Daniel Hayes
Vice President, Head of Funds Management
150 N. Radnor Chester Road
Radnor, PA 19087
[redacted]

June 27, 2014

Mr. Kevin M. O'Neill
Deputy Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090
Submitted via http://www.sec.gov/rules/proposed.shtml

Re: Investment Company Advertising: Target Date Retirement Fund Names and Marketing, File No. S7-12-10

Dear Mr. O'Neill:

Lincoln Investment Advisors Corporation[1] ("LIAC") appreciates the opportunity to comment on the recent release[2] of the Securities and Exchange Commission (the "Commission") reopening the comment period on its 2010 proposal[3] to require certain disclosures in target date fund marketing materials. As discussed in the Release, the Commission has decided to reopen the comment period after the Commission's Investor Advisory Committee (the "Committee") recommended in April 2013 that the Commission develop a glide path illustration for target date funds that is based on a standardized measure of fund risk as a replacement for, or supplement to, the proposed asset allocation glide path illustration.[4]

Below, we outline our views that (1) the Commission should permit illustrative disclosure of target risk glide paths for funds that use a target risk as part of their investment strategy and (2) no risk glide path disclosure should be required for target date funds that have no target level of risk.

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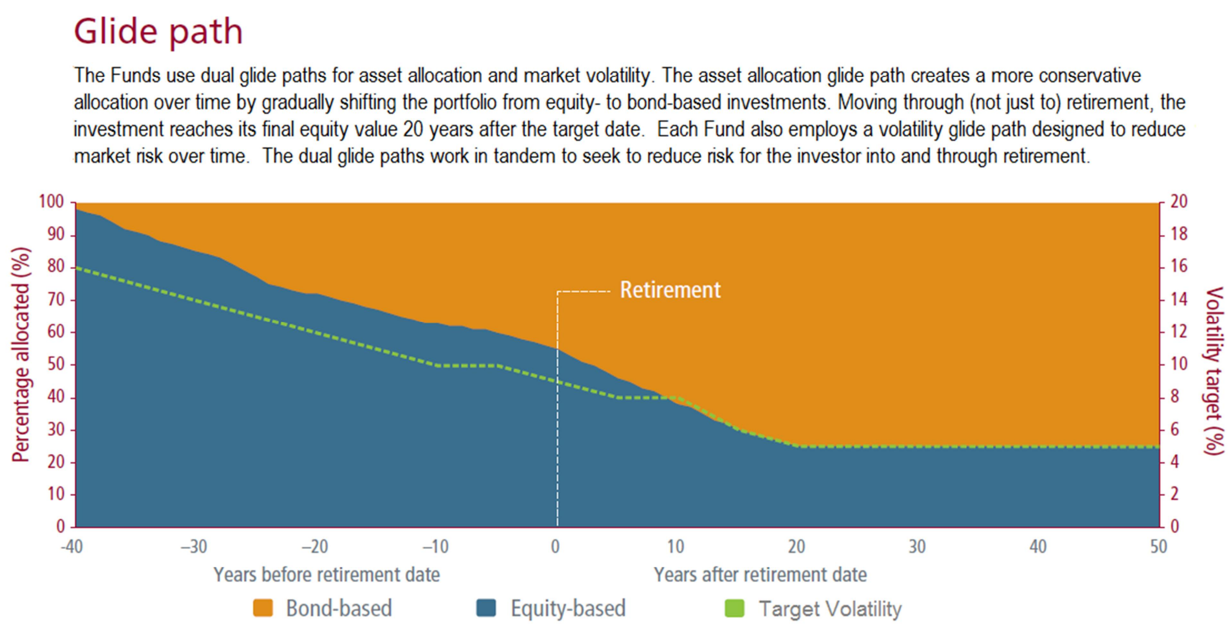
[1] Lincoln Investment Advisors Corporation, a registered investment adviser with over $55 billion under management, is a subsidiary of Lincoln National Life Insurance Company and indirectly a subsidiary of Lincoln National Corporation, a publicly traded company that is a leading provider of insurance and retirement solutions. LIAC serves as investment adviser to Lincoln Variable Insurance Products Trust and Lincoln Advisors Trust, each of which is an investment company registered with the Commission.
[2] *See Investment Company Advertising: Target Date Retirement Fund Names and Marketing*, SEC Release Nos. 33-9570; 34-71861; IC-31004 (April 3, 2014), 79 FR 19564 (April 9, 2014) (the "Release").
[3] *See Investment Company Advertising: Target Date Retirement Fund Names and Marketing*, SEC Release Nos. 33-9126; 34-62300; IC-29301 (June 16, 2010), 75 FR 35920 (June 23, 2010).
[4] *See* Recommendation of the Investor Advisory Committee, Target Date Mutual Funds (adopted April 11, 2013) (the "Recommendation"), available at www.sec.gov/spotlight/investor-advisory-committee-2012/iac-recommendation-targetdate-fund.pdf.

