (mutual funds, exchange traded funds, etc) rather than individual securities.

Q.2. If currently available computer models do not satisfy all of the criteria described above, which criteria are presently not considered by such computer models? Would it be possible to develop a model that satisfies all of the specified criteria? Which criteria would pose difficulties to developers and why?

A.2. Currently available models seem to fulfill all the criteria.

Q.3. If there are any currently available computer model investment advice programs meeting the criteria described in Question 1 that may be utilized for providing investment advice to IRA beneficiaries, please provide a complete description of such programs and the extent to which they are available to IRA beneficiaries.

A.3. As mentioned above MFS is aware that some programs of this nature are offered, but does not have intimate familiarity with their operation or the extent to which they have been made available to IRA customers.

Q. 4. With respect to any programs described in response to Question 3, do any of such programs permit the IRA beneficiary to invest IRA assets in virtually any investment? If not, what are the difficulties, if any, in creating such a model?

A.4. In reviewing the above mentioned offerings MFS was informed that the available investments could be customized as necessary. Creating a program that could allow for investment in "virtually any investment" could end up providing an unwieldy amount of output or choices to the end user, as "virtually any investment" is a very broad standard. While MFS believes the tools could be customized to fit any set of available investments the menu of options would have to be somewhat limited in order to provide manageable results. As mentioned above, the tools MFS reviewed generally focused on investments in collective investment vehicles rather than in individual securities.

Another difficulty in offering a tool that offers virtually any investment would be that it would be impractical for a firm to offer a tool that would recommend investments that could not be held in an IRA offered by the firm. Each firm has a relatively set menu of investment options available within their IRA product and offering a tool that suggested investments outside this menu would greatly complicate the process.

Q.5. If computer model investment advice programs are not currently available to IRA beneficiaries that permit the investment of IRA assets in virtually any investment, are there computer model investment advice programs currently available to IRA beneficiaries that, by design or operation, limit the investments modeled by the computer program to a subset of the investment universe? If so, who is responsible for the development of such investment limitations and how are the limitations developed? Is there any flexibility on the part of an IRA beneficiary to modify the computer model to take into account his or her preferences? Are such computer model investment advice programs available to the beneficiaries of IRAs that are not maintained by the persons offering such programs?

A.5. While MFS is aware of this type of program, it has not implemented or developed one and so cannot comment on the details.

Q. 6. If you offer a computer model investment advice program based on nonproprietary investment products, do you make the program available to investment accounts maintained by you on behalf of IRA beneficiaries?

A.6. NA. MFS has never offered this type of program.

Q. 7. What are the investment options considered by computer investment advice programs? What information on such options is needed? How the information is obtained

and made part of the programs? Is the information publicly available or available to IRA beneficiaries?

A.7. As mentioned above MFS is aware of several programs of this nature, but does not have sufficient information about their operation or development to comment.

Q.8. How should the Department or a third party evaluate a computer model investment advice program to determine whether a program satisfies the criteria described in Question 1 or any other similar criteria established to evaluate such programs?

A.8. The criteria themselves seem to be a good initial starting point; however it would seem very difficult to operate fully within the guidelines of criteria (c) and (d) of Question 1. As mentioned above, taking into account "the full range of investments" available in the United States could produce overwhelming results unless there was some type of filter used to limit the output. With regards to criteria in section (c) of Question 1, it would seem difficult for an investment manager to provide this type of program without some type of assurance that their offerings would receive at least equal consideration in the programs output.

Q.9. How do computer model investment advice programs present advice to IRA beneficiaries? How do such programs allow beneficiaries to refine, amend or override provided advice?

A.9. While MFS is aware of several programs of this nature it does not have enough familiarity with their operation to address this question.