A glide path can help you stay on course to retirement

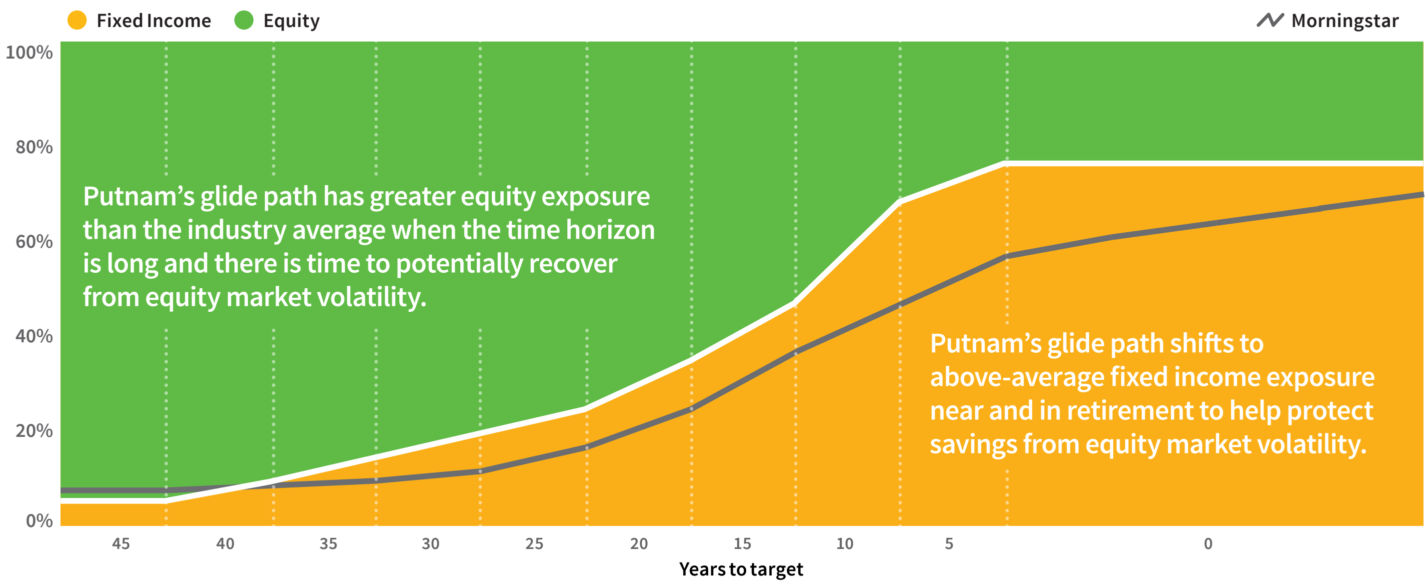
With all the demands on your income, saving for retirement can be challenging. Even more daunting is the task of choosing investments to build and preserve savings as you progress toward retirement.

A target-date fund is an option that can make investing for retirement easier. Target-date funds have an automatic feature called a glide path that determines how much is invested in stocks and bonds. (The term glide path is adapted from aviation to describe a planned course to your destination.)

No matter when you start saving, the glide path determines the stock-bond balance that is right for your time horizon. Then, over time, it adjusts automatically as you make progress toward retirement.

Putnam's approach focuses on pursuing more growth early on and safeguarding your accumulated balances closer to retirement. The goal is to protect your nest egg as a source of income when you stop working.

Putnam's target-date glide path is different from the industry average



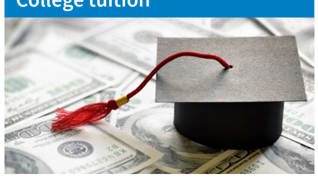
Entering the workforce

Start investing for growth early in the glide path, even when paying expenses such as student loans.

Home ownership and children

Saving while the glide path favors stocks can help your nest egg grow as household costs increase.

College tuition



The glide path shifts investments to reduce risk as you meet college and other expenses.