Permit illustrative disclosure of glide paths that are part of a fund's investment strategy.

The Committee encouraged the Commission to "develop an alternative glide path illustration based on the target risk level over the life of the fund."[5] A fund designed around a target risk level should be encouraged to illustrate how its target risk will change over time "through an appropriate risk glide path."[6]

Several of Lincoln's funds are designed around a target risk level, including target date funds that use exchange traded futures to seek to maintain a decreasing level of volatility (*i.e.*, standard deviation of their performance) as the target date approaches.[7] An illustration such as the one below might be included in a prospectus to show investors what target volatility level the manager will seek to maintain over time:



We believe that such information would be useful to consultants, plan sponsors, and investors, because a specifically targeted level of risk is an important part of the investment strategy of a fund that has adopted such a target. In addition, the disclosure of a target risk glide path would help potential investors to distinguish between funds with differing risk targets, as well as from funds that have no explicit risk target.[8] Because it discloses only what the manager will seek to do, without including projections or estimates based on past performance, such disclosure can be presented in a fashion that would not be misleading.

[5] Recommendation 1.
[6] *Id*.
[7] These funds include "Managed Risk" target date funds such as the LVIP Managed Risk Profile 2050 Fund (a series of Lincoln Variable Insurance Products Trust) and the Presidential® Managed Risk 2050 Fund (a series of Lincoln Advisors Trust).
[8] *See* Recommendation, finding that individual investors are ill-equipped to identify risk disparities among target date funds with the same target date, citing *Study Regarding Financial Literacy Among Investors,* Securities and Exchange Commission Staff (August 2012).

The Release asks whether risk information can be adequately conveyed to investors using narrative disclosures in lieu of a glide path illustration. The information contained in a glide path illustration can be conveyed using words, but funds should be permitted to use the most effective means of conveying the information, not a means that is merely adequate. Funds should be permitted to experiment and create ever-clearer disclosure based on real world results. The Commission's staff has found that investors prefer disclosures that include visuals, such as charts or graphs.[9] Our experience communicating with plan sponsors, consultants, investment advisers, and other fiduciaries also indicates that a graphic such as the one included above conveys information far more clearly and efficiently than narrative disclosure of the same data.

Do not require risk glide path disclosure for funds that have no target risk level.

In any regulation that it may adopt that governs glide path disclosure, the Commission should distinguish between disclosure of target risk levels and disclosure based on projections of risk based on historical performance (whether of the fund or of asset classes). A target risk glide path, such as the one included above, shows how the explicit target risk of the fund will change over time. In contrast, a "projected risk" glide path would be a projection of the fund's risk based on the historical behavior of the asset classes the fund plans to own.

A projected risk glide path is inherently conjectural, and does not tell investors anything about how the fund will actually be managed. Risk, in the sense of historical volatility, is a performance metric. The Commission has for decades prohibited disclosure of performance projections, and with good reason: investors can easily be misled by performance projections, and this problem generally cannot be adequately addressed by disclaimers explaining the conjectural nature of the projections. Projected risk glide paths would thus risk misleading investors without providing useful information. With investors already confused about the nature of target date funds,[10] the Commission should continue to prohibit performance projections, including projections of risk.

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We appreciate your consideration of these comments. If you have any questions, please contact me at (484) 583-8719.

Sincerely,

/s/ Daniel Hayes

Daniel R. Hayes, President
Lincoln Investment Advisers Corporation

[9] *See Study Regarding Financial Literacy Among Investors,* Securities and Exchange Commission Staff (August 2012), pp. xxi, 61-62, 120.

[10] *See* Recommendation, *citing Investor Testing of Target Date Retirement Fund (TDF) Comprehension and Communications,* slides 26-28, submitted to the Securities and Exchange Committee by Siegel and Gale, February 15, 2012.

Cc: The Honorable Mary Jo White, Chair
The Honorable Luis A. Aguilar, Commissioner
The Honorable Daniel M. Gallagher, Commissioner
The Honorable Kara M. Stein, Commissioner
The Honorable Michael S. Piwowar, Commissioner