

August 8, 2003

Office of Regulations & Interpretations
Room N5669
Employee Benefits Security Administration
U.S. Department of Labor
Washington D.C. 20210

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OFFICE OF REGULATIONS
AND INTERPRETATIONS
2003 AUG 18 PM 4:35

Re: Response to request for information on automatic rollovers

To Whom It May Concern:

Per your request for information, we are submitting the following data for your review and consideration. It demonstrates the return of a managed account approach as compared to a cash alternative over various periods of time.

We compared a managed account to a 100% money market allocation for both wealth and income replacement at retirement. We considered a hypothetical account of \$5,000 with varying income levels and current ages. When comparing the managed account to the all money market allocation, our analysis shows that income replacement ratios are improved by 40% to 200% and ending wealth balances are improved by 45% to 200%. The improvement decreases with age, since an older person has a shorter time horizon to take advantage of the managed account.

We believe our analysis demonstrates the superiority of a managed account approach. If you would be interested in any other comparisons, such as a comparison of managed accounts and a balanced fund, please let us know and we would be happy to provide them to you.

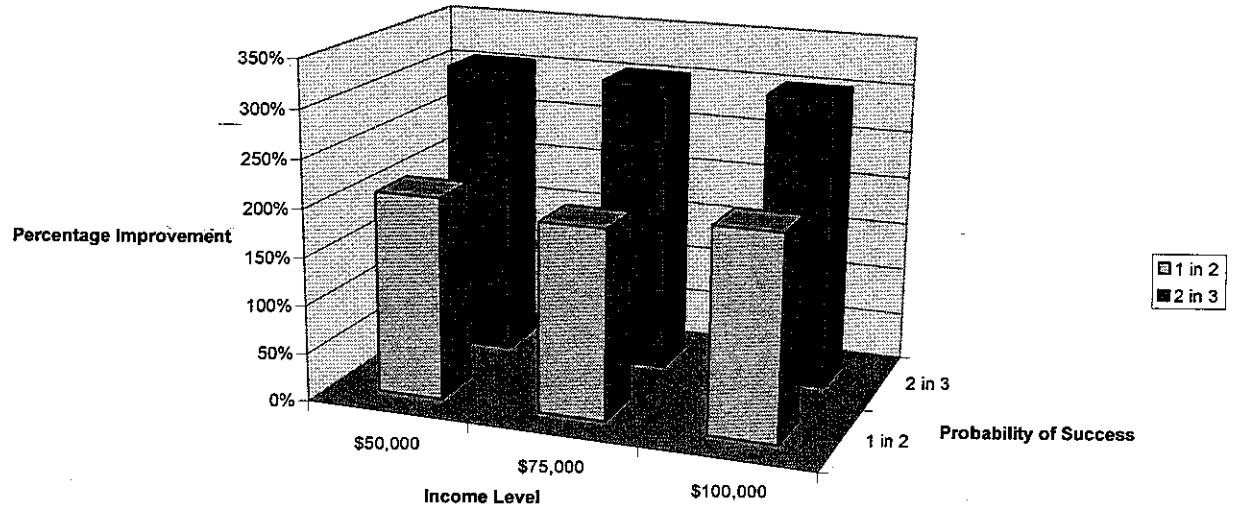
Finally, we note that a number of large financial institutions are currently providing managed account programs using Ibbotson's financial engines. Such institutions are doing so utilizing the structure addressed in the SunAmerica Advisory Opinion. We believe this provides evidence that no removal or lowering of the prohibited transaction protections would be necessary in order to provide a managed account solution in this regard.

