



**Q: Why do some Target Retirement Funds have the same investment mix?**

**A:** Target Retirement Funds with dates far into the future may have the same investment mix because retirement is a long-term goal for younger investors. But because those investors will retire in different years, the Target Retirement Funds they choose will grow more conservative at different rates.

**About Vanguard**

Most investment firms are either publicly traded or privately owned. Vanguard is different: We're owned by the Vanguard funds, which are owned by our clients. Helping our investors achieve their goals is literally our sole reason for existence. With no other parties to answer to and therefore no conflicting loyalties, we make every decision—including the decision to keep investing costs as low as possible—with only your needs in mind.

# Investing for retirement doesn't have to be complicated

Vanguard Target Retirement Funds



**Participant Education**

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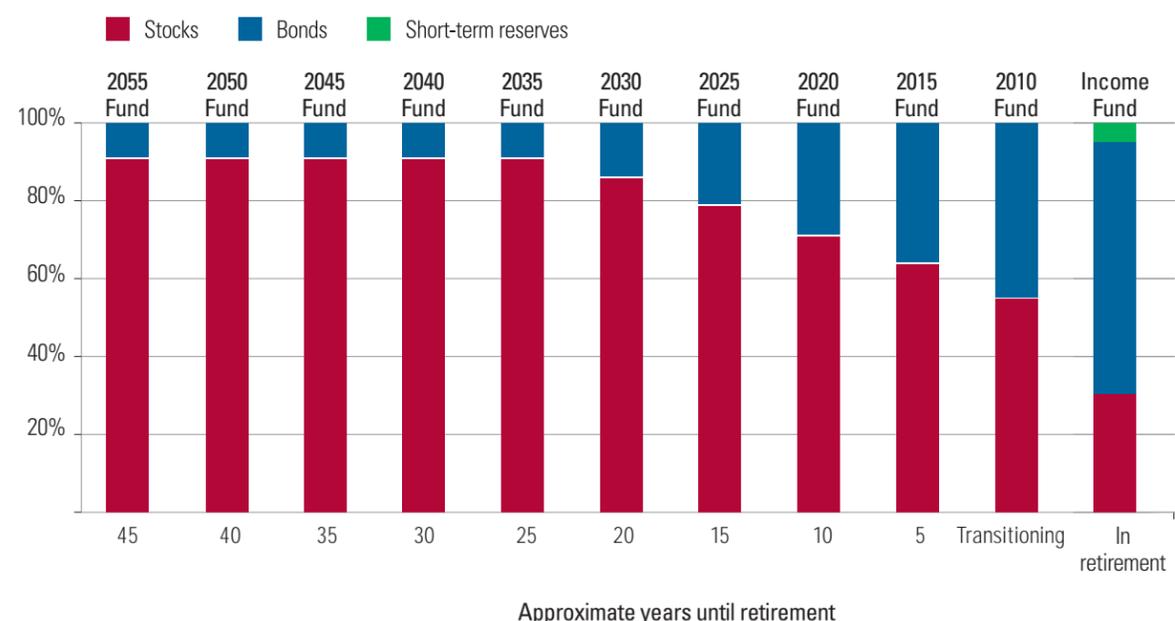
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# Choosing a Target Retirement Fund

Just consider picking the date-specific fund that's closest to your expected retirement year. For example, if you think you are going to retire in 2038, you would consider selecting Vanguard Target Retirement 2040 Fund.

Target Retirement Fund investment mixes



# A quick Q&A

## Q: What are Target Retirement Funds?

**A:** Target Retirement Funds are broadly diversified funds that gradually and automatically shift to more conservative investments as their target dates approach. You may want to consider investing in just one Target Retirement Fund. A single Target Retirement Fund can provide diversification and is designed to keep your assets invested appropriately for someone in your stage of life, up to and including your retirement years.

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 (stocks) to more conservative ones (bonds and short-term reserves) 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.

All investing is subject to risk. Investments in bond funds are subject to interest rate, credit, and inflation risk. Diversification does not ensure a profit or protect against a loss in a declining market.

## Q: How are Target Retirement Funds invested?

**A:** Each Target Retirement Fund invests in several Vanguard funds to form a broadly diversified mix of stocks, bonds, and short-term reserves. Vanguard's long history includes the introduction of the first index mutual fund for individual investors in 1976.

## Q: What if I plan to retire in a year that falls between two Target Retirement Fund target dates?

**A:** Consider choosing the fund closest to your expected retirement date. For example, if you expect to retire in 2039, consider Vanguard Target Retirement 2040 Fund.

## Q: Could a Target Retirement Fund be appropriate for a new investor?

**A:** Yes, because you have potentially only one decision to make—which Target Retirement Fund suits your risk tolerance and goals. Vanguard assembles and manages a mix of investments designed for your stage of retirement planning.

## Q: Could a Target Retirement Fund be appropriate for an experienced investor who lacks the time or inclination to manage his or her money?

**A:** Yes. Target Retirement Funds allow you to implement sophisticated investing strategies while leaving the time-consuming details of portfolio management to Vanguard, your plan provider. Target Retirement Funds allow you to take advantage of Vanguard's years of experience as one of the world's largest investment management companies.

## Q: Can I lose money in a Target Retirement Fund?

**A:** Yes. As with most investments, Vanguard Target Retirement Funds go up and down in value based on market fluctuations. However, Vanguard manages the funds with your long-term goal of retirement in mind, while keeping a strict focus on appropriate diversification and low costs. Your fund's investments automatically become more conservative as you approach and enter retirement.