



Vanguard Target Retirement Funds

Outwardly Simple. Inwardly Sophisticated.®



Vanguard®

A Target Retirement Fund offers the simplicity of a complete portfolio in a single fund. Each fund invests in several broadly diversified Vanguard funds. As the target date in the fund's name draws near, its investment mix becomes more conservative. Through this sophisticated approach, a single Target Retirement Fund is meant to serve you throughout both your career and retirement.

A one-fund approach to investing

Vanguard Target Retirement Funds are an outwardly simple, inwardly sophisticated way to invest throughout your career and into retirement. A single Target Retirement Fund can serve as a complete, diversified retirement portfolio.

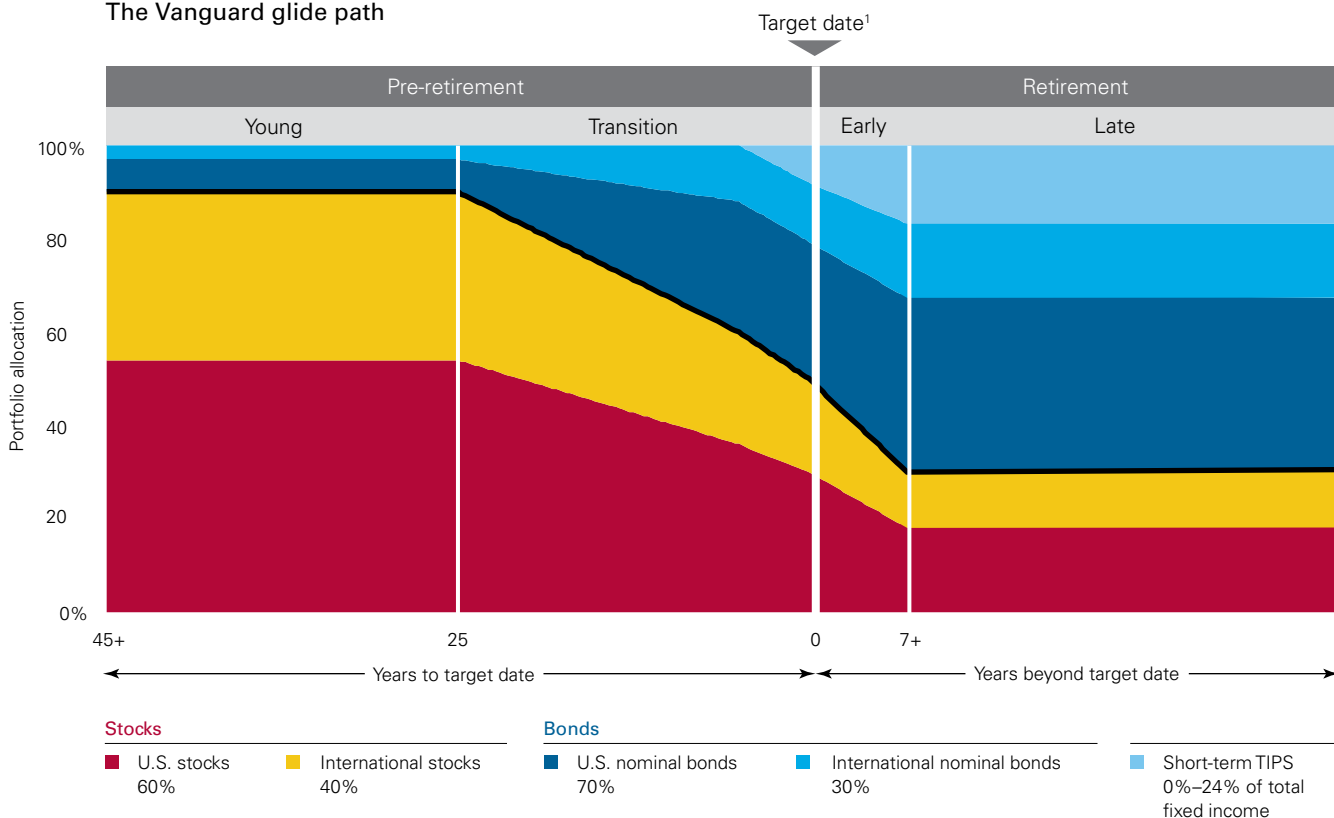
How Target Retirement Funds work

Each Target Retirement Fund invests in several Vanguard funds, all low-cost index funds, to create a broadly diversified mix of stocks and bonds. The year in a Target Retirement Fund's name is its target date, the approximate year in which an investor in the fund expects to retire and leave the workforce.

