



**Vanguard®**

# A wise choice for your future

Saving and investing in your employer's retirement plan could be the best way you have to reach your future financial goals.

Macomb County has selected Vanguard—one of the world's largest global investment management companies—as the record keeper and investment manager of your retirement plan.

This newsletter gives you the latest information about the Macomb County Defined Contribution Retirement Plan. Please review it carefully to learn about automatic enrollment, how to register for online account access, name beneficiaries, conduct transactions, and learn more about your plan's investment options.



## A word about Vanguard

Vanguard is a different kind of investment company. Most investment firms are either publicly traded or owned by private investors. Vanguard is owned by the Vanguard funds, which, in turn, are owned by their shareholders. With no other parties to answer to and therefore no conflicting loyalties, we make decisions—including the decision to keep investing costs as low as possible—with your needs in mind.

# An important source for retirement income

Whether you picture your retirement as quiet and simple or filled with travel and hobbies, chances are it won't come cheap. It's realistic to plan for a retirement lasting 30 years or more.

And while Social Security may supplement your retirement income, your savings—including those in your employer-sponsored retirement savings plan account—will most likely be your primary income source.

In your retirement plan, you'll enjoy:

- **Investment flexibility.** You'll have access to an array of investments to meet your needs.
- **Convenient account access.** You can check your balance, make transactions, and use financial planning tools at [vanguard.com/retirementplans](https://www.vanguard.com/retirementplans).
- **Daily valuation.** Your account balance will be updated daily.
- **Enhanced education and planning.** You'll get a wealth of information from Vanguard about your plan and how to invest for retirement.



# Enrollment is automatic

## Enrollment is automatic

For your convenience, you will be enrolled automatically in the plan. Your contributions will be invested in the Vanguard Target Retirement Fund with the target date closest to the year in which you will reach age 65.

To make changes to your investment selection, log on to your account at **vanguard.com/retirementplans**. (If you have multiple accounts at Vanguard, you may need to select **Employer plans** first.)

Not yet registered for immediate, secure online account access? Click **Register for account access** on the right side of the logon page to sign up. You will need your plan number, **097515**.

Once you've enrolled and registered for secure online account access, you can view your account and make changes anytime, day or night.

## Crowded mailbox? Sign up for e-delivery today

Sign up for e-delivery to receive your statements, confirmations, and account notices all securely online. Receiving your plan communications electronically can save you time and help the environment.

Once you've set up online account access, simply log on to your secure account at **vanguard.com/retirementplans**, go to the **My Profile** tab, and click **Mailing Preferences** to select e-delivery. You can update your mailing preferences at any time.

# Protect your savings: Name a beneficiary

Be sure to name beneficiaries for your account. Properly designating beneficiaries ensures that, when you die, your hard-earned savings are distributed according to your wishes.

You can name a beneficiary or update your beneficiary information by following these steps:

1. Log on to your account at [vanguard.com/retirementplans](https://vanguard.com/retirementplans).
2. Click **My Profile**. (If you have multiple accounts at Vanguard, you may need to select **Employer plans** first.)
3. Click **Beneficiaries**.

## Contributing to your account

You will be automatically enrolled in the plan at a pre-tax contribution rate of 3% of your pay, which will be invested in the Target Retirement Fund with the target date closest to the year in which you will reach age 65. For more information about Vanguard Target Retirement Funds, see **Your plan's fund lineup** below.

The IRS also limits contributions. For current IRS limits, visit [vanguard.com/contributionlimits](https://vanguard.com/contributionlimits).

### **Free money!**

Your retirement plan offers you free money—the employer match. Since you are enrolled at a contribution rate of 3%, Macomb will contribute 6% to your account.

# Your plan's fund lineup

Now it's easier to choose investments for your retirement plan. That's because your plan's fund lineup is divided between two tiers—all-in-one investments and core investments. Whether you're an experienced or novice investor, you can create a portfolio that fits your investment objective, time horizon, and comfort with risk.

## **Tier 1: All-in-one investments**

How to invest your money among stocks and bonds—now and as you grow older—is one of your most important financial decisions.

Vanguard Target Retirement Funds provide a professionally maintained, diversified mix of investments that shifts its emphasis to more conservative investments as the year of retirement nears.

Investments in Target Retirement Funds are subject to the risks of their underlying funds. The year in the fund name refers to the approximate year (the target date) when an investor in the fund would retire and leave the workforce. The fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. An investment in a Target Retirement Fund is not guaranteed at any time, including on or after the target date. Keep in mind that diversification does not ensure a profit or protect against a loss.

If you choose this tier, consider making a single Target Retirement Fund your only plan investment. Why? Because a Target Retirement Fund is a broadly

diversified investment mix on its own. Even though Target Retirement Funds simplify the investment process, they still require some monitoring to ensure that the portfolio is in line with your current situation.

