



July 9, 2012

Office of Regulations and Interpretations
Employee Benefits Security Administration, Room N-5655
U.S. Department of Labor
200 Constitution Avenue NW
Washington, DC 20210

Attn: RIN 1210-AB38; Target Date Disclosure

Ladies and Gentlemen:

Manning & Napier Advisors, LLC appreciates the opportunity to submit additional comments on the proposed regulations for target date fund marketing material in light of the SEC sponsored Investor Testing Report (or "Report"). Manning & Napier has managed assets to meet life cycle objectives for over 40 years through a variety of market conditions. As one of the industry pioneers of life cycle investing, we share the Department's desire to promote better participant understanding of their investments in target date funds.

We applaud the Department for coordinating with the SEC to dedicate extensive time, research and resources to this very important issue. As the Report indicates, many participants have misconceptions about key target date features (Report slides 25, 28, 30, 53). We agree that effective and accurate participant communications are an essential component of increasing participant understanding of target date funds. As a panelist in the SEC-DOL Joint Roundtable of June 2009, we submitted written testimony regarding a number of important investment considerations for target date funds. We submitted comments to the Department in January 2011 and Commission in August 2010 related to proposed regulations for target date fund disclosures. We also submitted additional comments to the Commission in May of this year. We have attached our January 2011 comment letter to the Department as well as our recent comment letter to the Commission as they continue to be relevant and corroborated by the Report. In addition to those views, we respectfully submit two additional considerations as the Department finalizes the disclosure requirements:

1. Glide path illustrations improve participant understanding of the purpose of target date funds.

As a professionally managed investment solution in a single fund, target date funds play a critical role in helping participants meet their retirement goals. The Report validates our experience that while target date funds are an appealing investment option to those participants who do not have the time, knowledge or inclination to self-manage their

portfolio, they will not be an ideal solution for every participant (Report slides 38-41, 46).

Informed decision-making requires the participant to determine first, whether a target date fund option is an appropriate investment solution given their goals. That is, before delving into complex investment strategies, the participant must answer a fundamental question: “Do I want to decide how to mix different types of investments to seek my objectives or do I want to delegate those decisions to a professional?”

As the Report indicated, the decision to invest in a target date fund is often dictated by whether the participant seeks to maintain or delegate control of asset allocation decisions.¹ A glide path illustration effectively and clearly communicates that the target date fund is designed to provide a solution for participants opting to delegate asset allocation decisions. We agree with the Department that a glide path illustration is most likely to enhance participant understanding of the purpose of the target date fund and assist participants in identifying whether a target date fund is a suitable investment option to achieve their objectives. We further agree with the Department that the Commission’s proposed “tagline” should not be included in target date fund disclosures because of the undue emphasis the tagline places on the allocation at the target date rather than communicating that the allocation shifts throughout the life of the investor.²

2. Disclosure requirements should provide plan fiduciaries guidelines, but also offer flexibility to encourage plan fiduciaries to customize engagement efforts.

We feel that the Department’s final regulations should require plan fiduciaries to include a glide path illustration in the disclosures. Furthermore, the Department should encourage

¹ The Report found that 83% of those respondents who did not select a target date fund did so because they wanted more control over their investment mix or preferred to create their own mix of investments (Report slide 46).

² The Report supports our understanding that tagline requirements may mislead investors. Although respondents reviewing documents with the tagline demonstrated highest comprehension of investment allocation at the target date (Report slide 61), only 1% of respondents viewing the tagline document correctly identified the post-target date stock allocation, compared to 37% of those who viewed documents with glide path illustration only (Report slide 62). In addition, tagline disclosures may have misled some respondents into reporting an artificially high allocation of equities at the landing point (Report slide 62). Finally, taglines did not appear to help survey respondents correctly answer questions about asset allocation after the target date or asset allocation changes over time (Report slides 53, 56, 57).

a plan fiduciary to disclose additional features of the fund glide path and asset allocation in a manner that accurately communicates the target date fund investment approach, although the specific features will vary depending on the target date fund. With flexibility, plan fiduciaries will have the opportunity to engage in broader education efforts that will achieve the Department's goal of improving participant understanding of target date funds.

As discussed in Item 1, above, participants may affirmatively choose to invest in a target date option because they seek to delegate asset allocations decisions. For those participants, plan fiduciaries must have the flexibility to provide the information that will best help participants identify which target date option best achieves their retirement objective. In contrast, other participants may be defaulted into the target date option as a result of their participation in defined contribution plans with automatic enrollment features. With over 40% of plans utilizing automatic enrollment and target date funds accounting for over 50% of QDIA selections,³ plan fiduciaries must have flexibility to design participant education materials and strategies that best reflect the target date manager's investment approach, employer's objectives and plan demographics.

For example, Manning & Napier's investment philosophy is rooted in our belief that active risk management is the best approach to achieving participant objectives. As such, the glide path of our target date funds affords latitude to adjust asset allocation in response to market environment changes. Our participant communications emphasize the features of our funds that we think are most important to them: i) our target funds are designed to provide a solution for participants who wish to delegate asset allocation decisions and ii) the specified allocation ranges allow for active adjustment to manage risk as market conditions change. We work closely with plan sponsors and their advisors to address participant engagement holistically. A holistic approach to participant engagement evaluates retirement plan design, investment menu design, participant communications and participant education resources in tandem to meet the diverse needs of participants. Such an approach helps engage plan participants who seek to better understand investment options by reading participant communications as well as those who do not.

We strongly support a flexible regulatory framework that will stop short of limiting investment or communication strategies that will enable us to continue our participant engagement and education efforts.

In conclusion, Manning & Napier strongly supports the Department's goal to improve participant understanding of target date funds. We believe that a glide path illustration should be

³ Cerulli Retirement Market Overview – 2010

required for all target date fund disclosures. We further encourage the Department to allow plan fiduciaries flexibility in crafting participant disclosures that accurately communicate the fund features and continue to encourage plan fiduciaries to engage in broader and innovative participant education efforts.

Thank you for providing us an opportunity to comment on this very important issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey S. Coons", with a long, sweeping horizontal stroke at the end.

