











TARGET DATE FUNDS

 A target-date fund is an investment option that simplifies retirement planning. It automatically adjusts the asset allocation based on the target date, gradually shifting from growth-oriented assets to more conservative investments as the target date approaches. 

 Target-date funds are commonly offered in retirement plans and provide a convenient, hands-off investment approach. Investors choose a fund based on their target retirement date and the fund takes care of rebalancing and adjusting the portfolio over time. 

 This aggressive-to-conservative switch doesn't happen overnight. Instead, a target-date fund operates on a glide path. Think about an airplane descending on final approach to land. A target-date fund's glide path employs a similar rationale – easing the investor to a safe financial destination at retirement. 

 Target-date funds are best suited for those who prefer a set-it-and-forget-it strategy. It's important to note that target-date funds can vary in their specific glide path and investment strategy, so investors should consider their risk tolerance and financial goals when selecting a fund. 

 Overall, target-date funds simplify the retirement planning process, providing investors with a convenient and efficient way to navigate their financial journey, creating a smoother transition to retirement. 

 Memorize and present one block at a time. 

Sources:

¹ Birken, Emily Guy. "The Best Target-Date Funds." *Forbes*, 26 July 2021, <https://www.forbes.com/advisor/retirement/best-target-date-funds/>. Accessed March 2023.

² U.S. Securities and Exchange Commission. "Mutual Funds and Exchange-Traded Funds (ETFs)." *Investor.gov*, <https://www.investor.gov/introduction-investing/investing-basics/investment-products/mutual-funds-and-exchange-traded-6>. Accessed March 2023.

³ Bortolotti, Dan. "Target-date funds in Canada." *MoneySense*, 14 March 2019, <https://www.moneysense.ca/save/investing/target-date-funds-in-canada/>. Accessed March 2023.