States, Uruguay, and Venezuela. This definition also includes locations not listed above that are part of the French West Indies, Leeward and Windward Islands, or Leeward Antilles, but this definition intentionally omits Cuba.

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Dated: April 3, 2014.

Kevin J. Wolf,

Assistant Secretary of Commerce for Export Administration.

[FR Doc. 2014–07918 Filed 4–8–14; 8:45 am]

BILLING CODE 3510–33–P

SECURITIES AND EXCHANGE COMMISSION

17 CFR Parts 230 and 270

[Release Nos. 33–9570; 34–71861; IC–31004; File No. S7–12–10]

RIN 3235–AK50

Investment Company Advertising: Target Date Retirement Fund Names and Marketing

AGENCY: Securities and Exchange Commission.

ACTION: Proposed rule; request for additional comment.

SUMMARY: The Securities and Exchange Commission (''Commission'') is reopening the period for public comment on rule amendments it proposed in 2010, Investment Company Advertising: Target Date Retirement Fund Names and Marketing, Securities Act Release No. 9126 (June 16, 2010). Among other things, the proposed amendments would, if adopted, require marketing materials for target date retirement funds (''target date funds'') to include a table, chart, or graph depicting the fund's asset allocation over time, *i.e.,* an illustration of the fund's so-called ''asset allocation glide path.'' In 2013, the Commission's Investor Advisory Committee (''Committee'') recommended that the Commission develop a glide path illustration for target date funds that is based on a standardized measure of fund risk as a replacement for, or supplement to, the proposed asset allocation glide path illustration. The Commission is reopening the comment period to seek public comment on this recommendation.

DATES: The comment period for the proposed rule published on June 23, 2010 (75 FR 35919), is reopened. Comments should be received on or before June 9, 2014.

ADDRESSES: Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (*http://www.sec.gov/rules/proposed.shtml*);
- Send an email to *rule-comments@sec.gov*. Please include File No. S7–12–10 on the subject line; or
- Use the Federal eRulemaking Portal (*http://www.regulations.gov*). Follow the instructions for submitting comments.

Paper Comments

- Send paper comments to Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549–1090.

All submissions should refer to File Number S7–12–10. This file number should be included on the subject line if email is used. To help us process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (*http://www.sec.gov/rules/proposed.shtml*). Comments are also available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. All comments received will be posted without change; we do not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

FOR FURTHER INFORMATION CONTACT: J. Matthew DeLesDernier, Senior Counsel, at (202) 551–6792, Investment Company Rulemaking Office, Division of Investment Management, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549–8549.

SUPPLEMENTARY INFORMATION: The Commission is reopening the period for public comment on proposed rule amendments that are intended to provide enhanced information to investors concerning target date funds and reduce the potential for investors to be confused or misled regarding these funds.[1] In particular, the Commission is requesting comment on the recommendations of the Committee relating to the development of a risk-based glide path illustration.

I. Background

A target date fund is designed to make it easier for investors to hold a diversified portfolio of assets that is rebalanced automatically among asset classes over time without the need for each investor to rebalance his or her own portfolio repeatedly, and is typically intended for investors whose retirement date is at or about the fund's stated target date. Target date funds generally invest in a diverse mix of asset classes, including stocks, bonds, and cash and cash equivalents (such as money market instruments). As the target date approaches and often continuing for a significant period thereafter, a target date fund shifts its asset allocation in a manner that generally is intended to become more conservative—usually by decreasing the percentage allocated to stocks. Target date funds have become more prevalent in 401(k) plans as a result of the designation of these funds as a qualified default investment alternative by the Department of Labor pursuant to the Pension Protection Act of 2006.[2] In 2013, assets of target date funds registered with the Commission exceeded $500 billion, having grown from about $250 billion at the beginning of 2010.[3]

In June 2010, the Commission proposed rule amendments intended to provide enhanced information to investors concerning target date funds and to reduce the potential for investors to be confused or misled regarding these funds. Among other things, the proposal would, if adopted, amend rule 482 [4] under the Securities Act of 1933 (''Securities Act'') [5] and rule 34b–1 [6] under the Investment Company Act of 1940 (''Investment Company Act'') [7] to require certain marketing materials for target date funds to include a table, chart, or graph depicting the fund's asset allocation over time, *i.e.,* an illustration of the fund's so-called ''asset allocation glide path.'' [8] The proposed

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[1] Investment Company Advertising: Target Date Retirement Fund Names and Marketing, Securities Act Release No. 9126 (June 16, 2010) [75 FR 35920 (June 23, 2010)] (''Proposing Release'').