A Target Retirement Fund will hold more stocks the further it is from its target date, seeking higher potential growth. Stocks also have the highest risk of loss. To reduce risk as the target date approaches, Vanguard's investment managers will gradually decrease the fund's stock holdings and increase its bond holdings. Bonds usually have a lower risk of loss, though they also have lower potential gains.

Keep in mind that a Target Retirement Fund is subject to the risks of its underlying funds. Its returns are not guaranteed, and investing in one does not ensure that you will have enough income in retirement.

The Vanguard glide path



Source: Vanguard.

1 Target date is the year stated in the fund name and assumes retirement at age 65.

How to choose a Target Retirement Fund

Consider the Target Retirement Fund with the target date closest to the year you plan to retire. If you haven't planned that far ahead, you can use the year you'll reach your full Social Security retirement age (66 or 67, depending on when you were born).

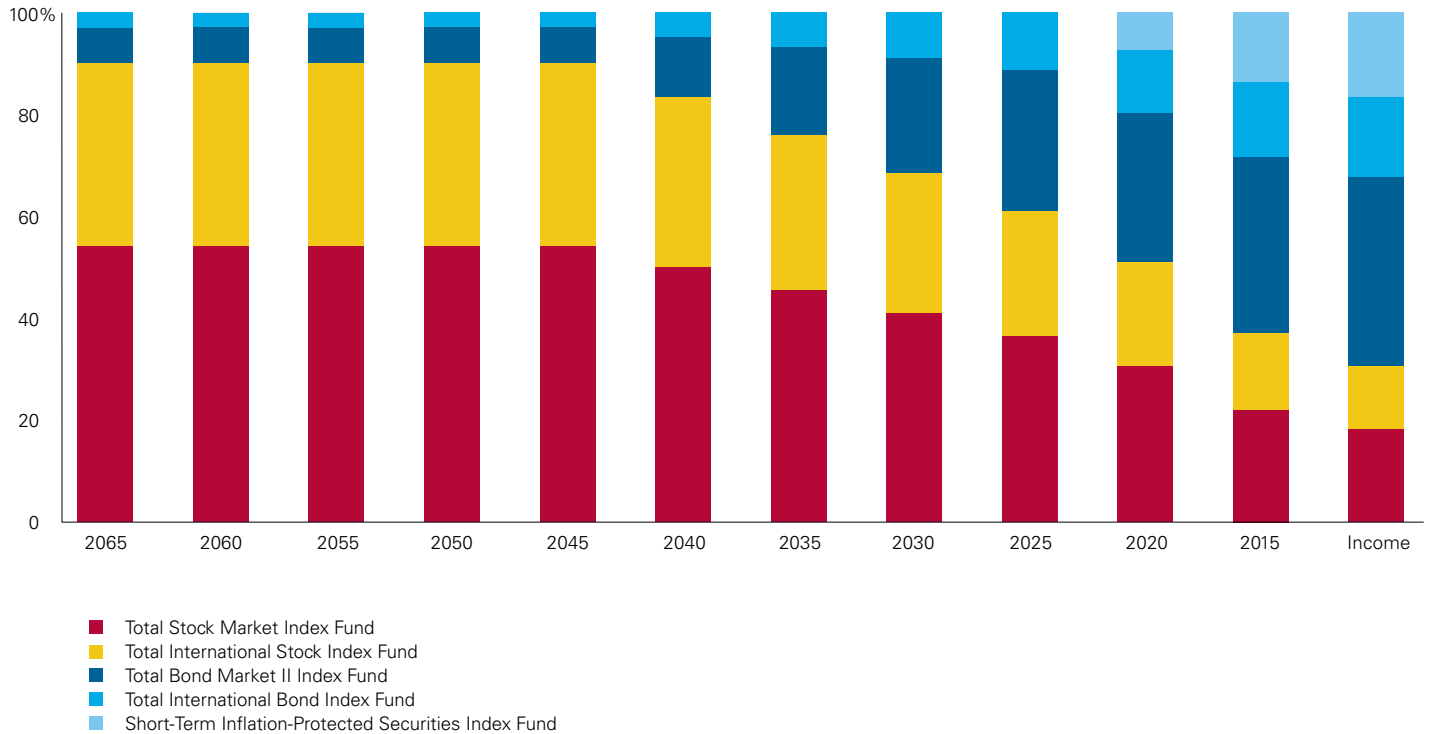
You don't have to choose the fund that matches your expected retirement year. Once you review that fund's mix of stocks and bonds, you could choose a fund with a later target date if you'd prefer a more aggressive

