

It's all about the date.

We noticed that you may be investing in a target date fund that does not match your retirement date.

How target date funds work

- The fund date you pick determines how much risk the manager takes on.
- Once you pick a date, the fund manager chooses the mix of investments that's right for you.
- Early on, the fund manager takes on more risk (more equities) to grow your money.
- Then they choose less risky investments (more fixed income) as you get closer to the date you picked.



We understand that your workplace retirement savings plan is only part of your overall investments and you may have done this on purpose. This is a friendly reminder to review your investment approach regularly and make sure your investment mix matches your financial goals, whatever they may be.

You only need one fund per product



What happens when you reach your target date? Eventually, your money automatically goes in a lower risk fund to protect your investment!

This is for educational purposes only. Your target date funds will look different.

Life's brighter under the sun



Here's how two employees use target date funds differently

Sonia and Patrick chose target date funds because they were under the **Help me do it** investment approach, and they're meant to be easy.



Sonia



Patrick

Wrong fund for her

Sonia plans on using the money she's saving when she retires in 2040. She just signed up, and chose the date closest to today's date: the 2025 fund.

Once the 2025 fund matures, the money moves into a low-risk retirement fund. This means her investment mix will be a lot more conservative than she would like. Since she still has almost 20 years until retirement, that's a long time to have a low-risk investment, with lower returns. It could mean she doesn't earn enough investment returns to retire on time.

Sonia realized her mistake, and decided to move her money into the 2040 fund.

Right funds for him

Patrick has lots of saving goals. A new car, a home, and eventually, retirement. He has a few different products that he uses for these different goals.

In one product, he chose the 2025 target date fund. It should mature just in time for him to buy the car.

In another product for his house savings, he chose the 2030 fund. And for his retirement money, he chose the 2060 fund.

Since he has more than one goal with different timelines, choosing a target date fund different than his retirement date made sense for him.

Review and change your investments

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