[2] *See* Default Investment Alternatives Under Participant Directed Individual Account Plans, 72 FR 60452, 60452–53 (Oct. 24, 2007).

[3] Morningstar Fund Research, Target Date Series Research Paper: 2013 Survey, available at *https://corporate.morningstar.com/us/documents/ResearchPapers/2013TargetDate.pdf* (last visited Feb. 27, 2014).

[4] 17 CFR 230.482.

[5] 15 U.S.C. 77a–z–3.

[6] 17 CFR 270.34b–1.

[7] 15 U.S.C. 80a.

[8] We also proposed amendments to rule 482 under the Securities Act and rule 34b–1 under the Investment Company Act to require that certain target date fund marketing materials disclose information about the risks and considerations that are important for an investor who is deciding whether to invest in a target date fund. We

table, chart, or graph requirement was intended to ensure that investors who receive target date fund marketing materials also receive basic information about the glide path. In April 2012, we reopened the rulemaking comment period and asked for public comment in light of empirical research undertaken by a consultant on the Commission's behalf relating to individual investors' understanding of target date funds.[9]

In April 2013, the Investor Advisory Committee [10] recommended, among other things, that the Commission develop a glide path illustration for target date funds that is based on a standardized measure of fund risk as either a replacement for, or supplement to, the proposed asset allocation glide path illustration. The Committee also recommended that the Commission adopt a standard methodology or methodologies to be used in the risk-based glide path illustration.[11] The Committee stated that much of the differences in risk among target date funds can be explained by differences in asset allocation models and glide paths, but that choices of assets within the various asset classes and other risk management practices can also have a significant impact on fund risk levels. The Committee also stated that asset allocation may mask significant differences in the risk levels of funds with apparently similar or even identical asset allocation glide paths, particularly when the asset classes are defined broadly. The Committee therefore opined that a glide path illustration based on an appropriate, standardized measure of fund risk would be more accurate than an illustration based on asset allocation alone. The Committee suggested that, to promote comparability, risk-based illustrations should be based on a standardized measure of risk. The Committee did not recommend a particular risk measure or methodology for a risk-based glide path for target date funds, but suggested that the Commission focus on factors such as volatility of returns or maximum exposure to loss, which the Committee stated are directly relevant to the primary concerns of those approaching retirement.

II. Request for Comment

The Commission has decided to reopen the comment period to address the Committee's recommendation that the Commission develop a risk-based glide path illustration for target date funds. We also invite additional comment on any other aspect of the recommendations and accompanying material submitted by the Committee, on our proposal, and on any other matters that may have an effect on the proposal.

In our target date fund proposal, we asked for comment on whether the proposed disclosure requirements would adequately convey the risks associated with a target date fund. For example, we asked if the proposed disclosure of asset allocation would effectively convey the level of a fund's investment risk to investors, and if the emphasis on asset allocation might cause investors to prioritize investment risk over longevity risk, inflation risk, or other risks.[12] We also asked whether fund managers might take on more risk than the asset allocation would reflect.[13] We also sought comment on whether the rule should require disclosure of a risk rating based on a scale or index that could be compared to other target date funds.[14]

The comments that we received on this issue, however, were limited. Some commenters suggested alternative approaches to the glide path illustration that would require a risk-based illustration, rather than an illustration of the fund's changing investments in asset classes over time. For example, commenters recommended that we require: (i) Portfolio risk-related information, data, or graphs along with asset allocation information; [15] (ii) the planned risk level in the glide path disclosure, for example, by presenting the planned standard deviation of returns over the life of the fund; [16] (iii) a color- and number-coded risk spectrum showing a fund's position relative to an appropriate target date fund index; [17] or (iv) whether the fund reflects aggressive, moderate, or conservative risk characteristics, based on certain benchmarks.[18] Another commenter expressed skepticism about the feasibility of establishing a standardized risk rating for target date funds, and stated that developing such a rating would be ''an enormous undertaking with questionable benefit that is significantly beyond the scope'' of the rulemaking.[19]

Because of the limited nature of the comments received, and in light of the Committee's recommendation, we believe further comment in this area would be helpful. As set out further below, we request comment on whether we should develop a glide path illustration for target date funds that is based on a standardized measure of risk as either a replacement for, or supplement to, our proposed asset allocation glide path. We ask that any comment provide specific examples and available data in support of the comment.