Jeffrey S. Coons, Ph.D., CFA
President



290 Woodcliff Drive • Fairport, NY 14450 • T(585) 325-6880 • (800) 551.0224 • www.manning-napier.com

January 14, 2011

Department of Labor
Employee Benefits Security Administration
200 Constitution Avenue, NW
Washington, DC 20210
Attn: Target Date Amendments

Re: Proposed Amendments to Participant-Level Disclosure

Ladies and Gentlemen:

Manning & Napier Advisors, Inc. appreciates the opportunity to submit comments on the proposed regulations for Target Date fund participant-level disclosure. Manning & Napier has managed assets to meet life cycle objectives for over 35 years, through a variety of market conditions including six bear markets. We currently manage over \$38 billion, with over \$16 billion in various target date or target risk life cycle objectives across different investment products. With this experience, we see first hand the important role that life cycle investing plays in achieving retirement goals.

Manning & Napier's approach to life cycle investing involves flexibility in managing the glide path and underlying securities of a target date portfolio. Our long-term investment performance demonstrates that being able to adjust the portfolio's asset allocation along the glide path to a given market environment can assist in appropriately managing many of the risks inherently involved with investing retirement assets. In light of the foregoing, Manning & Napier applauds the DOL's desire to increase participant awareness and understanding of Target Date funds. As discussed in more detail below, we broadly support the concept that plan participants need additional, and more transparent, information regarding Target Date funds. In sum, Manning & Napier:

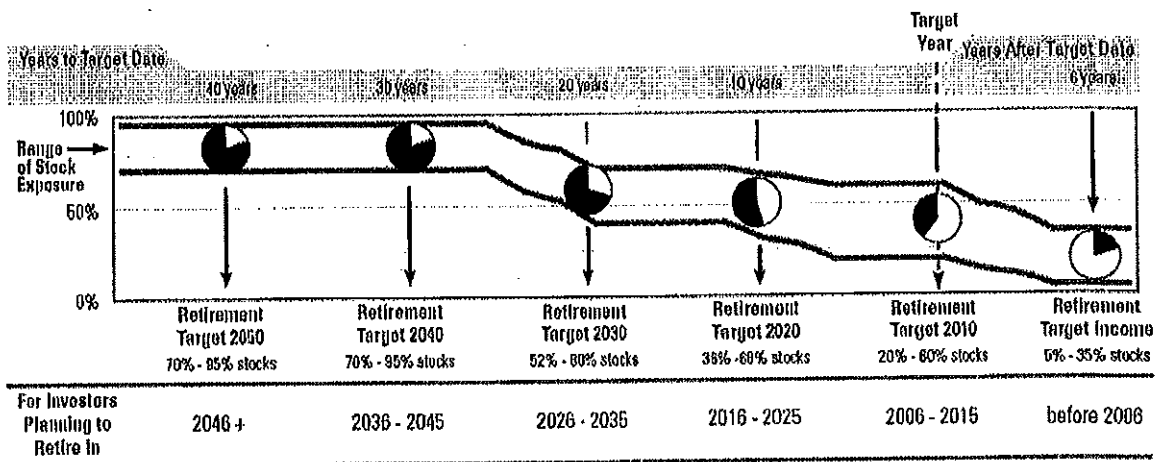
- strongly supports requiring prominent glide path disclosure for Target Date funds; and

- strongly supports requiring the disclosure of the assumptions that underpin the glide path, including those through the target date of the fund.

Requiring Glide Path Disclosure

We feel that the most effective method of providing relevant information to plan participants considering an investment in a Target Date fund is to provide participants with a communication that contains a clear depiction of the Target Date fund's glide path. As contained in our written testimony as a panelist at the SEC's and DOL's Joint Hearing on Target Date Funds on June 18, 2009, Manning & Napier feels strongly that such a glide path presentation should also describe any asset class ranges used by the Target Date fund manager, in addition to fixed asset allocations since market and economic conditions are constantly changing.

Following is an example of the Manning & Napier glide path (or "Glide Range" as we refer to it given our active asset allocation along the glide path):



We feel that the above table effectively communicates the key asset allocation ranges that Manning & Napier uses in managing the Target Date fund throughout its life. Equally important, the table demonstrates that the glide path continues to get more conservative through the Target Date, continuing to show the asset allocation ranges to the participant, communicates what asset allocation ranges will be used after the target date and at the landing point to manage the underlying portfolio.

Manning & Napier feels that there is additional information regarding a glide path's underlying assumptions that can and should be described to participants in an easy-to-understand format. Details regarding the significance of the Target Date itself, and the frequency and amount of withdrawals by the participant after the Target Date are key factors. Attached is one of our participant education pieces as an example of utilizing both graphical and narrative descriptions of the glide path and its assumptions, including an additional glide path that focuses solely on the retirement phase.

Other Information

In addition to the glide path depiction and related information discussed above, Manning & Napier feels that certain additional information is useful for participants given the unique nature of a Target Date fund.

As most Target Date funds are fund-of-funds, Manning & Napier feels that including additional information regarding the underlying securities would be very helpful. For instance, requiring that a Target Date fund disclose the total number of underlying security holdings would help an investor understand how diversified, or potentially over-diversified, the Target Date fund is.

Finally, we believe requiring that a participant receive disclosure of past performance of asset allocation models utilized by the advisor to a Target Date fund would provide crucial information regarding the advisor's track record beyond the particular Target Date fund – especially given that many of the Target Date Funds currently being offered are relatively newer products.

Conclusion

In sum, Manning & Napier feels, and our long-term performance track record demonstrates, that life cycle funds clearly offer a better solution than expecting individual investors to navigate the markets themselves. Target Date fund investing plays a critical role in helping participants meet their retirement objectives.

Recent market events have demonstrated the important role that risk management plays in managing life cycle funds. We feel that increasing the clarity and transparency of information in disclosures for Target Date funds will be very beneficial over the long run to plan participants.