Consider choosing the fund with the date that's closest to the year when you expect to retire. If you are already retired, consider choosing Vanguard Target Retirement Income Fund. This fund seeks to provide current income and some capital appreciation to retirees.

- Vanguard Target Retirement 2060 Fund
- Vanguard Target Retirement 2055 Fund
- Vanguard Target Retirement 2050 Fund
- Vanguard Target Retirement 2045 Fund
- Vanguard Target Retirement 2040 Fund
- Vanguard Target Retirement 2035 Fund
- Vanguard Target Retirement 2030 Fund
- Vanguard Target Retirement 2025 Fund
- Vanguard Target Retirement 2020 Fund
- Vanguard Target Retirement 2015 Fund
- Vanguard Target Retirement 2010 Fund
- Vanguard Target Retirement Income Fund

## **Tier 2: Core investments**

Core investments can offer the basic ingredients for a well-balanced portfolio. Each one offers broad diversification and low costs. You can combine several to create a portfolio that suits you.

If you wish to create your own diversified investment mix, you may want to start with the funds in this tier. Most core investments are index funds, which can provide low-cost access to broad segments of the stock and bond markets.



This tier also includes a more conservative money market fund.

Index funds, also known as passively managed funds, generally use a buy-and-hold strategy to try to track the performance of a given market. Why would anyone invest in an index fund and earn just what the market earns? Because index funds generally cost less to run than actively managed funds, whose managers try to outperform the market.

Note that the “market” represents all investor dollars. When some investors’ dollars outperform the market, other investors’ dollars must underperform. After subtracting fund costs—including management fees, administrative expenses, and trading commissions—actively managed funds can face difficulties over time just to keep pace with the market.

- Vanguard Prime Money Market Fund
- Federated Capital Preservation Fund ISP Class
- Vanguard Inflation-Protected Securities Fund
- PIMCO Total Return Fund Administrative Class
- Vanguard Total Bond Market Index Fund
- Dodge & Cox Stock Fund
- Prudential Jennison Mid-Cap Growth Fund Class Z
- T. Rowe Price Growth Stock Fund Retail Class
- Vanguard Total Stock Market Index Fund
- American Beacon Small Cap Value Fund Investor Class

- JPMorgan Small Cap Growth Fund Class R6 Shares
- Perkins Mid Cap Value Fund Class T Shares
- Harbor International Fund Administrative Shares
- Vanguard International Growth Fund
- Vanguard Total International Stock Index Fund

#### **A note about risk**

All investing is subject to risk, including the possible loss of the money you invest. While U.S. Treasury or government agency securities provide substantial protection against credit risk, they do not protect investors against price changes due to changing interest rates. Although the market values of government securities are not guaranteed and may fluctuate, these securities are guaranteed as to the timely payment of principal and interest. Bond funds are subject to the risk that an issuer will fail to make payments on time, and that bond prices will decline because of rising interest rates or negative perceptions of an issuer’s ability to make payments. PIMCO Total Return Fund may invest in derivatives. Derivatives are subject to a number of risks, such as liquidity risk, interest rate risk, market risk, credit risk, and management risk. A fund investing in a derivative instrument could lose more than the principal amount invested. Prices of mid- and small-cap stocks often fluctuate more than those of large-company stocks. Investments in stocks or bonds issued by non-U.S. companies are subject to risks including country/ regional risk and currency risk.

## Don't forget your annual checkup

Managing your retirement savings doesn't stop at choosing your investments. Your financial circumstances and goals can change, and the relative values of your investments are always changing. This can shift your investment mix quite a bit from the ideal investment path for you. Periodically check your account and rebalance if necessary. Experts recommend that you do this at least once a year.

Need help finding an asset allocation that is right for you? Complete Vanguard's Investor Questionnaire at [vanguard.com/assetmix](http://vanguard.com/assetmix).

## Making changes

You can make changes to your account, contribution rate, or investments at any time by logging onto your account at [vanguard.com/retirementplans](http://vanguard.com/retirementplans) or by speaking with a Vanguard Participant Services associate at **800-523-1188** Monday through Friday from 8:30 a.m. to 9 p.m., Eastern time.

## Connect with Vanguard®

[vanguard.com/retirementplans](http://vanguard.com/retirementplans) > 800-523-1188

*For more information about any fund, including investment objectives, risks, charges, and expenses, call Vanguard at 800-523-1188 to obtain a prospectus or summary prospectus, if available. The prospectus contains this and other important information about the fund. Read and consider the prospectus information carefully before you invest. You can also download Vanguard fund prospectuses at [vanguard.com](http://vanguard.com).*

*An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although a money market fund seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in such a fund.*



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### Participant Education

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