

# Target-Date Funds

*Three gauges labeled Financial Needs, Risk Tolerance, and Priorities appear on the screen. The labels pulse larger and smaller.* **Narrator:** “As an investor, your financial needs, risk tolerance, and priorities are likely to evolve over time. That means your portfolio strategy may need to change over the years as well -- even if only in small steps.”

*Different time periods stream across the screen, ranging from 10 years to 40 years, then the words Target-Date Funds appear.* **Narrator:** “But how do you keep your portfolio on track and risk-appropriate throughout the years leading to retirement? One simple way is by investing in target-date funds. Here's how they work...”

*Pie charts appear above different dates, ranging from 2030 to 2045. Each pie chart is divided differently.* **Narrator:** “Simply choose a fund with a date in its name that matches the approximate date you plan to start withdrawing your money. Investment selection and rebalancing is done for you automatically.”

*The scene changes to a golf course. A golf ball rolls toward a flagged hole and goes in.* **Narrator:** “Each fund follows what's known as a glidepath.”

*A golf ball rolls down an inclined ramp labeled Risk toward a flag labeled Retirement Date, passing labels that indicate 40, 30, 20, and 10 years to retirement.* **Narrator:** “The glidepath determines the change in asset allocation over time, from a more aggressive allocation when you're young to a more conservative allocation as you approach retirement.”

*The golf ball transforms to a bar chart, with different colored bars moving up and down.* **Narrator:** “But target-date funds should not be seen as a set-it-and-forget-it solution. You'll still want to monitor fund holdings to make sure they accurately reflect your changing priorities and risk profile.”

*The scene changes to a person driving a golf cart. A box labeled Target-Date Fund 2040 drops into the back of the cart. The cart then passes a man pointing to a sign that says Investment Portfolio.* **Narrator:** “Keep in mind that target-date funds are normally used as the primary -- or single -- holding in a retirement portfolio. So make sure to give careful thought when mixing a target-date fund with other investments.”

*The words of the narrator appear on the screen.* **Narrator:** “Finally, remember that target-date funds are not guaranteed to reach any specific value by their target date, and may decline in value. Principal is not guaranteed at any time, including the target date.”

*The final screen appears, which reads, It's your future. Start planning today.*