

# Target Date Funds



As of June 30, 2021

**ACTIVE / PASSIVE:**  
Active/Passive Blend

**ASSET CLASS:**  
Blended

**GOAL:**  
Target date funds are designed to become more conservative over time, allowing for your assets to grow when you are young, but protect your assets when you are older.

**WHAT IT INVESTS IN:**  
The funds invest in a variety of strategies across asset classes, both active and passive. They hold a variety of asset classes including domestic and foreign stocks and fixed income investments. The relative amount invested in each asset class varies for each fund depending on how close it is to its target date. The funds are managed to gradually hold more bonds and less stocks over time. Please see footnote number 4 in the disclosures for more information.

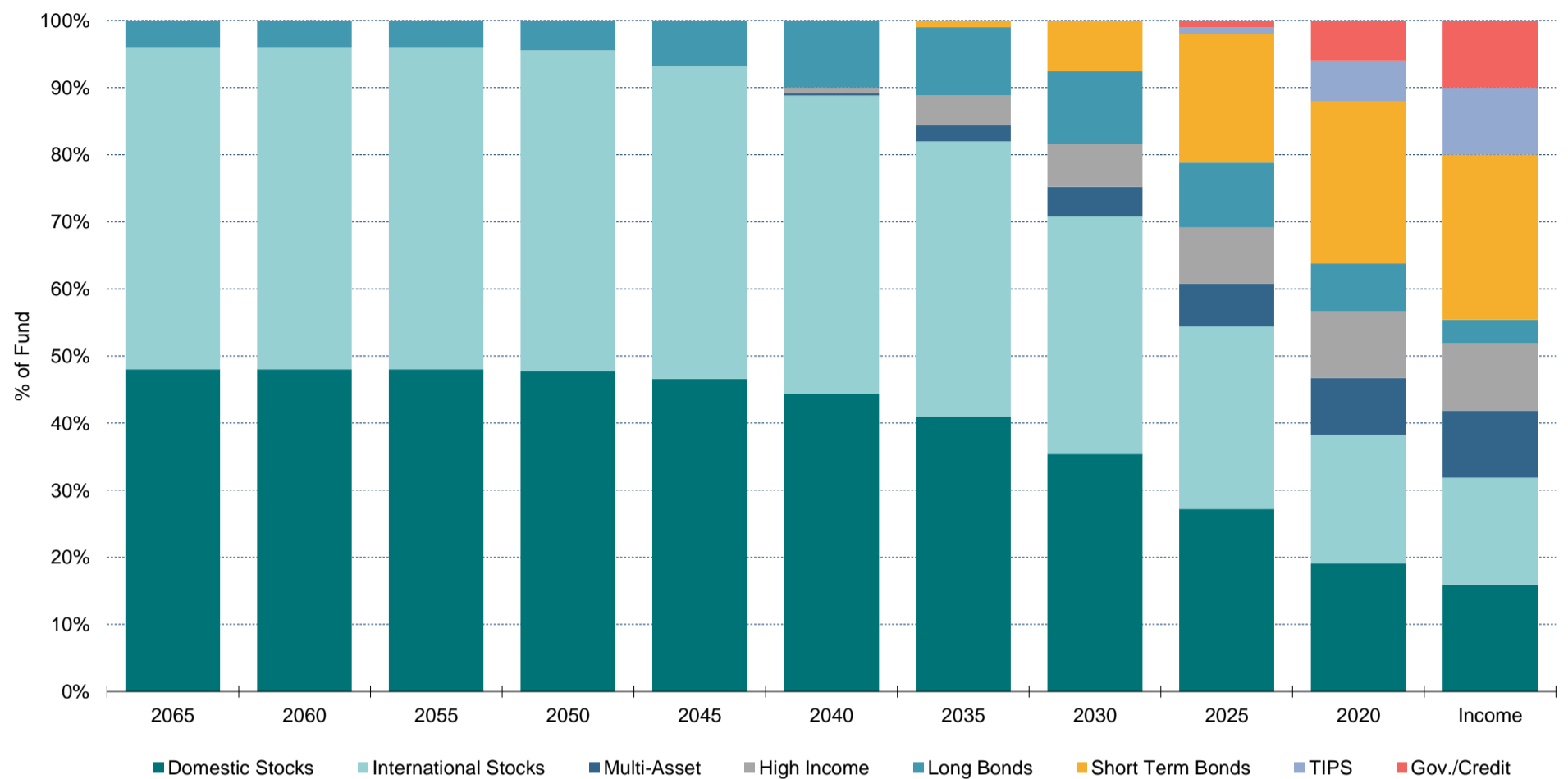
**CURRENT EXPENSE RATIO<sup>3</sup>:**  
0.18% - 0.27%  
This means you will pay \$1.80 to \$2.70 per year for each \$1,000 invested depending on the fund chosen. Fees are directly charged to the fund.

