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Target Date Funds

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Target Date Funds

Target Date (or "lifecycle") Funds are investments on "auto pilot." Fund managers allocate assets across funds based on the set (target) retirement date and manage the allocation accordingly as time passes. These funds are best suited as "all or nothing" investments, meaning investors should put all their money in a target date fund or else manage their assets on their own. Unfortunately, many investors allocate funds to lifecycle investments as if it were its own investment category. This is particularly true in retirement plans where participants often exhibit the "1/n" phenomenon, allocating their money equally across the "n" investments in the plan -- target date funds included. ([See related article here, CNN Money.](#))

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