TARGET DATE FUNDS
UNDERSTAND YOUR CHOICES

If you're not familiar with target date funds, don't worry. The explanation is pretty much right in the name.

You pick your estimated retirement year, and a target date fund diversifies your investments across a mix of stocks and bonds. The fund gradually adjusts its investment strategy to become more conservative as the target date approaches. This is designed to protect against market losses when you near retirement.

As with all investments, target date funds aren't foolproof. They're subject to the same risks as the assets they hold. In general, the larger the stake in stocks, the greater the risk. That may not be a big problem if your target is decades away and you have time to recoup losses and take advantage of any market upswings. But if you expect to retire in just a few years, an ill-timed, across-the-board market crash could put a crimp in your plans.

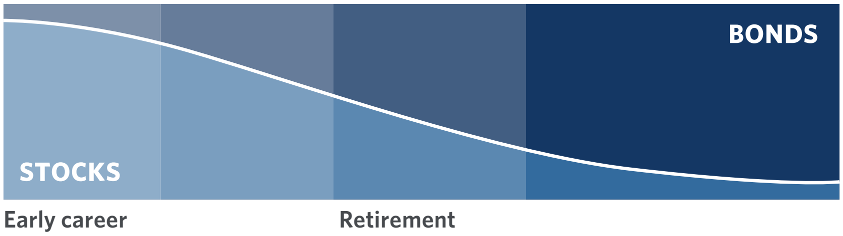
KNOW THE FACTS

A fund's target date really represents an allocation. That's the mix of stocks, bonds, and other investments the fund aims to hold by its target year. The allocation mix is based on a "glide path," or the schedule of asset shifts the fund makes over time. The date doesn't mean your account will never lose money, or that your account will be fully funded by then. Indeed, growing a viable nest egg depends mostly on three factors: how much you save, how much income you'll need in retirement, and how you allocate your investments.

KNOW YOUR GLIDE PATH

Make sure you're comfortable with the asset shifts your target date fund will make over time — especially as you approach your shift from saving for retirement to spending in retirement.

A GLIDE PATH CHARTS THE COURSE FOR YOUR INVESTMENT MIX



The illustration above is for education only and does not represent a specific asset allocation at any given time.

Registered funds are available by prospectus only. For more information on any registered fund, please call 800-401-8726 for a free summary prospectus (if available) and/or prospectus. You should consider the objectives, risks, charges, and expenses of an investment carefully before investing. The summary prospectus and prospectus contain this and other information. Read them carefully before you invest.

TRANSAMERICA®

AIM AT ONE TARGET

A well-chosen target date fund offers broad diversification, and it automatically rebalances as the fund's target date approaches. Target date funds are intended to serve as the sole investment within your account.

KNOW YOURSELF

Target date funds allocate assets based on what their managers feel makes sense for "typical" investors. And for similar reasons, some plans may assign them as automatic "default" funds for new participants who do not make an investment election.

But one size doesn't fit all, and you should think about your own circumstances and financial situation when choosing a target date fund. You should also consider your risk tolerance or your ability to stomach the market's ups and downs. For example, if you're comfortable taking an aggressive stance — that is, assuming a risk of losses in order to seek larger overall gains — a fund whose target is five or even 10 years beyond your expected retirement might make sense. But if you're conservative, and willing to forego a chance for more growth in return for a smoother ride, you might choose a fund whose target year is closer than when you expect to retire.

Bottom Line: A target date fund enables you to get asset diversification and allocation based on a target retirement year by making a single decision. But it's just a starting point for your investment strategy. You'll still need to consider your specific goals, needs, and risk tolerance to hit your long-term target.

Target date funds are subject to the same risks as the underlying asset classes in which they invest. The fund's asset allocation becomes more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and fixed income assets will increase as you approach the target date. Generally, the higher the fund's allocation is to stocks, the greater the risk. The significance of the fund's target date is that it is the date at or around which the fund's managers assume the typical investor plans to start withdrawing their money. The principal value of the fund is not guaranteed at any time, including at and after the target date. You may lose money by investing in this fund, including losses near and following retirement. There is no guarantee that the fund will provide adequate retirement income.

Get in touch:

CALL
800-401-8726

VISIT
ta-retirement.com

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