

Simplify a SIMPLE IRA  
with target date funds



# Target date funds can **simplify** a SIMPLE IRA for participants and be **better for your practice**

The American Funds Target Date Retirement Series®, offered by Capital Group, can simplify plan enrollment and provide participants the opportunity to improve their long-term investment outcomes. That's because target date funds enable investors to create – in one easy-to-use fund – a diversified portfolio that automatically adjusts over time and helps them stay on track through retirement.



of defined  
contribution plans  
offer target date funds.<sup>1</sup>



We're among the **most**  
**recommended** target date fund  
providers.<sup>3</sup>

## Opportunity for better outcomes

Let's face it: Many investors aren't doing as well as they could. In fact, the average equity investor has actually lagged the unmanaged S&P 500 over the last 20 years.<sup>2</sup>

Target date funds were specifically designed to help investors avoid some of the most common retirement investment missteps, so their long-term outcomes may improve.

Fortunately, getting investors started with a Capital Group SIMPLE IRA has never been easier. All they need to do is complete the enrollment application. Participants can also easily change their investments after enrollment. What's most important is that they'll be on their way to saving for retirement.

## Better business practices

Recommending our target date funds for some investor segments can also lead to better business practices for you.

You'll free up time that you would otherwise have spent helping investors select investments – that's time you can use to:

- Provide a more comprehensive retirement planning and income education program
- Uncover cross-selling opportunities
- Encourage participants to contribute more and to stay invested

## Are you using another provider?

Regardless of where you open your plan, ask for **American Funds** and our **award-winning target date retirement series**.<sup>4</sup>

<sup>1</sup> Callan Institute, *2023 Defined Contribution Trends Survey*.

<sup>2</sup> DALBAR, *2022 Quantitative Analysis of Investor Behavior*. DALBAR uses data from the Investment Company Institute, the unmanaged S&P 500 Index and Bloomberg index products to compare mutual fund investor behavior with an appropriate set of benchmarks. These behaviors are then used to simulate the "average investor." The market indexes are unmanaged and, therefore, have no expenses. Investors cannot invest directly in an index.

<sup>3</sup> Escalent, Cogent Syndicated, *Retirement Plan Advisor Trends™*, October 2023. Methodology: 503 respondents participated in a web survey conducted September 8-14, 2023. The respondents consisted of financial advisors managing defined contribution (DC) plans. American Funds was ranked second among the top-five providers for the total of all respondents who use target date funds.

For financial professionals, third-party administrators and institutional consultants only.

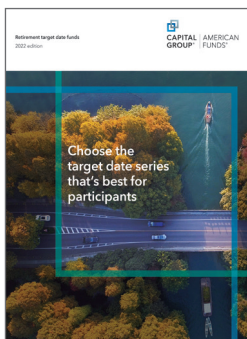
**Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.**

## Recommend an industry leader: Our target date funds are different by design

While many asset managers in the industry offer target date funds, not all funds are created equal. In fact, Capital Group takes a distinct approach to target date funds. Here's how:

A focus on lifetime investment needs	A dynamic approach to equities	Highly experienced managers
Our target date funds are designed to help address participants' long-term goals of appreciation, income and preservation.	Our approach allows us to maintain a higher equity allocation (seeking to improve results) while increasingly emphasizing dividend-producing equities (seeking to reduce risk) over time.	The portfolio managers that oversee the underlying American Funds have on average 28 years of industry experience, including 22 years at Capital Group. <sup>5</sup>

Although target date funds are managed for investors on a projected retirement date time frame, the funds' allocation approach does not guarantee that investors' retirement goals will be met. Investment professionals from Capital Group manage each target date fund's portfolio, moving it from a more growth-oriented approach to a more income-oriented focus as the fund gets closer to its target date. The target date is the year that corresponds roughly with the year in which an investor is assumed to retire and begin taking withdrawals. Our investment professionals continue to manage each fund for approximately 30 years after it reaches its target date.



See our retirement target date series brochure for more information.



Use this trifold to introduce target funds to employees.

**"The American Funds Target Date Retirement Series continues to be a top choice for retirement savers. Deep and highly specialized analyst teams that span the globe back the underlying strategies. Investors saving for retirement should continue to be well-served by this series going forward."**

– Morningstar®  
Morningstar's Fund Analyst Report  
January 2023



For more information and assistance, call us at (800) 421-9900 or visit [capitalgroup.com/advisor](https://capitalgroup.com/advisor)

<sup>4</sup>Eight American Funds target date funds won 2023 Refinitiv Lipper Fund Awards for periods up to 10 years. The Refinitiv Lipper Fund Awards are based on the Lipper Leader for Consistent Return Rating, which is a risk adjusted performance measure calculated over 36, 60 and 120 months. The fund with the highest Lipper Leader for Consistent Return (Effective Return) value in each eligible classification wins the Refinitiv Lipper Fund Award. For more information, visit [lipperfundawards.com](https://lipperfundawards.com). Although Refinitiv Lipper makes reasonable efforts to ensure the accuracy and reliability of the data contained herein, the accuracy is not guaranteed by Refinitiv Lipper. The 2023 Refinitiv Lipper Fund Awards were awarded on May 5, 2023, and were based on Class R-6 shares for the three-, five- or 10-year periods ended November 2022. Lipper Fund Awards from Refinitiv © 2023 Refinitiv. All rights reserved. Used under license.

<sup>5</sup>Source: Capital Group, as of December 31, 2022.

**Investors should carefully consider investment objectives, risks, charges and expenses. This and other important information is contained in the fund prospectuses and summary prospectuses, which can be obtained from a financial professional and should be read carefully before investing.**

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