**AVERAGE ANNUAL TURNOVER:**  
25%-83%  
This is calculated based on weighted average of the allocations to the underlying asset classes and their turnover rates.

**RISKS:**  
These funds are subject to the volatility of the financial markets, including that of equity (stocks) and fixed income investments in the United States and abroad, and may be subject to risks associated with investing in small-cap and foreign securities (including emerging markets). Each target date fund is subject to the same risks as the investments that comprise it, but in different proportions depending on the composition of those investments in each fund. Investing in a target date fund does not guarantee a particular outcome. Even the most conservative target date funds continue to hold some stocks. Please see footnote number 5 in the disclosures for more information.

**WHAT IS IT<sup>1</sup>:**

The Plan offers a series of Target Date Funds, which are designed to be a diversified portfolio for participants aiming to retire within a few years of the year specified in the fund's name. The Target Date Funds follow a "glide path", allowing for the funds to become less risky as they approach and pass the year in the fund's name (that is, the year when you expect to retire). Each target date fund is managed by Rocaton Investment Advisors. These funds are not mutual funds, and the principal value of the fund(s) is not guaranteed at any time, including at the time of the target date and/or withdrawal.



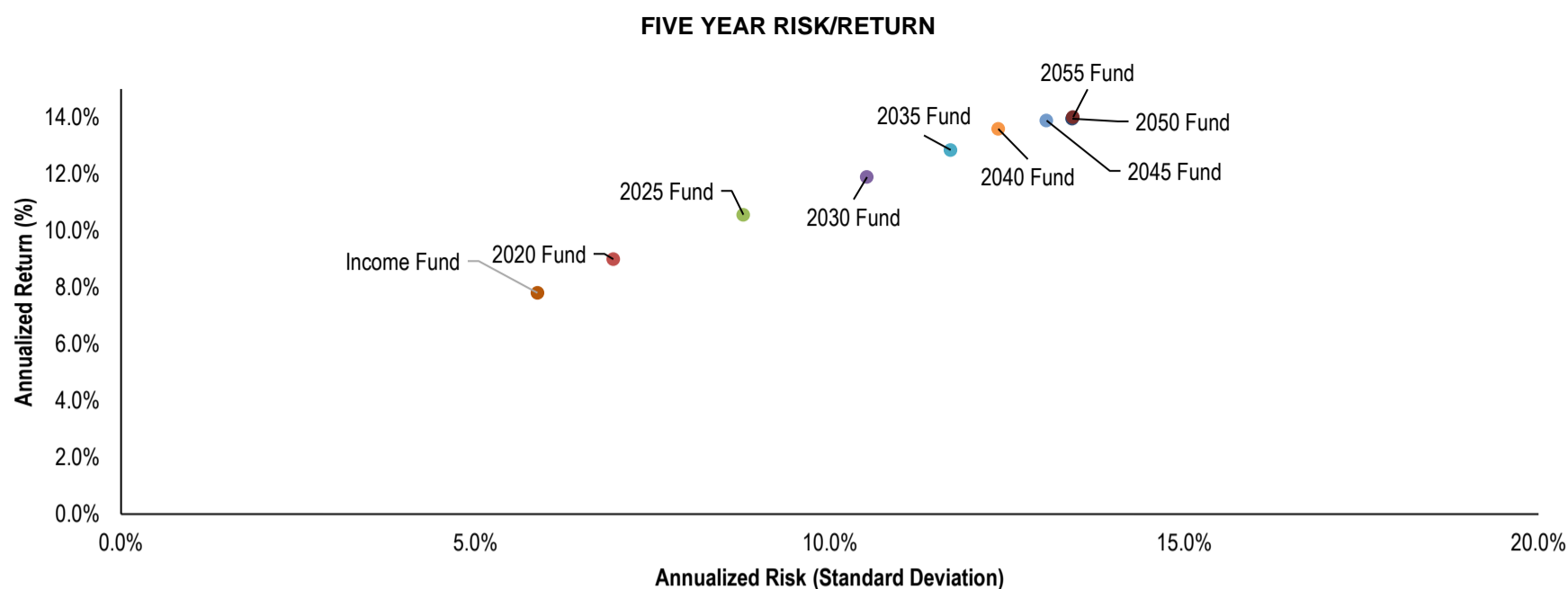
Asset Class	2065 Fund	2060 Fund	2055 Fund	2050 Fund	2045 Fund	2040 Fund	2035 Fund	2030 Fund	2025 Fund	2020 Fund	Income Fund
<b>Equities</b>											
Domestic Stocks	48.0%	48.0%	48.0%	47.8%	46.6%	44.4%	41.0%	35.4%	27.2%	19.1%	15.9%
International Stocks	48.0%	48.0%	48.0%	47.8%	46.6%	44.4%	41.0%	35.4%	27.2%	19.2%	16.0%
<b>Total Equities</b>	<b>96.0%</b>	<b>96.0%</b>	<b>96.0%</b>	<b>95.6%</b>	<b>93.2%</b>	<b>88.8%</b>	<b>82.0%</b>	<b>70.8%</b>	<b>54.4%</b>	<b>38.3%</b>	<b>31.9%</b>
<b>Fixed Income</b>											
Multi-Asset	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	2.4%	4.4%	6.4%	8.4%	10.0%
High Income	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%	4.4%	6.4%	8.4%	10.0%	10.0%
Long Bonds	4.0%	4.0%	4.0%	4.4%	6.8%	10.0%	10.2%	10.8%	9.6%	7.1%	3.5%
Short Term Bonds	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%	7.6%	19.2%	24.2%	24.6%
TIPS	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%	6.0%	10.0%
Stable Value	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%	6.0%	10.0%
<b>Total Fixed Income</b>	<b>4.0%</b>	<b>4.0%</b>	<b>4.0%</b>	<b>4.4%</b>	<b>6.8%</b>	<b>11.2%</b>	<b>18.0%</b>	<b>29.2%</b>	<b>45.6%</b>	<b>61.7%</b>	<b>68.1%</b>

