Vanguard

It's all about balance

Target-date investments help you spend less time on retirement planning—and more time on fun.

A target-date investment saves you time and effort by making it easier to choose investments. And they're available to you in your retirement plan.

Why are target-date investments so popular?

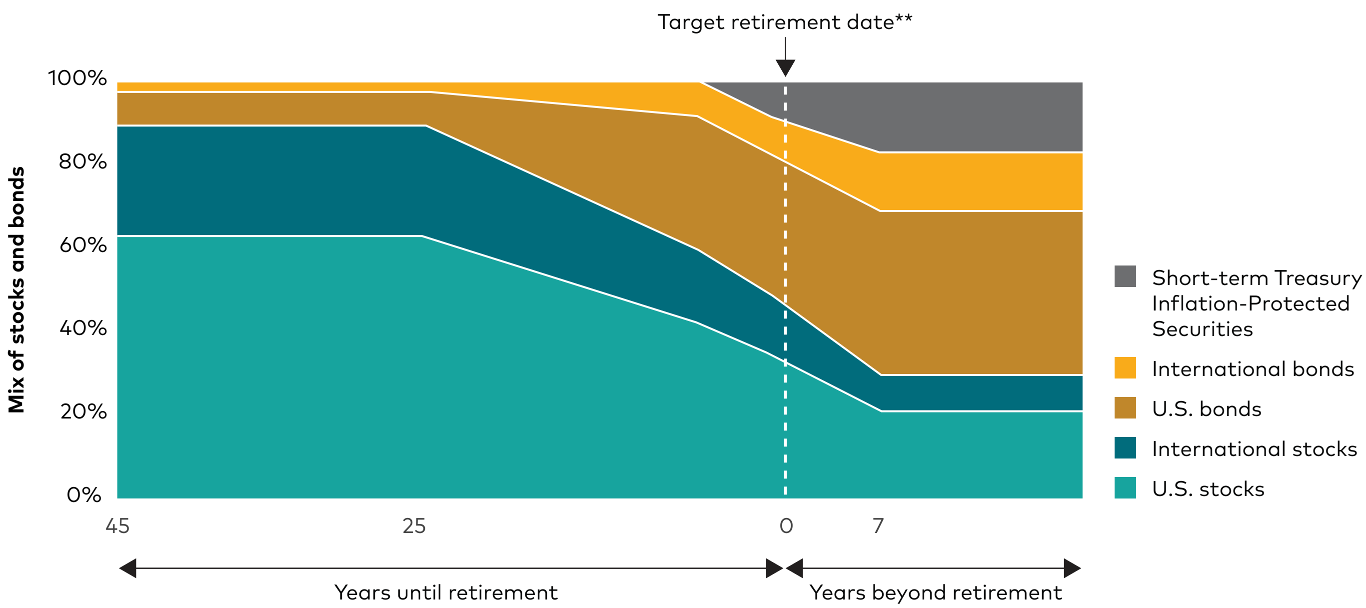
Eighty percent of participants in a retirement plan with Vanguard use target-date investments.* Why are these investments so popular among investors? Because they're so simple. With one target-date investment, you can have a mix of investments that's right for you now—and will likely be right for you as you move into retirement.

When it comes to investing, there are two primary choices: stocks and bonds. Stocks are riskier than bonds but tend to offer greater potential reward over time. You can determine the mix of stocks and bonds that you think is right for you—or choose just one target-date investment and let the investment professionals do that for you.

The year in the investment name is the target date. As you get closer to retirement, your investment will become less risky as it invests more in bonds and less in stocks. And about seven years after the target date, the investment will settle into a mix that makes sense for most retirees drawing income. The chart below shows you what that means.

***Source:** *How America Saves: 2021*, Vanguard, June 2021.

How the mix of stocks and bonds changes over time



Source: Vanguard.

**Target retirement date is the year stated in the investment name and assumes retirement at age 65.

A note about risk

Whenever you invest, there's a chance you could lose the money. Target-date investments are subject to the risks of their underlying funds. The year in the investment's name refers to the approximate year (the target date) when an investor would retire and leave the workforce. The investment will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. A target-date investment is not guaranteed at any time, including on or after the target date.

How to choose a target-date investment

If you were born in ...	Consider* ...
2003 or later	Target-date 2070 investment
1998–2002	Target-date 2065 investment
1993–1997	Target-date 2060 investment
1988–1992	Target-date 2055 investment
1983–1987	Target-date 2050 investment
1978–1982	Target-date 2045 investment
1973–1977	Target-date 2040 investment
1968–1972	Target-date 2035 investment
1963–1967	Target-date 2030 investment
1958–1962	Target-date 2025 investment
1953–1957	Target-date 2020 investment
1952 or earlier	Target-date income investment

*Assumes an anticipated retirement age of 65.

Consider Rena. Rena was born in 1981. She doesn't know exactly when she will retire, but she will reach age 65 in 2046. So Rena decides to invest in a target-date 2045 investment.

Although Rena chose the investment closest to her expected retirement year, you don't have to. You could choose one with a later target date if you prefer a more aggressive investment mix. On the other hand, if you'd prefer a less risky mix, you could choose one with an earlier target date.

If you're already retired, you may want to consider the target-date income investment. This investment is designed for retirees who want current income and some capital appreciation.

You're never locked in to a particular target-date investment. Maybe your attitude toward risk will change. Or you could decide to retire earlier or later. It's a good idea to check the investment's mix at least once a year to make sure it still matches your goals.

Before you invest, get the details. Consider the fund's objective, risks, charges, and expenses. The fund's prospectus (or summary prospectus, if available) will tell you these important facts and more. So read it carefully. To get one for any Vanguard fund, contact the company that sends your retirement plan statements.

Bond funds are made up of IOUs, primarily from companies or governments. These funds risk losing value if the debt isn't repaid on time. Also, bond prices can drop when interest rates rise or the issuer's reputation suffers.

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