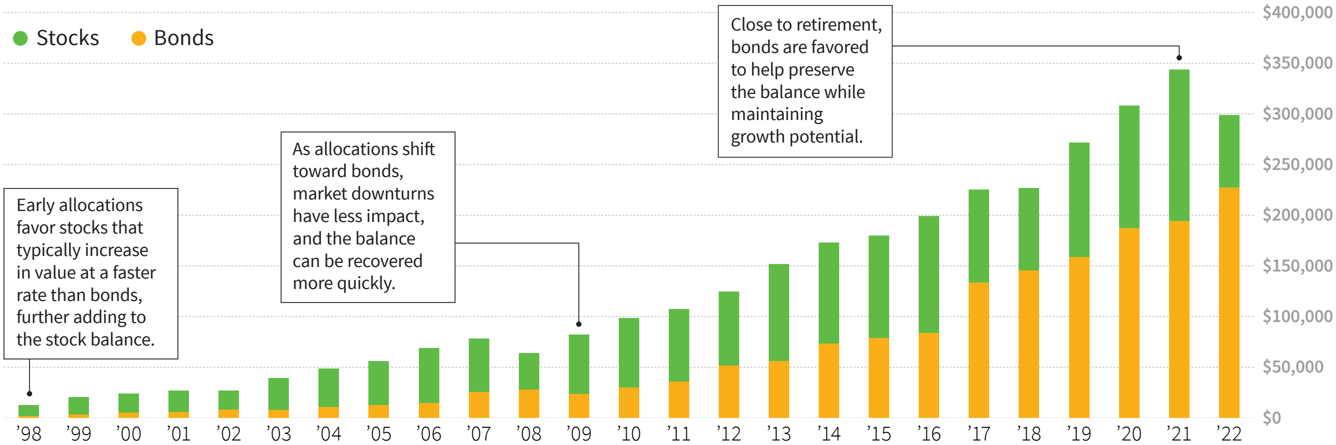
Retirement

Closer to and in retirement, the glide path favors stable investments and income generation.

Data as of 12/31/22. Chart is shown for illustrative purposes only. Sources: Morningstar, Putnam Investments.

Putnam's glide path adjusts your investment risk automatically

Example of how allocations to equity and fixed income shift over a 25-year period*



Source: Putnam Investments.

* Performance of a hypothetical retirement account, with an initial $10,000 and subsequent $5,000 annual investments, allocated by Putnam's glide path to a portfolio of the S&P 500® Index and the Bloomberg U.S. Aggregate Bond Index.

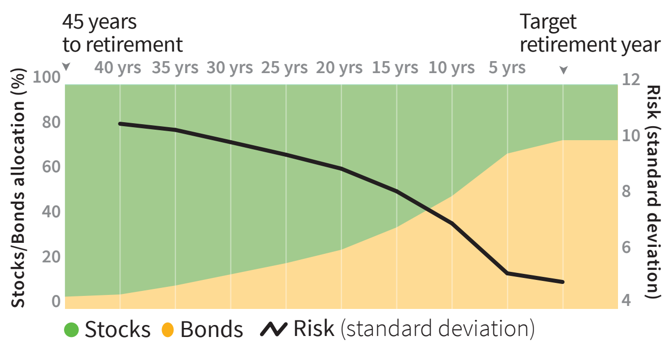
Why risk should decline over time

While a glide path operates in the background, your contributions to a target-date fund grow over time and experience volatility (the ups and downs of financial markets) on the way to becoming your nest egg for future income withdrawals.

The illustration above shows a hypothetical experience of someone who chose a target-date fund 25 years ago. As savings grow, the glide path shifts to favor bonds (shown in yellow).

The chart to the right offers another way to visualize the benefit of the glide path. It shows how the volatility (as measured by standard deviation) of each portfolio declines as allocations to bonds increase near your target retirement year. That's when it is most important to preserve account values.

Risk declines as allocations shift



Total return performance of annual $10,000 investments in the S&P 500 Index, the Bloomberg U.S. Aggregate Bond Index, and a hypothetical portfolio of the two indexes that follows changes in Putnam's target-date glide path. You cannot invest directly in an index.

Standard deviation measures how widely a set of values varies from the mean. It is a historical measure of the variability of return earned by an investment portfolio.

All funds involve risk including the loss of principal.

For informational purposes only. Not an investment recommendation.

Each target-date fund has a different target date indicating when the fund's investors expect to retire and begin withdrawing assets from their account, typically at retirement. The funds are generally weighted more heavily toward more aggressive, higher-risk investments when the target date of the fund is far off, and more conservative, lower-risk investments when the target date of the fund is near. The principal value of target-date funds is not guaranteed at any time, including at the target date.

To request the offering document for the fund, visit putnam.com. The offering document includes investment objectives, risks, charges, expenses, and other information that you should read and consider carefully before investing.