

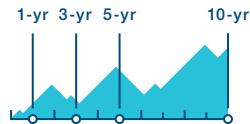


T. Rowe Price's Active Management Approach Has Benefited Our Target Date Funds

Discipline has brought long-term rewards for clients.

KEY INSIGHTS

- T. Rowe Price examined 11 of our U.S. Retirement Funds (RFs) with at least 10-year records to quantify the value added by our active management approach.¹
- On average, the 11 funds outperformed their benchmarks in 96% of rolling five-year periods and in every rolling 10-year period since inception, net of fees.
- T. Rowe Price seeks to add value for clients at multiple levels, including glide path design, long-term diversification, and our active management approach.
- We believe our active management approach—including tactical allocation and active management of the underlying strategies—can enhance retirement outcomes.



Rolling Periods

We measured performance over a large number of periods covering the full track record of each RF instead of just looking at the most recent 5- or 10-year periods. Every calendar month marked the start of a new period—so an RF that launched on September 30, 2002, for example, has 184 rolling five-year periods included in the study.

(Fig. 1)

Source: T. Rowe Price.

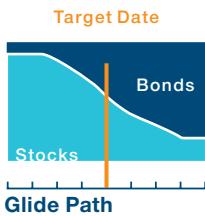
Retirement Funds Included in Our Performance Study

Fund	Inception Date
Retirement 2005 Fund	2/27/2004
Retirement 2010 Fund	9/30/2002
Retirement 2015 Fund	2/27/2004
Retirement 2020 Fund	9/30/2002
Retirement 2025 Fund	2/27/2004
Retirement 2030 Fund	9/30/2002

Fund	Inception Date
Retirement 2035 Fund	2/27/2004
Retirement 2040 Fund	9/30/2002
Retirement 2045 Fund	5/31/2005
Retirement 2050 Fund	12/29/2006
Retirement 2055 Fund	12/29/2006

Note that past performance data throughout this material are not reliable indicators of future performance.

¹All funds are subject to market risk, including possible loss of principal. For more information on the T. Rowe Price funds used in this study, please visit troweprice.com/complete-target-date-study.



How the strategic allocations in a target date fund change over time. A fund far from its target date typically will feature higher equity allocations. A fund close to its target date typically will increase the weight to bonds or other less volatile investments.



Active Success Rate

The active success rate records the percentage of times a fund beat its designated benchmark, net of fees and trading costs, over a specified time period (e.g., 10 years). Think of this as a measure of how often a client might look at his or her monthly statement and find that a fund has outperformed for that time period.

To demonstrate that T. Rowe Price's target date investment process historically has created value for our clients, we conducted a rigorous study of the performance of all of our RFs that had at least 10-year track records as of December 31, 2022 (Figure 1). These 11 RFs held nearly all (approximately 96%) of the RF assets managed by the firm as of that date.²

We examined fund performance at three different levels to quantify the following:

- 1. The value added by T. Rowe Price's tactical allocation process.** Returns were calculated using each underlying fund's style-specific benchmark.³
- 2. The value added by security selection.** Excess returns—net of fees and other costs—were calculated for the underlying funds in each RF relative to each underlying fund's style benchmark. These fund-level returns were then aggregated to show the total excess returns achieved by each RF.
- 3. The total value added by T. Rowe Price's implementation.** RF returns were compared with a family of target date indexes created by Standard & Poor's, which reflect "consensus" strategic asset allocations and glide paths for the industry as a whole based on an annual survey of reported portfolio holdings.

For each level of fund performance, two measures were calculated:

- Active success rates:** The percentage of total rolling periods in which the RF added value at the performance level being measured.
- Excess returns:** The value added by each RF at the performance level being measured. Excess returns were calculated for each rolling period and then averaged across all the periods in each time frame.