Performance History (%) <sup>2</sup>	Quarter	YTD	1 Year	3 Years	5 Years	2020	2019	2018	2017	2016
Income Fund	4.07	4.63	16.02	9.12	7.81	13.09	12.79	-2.48	9.62	6.04
Income Fund Index	3.45	3.46	12.07	7.97	6.41	10.55	12.52	7.97	7.97	7.97
2020 Fund	4.62	4.85	17.60	9.91	9.00	14.20	15.32	-3.62	12.09	6.68
2020 Fund Index	3.97	3.83	13.87	8.69	7.78	11.63	14.67	8.69	8.69	8.69
2025 Fund	5.59	6.26	22.95	11.68	10.57	16.39	18.22	-4.51	13.99	7.29
2025 Fund Index	4.93	5.57	19.69	10.48	9.36	13.17	17.67	10.48	10.48	10.48
2030 Fund	6.43	7.90	28.44	13.12	11.89	17.83	20.90	-5.58	15.79	7.88
2030 Fund Index	5.79	7.68	26.06	12.00	10.65	14.41	20.12	12.00	12.00	12.00
2035 Fund	6.93	8.98	32.05	14.08	12.85	19.06	22.85	-6.59	17.45	8.27
2035 Fund Index	6.31	9.23	30.55	12.96	11.93	15.12	21.84	12.96	12.96	12.96
2040 Fund	7.18	9.43	33.71	14.72	13.59	19.73	24.85	-7.40	18.63	8.86
2040 Fund Index	6.62	10.12	33.24	13.60	12.74	15.47	23.48	13.60	13.60	13.60
2045 Fund	7.22	10.13	35.77	14.89	13.89	18.96	26.06	-7.83	19.24	8.92
2045 Fund Index	6.69	10.98	35.58	13.95	13.09	15.23	24.48	13.95	13.95	13.95
2050 Fund	7.24	10.59	37.02	14.91	13.95	18.57	26.41	-8.07	19.40	8.91
2050 Fund Index	6.69	11.47	36.90	14.11	13.22	15.15	24.79	14.11	14.11	14.11
2055 Fund	7.25	10.62	37.11	14.92	14.01	18.63	26.50	-8.13	19.32	9.10
2055 Fund Index	6.69	11.53	37.02	14.13	13.29	15.19	24.82	14.13	14.13	14.13
2060 Fund	7.22	10.62	37.09	14.71	N/A	18.50	26.46	-8.18	19.61	N/A
2060 Fund Index	6.69	11.53	37.02	14.13	N/A	15.19	24.82	14.13	14.13	N/A
2065 Fund	7.24	10.62	37.08	N/A	N/A	18.61	N/A	N/A	N/A	N/A
2065 Fund Index	6.69	11.53	37.02	N/A	N/A	15.19	N/A	N/A	N/A	N/A
S&P 500 Index	8.55	15.25	40.79	18.67	17.65	18.40	31.49	21.83	11.96	1.38
Bloomberg Barclays Aggregate Bond Index	1.83	-1.60	-0.33	5.34	3.03	7.51	8.72	5.34	5.34	5.34

