DWIGHT
ASSET MANAGEMENT COMPANY

November 9, 2006

Office of Regulations and Interpretations
Employee Benefits Security Administration
Room N-5669
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

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Attn: Default Investment Regulation

Ladies and Gentlemen:

We submit the following comments on the proposed regulation on default investment alternatives under participant-directed individual account plans, published at 71 Fed. Reg. 56,806(Sept. 27, 2006).

We have worked closely with the Stable Value Investment Association ("SVIA") in reviewing the definition of a "qualified default investment alternative" ("QDIA") and broadly support their submission. Specifically, we believe the definition limiting a QDIA to three categories, excluding stable value funds, is too narrowly defined.

Dwight Asset Management Company is a wholly-owned, independently operated subsidiary of Old Mutual plc, an international financial services company with global operations in asset management, banking, and insurance. Dwight specializes in managing fixed income and stable value assets for a broad range of institutional clients including public company defined contribution plans and commingled funds used by defined contribution plans. As of June 30, 2006, we managed over $57 billion on behalf of our clients.

We are supportive of the Department's efforts to provide greater clarity to plan fiduciaries regarding selection of QDIA's. However, we believe it is in the best interest of plan participants and fiduciaries to include stable value funds within that definition based partially upon the following reasons:

1) Unique risk/return characteristics of stable value funds – since the inception of these funds in the late 80's, they have consistently provided plan participants an investment option that delivers capital preservation and income returns similar to intermediate bond funds. Historically, performance has been substantially higher than money market funds, without the price volatility inherent in bond funds.

2) Broad dispersion of participant investment goals and risk tolerances within defined contribution plans - participant investment is influenced by income, age, job tenure and plan features. Stable value funds are widely used by all types of

investors, making it a core component of retirement investment for most defined contribution plan participants. Plan fiduciaries are challenged to provide a broad menu of investments that offer a range of risk characteristics for participants. Given differences in the timing and duration of participant investments in qualified plans and the volatility of equity and bond markets, it is necessary that fiduciaries should have the latitude to offer a capital preservation option within the confines of the safe harbor.

3) Lower cost of stable value funds when compared to proposed QDIA's – the historical benefit of stable value funds extends to the relatively low cost of such options, especially when compared to the types of options being proposed as QDIA's. Fiduciaries should have the option of offering a cost effective stable value fund that provides principal preservation and competitive returns.

We believe plan fiduciaries, based upon these and other decision criteria more fully described in the SVIA submission, may reasonably decide it is prudent to offer a stable value fund as the designated default option. We believe they should be able to offer a stable value fund without incurring greater risk of liability because such funds are not included as QDIA's.

We urge you to reconsider the limited scope of your definition of QDIA's for the benefit of plan participants and fiduciaries.

Thank you for consideration of our comments. Should you have any questions regarding our submission, please contact the undersigned at (503) 595-0652 or our internal counsel, Veronica Fallon, at (802) 383-4055.

Sincerely,

William F. Gardner

William F. Gardner
Senior Vice President