



TARGET DATE RETIREMENT FUNDS

One-Stop-Shopping Investment For Retirement Planning

Investing for retirement can be challenging if you're not an expert. Here's a simple choice for your retirement investing...



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Find out how easy retirement planning can really be



You lead a busy life

It can be hard to find the time to focus on your retirement plan. That's why the City's Deferred Compensation Plan includes Vanguard Target Retirement Funds. A single Target Retirement Fund may put an end to those time-consuming investment decisions and can serve as a complete, diversified retirement portfolio.



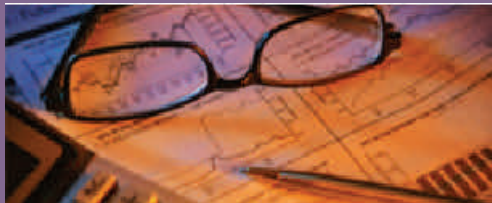
How Target Retirement Funds work

Each Target Retirement Fund invests in several Vanguard funds, primarily 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 stocks' high 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.

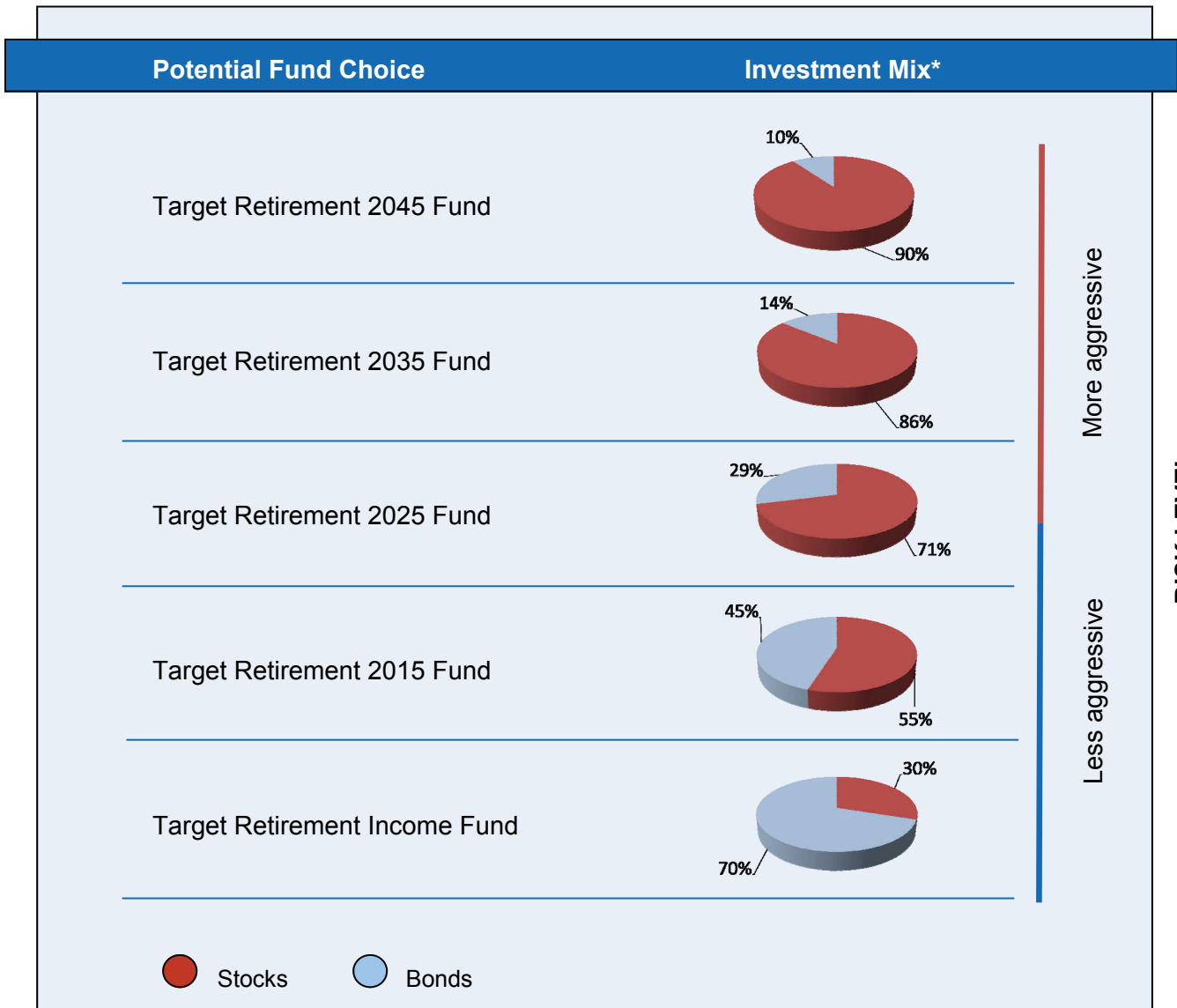


Keep in mind that a Target Retirement Fund is subject to the risks of its underlying funds. Its returns are not guaranteed, and investing in one does not ensure that you will have enough income in retirement.