Very truly yours,

Richard B. Yates
General Counsel

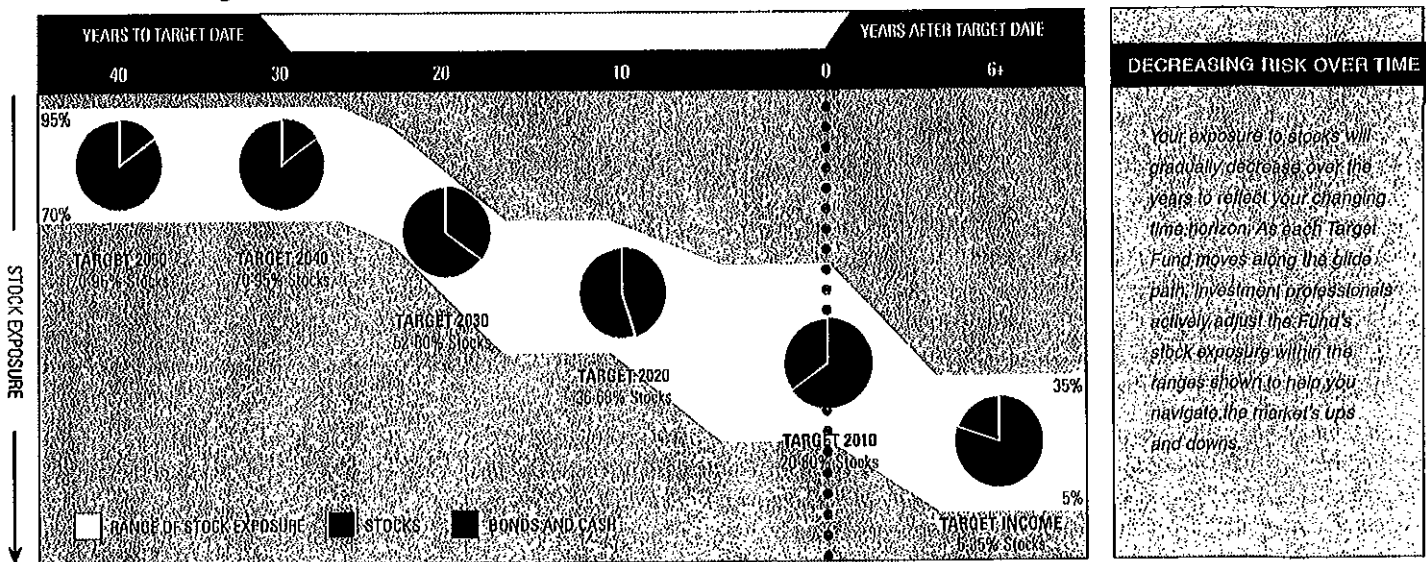
Your Target Fund's Path to Retirement

Your retirement plan offers you a choice of professionally-managed target date funds to help keep you on track for retirement. These funds are the Manning & Napier Fund, Inc. Target Series ("Target Funds"). Each Target Fund is a fully diversified mix of stocks, bonds and cash that adjusts over time to meet your changing investment needs and manage investment risk. The Funds follow a "glide path" to gradually transition from more aggressive to more conservative investments as your target retirement date moves closer.

The Target Funds' Flexible Glide Path Focuses on Three Things: Your Time to Retirement, Your Needs in Retirement, and Current Market Conditions.

As each Target Fund automatically becomes more conservative over time, a professional investment team actively manages the Fund's investments while keeping stock exposure to levels appropriate for your time horizon. The actual allocation to stocks within each Fund can vary and is determined not just by time until the target date; it also takes into account the risks and opportunities in the current market environment. The investment team employs an approach that results in higher stock allocations when markets are less expensive and lower stock allocations in high risk environments when markets are more expensive.

Retirement Target Glide Path



When you invest in one of your plan's Target Funds, you benefit from day-to-day professional management as both your investment goals and the markets change over time. While there is no guarantee that your Target Fund will never go down in value, the investment team continuously tracks financial indicators, analyzes market trends and adjusts each Fund's investments to manage your investment risk and help you meet your retirement goals.

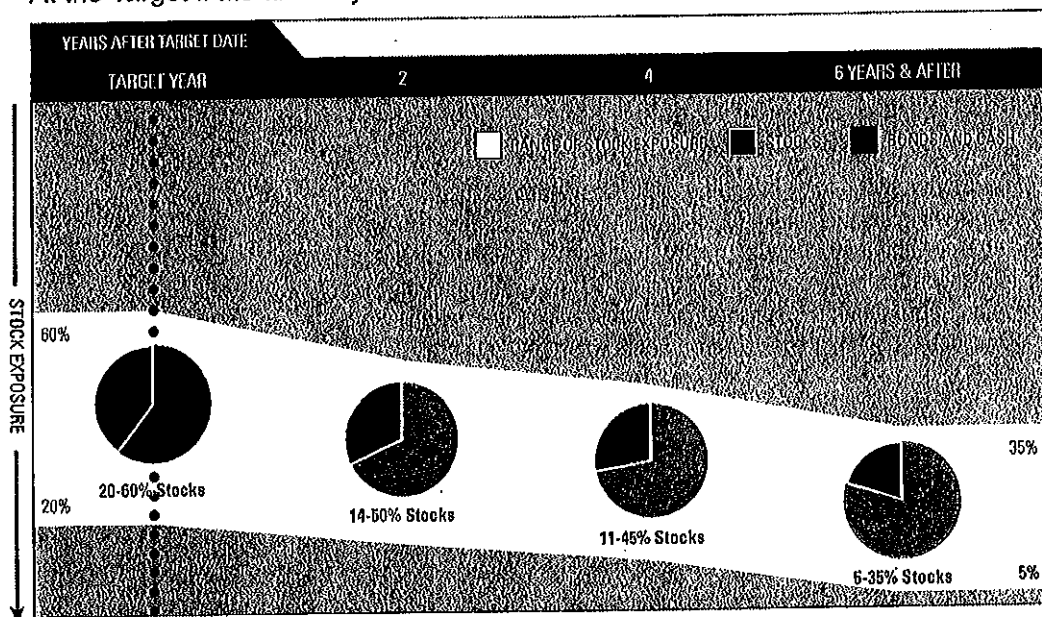
Focusing on Your Retirement Years

Meeting Your Needs In Retirement

The benefits of investing in a Target Fund don't stop at the target date; your account continues to be professionally managed throughout your retirement years. During the Fund's target year, the fund manager seeks to balance your need for long-term growth with reducing your investment risk in order to fund years of retirement income as well as address on-going withdrawals. Based on these goals, the Fund's stock allocation will range from 20-60% in the target year.