Management of Target Date Funds According to Risk. We request comment on the degree to which managers of target date funds use measures of risk as part of their investment strategy.

• Are target date fund strategies primarily based on a changing target risk level or a changing target asset

proposed amendments to these rules to require a target date fund that includes the target date in its name to disclose its allocation of assets at the fund's target date immediately adjacent to the first use of the fund's name in marketing materials. Finally, we proposed amendments to rule 156 under the Securities Act to provide more guidance about statements that could be misleading in marketing materials for target date funds and other investment companies. 17 CFR 230.156.

[9] Investment Company Advertising: Target Date Retirement Fund Names and Marketing, Securities Act Release No. 9309 (Apr. 3, 2012) [77 FR 20749 (Apr. 6, 2012)].

[10] Section 911 of the Dodd-Frank Wall Street Reform and Consumer Protection Act added section 39 to the Securities Exchange Act of 1934, which establishes the Investor Advisory Committee. The Committee advises and consults with the Commission on regulatory priorities, issues, and initiatives and submits findings and recommendations to the Commission. 15 U.S.C. 78pp(a). The Commission reviews the findings and recommendations of the Committee and determines what action, if any, to take. 15 U.S.C. 78pp(g).

[11] Recommendation of the Investor Advisory Committee: Target Date Mutual Funds (Apr. 11, 2013), available at *http://www.sec.gov/spotlight/investor-advisory-committee-2012/iac-recommendation-target-date-fund.pdf.* The Committee also recommended that the Commission (i) adopt a standard methodology or methodologies to be used in the asset allocation glide path illustration; (ii) require target date fund prospectuses to disclose and clearly explain the policies and assumptions used to design and manage the target date offerings to attain the target risk level over the life of the fund; (iii) consider testing various approaches to providing disclosure that a target date fund is not guaranteed in order to determine the most effective approach and then mandate that approach; and (iv) amend the fee disclosure requirements for target date funds to provide better information about the likely impact of fund fees on total accumulations over the expected holding period of the investment. *Id.*

[12] Proposing Release, *supra* note 1, at 35926–27.

[13] *Id.* at 35927 (''Would a fund manager's investment strategy, portfolio construction, selection of asset categories disclosed, and marketing change as a result of the proposal's required disclosure of target date (or current) asset allocation? For example, might fund managers compose the fund's fixed-income allocation differently to take on additional investment risk, in order to seek higher returns, while showing a lower equity allocation at or after the target date?'').

[14] *Id.* at 35928.

[15] *See* Comment Letter of Chao & Company, Ltd. (July 6, 2012).

[16] *See* Comment Letter of Folio*fn* Investments Inc. (Mar. 28, 2011); Comment Letter of Folio*fn* Investments Inc. (May 21, 2012).

[17] *See* Comment Letter of Wells Fargo (May 21, 2012).

[18] *See* Comment Letter of SST Benefits Consulting (Apr. 9, 2012).

[19] *See* Comment Letter of the Investment Company Institute (Aug. 23, 2010).

allocation over time, or some combination of these approaches? If target risk levels are used, what risk measures are generally employed?

• Do managers instead first set an asset allocation strategy and then monitor the risks that follow from the asset allocation? If so, what risk measures do they generally monitor?

• Are there other ways in which target date fund managers use risk measures? If so, please describe those ways and the particular risk measures used.

Usefulness and Understandability of Risk Measures. We request comment on whether there are quantitative measures of risk that would be useful to and understandable by investors as the basis for a target date fund risk-based glide path illustration.[20] We note that there are a variety of quantitative measures of risk used in the financial services industry. Some target date funds already provide quantitative risk measures in certain materials on a historical basis.[21] For example, the risk associated with a portfolio can be captured by the variability of its returns, measured by the standard deviation[22] (or volatility) or semi-variance of those returns.[23] Both of these risk measures are ''total risk measures'' that quantify the total variability of a portfolio's returns around, or below, its average return. Another risk measure is ''beta,'' which specifically measures the sensitivity of the portfolio's return to the market's return. The market's beta is by definition equal to 1. Portfolios with betas greater than 1 tend to move more than one-for-one with the market's return, and portfolios with betas less than 1 tend to move less than one-for-one with the market's return. Determination of a fund's beta requires the selection of a benchmark market index to which one compares the portfolio's returns.