T. Rowe Price believes strongly that longer time horizons provide the most meaningful measures of target date implementation, as they smooth out the effects of shorter-term factors that can produce a distorted picture of relative performance. Accordingly, our analysis focused primarily on performance over rolling 5- and 10-year periods, rolled monthly.⁴

To provide a summary of the effectiveness of T. Rowe Price's target date process, we also calculated performance averages for all 11 RFs across all three levels of our analysis (total value added, tactical allocation, and security selection). To account for the differing longevity of each RF, these averages were time weighted—the results are based on the percentage of the total performance periods in each time frame provided by each RF.



Tactical Allocation

Managers of target date funds may seek to add value by adjusting the asset allocation to the underlying portfolios to try to take advantage of especially attractive valuations or other short-term market conditions.



Security Selection

Managers of active investment portfolios typically seek to add value by picking stocks, bonds, or other securities that they believe will outperform broad market indexes.



Total Implementation

The full value added by efforts to improve target date strategy returns through tactical allocation, security selection in the underlying funds, and structural design differences relative to the benchmark.

² Two Retirement Funds with relatively distant target dates (2060 and 2065) were excluded from the study because of their relatively short performance track records.

³ For each vintage, each underlying fund's actual weight was multiplied by its style-specific benchmark return to generate positioning inclusive of tactical allocation changes. These positions were then subtracted from each respective underlying fund's fixed strategic asset allocation weight, multiplied by the style-specific benchmark return. The result is the difference between actual positioning, including tactical decisions and implementation, versus strategic asset allocation positioning.

⁴ Performance results over rolling 1- and 3-year periods for the 11 funds included in our analysis can be found at troweprice.com/complete-target-date-study.

100%

Positive active success rates for total implementation for all 11 RFs over 10-year rolling periods.

Annualized excess returns were consistently positive across all time frames for all funds.

Study Results

By and large, the time-weighted averages reflect the same results as for the individual Retirement Funds: The total value added by T. Rowe Price's implementation and the contributions made by tactical asset allocation and security selection were all positive and relatively stable across different time periods (Figures 2 and 3).

Individual performance results for the 11 RFs in our study also were strongly positive across both 5- and 10-year time frames:

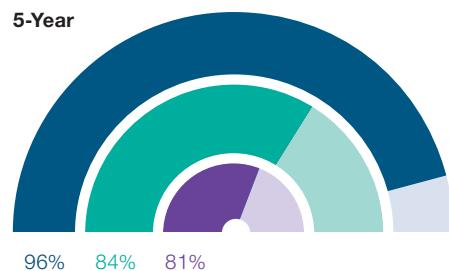
- **Tactical asset allocation:** The performance contribution from tactical allocation was positive in 100% of rolling 10-year periods for all 11 RFs. Active success rates were strongly positive across five-year rolling periods (averaging 84%). Value added was positive across all time frames (Figure 4).
- **Security selection:** Active success rates were positive in 84% or more of all rolling 10-year periods for nine of the 11 RFs and strongly positive (averaging 81%) across five-year rolling periods. Excess returns were positive across all time frames for all RFs (Figure 5).
- **Total implementation:** Active success rates were positive in 100% of rolling 10-year periods for every RF and averaged 96% across five-year rolling time periods. Annualized excess returns were consistently positive across all time frames for all RFs (Figure 6).

(Fig. 2 and Fig. 3)
Fund Inceptions Through December 31, 2022

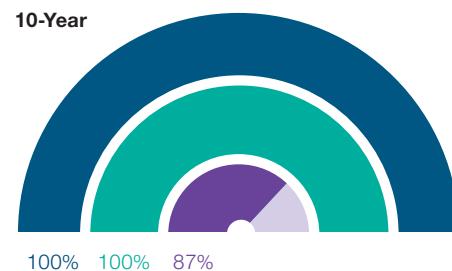
Total Implementation ■
Tactical Asset Allocation ■
Security Selection ■

Time-Weighted Average Active Success Rates for T. Rowe Price Retirement Funds

5-Year



10-Year



Fund Inceptions Through December 31, 2022

Time-Weighted Average Annualized Value Added (in Basis Points) for T. Rowe Price Retirement Funds

5-Year



10-Year



Sources: Standard & Poor's, Russell, MSCI, Bloomberg Index Services Limited, J.P. Morgan, Credit Suisse (see Additional Disclosures), and T. Rowe Price. Data analysis by T. Rowe Price.