Over the next five years, the Target Fund gradually moves to a lower range of stock exposure each year until the portfolio reaches a stock range of 5-35%, as illustrated below. Continuing to dedicate a portion of your portfolio to stocks during your early retirement years provides some growth potential to help offset your periodic withdrawals.

At the Target Date and Beyond



GLIDE PATH ASSUMPTIONS

The glide path is built to meet the needs of investors who plan to retire at or around a specific date and is based on the following:

Within the first five years after the target date, the investor will stop making contributions and begin taking annual withdrawals of roughly 5% of his/her account.

In year six and beyond, withdrawals may represent a larger percentage (6-10%) of the remaining account balance due to inflation and the gradual reduction of the investor's retirement plan assets.

In the sixth year following the target date, the target date fund will mirror the Target Income Fund and have a primary goal of capital preservation. At this point and beyond, the Fund focuses on stability but will maintain a limited range of stock exposure (5-35%) to allow for growth opportunities when market conditions are favorable. The target date fund will ultimately merge into the Target Income Fund and continue to provide you with a professionally-managed, conservative investment option for as long as you remain in the retirement plan.

For more information about any of the Target Funds, you may obtain a prospectus by visiting www.manning-napier.com or by calling 1-800-466-3863. Before investing, carefully consider the objectives, risks, charges and expenses of the investment and read the prospectus carefully as it contains this and other information about the investment company.

Diversification does not assure a profit or protect against loss in a declining market. Because Target Funds invest in both stocks and bonds, the value of your investment will fluctuate in response to stock market movements and changes in interest rates. Investing in Target Funds also involves a number of other risks, including issuer-specific risk, foreign investment risk, and small-cap/mid-cap risk as the underlying investments change over time. Principal value is not guaranteed at any time, including at the target date.

The Manning & Napier Fund, Inc. is managed by Manning & Napier Advisors, Inc. ("Manning & Napier"). Manning & Napier Investor Services, Inc., an affiliate of Manning & Napier, is the distributor of the Fund shares.



May 21, 2012

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

Re: File Number S7-12-10

Ladies and Gentlemen:

Manning & Napier Advisors, LLC appreciates the opportunity to submit additional comments on the proposed regulations for target date fund marketing material in light of the SEC sponsored Investor Testing Report (or "Report"). Manning & Napier has managed assets to meet life cycle objectives for over 40 years through a variety of market conditions. As one of the industry pioneers of life cycle investing, we share the Commission's desire to promote better investor understanding of their investments in target date funds.

We applaud the Commission for dedicating extensive time, research and resources to this very important issue. As the Report indicates, many investors have misconceptions about key target date features (Report slides 25, 28, 30, 53). We agree that effective and accurate investor communications are an essential component of increasing investor understanding of target date funds. As a panelist in the SEC-DOL Joint Roundtable of June 2009, we submitted written testimony regarding a number of important investment considerations for target date funds. We also submitted comments to the Commission in August 2010 related to proposed regulations for target date fund marketing material. We have attached our August 2010 comment letter and 2009 written testimony as they continue to be relevant and corroborated by the Report. In addition to those views, we respectfully submit two additional considerations as the Commission finalizes the disclosure requirements:

1. Glide path illustrations improve investor understanding of the purpose of target date funds.

As a professionally managed investment solution in a single fund, target date funds play a critical role in helping investors meet their retirement goals. The Report validates our experience that while target date funds are an appealing investment option to those investors who do not have the time, knowledge or inclination to self-manage their portfolio, they will not be an ideal solution for every investor (Report slides 38-41, 46).

Informed decision-making requires the investor to determine first, whether a target date fund option is an appropriate investment solution given their goals. That is, before delving into complex investment strategies, the investor must answer a fundamental question: “Do I want to decide how to mix different types of investments to seek my objectives or do I want to delegate those decisions to a professional?”

As the Report indicated, the decision to invest in a target date fund is often dictated by whether the investor seeks to maintain or delegate control of asset allocation decisions.¹ A glide path illustration effectively and clearly communicates that the target date fund is designed to provide a solution for investors opting to delegate asset allocation decisions. We believe a glide path illustration is most likely to enhance investor understanding of the purpose of the target date fund and assist investors in identifying whether a target date fund is a suitable investment option to achieve their objectives. Furthermore, we strongly discourage the use of “taglines” because of the undue emphasis the tagline places on the allocation at the target date rather than communicating that the allocation shifts throughout the life of the investor.²

2. Accurate disclosure of target date glide path construction and asset allocation requires flexibility.

We feel that the Commission’s final regulations should require managers to include a glide path illustration in the disclosures. Furthermore, a manager should have flexibility to disclose additional features of the fund glide path and asset allocation in a manner that accurately communicates the manager’s investment approach. With flexibility, managers

¹ The Report found that 83% of those who respondents who did not select a target date fund did so because they wanted more control over their investment mix or preferred to create their own mix of investments (Report slide 46).

² The Report supports our understanding that tagline requirements may mislead investors. Although respondents reviewing documents with the tagline demonstrated highest comprehension of investment allocation at the target date (Report slide 61), only 1% of respondents viewing the tagline document correctly identified the post-target date stock allocation, compared to 37% of those who viewed documents with glide path illustration only (Report slide 62). In addition, tagline disclosures may have misled some respondents into reporting an artificially high allocation of equities at the landing point (Report slide 62). Finally, taglines did not appear to help survey respondents correctly answer questions about asset allocation after the target date or asset allocation changes over time (Report slides 53, 56, 57).

will have the opportunity to engage in broader education efforts that will achieve the Commission's goal of improving investor understanding of target date funds.

