August 8, 2003

Office of Regulations & Interpretations Room N5669 Employee Benefits Security Administration U.S. Department of Labor Washington D.C. 20210

Re: Response to request for information on automatic rollovers

To Whom It May Concern:

Per your request for information, we are submitting the following data for your review and consideration. It demonstrates the return of a managed account approach as compared to a cash alternative over various periods of time.

We compared a managed account to a 100% money market allocation for both wealth and income replacement at retirement. We considered a hypothetical account of \$5,000 with varying income levels and current ages. When comparing the managed account to the all money market allocation, our analysis shows that income replacement ratios are improved by 40% to 200% and ending wealth balances are improved by 45% to 200%. The improvement decreases with age, since an older person has a shorter time horizon to take advantage of the managed account.

We believe our analysis demonstrates the superiority of a managed account approach. If you would be interested in any other comparisons, such as a comparison of managed accounts and a balanced fund, please let us know and we would be happy to provide them to you.

Finally, we note that a number of large financial institutions are currently providing managed account programs using Ibbotson's financial engines. Such institutions are doing so utilizing the structure addressed in the SunAmerica Advisory Opinion. We believe this provides evidence that no removal or lowering of the prohibited transaction protections would be necessary in order to provide a managed account solution in this regard.

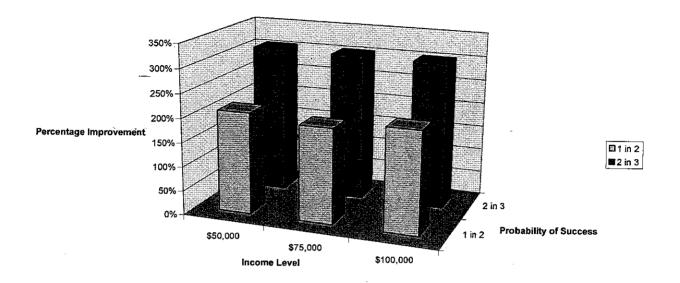
Respectfully,

James K. Daley, CEBS, CFA Advisory Services Manager

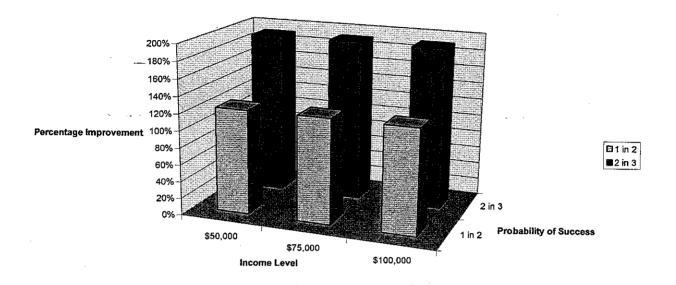
cc: Michael C. Henkel, Ibbotson Associates

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## 25 Year Olds



## 35 Year Olds



## 45 Year Olds