• Is there a particular quantitative risk measure, or group of risk measures, that are helpful in evaluating the risks of target date funds? Would fund investors be likely to understand these risk measures and be able to effectively use them in making investment decisions?

• The Committee recommended that the Commission, in determining an appropriate risk measure, focus on factors such as maximum exposure to loss or volatility of returns that are directly relevant to the primary concerns of those approaching retirement. Do commenters agree with this approach? If so, what are the primary concerns of those approaching retirement and what specific measures of risk would be directly relevant to those concerns? Are there other risk factors that are relevant to target date fund investors, including longevity risk and inflation risk? In determining an appropriate measure of risk, how should various aspects of risk be considered? How should concerns of investors at different points in the cycle of accumulating and distributing retirement assets be addressed?

• If we require disclosure of a risk measure, should we require such disclosure at only a single point in time, such as the target date, or should we require disclosure of the measure at multiple points over the life of the fund? If the latter, which specific points over the life of the fund?

• Should a target date fund be required to disclose the same measure or measures that the fund's manager uses to guide its management of the fund, or would other measures be more appropriate?

• Should the risk measure reflect the variance, or volatility, in returns around the fund's average return? Should the measure, instead, reflect the sensitivity of the portfolio's return to the market's return? Or should some other type of risk measure be used? Should these risk measures reflect the characteristics of nominal returns or real returns, which account for the effect of inflation?

Illustration of Risk Measures. We request comment on whether the Commission should develop a glide path illustration for target date funds that is based on a standardized measure of fund risk as either a replacement for, or supplement to, its proposed asset allocation glide path illustration and adopt a standard methodology or methodologies to be used in the risk-based glide path illustration.

• Should the rules require a glide path illustration for target date funds that is based on a standardized measure of fund risk as either a replacement for, or supplement to, the proposed asset allocation glide path illustration? Would the inclusion of two glide path illustrations in the same document tend to confuse investors, and, if so, how could the information be presented in a way that would minimize any confusion?

• Would the proposed asset allocation glide path illustration, without a risk-based glide path illustration, adequately convey risk information to investors? If not, would an asset allocation glide path illustration alone adequately convey risk information if we specify the particular asset categories required to be shown? If so, how narrow should those asset categories be, and what particular asset categories should we specify? Could risk information be adequately conveyed to investors using narrative disclosures in lieu of a glide path illustration?

• What are the advantages and disadvantages of asset allocation glide paths and risk-based glide paths relative to each other? If the rules should require a risk-based glide path, what risk measure(s) should be prescribed and how should the risk measures be presented? Please provide specific examples.

• Should a risk-based glide path illustration be required for all target date

[20] In 1995, the Commission issued a release requesting comment on how to improve risk disclosure for investment companies, including ways to increase the comparability of fund risk levels. Improving Descriptions of Risk by Mutual Funds and Other Investment Companies, Investment Company Act Release No. 20974 (Mar. 29, 1995) [60 FR 17172 (Apr. 4, 1995)] (''Risk Concept Release''). In particular, the Risk Concept Release requested comment on whether quantitative risk measures—such as standard deviation, beta, and duration—would help investors evaluate and compare fund risks. We received over 3,700 comment letters, mostly from individual investors. Commenters confirmed the importance of risk disclosure to investors when evaluating and comparing funds and highlighted the need to improve risk disclosures in fund prospectuses. Although more than half of the individual commenters and some industry members expressed a desire for some form of quantitative risk information, commenters did not broadly support any one risk measure, and the Commission acknowledged that investors have a wide range of ideas of what ''risk'' means. *See* Registration Form Used by Open-End Management Investment Companies, Investment Company Release No. 23064 (Mar. 13, 1998) [63 FR 13916, 13929 (Mar. 23, 1998)] (''Registration Form Adopting Release''). In 1997, the Commission proposed a requirement that a fund's prospectus include a bar chart showing the fund's annual returns for 10 calendar years, noting that over 75% of individual investors responding to the Risk Concept Release favored a bar chart presentation of fund risks. *See* Registration Form Used by Open-End Management Investment Companies, Investment Company Act Release No. 22528 (Feb. 27, 1997) [62 FR 10898, 10904 (Mar. 10, 1997)]. The Commission subsequently adopted the bar chart requirement, which was intended to illustrate graphically the variability of a fund's returns and thus provide investors with some idea of the risk of an investment in the fund. *See* Registration Form Adopting Release, at 13922.