(Fig. 4)

Fund Inceptions Through December 31, 2022

Fund
Retirement 2005 Fund
Retirement 2010 Fund
Retirement 2015 Fund
Retirement 2020 Fund
Retirement 2025 Fund
Retirement 2030 Fund
Retirement 2035 Fund
Retirement 2040 Fund
Retirement 2045 Fund
Retirement 2050 Fund
Retirement 2055 Fund

Active Success Rates and Average Value Added by Tactical Allocation**Active Success Rates**

Rolling Periods

	5-Year	10-Year
	83%	100%
	87	100
	87	100
	85	100
	85	100
	87	100
	84	100
	86	100
	82	100
	80	100
	78	100

Average Annualized Value Added (Basis Points)

Rolling Periods

	5-Year	10-Year
	14	15
	16	16
	15	15
	16	16
	13	14
	14	14
	10	12
	10	11
	8	9
	8	8
	7	7

Source: T. Rowe Price.**(Fig. 5)**

Fund Inceptions Through December 31, 2022

Fund
Retirement 2005 Fund
Retirement 2010 Fund
Retirement 2015 Fund
Retirement 2020 Fund
Retirement 2025 Fund
Retirement 2030 Fund
Retirement 2035 Fund
Retirement 2040 Fund
Retirement 2045 Fund
Retirement 2050 Fund
Retirement 2055 Fund

Active Success Rates and Average Value Added by Security Selection**Active Success Rates**

Rolling Periods

	5-Year	10-Year
	49%	64%
	53	73
	73	84
	80	91
	90	93
	88	94
	92	93
	90	94
	93	91
	92	89
	92	89

Average Annualized Value Added (Basis Points)

Rolling Periods

	5-Year	10-Year
	12	10
	11	13
	19	18
	23	26
	32	31
	34	37
	42	42
	40	43
	43	43
	39	39
	39	39

Sources: Standard & Poor's, Russell, MSCI, Bloomberg Index Services Limited, J.P. Morgan, Credit Suisse (see Additional Disclosures), and T. Rowe Price. Data analysis by T. Rowe Price.**(Fig. 6)**

Fund Inceptions Through December 31, 2022

Fund
Retirement 2005 Fund
Retirement 2010 Fund
Retirement 2015 Fund
Retirement 2020 Fund
Retirement 2025 Fund
Retirement 2030 Fund
Retirement 2035 Fund
Retirement 2040 Fund
Retirement 2045 Fund
Retirement 2050 Fund
Retirement 2055 Fund

Active Success Rates and Average Value Added by Total Implementation**Active Success Rates**

Rolling Periods

	5-Year	10-Year
	97%	100%
	93	100
	95	100
	93	100
	94	100
	95	100
	98	100
	97	100
	100	100
	100	100
	99	100

Average Annualized Value Added (Basis Points)

Rolling Periods

	5-Year	10-Year
	112	120
	93	101
	91	98
	99	107
	100	108
	105	114
	105	112
	100	109
	106	103
	89	88
	61	65

Sources: Standard & Poor's (see Additional Disclosures) and T. Rowe Price. Data analysis by T. Rowe Price.