investment mix. On the other hand, if you'd prefer a more conservative mix, you could choose a fund with an earlier target date.

Talk to your financial advisor about which fund best meets your circumstances. Because your situation could change over time, it may be a good idea to periodically review your asset mix with your advisor to make sure it matches your goals and risk tolerance. You're never locked into a particular fund.

Target Retirement Fund investment mixes

Allocation to underlying funds
as of December 31, 2019



Note: Allocations for the date-specific funds will shift their emphasis (from stocks to bonds) over time based on an assumed retirement age of 65. If you think you will retire significantly earlier or later, you may want to consider a fund with more appropriate asset allocation.

The target date is not the end

Nothing special happens when a Target Retirement Fund reaches its target date. The fund doesn't stop investing, and you don't need to take your money out of the fund. The gradual move from stocks to bonds simply continues. Target Retirement Funds are designed to keep your money invested appropriately throughout your retirement years.

About seven years after a fund reaches its target date, its investment mix is expected to match that of Vanguard Target Retirement Income Fund, which is designed to provide current income and some capital appreciation to retirees.

The Income Fund still invests a portion of its assets in stocks. It may seem that stocks and their risks have no place in the portfolio of a retiree. However, keep in mind that retirement may last a long time. While continuing to invest in stocks does expose the Income Fund to market risk, the long-term growth potential of stocks can help your buying power to keep up with inflation.

A note about risk

All investing is subject to risk, including the possible loss of the money you invest. Investments in Target Retirement Funds are subject to the risks of their underlying funds. The year in the fund name refers to the approximate year (the target date) when an investor in the fund would retire and leave the workforce. The fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. An investment in a Target Retirement Fund is not guaranteed at any time, including on or after the target date. There is no guarantee that any particular asset allocation or mix of funds will meet your investment objectives or provide you with a given level of income. Bond funds are subject to the risk that an issuer will fail to make payments on time, and that bond prices will decline because of rising interest rates or negative perceptions of an issuer's ability to make payments. Investments in stocks or bonds issued by non-U.S. companies are subject to risks including country/regional risk and currency risk. Because each Target Retirement Fund invests in Vanguard Total International Bond Index Fund, each fund is subject to currency hedging risk, which is the chance that currency hedging transactions may not perfectly offset the fund's foreign currency exposures and may eliminate any chance for a fund to benefit from favorable fluctuations in those currencies. The funds will incur expenses to hedge the currency exposures. Diversification does not ensure a profit or protect against a loss. Talk to your advisor about which Target Retirement Fund is appropriate for your life situation and risk tolerance.

Financial advisors: Visit advisors.vanguard.com or call 800-997-2798.

For more information on Vanguard funds or Vanguard ETFs, contact your financial advisor to obtain a prospectus or, if available, a summary prospectus. Investment objectives, risks, charges, expenses, and other important information are contained in the prospectus; read and consider it carefully before investing.



Vanguard®

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