



Stadion Money Management  
1061 Cliff Dawson Road  
Watkinsville, GA 30677  
800.222.7636 tel  
706.353.9832 fax  
stadionmoney.com

August 23, 2010

Elizabeth M. Murphy  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

**RE: Investment Company Advertising: Target Date Retirement Fund Names and Marketing; File No. S7- 12- 10**

Dear Ms. Murphy:

Stadion Money Management, Inc. (“Stadion”), a registered investment advisor, appreciates the opportunity to comment on the recent proposal by the Securities and Exchange Commission (“SEC” or “Commission”) to amend rule 482 under the Securities Act of 1933 and rule 34b-1 under the Investment Company Act of 1940 (“Proposal”).

**Scope of Proposed Amendments**

Stadion applauds the Commission’s efforts to provide more clarity on products offered to the investing public, particularly “retirement products.” It appears that the proposed rule amendments fail to consider alternative investment management strategies such as tactical asset management, which can be utilized within a target date retirement fund. A tactical asset manager has the ability to concentrate a portfolio in equities, fixed income, cash or other stable value investments based on market conditions. As such, a target date retirement fund that utilizes tactical asset management would have difficulty complying with certain proposed amendments as currently written. Additionally, Stadion requests that the Commission consider a broad spectrum of investment strategies in its rule making process so as not to be construed as implying that one particular strategy is more acceptable than another.

**Use of Target Dates in Fund Names**

A target date retirement fund that utilizes tactical asset management would have difficulty complying with the requirement to disclose intended percentage allocations of the fund among types of investments on advertisements or supplemental sales material submitted for publication prior to date that is included in the target date retirement fund name. For example, a tactically managed target date retirement fund with a glide path to retirement could have the following percentage allocation at retirement: 5% equity, 60% fixed income and 35% tactical (allocated among equities, fixed income, cash or other stable value investments). “Tactical” is not recognized by the Commission as an asset class. An alternative would be to incorporate the following ranges using the previous example: 5%-40% equity, 60%-95% fixed income, and 0%-35% cash/stable value investments. The Commission

states that, *“If the proposal were adopted, we would not view it as inconsistent with the rule for a fund to disclose a range of potential percentages that is consistent with its prospectus disclosures. We would not expect the ranges disclosed to be broad ranges of percentage allocations, nor would we expect ranges to replace the specific percentage allocations disclosed in the prospectus.”* Stadion requests further clarification regarding acceptable asset allocation range disclosures for a target date retirement fund that utilizes tactical asset management and discloses in its prospectus, likely under “Principal Investment Strategies,” that it has the ability to invest in different asset classes with broadly defined allocation ranges. Stadion also requests further clarification on the time period and test to determine how *“it would be inconsistent with the rule and potentially misleading for a fund to include a range, with the intent of investing only at one end of the range,”* as the Commission states in its proposal.

Stadion believes that clear and concise information is useful to investors, but finding such a solution within the naming convention does not appear possible based on the limited guidance and acknowledged reluctance by the Commission to propose either specific asset classes to be used or methodology for calculating percentage allocations. In addition, Stadion believes that such a significant focus on asset allocation at the target date will discourage investors from seeking further information about a target date fund’s glide path and other relevant information. However, requiring a specific format such as a chart/graph/table displayed in a prominent manner along with standardized language about long-term performance, risks and volatility of different asset classes could foster effective and consistent communication. The Commission must also consider that requiring such information to be prominently displayed in marketing and sales materials other than the prospectus is likely to discourage investors from seeking information available in the prospectus.

The Commission asks whether marketing materials should disclose a risk rating based on a scale or index. Should the Commission decide to implement such a standard, Stadion requests that consideration be given to tactically managed portfolios when making such a determination.

Stadion agrees with the Commission’s assertion that current asset allocation as of the most recent calendar quarter is appropriate for advertisements or supplemental sales material submitted for publication on or after the date that is included in the target date retirement fund name compared with the intended asset allocation.

### **Asset Allocation Table, Chart, or Graph and Landing Point Allocation**

Stadion believes that the proposed table, chart or graph requirement will be helpful to investors particularly if the Commission prescribes specific formats in order to enhance comparability for investors. However, Stadion implores the Commission to consider tactical asset management strategies, among other alternative strategies, when formulating standards for how allocations must be shown in the table, chart or graph.

Stadion believes that the maximum five-year interval for the table, chart, or graph is appropriate, and that the proposed required statement preceding the table, chart or graph would be helpful to investors.

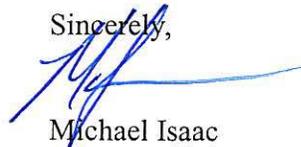
## Disclosure of Risks and Considerations Relating to Target Date Funds

Stadion believes the proposed required statement that is intended to inform an investor regarding important risks and considerations will be effective particularly if the Commission prescribes the particular language to allow consistency among all target date retirement fund disclosures.

The Commission states, *“We would note that, because a target date fund is, in essence, marketing the expertise of its manager in designing appropriate asset allocations over the long term, as a general matter, we would not expect target date funds to modify their glide paths frequently.”* The “glide path” for a target date retirement fund that utilizes tactical asset management will have a broad range given that the “glide path” would adjust over time in the following manner: minimum equity allocations will decrease, minimum fixed income allocations will increase and the flexible or tactical allocation would remain relatively unchanged. Based on market conditions, the tactical allocation will vary within the stated “glide path.” Stadion believes this type of “glide path” can be beneficial to investors rather than having to adhere to a predetermined asset mix glide path with minimal adjustment. A tactical asset manager has the ability to allocate a significant portion of the portfolio to fixed income early on in the “glide path” if the manager determines that market conditions are not ideal for concentrated equity exposure. The Commission’s rule amendments should allow for different management strategies in target date retirement funds while providing consistent disclosure requirements for investors to compare and ultimately decide which product suits their objectives.

Stadion thanks the Commission for the opportunity to provide this comment letter and for its sincere consideration of the same.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Michael Isaac', with a long horizontal flourish extending to the right.

Michael Isaac  
Chief Compliance Officer  
Stadion Money Management Inc.