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**Submitted Electronically to  
Senator Patty Murray  
Representative Robert C (“Bobby”) Scott  
The Honorable Gene Dodaro**

Dear Senator Murray and Representative Scott,

This is an unsolicited response to [your target date fund \(TDF\) inquiry to GAO](#). I am an experienced pension consultant who has managed target date funds since 2007. I designed the [patented Safe Landing Glide Path](#) and have written two TDF books:

- [Fiduciary Handbook for Understanding and Selecting Target Date Funds: It's All About the Beneficiaries](#)
- [The Remarkable Metamorphosis of Target Date Funds](#)

As detailed in [this published article](#), your concerns are warranted in my opinion. Most TDFs are too risky near their target retirement date. The TDF industry has split into two factions. One faction, anchored by the Federal Thrift Savings Plan (TSP), believes that beneficiary savings need to be protected near the target date, with no more than 30% in risky assets. This allocation is in line with surveys of beneficiaries and advisers by PIMCO and Mass Mutual.

The other faction, anchored by the Big 3 TDF providers, believes that significant risk is necessary to compensate for inadequate savings. Many currently argue that long term bonds no longer provide protection so this Big3 faction is 90% in risky assets at the target date -- 55% equities plus 35% long-term bonds.

My patented Safe Landing Glide Path is identical to TSPs glidepath, although they were designed independently. I am very much in favor of asset protection near retirement and have written

extensively on this point in my [Fiduciary Corner](#). Importantly, [glidepath design should be financially engineered](#) in order to [avoid conflicts of interest](#).

Is the high risk faction wrong? You will be the judge, but I believe it is wrong even though it has attracted most of the TDF assets. In this case popularity is not synonymous with quality. As the country's largest bundled service providers, the Big 3 have a marketing edge.

I'd be honored and delighted to discuss.

Sincerely,

*Ronald Surz*

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President