

## SEC's target date proposal met with raging indifference

By [Darla Mercado](#)

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Public response to the Securities and Exchange Commission's proposal to enhance target date fund disclosure has been tepid — even as the public-comment deadline looms three days away.

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Since the June release of the SEC's target date funds disclosure proposal, a paltry 21 comments have been submitted to the regulator.

That's not a lot, compared with the response to some other proposals. As of Aug. 16, the SEC had received 1,236 comments on the possible revision of the fiduciary standard. The commission also got 1,665 comments on its proposed Rule 151A, which had called for making indexed annuities securities.

The proposed target date rules would require fund providers to be more explicit about a funds' glide path and how its asset allocation would change over time.

“This is weird. You would think people would be all over this, but all I can think of is that it's summer time,” said Marcia Wagner, an attorney who specializes in the Employee Retirement Income Security Act of 1974.

Ms. Wagner admitted that she hasn't submitted a response to the regulator, and isn't planning to.

“I have an excuse: I'm going on vacation with my kids in a week,” she said. “I don't really have the time.”

The new rules would require providers to detail their funds' asset allocation alongside the fund's name. Marketing materials would have to state if a target date fund were not guaranteed and that it should not be selected solely on the basis of the investor's age, tax bracket or retirement date.

SEC spokesman John Heine declined to comment on the lack of responses. Much of the feedback thus far has come from worried or peeved investors.

“I have had to scour my target date fund and do the longhand math in order to determine my annual fees,” wrote investor Richard J. Heinz in his letter to the SEC. He called for disclosure of the funds' administrative fees.

“People like to know where the money they invest goes,” Mr. Heinz wrote. “Even if that's going to pay high administration fees, people need to be made aware of the cost of automatic transactions.”

A comment from The Vanguard Group Inc.'s chief executive and chairman, F. William McNabb III, supported the use of charts to help investors understand the funds' asset allocation, but he pushed back against “disclosure overload.”

Mr. McNabb added that his firm is also against the provision that would require marketing materials to say that the funds shouldn't be selected based on investors' ages.

“We believe that TDFs are designed to be selected primarily on the basis of age and/or retirement date, especially in the context of an employer plan when a series of TDFs is offered by a single provider,” he wrote.