Choosing the right fund

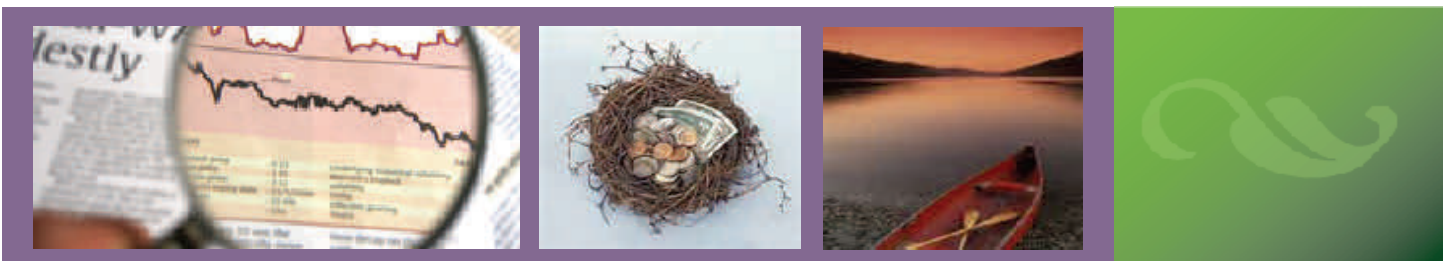
Choosing the right Target Retirement Fund is easy. Just consider picking the date-specific fund that's closest to your expected retirement year (2045, 2035, 2025, 2015). If you're already retired, Vanguard® Target Retirement Income Fund seeks to maximize expected returns for a relatively low level of risk.



*Approximate allocation targets for each fund as of May 2013.

As time passes, allocations for the date-specific funds will gradually shift their emphasis toward a more conservative allocation (from stocks to bonds) over time based on an assumed retirement age of 65.

Risk level takes into account the different types of risk applicable to each fund's asset class and investment style.





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 (65 to 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.

Because your situation could change over time, it may be a good idea to periodically review your asset mix to make sure it matches your goals and risk tolerance. You're never locked into a particular fund.

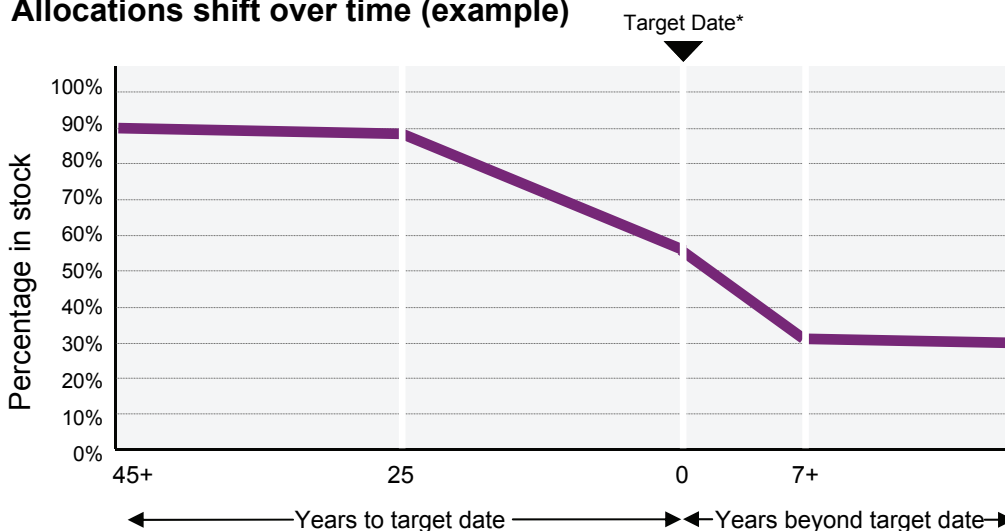
The target date is not the end

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.

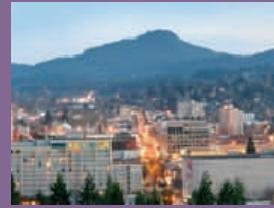
Allocations shift over time (example)



*Target Date is the year stated in the fund name.

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 risk of their underlying funds. 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. An investment in a Target Retirement Fund is not guaranteed at any time, including on or after the target date.



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 you get closer to retirement. Because each Target Retirement Fund is a complete investment package, a single fund can serve as your entire plan portfolio. Keep in mind that although Target Retirement Funds can simplify investment selection, all mutual fund investing is subject to risk. In addition, Target Retirement Funds are subject to the risks associated with their underlying funds. For instance, 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 up to seven broadly diversified Vanguard funds—most of which are index-based. 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 years?

A: Consider choosing the fund closest to your expected retirement date. For example, if you expect to retire in 2039, consider the Target Retirement 2035 Fund.

Q: Is a Target Retirement Fund appropriate for a new investor?

A: Yes, because you have potentially only one decision to make—what year you expect to retire. Vanguard does the rest, assembling and managing a mix of investments appropriate for your stage of retirement planning.

Q: Is a Target Retirement Fund appropriate for an experienced investor who has limited time 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. 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 can 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.