[21] Based on a staff review of target date fund marketing materials.

[22] *See, e.g., Morningstar Investing Glossary: Standard Deviation,* Morningstar, *http://www.morningstar.com/InvGlossary/standard_deviation.aspx* (last visited Jan. 17, 2014) (''Investors use the standard deviation of historical performance to try to predict the range of returns that are most likely for a given fund. When a fund has a high standard deviation, the predicted range of performance is wide, implying greater volatility.'').

[23] Standard deviation measures both ''good'' and ''bad'' outcomes, *i.e.,* the variability of returns both above and below the average return. Semi-variance, which can be used to measure the variability of returns *below* the average return, reflects a view of risk as synonymous with ''bad'' outcomes.

funds, regardless of a fund's investment objective or strategies? Should a risk-based glide path illustration instead be required only for target date funds with an investment objective or strategy of managing to a target risk level?

• Should a risk-based glide path illustration be backward-looking (showing past actual risk measures of a target date fund or group of target date funds) or forward-looking (showing projected risk targets for a target date fund or family of target date funds)? Commenters are asked to address, with specificity, how each of these approaches could be applied to a single target date fund or group of target date funds. What are the advantages and disadvantages of each approach, *e.g.,* ease of construction, understandability, or potential to confuse or mislead?

• If we require a risk-based glide path illustration, should we prescribe the format of the risk-based glide path illustration in order to enhance comparability for investors? For example, would one form (*e.g.,* graph) be more easily understandable by investors than another (*e.g.,* table)?

• If we require a risk-based glide path illustration, should we require it to be prominent within the materials where it is included? Are there other presentation requirements that would be more appropriate?

• Should there be differences in requirements for marketing materials that relate to a single target date fund, as compared with those that relate to multiple target date funds? Should a risk-based glide path illustration for a single target date fund be required to show the fund's actual historical risk levels? Would the use of actual historical risk levels be helpful or confusing to investors in cases where a fund has changed its previous glide path? Should the risk-based glide path illustration for a single target date fund instead be permitted to show the current glide path that is common to all target date funds in a fund family? Would it be misleading for marketing materials for a single target date fund to omit the fund's historical risk levels?

• Should the risk-based glide path illustration for a single target date fund be required to clearly depict the current risk level? Should we require the risk level as of the most recent calendar quarter ended prior to the submission of the marketing materials for publication? Are there any circumstances where we should permit the risk-based glide path illustration for a single target date fund to exclude risk levels for past periods? If we permit a single target date fund to exclude past risk levels in any circumstances, should we nonetheless prohibit a fund from excluding past risk levels if the marketing materials contain past performance information for the fund? Are past risk levels helpful to allow an investor to assess the performance of the target date fund relative to the risk taken? Would disclosure of past performance information without disclosure of past risk levels confuse or mislead investors?

• What is the appropriate maximum interval for depicting a fund's risk level over time? Is the maximum five-year interval that we proposed for an asset allocation glide path appropriate? Should it be shorter (*e.g.,* 1 year or 3 years) or longer (*e.g.,* 10, 15, or 20 years)? Are there any periods for which intervals of shorter duration should be shown? For example, should the risk-based glide path illustration depict the five years before the target date and/or landing point (*i.e.,* the date at which the asset allocation becomes static) using one-year intervals? Is it necessary to require any particular interval? Is it appropriate to require risk levels at the fund's inception, target date, and landing point?

• Would a required explanatory statement preceding or accompanying the risk-based glide path illustration be helpful to investors? What information would be necessary? Should we prescribe the particular content of the statement? Should any of the following information be required in an explanatory statement: (i) The investment risk level changes over time; (ii) the landing point; (iii) an explanation that the investment risk level becomes fixed at the landing point and the projected risk level at the landing point; (iv) whether, and the extent to which, the intended risk levels may be modified without a shareholder vote; and (v) an explanation of risks that are not captured by the illustration? Should the statement be required to use particular language? Should any particular presentation requirements, such as font size or style, apply to the statement that is required to accompany the risk-based glide path illustration?

