

# BorgWarner Inc. Retirement Savings Plan investment lineup

At Vanguard, you can easily choose investments for your Retirement Savings Plan. That's because your plan's investment lineup is divided into two tiers—"all-in-one" (target-date) investments and core investments. Whether you're an experienced or a ("a novice investor") novice investor, you can create a portfolio that fits your investment objective, time horizon, and comfort with risk.

## Tier 1: All-in-one (target-date) investments

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

Vanguard Target Retirement Trusts 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 Trusts are subject to the risks of their underlying funds. The year in the trust name refers to the approximate year (the target date) when an investor in the trust would retire and leave the workforce. The trust will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. An investment in a Target Retirement Trust is not guaranteed at any time, including on or after the target date.

If you choose this tier, consider making a single Target Retirement Trust your only plan investment. Why? Because a Target Retirement Trust is a broadly diversified investment mix on its own. Even though Target Retirement Trusts simplify the investment process, they still require some monitoring to ensure that the portfolio is in line with your current situation.

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

- Vanguard Target Retirement 2065 Trust II
- Vanguard Target Retirement 2060 Trust II
- Vanguard Target Retirement 2055 Trust II
- Vanguard Target Retirement 2050 Trust II
- Vanguard Target Retirement 2045 Trust II
- Vanguard Target Retirement 2040 Trust II
- Vanguard Target Retirement 2035 Trust II
- Vanguard Target Retirement 2030 Trust II
- Vanguard Target Retirement 2025 Trust II
- Vanguard Target Retirement 2020 Trust II
- Vanguard Target Retirement 2015 Trust II
- Vanguard Target Retirement Income Trust II

## Tier 2: Core investments

If you'd like to build your own diversified portfolio, you may want to consider the investments in this tier. Core investments can offer the basic ingredients for a well-balanced portfolio. You can combine several to create a portfolio that suits you.

### Stocks

- Artisan Global Opportunities Trust Tier 1, a global stock investment, seeks to invest in companies with franchise characteristics that are benefiting from an accelerating profit cycle and are trading at a discount to private market value.
- BorgWarner Company Stock Fund, a company stock fund, seeks long-term growth of capital.
- Cohen & Steers Real Estate Securities Fund Class Z, a real estate stock fund, seeks to achieve a total return through investment in real estate securities.
- Northern Trust Collective S&P 500 Index Fund DC Non-Lending Tier 3, a domestic stock investment, seeks to approximate the risk and return characteristics of the S&P 500 Index, an index that is commonly used to represent the large-cap segment of the U.S. equity market.
- Northern Trust Collective Russell 2000 Index Fund DC Non-Lending Tier 3, a domestic stock investment, seeks to approximate the risk and return characteristics of the Russell 2000 Index, an index that is commonly used to represent the small-cap segment of the U.S. market.
- Vanguard Mid-Cap Index Fund Institutional Shares, a domestic stock fund, seeks to track the performance of a benchmark index that measures the investment return of mid-capitalization stocks.
- Vanguard Total International Stock Index Fund Institutional Shares, an international stock fund, seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in developed and emerging markets, excluding the United States.

### Bonds

- Northern Trust Collective Aggregate Bond Index Fund Non-Lending Tier 2, a bond investment, seeks to hold a portfolio representative of the overall U.S. bond and debt market.
- Northern Trust Collective Treasury Inflation-Protected Securities (TIPS) Index Fund Non-Lending Tier 2, a bond investment, seeks to hold a portfolio representative of the treasury inflation-protected securities sector of the United States bond and debt market, as characterized by the Bloomberg Barclays U.S. TIPS Index.

### Short-term reserve

- Vanguard Retirement Savings Trust III, a stable value investment, seeks to provide current and stable income, while maintaining a stable share value of \$1.

**A note about risk**

Whenever you invest, there's a chance you could lose the money. U.S. Treasury investments and some U.S. government agency bonds are backed by the government, so it's highly likely that payments will be made on time. But their prices can still fall when interest rates go up. Bond funds are made up of IOUs, primarily from companies or governments. These funds risk losing value if the debt isn't repaid on time. Also, bond prices can drop when interest rates rise or the issuer's reputation suffers. Small- and mid-cap funds are made up of the stocks of small and medium-sized companies. These companies have fewer financial resources than larger companies. Because of that, their stock prices can be more affected by swings in the economy. Non-U.S. stocks or bonds have risks tied to the political and economic stability of their country or region. And if the value of the foreign currency falls, the value of the stocks or bonds would also fall. In emerging markets (less developed countries), these risks may be even greater. Funds that focus on a narrow part of the economy—for example, real estate or health care—can fluctuate sharply in price. This makes them riskier than broadly based stock funds. The performance of a company stock fund depends on the price of a single stock, which can move up or down dramatically. So this type of fund can be riskier than a stock mutual fund, which may own hundreds or thousands of stocks. Diversifying means having different types of investments. It doesn't guarantee you'll make a profit or that you won't lose money.

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*Before you invest, get the details. Consider the fund's objective, risks, charges, and expenses. The fund's prospectus (or summary prospectus, if available) will tell you these important facts and more. So read it carefully. Call Vanguard at **800-523-1188** to get one. Or you can find one at [vanguard.com](https://vanguard.com).*

*As its name suggests, a stable value investment tries to keep its share price constant. But this is not guaranteed, and it's possible to lose money with an investment like this. Unlike bank savings accounts, this investment is not insured by the U.S. government. It's also not insured by your employer or Vanguard.*

Vanguard Target Retirement Trusts and Vanguard Retirement Savings Trust are collective trusts, not mutual funds. These types of investments are offered only in retirement plans like yours. Before you invest, get the details. Know and carefully consider the objective, risks, charges, and expenses. Vanguard Fiduciary Trust Company manages the Vanguard collective trusts.

Artisan Global Opportunities Trust Tier 1, Northern Trust Collective S&P 500 Index Fund DC Non-Lending Tier 3, Northern Trust Collective Russell 2000 Index Fund DC Non-Lending Tier 3, Northern Trust Collective Aggregate Bond Index Fund Non-Lending Tier 2, and Northern Trust Collective Treasury Inflation-Protected Securities (TIPS) Index Fund Non-Lending Tier 2 are not mutual funds. They are collective trusts available only to tax-qualified plans and their eligible participants. Investment objectives, risks, charges, expenses, and other important information should be considered carefully before investing.

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BBBBLFZV 022021