

# Target date funds: A single solution to help save for retirement

*Investing for retirement doesn't have to be complicated. If you are looking for a straightforward way to invest for your retirement goals, then a target date fund may be a good option for you.*

## WHAT IS A TARGET DATE FUND?

A target date fund is a single investment that is diversified and is managed for the date on which you expect to retire, also called the target date. Most target date funds use a “fund of funds” strategy and invest in a portfolio of other investments. The asset allocation or mix of equity and fixed income investments gradually adjusts from more aggressive to more conservative as the target retirement date approaches.

An important feature of any target date fund is the “glidepath,” or how the fund’s asset mix moves over time as you near retirement. Typically, the fund’s glidepath design factors in the potential for returns as well as possible sources of investment risk. The fund invests in a broad range of assets classes that can include equity, fixed income and even alternatives, such as directly-held commercial real estate.

## GLIDEPATH DESIGN

# 1

### During your early working years

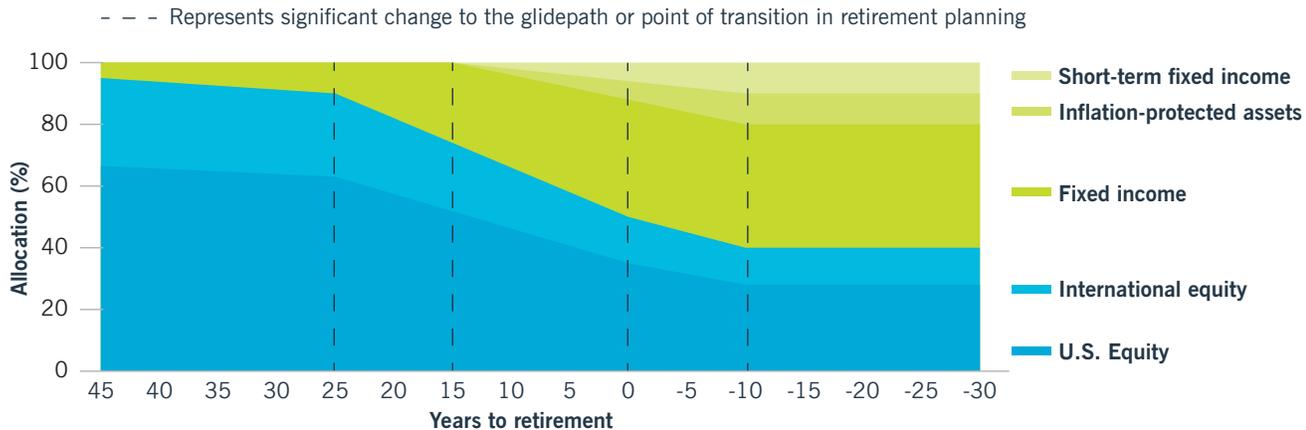
*The fund is invested more heavily in equity investments to provide greater opportunity for asset growth.*

# 2

### As you approach your retirement date

*The fund evolves over time to hold an increasing share of fixed-income investments to potentially lower risk and increase the stability of returns.*

## Sample target date fund glidepath



## Why choose a target date fund?

With a target date fund, you no longer have to worry about the often complex task of managing your assets and can rely on professional investment managers to make ongoing asset allocation decisions for the fund. A primary advantage of target date funds is that your retirement portfolio can be well diversified without having to choose a number of different investments or funds on your own.<sup>1</sup> You don't have to worry about rebalancing your portfolio over time as the portfolio managers maintain the target allocations that are based on proximity to the target retirement date.

## HOW TO INVEST IN A TARGET DATE FUND:

- Before investing in a target date fund, be sure you're comfortable with its glidepath design, which you can learn about in the fund's prospectus or on its website.
- Bear in mind that a target date fund, like any investment, is subject to asset allocation risk and general market risk. A target date fund's principal value is not guaranteed at any time, including in the target year.

Consider seeking guidance from a professional financial advisor. Deciding if a target date fund is best for you can be a challenge. A trusted professional financial advisor can offer valuable guidance.

## For more information, contact your TIAA Representative or visit [TIAA.org](https://www.tiaa.org).

<sup>1</sup> Diversification does not insure against market loss.

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The target date is the approximate date when investors plan to start withdrawing their money.

*Target date mutual funds share the risks associated with the types of securities held by each of the underlying funds in which they invest.*

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