As discussed in Item 1, above, investors may affirmatively choose to invest in a target date option because they seek to delegate asset allocations decisions. For those investors, managers must have the flexibility to provide the information that will best help investors identify which target date option best achieves their retirement objective. In contrast, other investors may be defaulted into the target date option as a result of their participation in defined contribution plans with automatic enrollment features. With over 40% of plans utilizing automatic enrollment and target date funds accounting for over 50% of QDIA selections,³ managers must have flexibility to work with plan sponsors to design participant education materials and strategies that best reflect the target date manager's investment approach, employer's objectives and plan demographics.

For example, Manning & Napier's investment philosophy is rooted in our belief that active risk management is the best approach to achieving investor objectives. As such, the glide path of our target date funds affords latitude to adjust asset allocation in response to market environment changes. Our investor communications emphasize the features of our funds that we think are most important to them: i) our target funds are designed to provide a solution for investors who wish to delegate asset allocation decisions and ii) the specified allocation ranges allow for active adjustment to manage risk as market conditions change. We work closely with plan sponsors and their advisors to address participant engagement holistically. A holistic approach to participant engagement evaluates retirement plan design, investment menu design, participant communications and participant education resources in tandem to meet the diverse needs of participants. Such an approach helps engage plan participants who seek to better understand investment options by reading participant communications as well as those who do not. We have attached a sample defined contribution participant communication piece as an example of our approach.

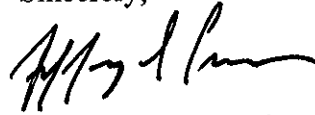
We strongly support a flexible regulatory framework that will stop short of limiting investment or communication strategies that will enable us to continue our investor engagement and education efforts.

³ Cerulli Retirement Market Overview – 2010

In conclusion, Manning & Napier strongly supports the Commission's goal to improve investor understanding of target date funds. We believe that a glide path illustration should be required for all target date fund disclosures. We further encourage the Commission to allow managers flexibility in crafting fund marketing materials that accurately communicate the fund features and continue to encourage managers to engage in broader and innovative investor education efforts.

Thank you for providing us an opportunity to comment on this very important issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey S. Coons". The signature is fluid and cursive, with a long horizontal stroke at the end.

Jeffrey S. Coons, Ph.D., CFA
President



August 23, 2010

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

Re: File Number S7-12-10

Ladies and Gentlemen:

Manning & Napier Advisors, Inc. appreciates the opportunity to submit comments on the proposed regulations for Target Date fund marketing material. Manning & Napier has managed assets to meet life cycle objectives for over 35 years through a variety of market conditions, including six bear markets. We currently manage over \$30 billion, with over \$14 billion in various target date or target risk life cycle objectives across different investment products. With this experience, we see firsthand the important role that life cycle investing plays in achieving retirement goals.

Manning & Napier's approach to life cycle investing involves flexibility in managing the glide path and underlying securities of a Target Date portfolio. Our long-term investment performance demonstrates that being able to adjust a portfolio's asset allocation along the glide path to a given market environment can assist in appropriately managing many of the risks inherently involved with investing retirement assets. In light of the foregoing, Manning & Napier applauds the SEC's desire to allow managers the necessary flexibility to construct Target Date portfolios while also increasing investor awareness and understanding of Target Date funds. As discussed in more detail below, we broadly support the concept that plan sponsors, plan participants and individual investors need additional, and more transparent, information regarding Target Date funds. In sum, Manning & Napier:

- strongly supports allowing asset allocation ranges and requiring prominent glide path disclosure for Target Date funds;

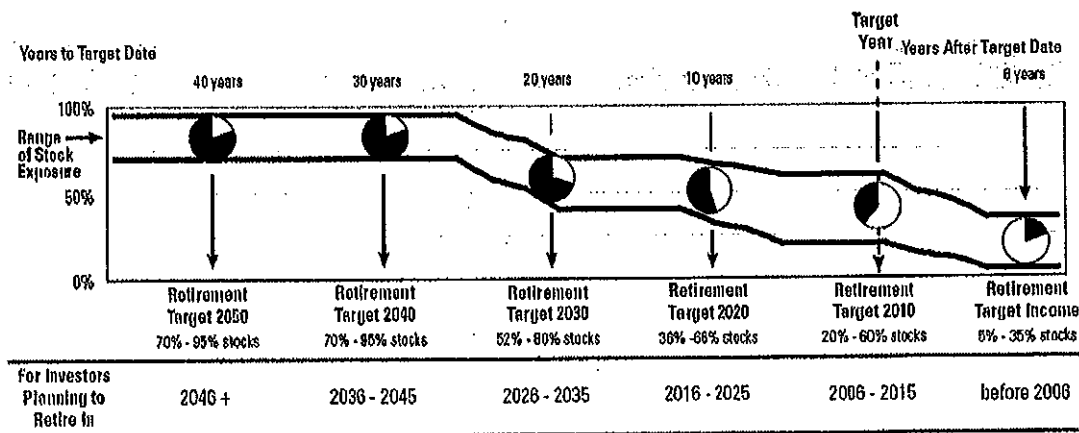
- does not support, and strongly disagrees with, requiring asset allocation taglines in the name of a Target Date fund; and
- strongly supports requiring the disclosure of other underlying portfolio information, such as the number of underlying holdings and performance of similar asset allocation models in either marketing material or the prospectus.

Manning & Napier feels that the above requirements will serve to improve disclosure and increase the transparency of Target Date fund material for plan sponsors, plan participants and individual investors, as well as decrease the risk of investor confusion.