• Should radio and television advertisements be required to include information about a target date fund's risk-based glide path? What information should be required to be included in radio and television advertisements? For example, is there a means of effectively communicating information comparable to that contained in a risk-based glide path illustration in radio or television advertisements?

• Should information about a target date fund's risk-based glide path be required in marketing materials that are submitted for use on or after the landing point?

• Are there alternative presentations of risk-based measures that would be more helpful to target date fund investors than a risk-based glide path? For example, would it be more helpful to require disclosure of risk measure targets at particular points in time (*e.g.,* target date, landing point) rather than requiring an illustration over the whole life of a target date fund? If so, which points in time would be most important to investors? Should the measures, for example, focus on the target date, landing point, and/or the time period within 5 to 10 years before and after the target date?

Placement of Risk-Based Glide Path Illustration. We request comment on the materials, if any, in which a risk-based glide path illustration for target date funds should be included.

• Are marketing materials for target date funds an appropriate location for inclusion of a risk-based glide path illustration or other information about risk measures? Should illustrations instead be part of the mandated disclosures in a fund's summary prospectus, statutory prospectus, statement of additional information, shareholder reports, or other reports to the Commission?

Calculation of Risk Measures. We request comment on whether required risk measures, if adopted in final rules, should be based on a standardized methodology or methodologies developed by the Commission.

• Should we try to enhance comparability among target date funds by prescribing a standardized methodology for computing a fund's historical and/or projected risk levels?

• What are the parameters and assumptions that the Commission would need to specify in order to prescribe a standardized methodology, *e.g.,* the measures to be used, benchmarks, time periods over which calculated?

• For risk measures that are calculated using a benchmark index (*e.g.,* beta), what issues, if any, are associated with the selection of an appropriate benchmark? Do any quantitative risk measures rely on assumptions, other than a benchmark, that could lead to lack of standardization if not specified by the Commission? Can quantitative risk measures be manipulated, and how do the various measures differ in their susceptibility to manipulation? How can the potential for such manipulation be reduced or eliminated?

• Should the risk measures reflect the target date fund's predictions about future risk or goals related to future risk? In what manner should these risk measures incorporate historical data from a particular target date fund or group of target date funds? To what extent can historical data predict future risk?

• If a forward-looking risk measure is used, should the risk measure be calculated using portfolio-based computation, which calculates a portfolio risk measure at each point in time based on the historical behavior of the securities or asset classes that the portfolio is expected to include at that point in time? Should the risk measure instead be a risk objective or target? Do the merits of each approach differ among funds or groups of funds with significant operating histories, new funds, and/or funds that have flexibility to change their risk-based glide paths?

• If a standard based on historical risk characteristics were adopted, what requirements should be imposed on funds with a short operating history?

• Persons submitting comments are also asked to describe as specifically as possible the computation method they would recommend for any quantitative risk measure they favor. For example, persons favoring standard deviation should specify whether monthly returns, quarterly returns, or returns over some other period should be used. As another example, persons favoring beta should describe the benchmark or benchmarks that should be used. Persons submitting comments are also asked to discuss the benefits and limitations associated with their recommended method of computation.

Impact on Investors. We request comment on the impact that disclosure of risk measures and risk-based glide paths would have on investors.

• Would investors in target date funds be likely to understand risk measures, or any related illustrations based on those measures? What means could be used to present risk measures for target date funds in a way that would be understandable to investors? Could investors interpret risk-based illustrations as predicting the future returns of the fund? Can future risk levels of a target date fund be projected in a manner that is likely to be accurate? Could the use of projected or target risk measures be misleading and, if so, under what circumstances?

• Would investors be confused if a measure of risk is characterized as ''risk''? Should the disclosure of risk measures use the term ''risk,'' or some other term such as volatility, variance, or variability? Should the terminology distinguish investment risk from other risks, *e.g.,* inflation risk or longevity risk?

