

Securities and Exchange Commission (SEC) Reopens Comment Period on Proposed Target Date Retirement Fund Marketing Rules

VedderPrice

Article By

[Investment Services Group](#)

[Vedder Price](#)

[Investment Services Regulatory Update](#)

- [Securities & SEC](#)
- [Financial Institutions & Banking](#)
- [Corporate & Business Organizations](#)
- [Administrative & Regulatory](#)

- [All Federal](#)

Saturday, May 10, 2014

On April 3, 2014, the **SEC** reopened the comment period for rule amendments originally proposed in 2010 that, if adopted, would amend rule 482 under the 1933 Act and Rule 34b-1 under the 1940 Act to require **marketing materials** for target date **retirement funds** to include a table, chart or graph depicting the fund's **asset allocation** over time. This illustration, referred to as the fund's asset allocation glide path, would show how the fund's asset allocation changes as it nears its target date. In 2013, the SEC's Investment Advisory Committee, which was established under the **Dodd- Frank Act**, recommended that the SEC develop a glide path illustration for target date retirement funds that is based on a standardized measure of fund risk as either a supplement or a replacement to the proposed asset allocation glide path illustration.

The Committee recommended the risk-based glide path illustration because the choices of assets within the various asset classes and other risk management practices can have a significant impact on fund risk levels. The Committee also recommended that the SEC adopt a standard methodology or methodologies that target date retirement funds should use in the risk-based glide path illustration. The SEC is seeking comments on the risk-based glide path illustration and any other

aspects of the recommendations submitted by the Committee.

Comments are due to the SEC by June 9, 2014.

© 2019 Vedder Price

Source URL: <https://www.natlawreview.com/article/securities-and-exchange-commission-sec-reopens-comment-period-proposed-target-date-r>