Allowing Ranges and Requiring Glide Path Disclosure

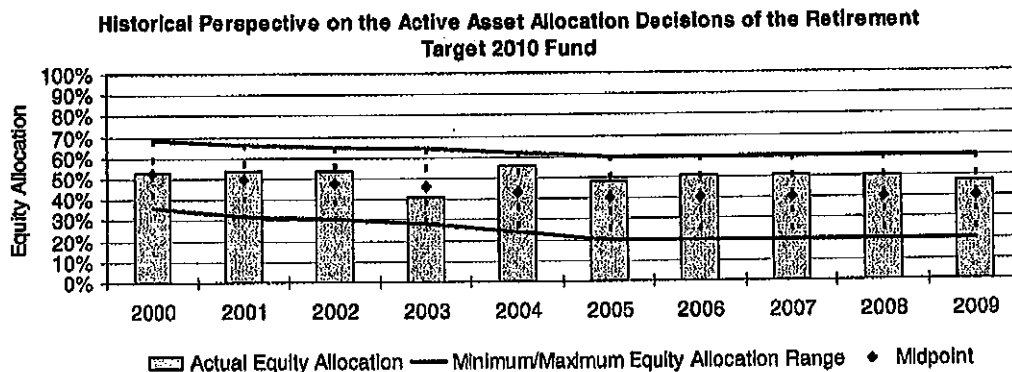
We feel that the most effective method of providing relevant information to Target Date fund investors is to require marketing material to contain the fund’s glide path. In our view, this will provide plan sponsors and individual investors with the ability to compare the glide paths of various Target Date fund offerings in a consistent manner. As contained in our written testimony as a panelist at the SEC’s and DOL’s Joint Hearing on Target Date Funds on June 18, 2009, Manning & Napier feels strongly that such asset allocation presentation should allow for ranges, in addition to fixed asset allocations, because market and economic conditions are constantly changing.

Following is an example of the Manning & Napier glide path (or “Glide Range” as we refer to it given our active asset allocation approach):



We feel that the above table effectively communicates to any audience the key asset allocation ranges that Manning & Napier uses in managing the Target Date fund throughout its life. Equally important, the table communicates what asset allocation ranges will be used after the Target Date and at the landing point to manage the underlying portfolio.

We note that even at the landing point in our Glide Range, an asset allocation range is still appropriate to allow for active risk management following the Target Date. Accordingly, in addition to requiring the presentation of a Target Date fund's glide path, we feel it is important for there to be clarity in the regulations around the permissibility of ranges even at the landing point of the Target Date fund (see page 44 of the Proposal referring to a fixed asset allocation at the landing point). The following table demonstrates how Manning & Napier has utilized active asset allocation in the Manning & Napier Retirement Target 2010 Fund¹ over time:



This chart demonstrates how an investment manager can limit equity exposure in high-risk environments, and increase equity exposure in order to participate in more favorable market environments. As an example, we feel that the asset allocation of a Target Date fund should not have been the same in January of 2000 (before the bursting of the technology stock bubble) with extreme equity market valuations as in December 2002 (the bottom of that particular bear market). A fixed asset allocation along the glide path results in reducing exposure to riskier assets every year, even when those assets are priced for a better risk/reward tradeoff going forward. We believe that a flexible glide path factoring in time, withdrawal needs and market conditions allows the manager to balance the conflicting goals of managing capital risk, inflation risk and longevity risk.

Fund Naming

Manning & Napier feels strongly that requiring funds to include their asset allocation at the Target Date next to, or within, the name of the fund would not be helpful to investors for a number of reasons.

First, strictly focusing on asset allocation risks an investor ignoring other important investment factors that meaningfully contribute to the performance of a Target Date fund. For instance, the type of fixed income securities held by a fund often plays a critical role in the performance of a Target Date fund.

¹ Asset allocation data for the Manning & Napier Retirement Target 2010 Collective Investment Trust Fund.

The following table² shows 2008 performance of different fixed income sectors:

BarCap US Credit TR USD	-3.08%
BarCap US MBS TR USD	8.34%
BarCap US Government TR USD	12.39%
BarCap GBL Majors ex US TR USD	11.69%
Credit Suisse HY USD	-26.17%

A review of the 31 Target 2010 mutual funds in 2008 shows a number of funds with substantially similar equity allocations generated meaningfully different performance results. For example, nine (9) Target 2010 funds with lower exposure to equities than the Manning & Napier Retirement Target 2010 Fund³ (50% in equities), underperformed the Manning & Napier Retirement Target 2010 Fund, whose one year performance placed it 7th in this universe⁴. Likewise, among the 23 Target Income funds in Morningstar as of 12/31/08, Manning & Napier's equity allocation ranked #16 (with 15 funds having a higher equity allocation), while its performance ranked #2, indicating that a variety of factors can impact performance.

Secondly, strictly focusing on the asset allocation at the Target Date unduly ignores the period following the Target Date by placing too much emphasis on the Target Date asset allocation itself. Our research indicates that even for participants that have accumulated significant wealth, as much as 2/3 of the earnings needed to fund retirement income are attributed to investment earnings after retirement. Therefore, the post-Target Date asset allocation ranges are extremely important for an investor to understand.

Third, given that a 401(k) plan menu typically uses a suite of Target Date funds from the same fund family, requiring funds to include an asset allocation at the Target Date would result in all of the Target Date funds' taglines containing the same asset allocation (or range). In our view, this would significantly increase the likelihood of investor confusion and be redundant with the information more specifically provided in the Glide Path table.

Lastly, we feel that requiring the addition of an asset allocation tagline to the name as proposed would be unduly burdensome on those fund families that use active asset allocation and therefore would require an unwieldy display of ranges, rather than fixed asset allocations.

Other Information

In response to the SEC's invitation on page 54 of the Proposal to consider requiring additional information be disclosed, Manning & Napier feels that there are several other types of information that would be very meaningful to investors.

As most Target Date funds are fund-of-funds, Manning & Napier feels that including additional information regarding the underlying securities would be very helpful to plan sponsors, participants and individual investors when making decisions about Target Date funds.

² Source: Morningstar Direct Database

³ Performance data for the Manning & Napier Retirement Target Collective Investment Trust Funds.

⁴ Performance information according to Morningstar.

For instance, requiring that a Target Date fund disclose the total number of underlying holdings would help an investor understand how diversified, or potentially over-diversified, the Target Date fund is.