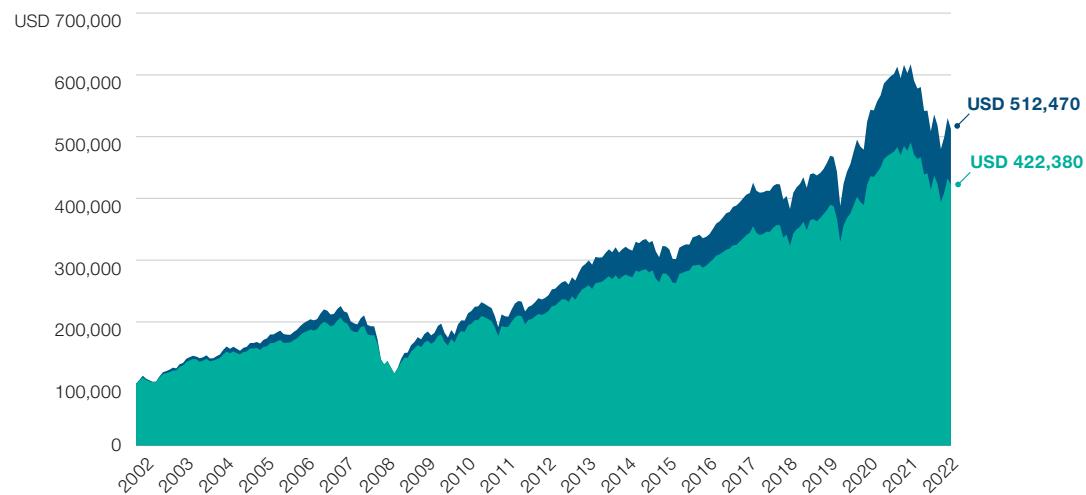
(Fig. 7)

September 30, 2002,
Through December 31, 2022

T. Rowe Price Retirement 2030 Fund
S&P Target Date 2030 Index

Example of the Benefits of T. Rowe Price's Active Management Approach

Portfolio Growth Potential Relative to the S&P Target Date 2030 Index



Sources: Standard & Poor's (see Additional Disclosures) and T. Rowe Price. Data analysis by T. Rowe Price.

Current performance may be higher or lower than the quoted past performance, which cannot guarantee future results. Share price, principal value, and return will vary, and you may have a gain or loss when you sell your shares. Average annual total return figures include changes in principal value, reinvested dividends, and capital gain distributions. To obtain the most recent month-end performance, please visit our website or contact a T. Rowe Price representative at 1-800-225-5132.

Benefits for Investors

The excess returns historically achieved by T. Rowe Price's Retirement Funds may seem modest compared with the absolute returns that investors typically have been able to achieve on diversified asset portfolios over longer periods. However, compounded over time, even a small improvement in returns can make a significant difference in ending portfolio values.

Take, for example, the experience of the T. Rowe Price Retirement 2030 Fund. From its inception on September 30, 2002, through December 31, 2022, the fund outperformed the S&P Target Date 2030 Index by 1.03 percentage points, annualized. If an investor had invested USD 100,000 in the Retirement 2030 Fund at inception, by the end of 2022 his or her portfolio could have been worth over USD 90,000 more than the same amount invested in a hypothetical portfolio that earned the same return as the S&P Target Date 2030 Index (Figure 7).

A USD 90,000 difference in ending portfolio values could be significant for some retirement investors. In our example, the investor who invested in the Retirement 2030 Fund would be able to withdraw an additional USD 4,505 per year over a 20-year retirement time horizon compared with the investor who invested in a hypothetical portfolio that tracked the performance of the S&P Target Date 2030 Index—assuming no further portfolio growth after retirement (Figure 8). For some retirees, that USD 4,505 difference could have a meaningful impact on living standards.

(Fig. 8)

September 30, 2002, Through
December 31, 2022

Retirement 2030 Fund
S&P Target Date 2030 Index

Potential Postretirement Annual Spending Amounts

Income From a USD 100,000 Investment*

USD 25,624

USD 21,119

* Assumes no further portfolio growth after retirement.

Sources: Standard & Poor's (see Additional Disclosures) and T. Rowe Price. Data analysis by T. Rowe Price.



We believe the value added by our target date implementation can meaningfully enhance retirement outcomes for investors.

Our Approach to Active Management

T. Rowe Price's target date process seeks to improve outcomes for our target date clients at multiple levels—via glide path design, long-term diversification, tactical asset allocation, and our active management approach. We believe the value added by our target date implementation can meaningfully enhance retirement outcomes for investors.

Bottom-up fundamental research is at the core of how we manage the underlying strategies in our target date funds. That means that over 550 of our investment professionals go out in the field to uncover opportunities. They study them firsthand. And use those insights to help give our clients an investment edge.⁵

Our target date managers, backed by our committee of asset allocation experts from across multi-asset, equity, and fixed income, seek to get ahead of change by identifying attractive near-term asset valuations and using prudent tactical allocation adjustments to take advantage of those potential opportunities.

