

## Target Date Strategies — How they work

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**Voiceover:** With Fidelity's targeted strategies, you can feel confident that you're on track towards your retirement goals. Consider the target date that's closest to the year you expect to retire and put the strategy to work for you. Your money is put into a mix of investments that automatically and gradually adjusts over time to become more conservative as it nears the strategy's target date. Fidelity's target date strategies are designed to help grow retirement savings during earning years and provide income and stability through retirement. The heart of a target date strategy is called the glide path, and Fidelity's glide path is designed with long term needs in mind. Our research suggests that even with healthy savings during your working years, you may still need risk appropriate investment returns to help provide enough money for a retirement that could last 25 to 30 years. So the target date strategies glide path, a mix of investments that changes over time, is designed with an eye toward balancing risk and reward to reduce the risk of outliving your savings. Early on and even well into your career, the investment mix is designed to help you benefit from the power of equities and other long term investments to take advantage of a long time horizon that may be better able to withstand the risk associated with equities closer to the strategies target date. There's a gradual shift from equities to bonds and short term investments. Even at the strategies target date the investment strategy doesn't stop. It becomes more conservative, yet continues to see growth potential to help build enough savings to help investors maintain their lifestyle throughout retirement and doesn't hit its most conservative investment mix until after the strategies target date. The design of a target date strategies glide path could help achieve your desired outcomes for retirement. Consider Fidelity's target date strategies for your retirement account because our core glide path is designed to help you target your current standard of living in retirement, is informed by your research on capital markets, strategic asset allocation and investor needs, and strives to balance risk and reward every step of the way.