• How would investor behavior be affected by disclosure of a particular risk measure? Could disclosure of risk measures influence investors to choose investments that better align with their individual investment objective or could it reduce alignment between investment objectives and investor behavior? For example, could disclosure of risk measures influence investors to choose lower or higher risk investments than would be consistent with their goals for accumulating retirement assets? Commenters are asked to provide their views and any supporting data about the impact of risk measures on investor behavior.

• One potential effect of risk disclosures may be to cause investors or fund managers to place too much importance on the prospect of investment loss. This effect could potentially be offset by counterbalancing information on the prospect of investment gains. To what extent should investors receive information on future expected returns on investment to accompany information on risk? Would investors understand what the information would portray? Would such information cause investors to believe that the expected returns imply some level of guarantee or projection of future performance? How should this expected return be computed if it is required? If investors are to receive this information, how best should it be disclosed or presented? Should expected return information be provided as a statistic separate from risk measures or integrated with risk measures as with a confidence interval for returns?

• Would forward-looking disclosures such as projected future volatility (or other risk measures) or expected returns give rise to potential liability concerns? If so, what relief would be necessary to allow funds to provide such disclosures?

• To what extent might special emphasis on investment risk level or asset allocation cause investors to prioritize investment risk at a particular moment in time over longevity risk, inflation risk, or other risks? Should we require additional disclosure to focus investor attention on inflation risks and longevity risks? Are there useful measures of risk that reflect longevity and inflation risk as well as investment risk?

Effects on Portfolio Management. We recognize that required disclosures may affect the management of a fund, such as by causing a fund to adopt investment strategies that result in disclosure that could be perceived more favorably by investors.

• Comments are requested regarding whether, and how, disclosure of a quantitative risk measure or risk-based glide path for target date funds might influence portfolio management. What would be the associated benefits and detriments? For example, might disclosure of a risk measure by target date funds cause those funds to become more conservative either throughout their glide paths or at certain points on the glide path? If so, how would this affect investors, including investors who are accumulating assets for retirement? Commenters are asked to provide data about the impact of risk measures on portfolio management decisions.

Benefits and Costs. We request comment on the benefits and costs of possible risk disclosure requirements.

• What would be the benefits and costs of requiring a glide path illustration for target date funds that is based on a standardized measure of fund risk as either a replacement for, or supplement to, our proposed asset allocation glide path illustration and adopting a standard methodology or methodologies to be used in the risk-based glide path illustration? What effects would such a requirement have on efficiency, competition, and capital formation? For instance, would such disclosure increase allocative efficiency by increasing the transparency of the underlying risks of target date investing? Would it have an effect on competition among target date funds or between target date funds and other types of investment options? Commenters are requested to provide empirical data and other factual support for their views to the extent possible.

• If we were to require disclosure of a risk-based glide illustration, what changes in behavior by either investors or target date fund managers may result, and what would be the associated benefits and costs?

• To what extent do target date fund managers already undertake risk analysis in the course of prudent risk management? Do target date funds already calculate the types of risk measures discussed above? If so, how and in what form? Is there an industry standard for calculation of risk measures, and, if so, what is it?

• If a target date fund does not already calculate the risk measures discussed above, what would the costs—such as programming costs—of calculating such measures be?

• How would the costs and the effects on efficiency, competition, and capital formation of requiring disclosure of a risk-based glide path compare with the costs and effects of the proposed requirements? For example, would a risk-based glide path enhance comparability across different target date funds?

Dated: April 3, 2014.

By the Commission.

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2014–07869 Filed 4–8–14; 8:45 am]

BILLING CODE 8011–01–P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 147

[Docket Number USCG–2013–0874]

RIN 1625–AA00

Safety Zones, Facilities on the Outer Continental Shelf in the Gulf of Mexico

AGENCY: Coast Guard, DHS.

ACTION: Notice of Proposed Rulemaking.

SUMMARY: The Coast Guard proposes to establish safety zones around four Chevron North America (Chevron) facilities located on the Outer Continental Shelf (OCS) in the Gulf of Mexico. The facilities are as follows: The Jack & St Malo Semi-Sub Facility located in Walker Ridge Block 718; The Petronius Compliant Tower Facility located in Viosca Knoll Block 786; The Blind Faith Semi-Sub Facility located in Mississippi Canyon Block 650; and The Tahiti SPAR Facility located in Green Canyon Block 641.