Experience has been a critical component of our success as well. We've managed investments through all kinds of markets, and our professionals average 22 years in the industry and 17 years with T. Rowe Price.⁶ Significantly, many of our analysts go on to become portfolio managers, which we believe creates a strong foundation on behalf of our clients.

⁵ Investment staff as of December 31, 2022. Includes 137 portfolio managers, 18 associate portfolio managers, 209 investment analysts, 75 associate analysts, 41 specialty analysts, 36 traders, 14 strategists, and 22 senior managers.

⁶ As of December 31, 2022.

Important Information

Standardized Performance

Annualized total returns for periods ended September 30, 2023

Fund (Inception Date)	Gross Expense Ratio ¹	1 Year	3 Years	5 Years	10 Years
Retirement 2005 Fund (NAV) (2/27/2004)	0.49%	8.97%	1.42%	3.48%	4.35%
S&P Target Date Retirement Income Index		7.38	0.22	2.59	3.48
Retirement 2010 Fund (NAV) (9/30/2002)	0.49	9.56	1.79	3.75	4.74
S&P Target Date 2010 Index		8.30	1.03	3.09	4.09
Retirement 2015 Fund (NAV) (2/27/2004)	0.50	10.10	2.29	4.05	5.26
S&P Target Date 2015 Index		8.81	1.57	3.32	4.58
Retirement 2020 Fund (NAV) (9/30/2002)	0.53	10.71	2.76	4.37	5.83
S&P Target Date 2020 Index		9.96	1.91	3.44	4.95
Retirement 2025 Fund (NAV) (2/27/2004)	0.54	11.87	3.40	4.82	6.40
S&P Target Date 2025 Index		10.97	3.03	4.02	5.56
Retirement 2030 Fund (NAV) (9/30/2002)	0.57	13.62	4.06	5.23	6.92
S&P Target Date 2030 Index		12.96	4.08	4.51	6.14
Retirement 2035 Fund (NAV) (2/27/2004)	0.59	15.65	4.78	5.67	7.36
S&P Target Date 2035 Index		15.18	5.24	5.07	6.72
Retirement 2040 Fund (NAV) (9/30/2002)	0.60	17.37	5.43	6.08	7.73
S&P Target Date 2040 Index		17.06	6.16	5.53	7.15
Retirement 2045 Fund (NAV) (5/31/2005)	0.62	18.41	5.99	6.42	7.96
S&P Target Date 2045 Index		18.32	6.72	5.81	7.41
Retirement 2050 Fund (NAV) (12/29/2006)	0.63	18.77	6.08	6.45	7.98
S&P Target Date 2050 Index		18.84	7.01	5.93	7.60
Retirement 2055 Fund (NAV) (12/29/2006)	0.64	18.82	6.07	6.41	7.96
S&P Target Date 2055 Index		18.97	7.12	5.98	7.68

¹Expense ratios are as of the most recent prospectus.

Sources: Standard & Poor's (see Additional Disclosures) and T. Rowe Price.

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Additional Disclosures

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Important Information

Call 1-800-225-5132 to request a prospectus or summary prospectus; each includes investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing.

The principal value of the Retirement Funds is not guaranteed at any time, including at or after the target date, which is the approximate year an investor plans to retire (assumed to be age 65) and likely stop making new investments in the fund. If an investor plans to retire significantly earlier or later than age 65, the funds may not be an appropriate investment even if the investor is retiring on or near the target date. The funds' allocations among a broad range of underlying T. Rowe Price stock and bond funds will change over time. The funds emphasize potential capital appreciation during the early phases of retirement asset accumulation, balance the need for appreciation with the need for income as retirement approaches, and focus on supporting an income stream over a long-term postretirement withdrawal horizon. The funds are not designed for a lump-sum redemption at the target date and do not guarantee a particular level of income. The funds maintain a substantial allocation to equities both prior to and after the target date, which can result in greater volatility over shorter time horizons.

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