Respectfully,

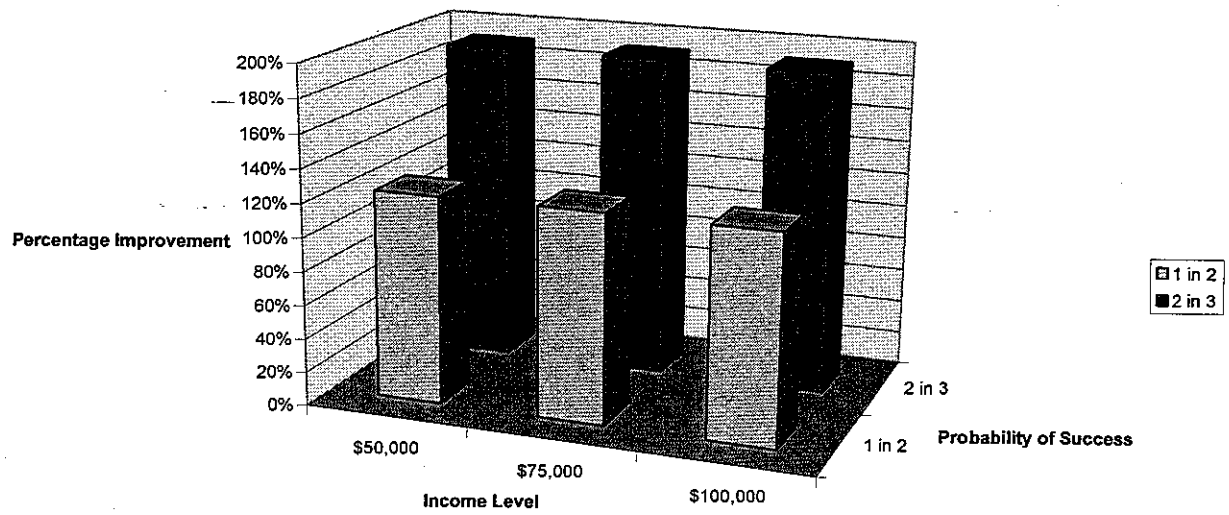
James K. Daley, CEBS, CFA
Advisory Services Manager

cc: Michael C. Henkel, Ibbotson Associates

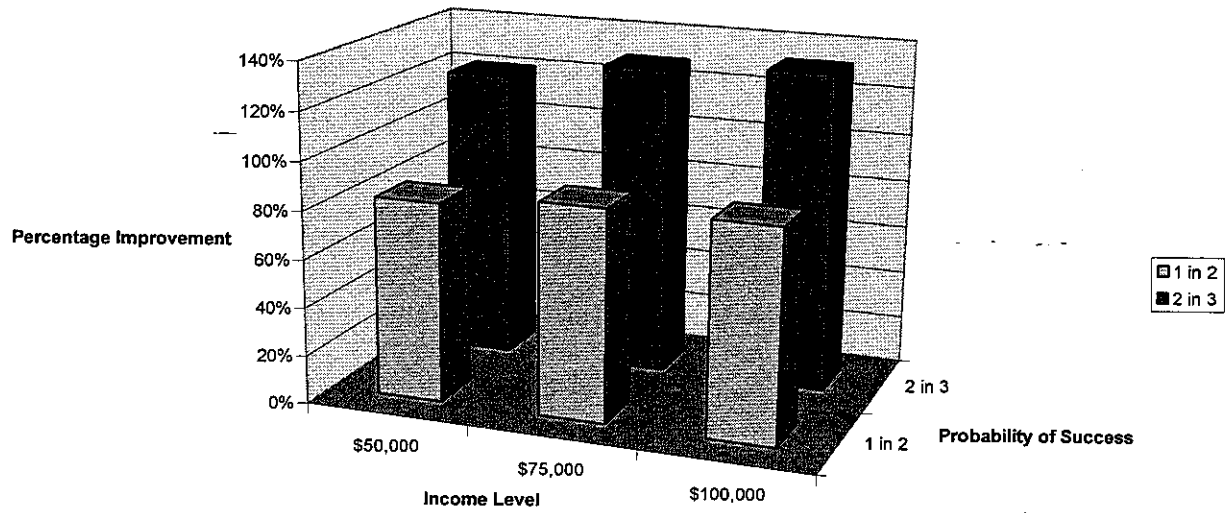
25 Year Olds



35 Year Olds



45 Year Olds



55 Year Olds