The purpose of these safety zones is to protect each facility from vessels operating outside the normal shipping channels and fairways. Placing a safety zone around each facility will significantly reduce the threat of allisions, oil spills, and releases of natural gas, and thereby protect the safety of life, property, and the environment.

DATES: Comments and related material must be received by the Coast Guard on or before May 9, 2014.

ADDRESSES: You may submit comments identified by docket number USCG–2013–0874 using any one of the following methods:

(1) *Federal eRulemaking Portal: http://www.regulations.gov.*

(2) *Fax:* 202–493–2251.

(3) *Mail or Delivery:* Docket Management Facility (M–30), U.S. Department of Transportation, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE., Washington, DC 20590–0001. Deliveries accepted between 9 a.m. and 5 p.m., Monday through Friday, except federal holidays. The telephone number is 202–366–9329. See the ''Public Participation and Request for Comments'' portion of the **SUPPLEMENTARY INFORMATION** section below for further instructions on submitting comments. To avoid duplication, please use only one of these three methods.

FOR FURTHER INFORMATION CONTACT: If you have questions on this proposed rule, call or email Mr. Rusty Wright, U.S. Coast Guard, District Eight Waterways Management Branch; telephone 504–671–2138, *rusty.h.wright@uscg.mil.* If you have questions on viewing or submitting material to the docket, call Cheryl F. Collins, Program Manager, Docket Operations, telephone (202) 366–9826.

SUPPLEMENTARY INFORMATION:

Table of Acronyms

DHS Department of Homeland Security
USCG United States Coast Guard
FR **Federal Register**
NPRM Notice of Proposed Rulemaking
OCS Outer Continental Shelf

A. Public Participation and Request for Comments

We encourage you to participate in this rulemaking by submitting comments and related materials. All comments received will be posted without change to *http://www.regulations.gov* and will include any personal information you have provided.

1. Submitting Comments

If you submit a comment, please include the docket number for this rulemaking, indicate the specific section of this document to which each comment applies, and provide a reason for each suggestion or recommendation. You may submit your comments and material online at *http://www.regulations.gov,* or by fax, mail, or hand delivery, but please use only one of these means. If you submit a comment online, it will be considered received by the Coast Guard when you successfully transmit the comment. If you fax, hand deliver, or mail your comment, it will be considered as having been received by the Coast Guard when it is received at the Docket Management Facility. We recommend that you include your name and a mailing address, an email address, or a telephone number in the body of your document so that we can contact you if we have questions regarding your submission.

To submit your comment online, go to *http://www.regulations.gov,* type the docket number [USCG–2013–0874] in the ''SEARCH'' box and click ''SEARCH.'' Click on ''Submit a Comment'' on the line associated with this rulemaking.

If you submit your comments by mail or hand delivery, submit them in an unbound format, no larger than 8½ by 11 inches, suitable for copying and electronic filing. If you submit comments by mail and would like to know that they reached the Facility, please enclose a stamped, self-addressed postcard or envelope. We will consider all comments and material received during the comment period and may change the rule based on your comments.

2. Viewing Comments and Documents

To view comments, as well as documents mentioned in this preamble as being available in the docket, go to *http://www.regulations.gov,* type the docket number (USCG–2013–0874) in the ''SEARCH'' box and click ''SEARCH.'' Click on Open Docket Folder on the line associated with this rulemaking. You may also visit the Docket Management Facility in Room W12–140 on the ground floor of the Department of Transportation West Building, 1200 New Jersey Avenue SE., Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

3. Privacy Act

Anyone can search the electronic form of comments received into any of our dockets by the name of the individual submitting the comment (or signing the comment, if submitted on behalf of an association, business, labor union, etc.). You may review a Privacy Act notice regarding our public dockets in the January 17, 2008, issue of the **Federal Register** (73 FR 3316).

4. Public Meeting

We do not now plan to hold a public meeting. But you may submit a request for one, using one of the methods specified under **ADDRESSES**. Please explain why you believe a public meeting would be beneficial. If we determine that one would aid this rulemaking, we will hold one at a time and place announced by a later notice in the **Federal Register**.

B. Basis and Purpose

Under the authority provided in 14 U.S.C. 85, 43 U.S.C. 1333, and Department of Homeland Security Delegation No. 0170.1, Title 33, CFR Part 147 permits the establishment of