

Target-date fund glide path

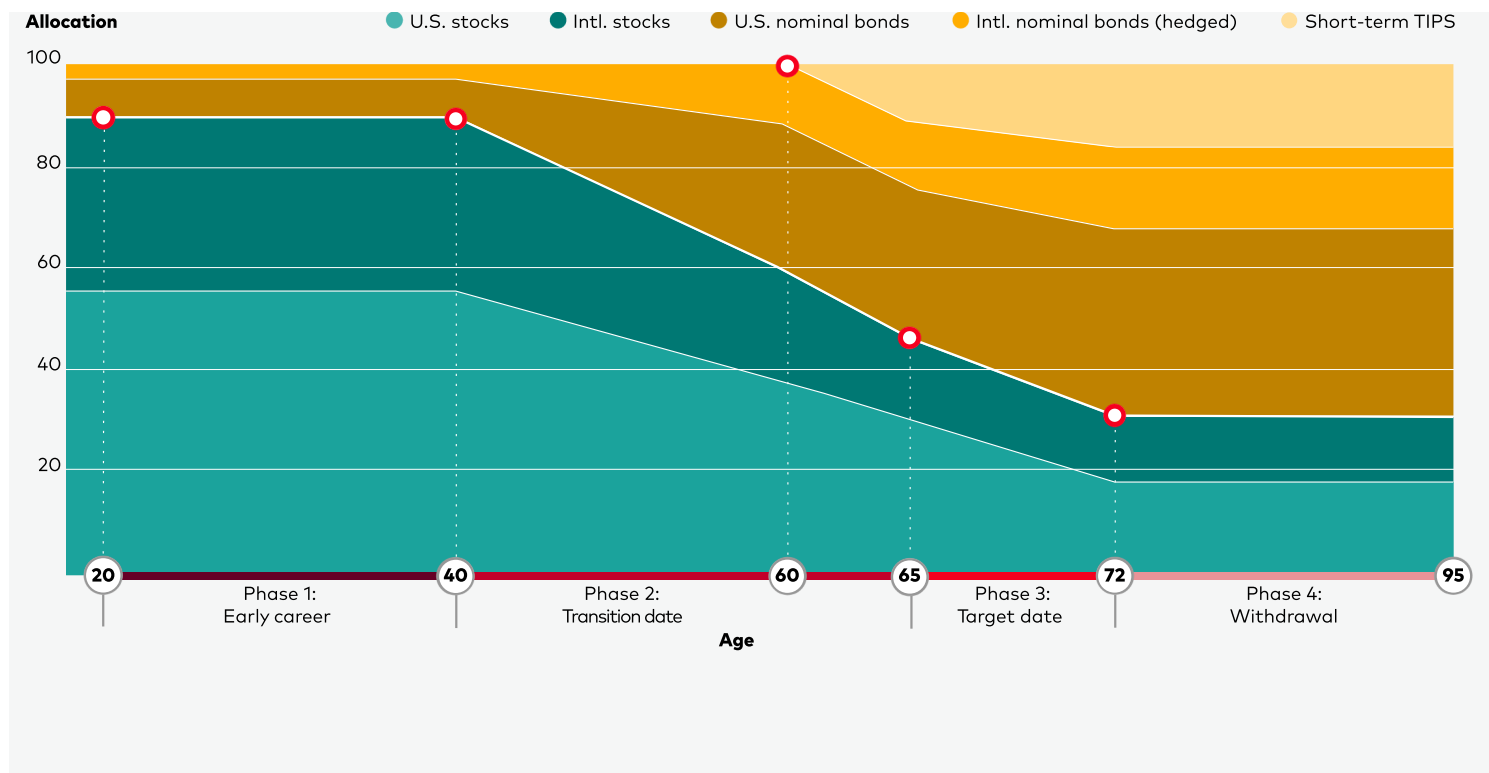
[TDF approach](#)[Glide path](#)[Portfolio construction](#)

Target-date fund glide path

[JUMP TO PRODUCT LIST](#)

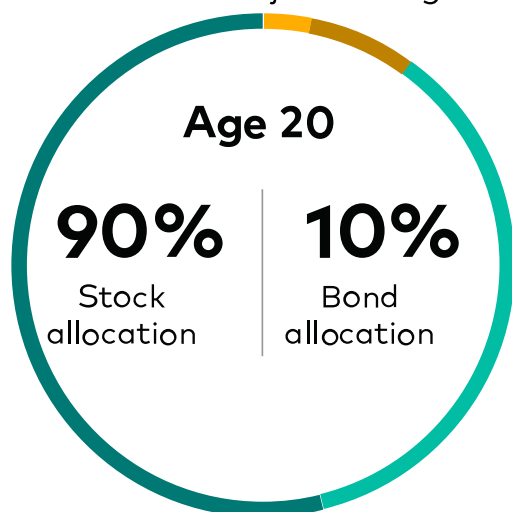
[Target Retirement Fund and Trust](#)

We blend investment theory and behavioral insights to design TDFs that focus on helping investors save enough to have lasting retirement income. Low-cost, world-class funds serve as the foundation for our TDFs, which we build with portfolio construction best practices. This results in a TDF that delivers broad global diversification and balances market, inflation, and longevity risks in an efficient and transparent manner.



