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To: EBSA, E-ORI - EBSA
Subject: File Number 4-582 Target Date Fund

Attachments: DOLTDTTestimony.docx
EBSA Staff:

Please accept this request to testify at the Target Date Fund hearing on June 18th (outline attached *and* copied below). I inadvertently sent the first request without this message attached. Please find my contact information below.

Thanks for your consideration--

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Target Date Fund Joint Hearing

June 18, 2009

Outline of Issues

Submitted by the Raymond James-Corporate Advisors Group

(Member NAIRPA)

Issues to be discussed:

1. The inability for an independent plan advisor to conduct adequate due diligence on the underlying funds, or “pieces of the pie”, making up the allocations in a Target Date Fund (“TDF’s”).
2. TDF’s are popular with Mutual Fund Companies because these companies provide all of the underlying allocated funds within the TDF. Hence, they are very profitable and as a result have received a great deal of marketing momentum over better solutions such as Managed Accounts (MA’s). MA’s utilize the existing platform funds of a given plan, which can be closely monitored by the plan’s independent consultant. This also creates a healthy competition for the fund companies to aspire to meet standards for selection to the plan’s platform.
3. Many Recordkeepers/Providers do not have the systems technology to offer a Managed Accounts solution so they also tend to market TDFs to avoid costly upgrades that would be necessary to accommodate a Managed Accounts program. As with the MF companies, this is another unjustifiable reason not to offer the better solution.
4. Target Date Funds treat all participants within a given “birth” period the same; whereas the more sophisticated MA solutions read up to 6 additional data points depending on the sponsor’s payroll data feed. Moreover, MAs offer additional input to further “fine tune” allocations utilizing the platform’s funds.
5. In conclusion, funds should be selected for a given plan by an independent third party advisor. An appropriate model based on sound investment theory (i.e. Ibbotson, Morningstar, Wishire, etc.) should then be applied based on all available participant data to build, allocate and monitor a participants account in the same manner as professionally managed pension plans.