Moreover, we feel it would be appropriate to require Target Date funds to look through their fund holdings to the underlying portfolios when disclosing current asset allocations. Simply relying on the fund holding level for asset allocation disclosure adds to the opaqueness that the proposed rules are attempting to clarify.

In addition, as cited on page 54 of the proposal, we believe requiring the prospectus to disclose past performance of asset allocation models utilized by the advisor to a Target Date fund would provide crucial information to an investor regarding the advisor's track record beyond the particular Target Date fund -- particularly given that many of the Target Date funds currently being offered are relatively newer products.

Conclusion

In sum, Manning & Napier feels, and our long-term performance track record demonstrates, that life cycle funds clearly offer a better solution than expecting individual investors to navigate the markets themselves. Target Date fund investing plays a critical role in helping investors meet their retirement objectives and plan sponsors designing an appropriate retirement plan menu.

Recent market events have demonstrated the important role that risk management plays in managing life cycle funds. While Manning & Napier has had a long history of utilizing active asset allocation in life cycle funds, a number of other fund families have utilized active asset allocation as well. Most life cycle funds have been created after the 2000-2002 bear market, yet before the 2007-2009 bear market, resulting in an important learning experience for many life cycle fund managers. A number of newly released products that incorporate active asset allocation have begun to enter the marketplace since last year, presumably in response to the volatility of the markets in 2008. As such, it is critical that the proposed rules do not unduly punish, even unintentionally, managers that have successfully utilized active asset allocation to meet participant needs. We also feel that increasing the clarity and transparency of information in disclosures for Target Date funds, both in marketing material and prospectuses, will be very beneficial over the long run to the investing community.

Very truly yours,



Jeffrey S. Coons, Ph.D., CFA
President



June 18, 2009

MANNING & NAPIER'S WRITTEN SUBMISSION TO THE JOINT HEARING ON
TARGET DATE FUNDS

By: Jeffrey S. Coons, Ph.D., CFA

We thank the Securities and Exchange Commission and Department of Labor for the opportunity to provide written testimony for the Hearing on Target Date Funds and Similar Investment Options. Manning & Napier Advisors is an \$18 billion investment manager with over 60% of our assets under management in target date or target risk life cycle mandates spanning mutual funds, collective investment trusts and separate accounts. Manning & Napier has managed assets to meet life cycle objectives for over 35 years, a time period that includes five bear markets. As a firm that has specialized in life cycle management, we have seen first hand the important role life cycle funds can play in achieving retirement goals when managed appropriately.

The perspective we wish to bring to the panel is the importance of flexibility in managing the glide path and underlying investments of a target date portfolio given the changing nature of investment risk as market environments change. This perspective leads us to the conclusion that increased transparency, disclosure and communication to plan fiduciaries and participants is a more appropriate response to the concerns raised regarding target date fund performance than invoking investment-related restrictions on the glide path or underlying investments of target date funds.

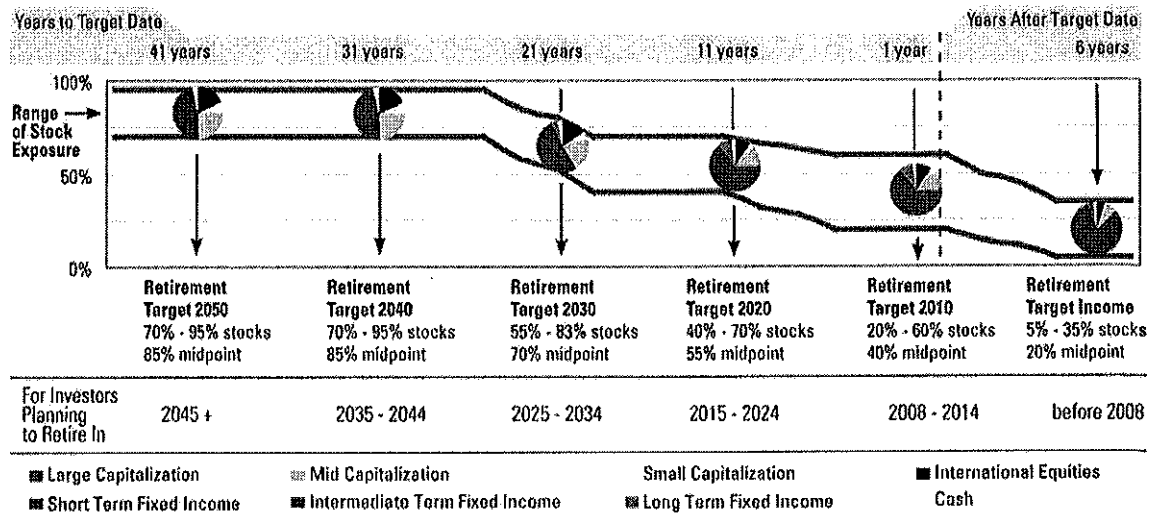
To start, we believe there are three factors that need to be considered to set and adjust the asset allocation of a target date fund over time:

1. The time horizon over which the risk of capital losses should be measured;
2. The level of withdrawals expected from the target date onward; and,
3. The market and economic environment.

Since market and economic conditions are constantly changing, we believe there is no single, pre-arranged glide path that can meet the needs of participants in all environments. Instead, as the target date for significant withdrawals from investor balances draws near, we move an investor in a target date fund from more growth oriented target risk portfolios to more conservative portfolios. Our general assumption is that at a fund's target date an investor will

begin withdrawing roughly 5% annually with no additional contributions, and that withdrawal rate will increase to approximately 8%-10% annually by 5-6 years after the target date. However, the specific allocation to risky assets like equities at any point in time is not fixed in a pre-determined glide path, but is built on an investment-by-investment basis within an appropriate range for each target portfolio. As is illustrated in the following graphic, the end result of our approach is a **glide range** with more conservative allocations as the target date approaches, but with the actual allocation within the range determined by Manning & Napier based upon the risks and opportunities in the current market environment.