Age 20: Phase 1, early career

Given the long investment horizon, younger investors can likely afford to take more risks with a 90% stock allocation, which captures growth but is diversified with just enough bonds to temper the worst downturns.



Distribution

Stock allocation

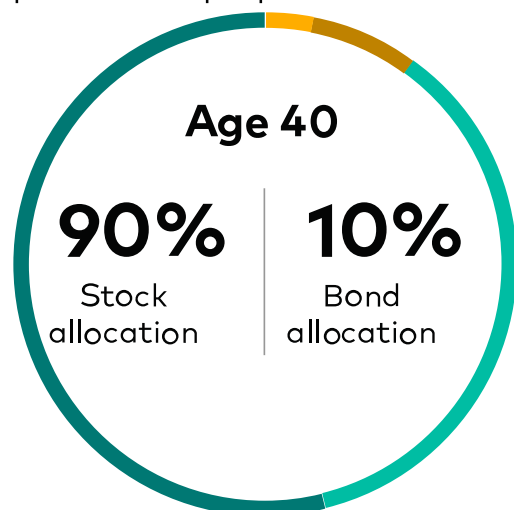
| | |
|------------------|-----|
| Stock allocation | 54% |
| Intl. stocks | 36% |

Bond allocation

| | |
|----------------------|----|
| U.S. nominal bonds | 7% |
| Intl. bonds (hedged) | 3% |
| Short-term TIPS | 0% |

Age 40: Beginning of phase 2, midcareer

We start to gradually reduce stock exposure to build a more conservative portfolio in preparation for retirement.



Distribution

Stock allocation

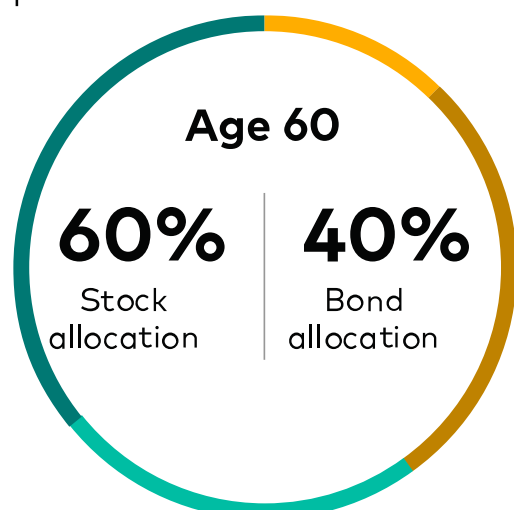
| | |
|------------------|-----|
| Stock allocation | 54% |
| Intl. stocks | 36% |

Bond allocation

| | |
|----------------------|----|
| U.S. nominal bonds | 7% |
| Intl. bonds (hedged) | 3% |
| Short-term TIPS | 0% |

Age 60: Phase 2, transition

We begin to allocate assets to short-term Treasury inflation-protected securities (TIPS), further reducing volatility while providing inflation protection.



Distribution

Stock allocation

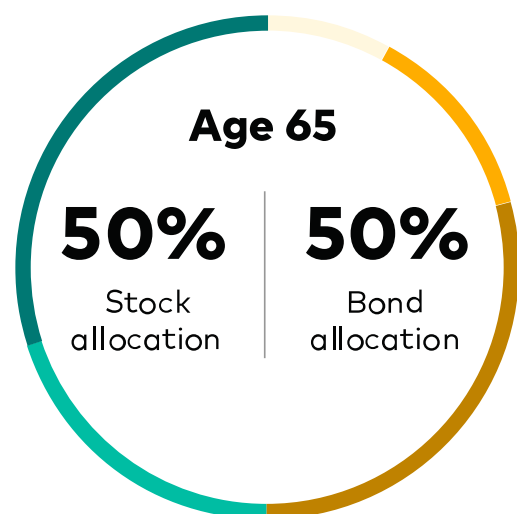
| | |
|------------------|-----|
| Stock allocation | 36% |
| Intl. stocks | 24% |

Bond allocation

| | |
|----------------------|-----|
| U.S. nominal bonds | 28% |
| Intl. bonds (hedged) | 12% |
| Short-term TIPS | 0% |

Age 65: Phase 3, retirement

Trust investors have the choice to remain on the default glide path or freeze their 50% equity allocation by converting to Vanguard Target Retirement Income and Growth Trust.



