July 2, 2010

Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

**Re: Release Nos. 34-62300, IC-29301;
File No. S7-12-10**

Dear Commissioners:

As a U.S. citizen and a retail investor, I have several concerns with target date funds, which I believe the Securities and Exchange Commission needs to address through both enhanced disclosure to investors as well as possible enforcement actions.

1. Target date funds are marketed as a single one-stop-shop for investors looking to retire at a given date. That said, not all investors are the same. Consider the following two investors:
    - A 60-year old with $300,000 in a 401K, $25,000 in cash savings, rents his residence and is in good general health; and
    - A 60-year old with $2,500,000 in total liquid assets, owns a home, is a smoker and diabetic.

   These two individuals have drastically different needs so, although a 2015 target date fund may sound on its face to be an appropriate investment, clearly these two investors would have a different investment profile. The same fund is likely not appropriate for both investors. A target date fund should somehow explain to an investor who the prototypical investor might be (in terms of wealth, life expectancy, etc.).

2. Many Lifestyle fund are funds of funds that invest in affiliated underlying funds. The adviser of the target-date fund is a fiduciary and has a duty to put the interest of the investors ahead of his own interests. That said, the target date funds (and must funds of funds for that matter) only look to the universe of affiliated funds for their investments. I believe that this is a *per se* breach of the advisers fiduciary duty. As an example, if a target date fund invests, in part, in an underlying S&P 500 index fund, the adviser should scour the mutual fund universe for the lowest cost S&P 500 index fund that will allow the target date fund to hold its shares, as opposed to only buying the institutional class shares of an affiliated S&P 500 index fund.

3. Target date funds come off as a one stop solution for one's retirement needs. They are marketed as the complete investment package. That said, they tend to invest in only

equity and bonds. Several asset classes are left out such as commodities, real-estate, private equity, etc. Investors need to be made aware that these funds are not a complete investment solution or alternatively, the funds should make sure they fairly represent all or most appropriate asset classes.

4. In the retail investment universe, these products are too expensive for what they are. Let's say I don't know how to invest so I go to a financial planner (which can charge a commission, flat fee, asset based charge, and/or get the sale load from the fund complex). As I am 45, he suggests a 2030 target date fund. I then buy the target date fund, which holds shares of five other underlying funds. What have I paid for? Management (the financial planner) on top of management (the target date fund's manager) on top of management (the underlying fund's manager). I am paying three levels of managers to invest the same set of assets in a manner that appropriate for my financial situation. This structure seems redundant, duplicative and intended solely to pad the charges going to the financial services industry.

5. Many investors are concerned that the target year does not match when the glide path reaches its final conservative allocation. I believe this to be an unfair criticism of target date funds. An investor can live more than 30 years past their retirement age. It would be unwise and investors may outlive their assets if at retirement the fund had to be in a conservative investment mode. Instead, the fund should be allowed to base their investment allocation, in part, on the life expectancy of its investors.

6. Funds should be forced to accurately describe in the name of the fund the purpose of the fund. If the date used signifies a retirement date; the term "retirement" should be used in the name of the fund. Target date funds are not only used for retirement. If I have a child who will likely go off the college in 2020; a 2020 target date fund would likely not be appropriate as I would want more conservatism at the target date than would apply to retirement target date funds. As such, the purpose of the target date fund (*e.g.*, college, retirement, etc.) should be included in the name of the fund.

Please consider the above comments as part of the SEC's deliberation on the above referenced proposal.

Very truly yours,

John Daisy