Definitions & disclosures on following page

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As of June 30, 2021



Note: The S&P 500 Index and Bloomberg Barclays US Aaa Bond Index are included for context only.

## **Disclosures**

1. Fund allocations, characteristics, and statistics shown represent the actual R.R. Donnelley portfolio comprised of allocations to a variety of asset classes and investment managers. Portfolio weights of these underlying funds are subject to change and will vary at times due to performance and cash flows. Underlying managers/funds/vehicles are subject to change without advanced notification.
2. R.R. Donnelley's Target Date Funds' inception dates are October 2009. Since these funds are customized, they have no historical performance prior to October 2009. Prior to February 7th, 2018, Mercer Investment Management served as the investment manager of these funds, and Rocaton Investment Advisors thereafter. The performance information shown reflects the underlying managers that have been used in the investment option, which may have changed over time. Performance is provided by Northern Trust, who serves as the trustee of these custom funds. Each of the custom target date funds has a custom benchmark which reflects the unique underlying asset allocation of the fund and changes over time. The composite custom target date benchmarks include common market benchmarks including: S&P 500, Russell 2500, MSCI All-Country World Index ex-US, Bloomberg Barclays 1-10 TIPS, Bloomberg Barclays US Long Gov't Bond, Bloomberg Barclays US Aggregate, Bloomberg Barclays 1-3 Yr. US Gov't/Credit.
3. The "Current Expense Ratio" for this investment option is the sum of the management fees charged by the investment managers for the fund. The amount shown is an annual fee, although as a practical matter the fee is assessed throughout the year. The investment managers' fee may change based on the total portfolio value as well as contractual changes. There may be additional operational and administrative fees charged that are not captured in this expense ratio. This fee is subject to change.
4. The investment risk of each target date fund changes over time as the fund's asset allocation changes. As time passes and each fund gets closer to and passes its stated retirement year, the fund gradually reduces the anticipated level of risk in the fund by investing less in stocks and more in bonds and/or cash to try to protect the accumulated value of the fund. Approximately five years after the target date fund reaches its stated retirement year, it will have reached its most conservative asset mix and will be blended into the Target Retirement Income Fund, which features the most conservative asset mix of these target date funds.
5. All of the target date funds continue to have some level of equity allocation, even at and after the target retirement date. These risks include broad stock market risk, credit/default risk, interest rate risk, foreign market risk (including emerging market risk) and currency fluctuation risk. With the exception of the Target Date Income Fund the target asset allocation of these funds changes over time. Due to this changing asset allocation, investors should keep in mind that risk levels and performance for these funds will also be changing over time. Principal invested is not guaranteed at any time, including at or after the funds' target dates. Unit price and return will vary.

Past performance is not a guarantee of and may not be indicative of future results.

This investment option is not guaranteed by any party and may result in negative performance and the loss of principal. This information is subject to change over time. While the information included herein is taken from sources believed to be reliable, no representations or warranties are provided as to the accuracy of the information. Information is as of the date noted and may not reflect the current strategy or positioning. Cash positions and other holdings may not be shown in top holdings, if applicable. Managers may hold cash or securities not included in the stated benchmark or category.

These summary reports are available through this site as a tool for evaluating the investment options available under the plans. There are a number of other tools available for analyzing investments and investment funds. This web site and the tools and information provided herein should not be your sole source of information in making investment decisions under the Plan.

The investment option is a custom strategy fund. This description is only intended to provide a brief overview of the fund. The fund managers may change over time.

This fund may invest in certain securities or stock of R.R. Donnelley or its affiliates.