Manning & Napier's Glide Range



We believe that failure to adapt to the changing nature of investment risk can turn a glide path into a **glide trap** because the historical asset class return patterns on which it is based will inevitably fail in periods like we have seen over the past year. As an example, your asset allocation in December 1999 (before the bursting of the internet bubble) with extreme stock market valuations should not be the same as in the bottom of the bear market in December 2002, yet many target date fund managers are trapped into a glide path that reduced exposure to risky assets every year even when those risky assets were priced for a better risk/reward trade off going forward. We believe a flexible glide path that factors in time, withdrawal needs *and* market conditions allows the manager to balance the conflicting goals of managing capital risk, inflation risk and longevity risk. As such, we have concerns about placing restrictions on asset allocations along the glide path as it could hamper target date fund managers' ability to pursue these long-term investment objectives.

Instead, we believe it is important for target date fund managers to effectively communicate to both Plan fiduciaries and participants the key assumptions they have made regarding investor time horizons and withdrawal needs when constructing their glide path. Just as important, target date fund managers should explain how they intend to *proactively* adjust their allocations in a changing environment and provide both their experience and actual track record of making such proactive adjustments over a range of environments, as opposed to simply

rebalancing within a fixed glide path. As we illustrate in the following two Tables, there is no single glide path that holds the secret key to investment success in all market environments.

Table 1: Five Year Failure Rates of Various Asset Mixes

% U.S. Large Cap Stocks/ % Intermediate Government Bonds	0/100	20/80	40/60	60/40	80/20	100/0
Annualized Return (1926-2008)	5.4%	6.7%	7.7%	8.5%	9.2%	9.6%
Percent of Rolling 5-Year Periods With Less Than						
5% Returns	54%	34%	21%	20%	22%	24%
8% Returns	82%	73%	59%	45%	37%	34%
10% Returns	89%	83%	73%	59%	50%	43%

Source: Ibbotson; analysis by Manning & Napier

Table 1 shows that asset allocations ranging from 100% intermediate government bonds to 100% stocks have all failed to meet what many would call reasonable return expectations in at least 20% of the rolling five-year periods since 1926. While the table also shows that higher equity allocations generally result in higher average returns and lower rates of failure to achieve target returns, Table 2 that follows shows that higher equity allocations also increase the risk of capital losses over the short-to-intermediate term.

Table 2: Historical Frequency of Capital Loss for Various Asset Mixes

% U.S. Large Cap Stocks/ % Intermediate Government Bonds	0/100	20/80	40/60	60/40	80/20	100/0
Percent of Rolling Periods With a Negative Return						
Rolling 1-Year Periods	9%	10%	17%	21%	25%	27%
Rolling 3-Year Periods	1%	2%	4%	10%	13%	16%

Source: Ibbotson; analysis by Manning & Napier

As such, we believe that history has shown time and again that no single asset mix will be able to meet both an investor's long-term capital growth and capital preservation needs in all environments. The data in Tables 1 and 2, as well as investor's experiences over the last ten years, show that actual risk/reward relationships can deviate widely from historical averages.

However, investors should understand that to a large extent, future returns are related to the current market conditions.

Unfortunately, there are far too many examples of life cycle managers chasing after market returns whether by adding risky investments like commodities and junk bonds following strong short-term market returns or by selling those risky investments to buy Treasury securities in the depth of the bear market for risky assets. In contrast to the “set it and forget it” approach of rebalancing to a fixed glide path or the “buy high, sell low” approach of adding investments in reaction to short-term market moves, Manning & Napier builds its life cycle portfolios from the bottom up with individual securities we believe are priced for a favorable risk/return trade off in the current market environment. As the following table illustrates, Manning & Napier’s unique approach to life cycle investing has helped our clients navigate these tough markets and achieve positive absolute returns in what is shaping up to be a “lost decade” for many investors.

Manning & Napier Risk-Based Fund	Underlying Holding of:	5/31/09 Equity Allocation (Allowable Equity Range)	Cumulative Return 1/1/00-5/31/09
Manning & Napier Pro-Mix Conservative Term Fund	Manning & Napier Retirement Target Income Fund	28.9% (5%-35%)	67.40%
Manning & Napier Pro-Mix Moderate Term Fund	Manning & Napier Retirement Target 2010 Fund	51.7% (20%-60%)	59.34%
Manning & Napier Pro-Mix Extended Term Fund	Manning & Napier Retirement Target 2020 Fund	65.7% (40%-70%)	61.24%
Manning & Napier Pro-Mix Maximum Term Fund	Manning & Napier Retirement Target 2040 and 2050 Funds	91.9% (70%-95%)	45.29%
S&P 500 Index		100%	-25.93%

NOTE: The above funds are Collective Investment Trust Funds

No two target funds are alike. This fact is now well known, and it has actually been identified as part of the “problem” with target date funds during the recent bear market. As plan sponsors have had to select from a rapidly growing number of target date fund providers, so much emphasis has been placed on the target date concepts (i.e., diversification and the existence of a glide path), and not enough emphasis has been placed on understanding exactly how any given fund family would approach the glide path and underlying investments.

Manning & Napier manages the underlying investments in our target date funds as a diversified, but unified portfolio built on a security-by-security basis given the risks and opportunities in the current environment. This approach is distinct from a fund-of-fund approach of a collection of individual managers pursuing narrow mandates, which we believe makes total portfolio coordination and adjustment to the changing environment more difficult as well as raises the risk of over-diversification. We believe our approach provides advantages over the fund-of-funds approach, and we would be concerned about placing restrictions on the nature of underlying holdings that might preclude our unified portfolio approach.

Instead, we believe improvements can be made on the industry's disclosure of the investment approach taken with respect to selecting and monitoring underlying holdings, including more disclosure and education regarding the total number of holdings to better inform plan sponsors and participants as well as guard against investors paying active management fees for these vehicles that are over-diversified and under-disclosed. Likewise, disclosure to plan sponsors and participants regarding the fee structure of underlying investments in a fund-of-funds environment can help them guard against biases in allocation decisions related to fee differences among underlying funds.

In closing, we feel that target date funds and related investment products, when selected and managed appropriately, play an important role for plan sponsors helping participants meet their retirement goals. Thank you again for giving Manning & Napier the opportunity to share our perspectives.