

## 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 help 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
- 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**.

Footnotes/Important information:

<sup>1</sup> Callan Institute, 2025 Defined Contribution Trends Survey.

<sup>2</sup> DALBAR, 2025 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 2025. Methodology: 411 respondents participated in a web survey conducted September 8–19, 2025. The respondents consisted of financial advisors managing defined contribution (DC) plans. American Funds was second among the top-five providers for "Target Date Provider Recommended Most Often" for the total of all respondents.

The S&P 500 Index is a market capitalization-weighted index based on the average weighted results of approximately 500 widely held common stocks. Source: The S&P 500 Index ("Index") is a product of S&P Dow Jones Indices LLC and/or its affiliates and has been licensed for use by Capital Group. Copyright © 2025 S&P Dow Jones Indices LLC, a division of S&P Global, and/or its affiliates. All rights reserved. Redistribution or reproduction in whole or in part is prohibited without written permission of S&P Dow Jones Indices LLC.

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**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
<p>Our target date funds are designed to help address participants' long-term goals of appreciation, income and preservation.</p>	<p>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.</p>	<p>The portfolio managers that oversee the underlying American Funds have on average 27 years of industry experience, including 21 years at Capital Group.<sup>4</sup></p>

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

**"Six of the underlying strategies in the American Funds Target Date Retirement Series were recognized on Morningstar's "The Thrilling 33" list.**

**That's more than the other top 10 series combined."\***

— Morningstar®  
Morningstar's Fund Analyst Report  
January 2025



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

Footnotes/Important information:

<sup>4</sup>Source: Capital Group, as of December 31, 2024.

\*Commentary has been edited in accordance with Capital Group publishing standards.

**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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