

Target date funds



A disciplined, convenient approach to retirement planning

Balancing all the things in your life can be challenging. Investing your retirement plan contributions doesn't have to be when you invest in a target date fund.

Target date funds are funds that invest with a particular withdrawal date in mind. The date in a target date fund represents an approximate date when an investor would expect to start withdrawing his or her money or when an investor expects to retire, usually at age 65. The principal value of the funds is not guaranteed at any time, including the target date.

Target date funds offer a simple way to take advantage of some great services without spending a lot of your own time worrying about the details.

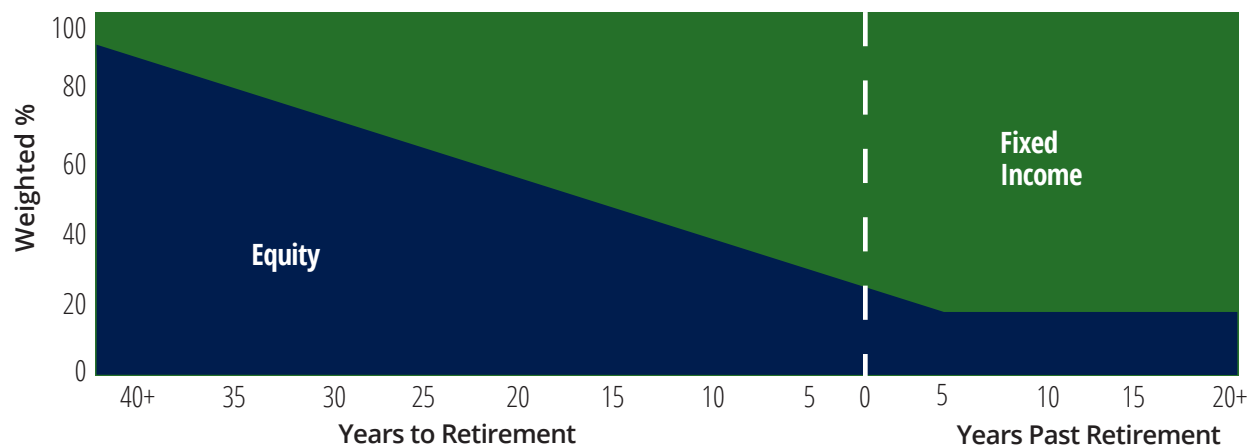
When you invest in a target date fund, you get professional fund management. Your account is diversified using a sensible asset allocation that divides your investments among several asset classes, such as stocks (equities), bonds (fixed income) and cash equivalents. This helps manage the risks of investing in just one kind of asset. And the investment manager will shift your investment mix for you as you near retirement.

The "glide path" will progress from a more aggressive portfolio in the early years to a more conservative, less risky one later on. That's because when you're young, with many years to recover from downturns, you can enjoy the higher returns that often come with higher risk investments, such as stocks. As you get closer to retirement, your assets will be invested more conservatively. You may forgo some potential investment gains in favor of lower risk investments with potentially lower returns.¹

Target date fund investing is simple, because the decisions are made by a professional fund manager who carefully watches and adjusts your investments at every stage of your life.

To and through funds

All target date funds include a year in the fund name that generally corresponds to the year in which an investor plans to retire or withdraw money. It is important to pay attention to the automatic allocation schedule, or glide path, which will vary from fund family to fund family.



FOR ILLUSTRATIVE PURPOSES ONLY. The graph illustrates the general concept of how a target date fund glide path may work. The fund's asset allocation automatically changes over time, emphasizing growth in the early stages and becoming more conservative as the retirement date approaches. The fixed income exposure carries through retirement. This illustration is intended to illustrate possible investment portfolio allocations that represent an investment strategy based on risk and return. This is not intended as financial planning or investment advice.

The glide path is the automated shift from higher equity exposure to a more conservative approach as your retirement date nears. Keep in mind, some funds stop their equity exposure “on” the target date if you want to tap into your savings right away; others continue to reallocate “beyond” the target date in an effort to preserve your savings all the way through retirement (see diagram on front page).

Determining your Target Date

Take the year you were born and add it to the age at which you expect to retire or withdraw your money.

Write the year you were born here:
_____ + 65 = _____

This is your Target Date.

Choose a target date fund named for your Target Date, or the one closest to that date. If you were born in 1970, for example, you might choose the target date fund that includes 2035 in its name because 1970 plus 65 equals 2035. If your Target Date falls

halfway between two available funds, choose the earlier year if you consider yourself a conservative investor or the later year if you are comfortable taking more risk.

An investment solution

Target date funds are designed to be an overall investment solution for your retirement dollars. If you invest only part of your retirement assets in a target date fund, you will need to review your account regularly and adjust your long-term savings strategy.

Most target date fund investors prefer to pick the appropriate fund for their entire account and let the professional fund manager manage their investment strategy.

It is important to evaluate your long-term savings goals now and periodically as you approach retirement so you can make any necessary adjustments to reach your retirement savings goal.

Target Date funds can:

- Provide portfolio diversification with a mix of equity and debt instruments.²
- Take the guesswork out of asset allocation.²
- Be a worthwhile alternative for investors who want to avoid the confusion of portfolio rebalancing.²
- Offer a simplified and diversified solution to investors in a single investment option.

Remember, these are simply guidelines and are not intended as financial planning or investment advice. It is important to evaluate your long-term savings goals now and periodically as you approach your target retirement date so you can adjust accordingly.

¹ Asset allocation and balanced investment options and models are subject to the risks of the underlying funds, which can be a mix of stocks/stock funds and bonds/bond funds.

² Asset allocation, diversification and rebalancing of an investment portfolio do not ensure a profit and do not protect against loss in declining markets.

Access to the voice response system and/or any website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons.

Core securities, when offered, are offered through GWFS Equities, Inc. and/or other broker dealers.

GWFS Equities, Inc., Member FINRA/SIPC, is a wholly owned subsidiary of Great-West Life & Annuity Insurance Company.

Empower Retirement refers to the products and services offered in the retirement markets by Great-West Life & Annuity Insurance Company (GWL&A), Corporate Headquarters: Greenwood Village, CO; Great-West Life & Annuity Insurance Company of New York, Home Office: White Plains, NY; and their subsidiaries and affiliates. The trademarks, logos, service marks, and design elements used are owned by their respective owners and are used by permission. ©2015 Great-West Life & Annuity Insurance Company. All rights reserved.

Form# F1002 (02/2015) PT 216582

Unless otherwise noted: Not a Deposit | Not FDIC Insured | Not Bank Guaranteed | Funds May Lose Value | Not Insured by Any Federal Government Agency