Distribution

Stock allocation

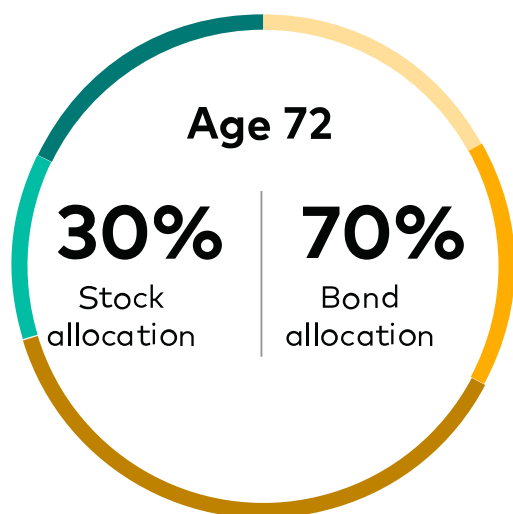
| | |
|----------------|-----|
| ■ U.S. stocks | 18% |
| ■ Intl. stocks | 12% |

Bond allocation

| | |
|------------------------|--------|
| ■ U.S. nominal bonds | 37.24% |
| ■ Intl. bonds (hedged) | 15.96% |
| ■ Short-term TIPS | 16.8% |

Age 72: Phase 4, withdrawal

Our research* shows 72 is the most common age to start withdrawals. This is when our default glide path reaches its final asset allocation at 30% stocks and 70% bonds, transitioning to the Target Retirement Income strategy. This strategy is just one part of our holistic retirement income offer to support your participants through their retirement journey.



Distribution

Stock allocation

| | |
|----------------|------------|
| ■ U.S. stocks | 30% |
| ■ Intl. stocks | 20% |

Bond allocation

| | |
|------------------------|--------------|
| ■ U.S. nominal bonds | 29.4% |
| ■ Intl. bonds (hedged) | 12.6% |
| ■ Short-term TIPS | 8% |

*Source: Craig Copeland, "EBRI IRA Database: IRA Balances, Contributions, Rollovers, Withdrawals, and Asset

Allocation, 2017 Update," EBRI Issue Brief, no. 513 (Employee Benefit Research Institute, September 17, 2020).

For more information about Vanguard funds, visit vanguard.com to obtain a prospectus or, if available, a summary prospectus. Investment objectives, risks, charges, expenses, and other important information about a fund are contained in the prospectus; read and consider it carefully before investing.

All investing is subject to risk, including the possible loss of the money you invest. Diversification does not ensure a profit or protect against a loss.

Investments in Target Retirement Funds/Trusts are subject to the risks of their underlying funds. The year in the Fund/Trust name refers to the approximate year (the target date) when an investor in the Fund/Trust would retire and leave the work force. The Fund/Trust will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. The Income Fund/Trust and Income and Growth Trust has a fixed investment allocation and is designed for investors who are already retired. An investment in a Target Retirement Fund/Trust is not guaranteed at any time, including on or after the target date.

Vanguard is responsible only for selecting the underlying funds and periodically rebalancing the holdings of target-date investments. The asset allocations Vanguard has selected for the Target Retirement Funds are based on our investment experience and are geared to the average investor. Regularly check the asset mix of the option you choose to ensure it is appropriate for your current situation.

Investments in bonds are subject to interest rate, credit, and inflation risk.

Vanguard Target Retirement Trusts are not mutual funds. They are collective trusts available only to tax-qualified plans and their eligible participants. Investment objectives, risks, charges, expenses, and other important information should be considered carefully before investing. The collective trust mandates are managed by Vanguard Fiduciary Trust Company, a wholly owned subsidiary of The Vanguard Group, Inc.



Vanguard funds not held in a brokerage account are held by The Vanguard Group, Inc., and are not protected by SIPC. Brokerage assets are held by Vanguard Brokerage Services, a division of Vanguard Marketing Corporation, member [FINRA](#) and [SIPC](#).

For additional financial information on Vanguard Marketing Corporation, see its Statement of Financial Condition: [Audited](#) and [Unaudited](#)

[Broker-Dealer Form Client Relationship Summary \(Form CRS\)](#) and [Investment Advisor Form Client Relationship Summary \(Form CRS\)](#)

© 1995–2023 The Vanguard Group, Inc. All rights reserved. Vanguard Marketing Corporation, Distributor of the Vanguard Funds. Your use of this site signifies that you accept our [terms & conditions of use](#).

[Privacy center](#) | [Do Not Sell or Share My Personal Information](#) | [Obtain prospectus information](#) | [Site security](#) | [AdChoices](#) |

[\[+\] Feedback](#)