



# Simple and cost-effective investment solutions

Target Retirement Funds



A photograph of a man with a beard and a blue shirt kissing a sleeping baby on the forehead. The baby is wearing a pink long-sleeved shirt. The man is wearing a blue and white checkered shirt. The background is softly blurred, showing what appears to be a window with light coming through. A large blue circle is overlaid on the left side of the image, containing text.

## An adaptable new option for retirement planning

Zurich Target Retirement Funds also known as target date funds – are passively managed single-fund investment solutions, that target asset allocation over the term of the fund, to meet plan holders' objectives, up to and through retirement.

Businesses can enable their employees to simplify the process of investing for retirement while keeping costs down with Zurich Target Retirement Funds, which provide a one-stop investment solution for members.

This solution has been designed to assist those members that have clear set goals, such as when they plan to retire and how much they want to save towards it, while leaving the investment decisions in the care of Zurich's experienced investment partner, Vanguard Asset Management.

### Making the right selection

Zurich Target Retirement Funds represent an alternative for those members looking for broad diversified portfolios, while avoiding the hassle of having to adjust the portfolio asset allocation to reflect their stage in life.

Zurich Target Retirement Funds have been created by following several investment best practices, these include asset allocation, diversification, transparency, and a balance between risk, return and cost.

A Target Retirement Fund automatically adjusts its asset allocation over time. The asset mix of a specific fund gradually moves from a higher-risk to a lower-risk strategy as the member approaches their retirement.

### Cutting through the complexity

When it comes to saving for retirement, there is not only considerable uncertainty, but an often overwhelming array of options and questions. How much money should be set aside? How is it best invested for a reasonable return? And how far will it stretch when retirement finally comes?

Naturally, organisations seek an enduring solution for their savings and retirement plans. An index-tracked solution, aimed to replicate a market index and managed by an established and trusted provider, can cut through the complexity of retirement planning, while saving time and effort for both members and employers.

The Zurich Target Retirement Funds offer exactly that – a truly global, convenient yet sophisticated, low-cost, single-fund solution.

### How Target Retirement Funds work

The fund names will clearly indicate the choices available to employees, with this initial choice potentially being the only investment decision they have to make while they remain within the plan. The asset allocation in the Target Retirement Funds changes over time to reduce risk in the portfolio as the member moves towards retirement.

### Clear benefits for employees

Zurich Target Retirement Funds offer a wide range of benefits to employers and their employees:

- Investors can select one fund from when they join until their retirement, as the asset allocation will alter over time to reduce risk as they get closer to their desired retirement year
- It's easy for employees to select the fund that is right for them from the very start – they simply need to decide the year they wish to retire
- Risk is spread through diversification, as each fund contains a wide portfolio with a broad-based exposure to major asset classes

Unlike many other retirement solutions, Zurich Target Retirement Funds are designed to be straightforward and transparent, to maximise investment impact without the need to rebalance or undertake complex switching arrangements.

The focus is on simplicity and, crucially, positive retirement outcomes for employees. Taking the long-term, strategic approach that employers seek for their employees, these funds have been built to provide diversity and value for money – two key components proven essential to long-term investment success.



Zurich Target Retirement Funds offer a convenient yet sophisticated, low-cost, single-fund solution.



Our Target Retirement Funds exclusively combine the global strength and experience of Zurich with Vanguard's sophisticated index-linking systems.

### Zurich International and Vanguard a partnership founded in trust

Zurich Target Retirement Funds are a truly global, low-cost and straightforward investment solution designed and managed by Vanguard, one of the world's largest and most well-respected investment managers, utilising a range of index-tracking funds.



Successful investing is linked to many factors and this is why Vanguard has utilised the following principles to design the Zurich Target Retirement Funds.

**Investment goals:**

specifically designed to help employees save for retirement.

**Asset allocation:**

well-diversified; investing in a broad range of assets with a risk profile that changes to suit the member's stage in life.

**Minimise cost:**

enabling members to receive better investment returns.

**Maintain perspective:**

staying on track for retirement planning / staying within 1 fund until you retire.

## Adaptability and the glide path

Zurich Target Retirement Funds are internationally focused long-term investment solutions. The funds will adapt as the member moves towards their retirement. This is achieved by varying the underlying asset allocation to gradually reduce risk as the target retirement date approaches.

Greater risk can be taken earlier in an employee's working life to ensure a plan does not miss out on valuable gains; while risk is lessened later, so their plan is not exposed to potentially dangerous loss as retirement gets closer. In this way, Zurich Target Retirement Funds aim to ensure they always encompass the right mix of assets throughout their lifecycle.

Balancing the fund's ability to grow versus its ability to withstand a sudden stock market downturn is what differentiates the Zurich Target Retirement Funds from static-allocation, single-fund solutions.

The asset allocation shifts over time to reduce risk in the funds by migrating from a high proportion of equities to an increased amount of fixed-income asset allocation. This progression is known as the glide path.

Typically, by the time retirement is reached, the portfolio is half-and-half equities and bonds. The glide path diagram shows the balance changing over time; you can see the advantages of maintaining a long-term investment horizon for savers who have time on their side.

While financial assets may be low at first, an employee continually accumulates, with their assets growing and compounding – and their portfolios increasingly able to withstand market volatility. The glide path is designed to help a typical investor, who maintains a reasonable savings rate, to reach their set retirement investment goals.



Balancing the portfolio's ability to grow versus its ability to withstand a sudden stock market downturn is what differentiates Target Retirement Funds from static allocation single-fund solutions.

## About Zurich International Life

For 40 years Zurich International Life has been helping businesses to provide retirement benefits for their employees. Currently, we have more than 800 corporate savings plans in place, with over 100,000 members worldwide.

These plans range in size from thousands of participants to single-member arrangements. It is this breadth of experience that we can offer businesses – a deep understanding of how to deliver the ideal solution for their employees.

## About Vanguard

Founded in the USA in 1975, Vanguard has always operated on the simple, but revolutionary principal that an investment company should manage its funds offering in the sole interest of its clients. The year after its birth, Vanguard pioneered the concept of indexing – introducing the first retail mutual index fund for individual investors in America. Expanding globally over the four decades and more since, Vanguard's pioneering approach has earned the trust of millions of investors and at October 2022 had USD7.1 trillion under management.

Today, Vanguard is one of the world's largest and most well-respected global asset management companies.

## Gauging attitude to risk

Plan members are invited to complete our online attitude to risk questionnaire, which can help them to better understand their own risk profile.

Fundamental to investing is understanding the balance between the level of risk involved in any particular investment and its potential reward. It is important, therefore, that plan members make investment choices based on a level of risk with which they feel comfortable. Our questionnaire has been designed to provide them with this understanding. It comprises 5 multiple-choice questions that plan members can answer online in order to select the investment funds that are most suitable to themselves.

*Please note that the attitude to risk questionnaire is a tool offering guidance only. Plan members considering investing in these funds should seek professional guidance.*



[Access questionnaire here](#)



## Find out more today

Zurich Target Retirement Funds offer a global, simple and cost-effective investment solution for members. If you have any questions or would like more information about Target Retirement Funds please [visit our webpage](#)



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