

## T. Rowe Price Retirement Series

A fine primary retirement option.

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March 11, 2022 | by Bobby Blue

An experienced team continues to execute on an industry-leading research agenda, keeping the T. Rowe Price Retirement target-date series a cut above. Its two cheapest share classes retain their Morningstar Analyst Ratings of Gold, while the advisor share class is Silver and the R shares Bronze.

This series has boldly pushed the boundaries of target-date investing. The team has consistently advocated for higher equity allocations for investors, and in 2020 announced that the series would start with a 98% allocation to equities, which was 8 percentage points higher than the average target-date series. It remains elevated through the entirety of the glide path, owing to research the team has done that shows the largest risk facing investors is a shortfall at retirement.

One of the industry's largest and most experienced multi-asset teams powers this series. Lead manager Wyatt Lee is a 20-plus year T. Rowe Price veteran, and he is joined by Kim DeDominicis and Andrew Jacobs van Merlen, who each have 15-plus years of experience at the firm. A deep and well-credentialed research team of 29 investment professionals supports them, with dedicated groups focusing on strategic allocation research and lifecycle modeling. Its size allows them to tackle an expansive research agenda, which has included revamps to the series' fixed-income allocations in 2017 and the equity allocations in 2020.

Investors gain access to some of T. Rowe Price's best funds in this series: 69% of series assets are in Morningstar Medalist funds. These include equity strategies such as Gold-rated T. Rowe Price Mid-Cap Growth (TRQZX) and satellite fixed-income strategies like Gold-rated T. Rowe Price Floating Rate (TRIZX). Neutral-rated T. Rowe Price New Income (PRCIX) is one of the few blemishes. Though the series' core bond strategy has posted performance in the top-half of intermediate core bond strategies during the

trailing five years, it's gone through bouts of volatility in the past, including a 7.6% drawdown in March 2020. Though periods like this may cause blips of underperformance, over the longer term the series has thrived. All but one of its vintages with 10-year track records finished in the top decile of its respective category.

## EXPLANATORY NOTES—ARTICLE REPRINT

*Morningstar, "T. Rowe Price Retirement Fund Series," March 11, 2022*

Retirement 2005-2060 Funds Investor Class Gold Ratings as of February 28, 2022. Analyst Ratings for other share classes or other T. Rowe Price target date series may differ. The 2065 vintage has not been rated due to its limited history.

The Morningstar Analyst Rating™ is not a credit or risk rating. It is a subjective evaluation performed by Morningstar's manager research group, which consists of various Morningstar, Inc. subsidiaries ("Manager Research Group"). In the United States, that subsidiary is Morningstar Research Services LLC, which is registered with and governed by the U.S. Securities and Exchange Commission. The Manager Research Group evaluates funds based on five key pillars, which are process, performance, people, parent, and price. The Manager Research Group uses this five-pillar evaluation to determine how they believe funds are likely to perform relative to a benchmark over the long term on a risk adjusted basis. They consider quantitative and qualitative factors in their research. For actively managed strategies, people and process each receive a 45% weighting in their analysis, while parent receives a 10% weighting. For passive strategies, process receives an 80% weighting, while people and parent each receive a 10% weighting. For both active and passive strategies, performance has no explicit weight as it is incorporated into the analysis of people and process; price at the share-class level (where applicable) is directly subtracted from an expected gross alpha estimate derived from the analysis of the other pillars. The impact of the weighted pillar scores for people, process and parent on the final Analyst Rating is further modified by a measure of the dispersion of historical alphas among relevant peers. For certain peer groups where standard benchmarking is not applicable, primarily peer groups of funds using alternative investment strategies, the modification by alpha dispersion is not used.

The Analyst Rating scale is Gold, Silver, Bronze, Neutral, and Negative. For active funds, a Morningstar Analyst Rating of Gold, Silver, or Bronze reflects the Manager Research Group's expectation that an active fund will be able to deliver positive alpha net of fees relative to the standard benchmark index assigned to the Morningstar category. The level of the rating relates to the level of expected positive net alpha relative to Morningstar category peers for active funds. For passive funds, a Morningstar Analyst Rating of Gold, Silver, or Bronze reflects the Manager Research Group's expectation that a fund will be able to deliver a higher alpha net of fees than the lesser of the relevant Morningstar category median or 0. The level of the rating relates to the level of expected net alpha relative to Morningstar category peers for passive funds. For certain peer groups where standard benchmarking is not applicable, primarily peer groups of funds using alternative investment strategies, a Morningstar Analyst Rating of Gold, Silver, or Bronze reflects the Manager Research Group's expectation that a fund will deliver a weighted pillar score above a predetermined threshold within its peer group. Analyst Ratings ultimately reflect the Manager Research Group's overall assessment, are overseen by an Analyst Rating Committee, and are continuously monitored and reevaluated at least every 14 months.

For more detailed information about Morningstar's Analyst Rating, including its methodology, please go to <https://shareholders.morningstar.com/investor-relations/governance/Compliance-Disclosure/default.aspx>.

**The Morningstar Analyst Rating (i) should not be used as the sole basis in evaluating a fund, (ii) involves unknown risks and uncertainties which may cause the Manager Research Group's expectations not to occur or to differ significantly from what they expected, and (iii) should not be considered an offer or solicitation to buy or sell the fund.**

As of 9/30/22, the T. Rowe Price New Income Fund's 1-, 5-, and 10-year average annual total returns were -15.61%, -0.64%, and 0.68%, respectively. The fund's gross expense ratio is 0.44% as of the most recent prospectus.

**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. To obtain the most recent month-end performance, please visit our website or contact a T. Rowe Price representative at 1-877-804-2315. The average annual total return figures include changes in principal value, reinvested dividends, and capital gain distributions.**

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.

**Consider the investment objectives, risks, and charges and expenses carefully before investing. For a prospectus or, if available, a summary prospectus containing this and other information, call 1-877-804-2315. Read it carefully.**

**Morningstar rankings as of 9/30/22:**

	<b>1 Year</b>	<b>5 Years</b>	<b>10 Years</b>
Retirement 2005 Fund Morningstar Target-Date 2000-2010	102 out of 127	25 out of 81	20 out of 49
Retirement 2010 Fund Morningstar Target-Date 2000-2010	117 out of 127	10 out of 81	4 out of 49
Retirement 2015 Fund Morningstar Target-Date 2015	87 out of 123	8 out of 88	3 out of 42
Retirement 2020 Fund Morningstar Target-Date 2020	98 out of 156	3 out of 119	1 out of 56
Retirement 2025 Fund Morningstar Target-Date 2025	154 out of 224	7 out of 170	3 out of 93
Retirement 2030 Fund Morningstar Target-Date 2030	179 out of 224	17 out of 168	6 out of 96

	1 Year	5 Years	10 Years
Retirement 2035 Fund Morningstar Target-Date 2035	183 out of 217	30 out of 167	7 out of 90
Retirement 2040 Fund Morningstar Target-Date 2040	186 out of 218	30 out of 168	6 out of 96
Retirement 2045 Fund Morningstar Target-Date 2045	184 out of 217	25 out of 167	7 out of 89
Retirement 2050 Fund Morningstar Target-Date 2050	178 out of 218	25 out of 168	6 out of 94
Retirement 2055 Fund Morningstar Target-Date 2055	182 out of 217	29 out of 167	7 out of 71
Retirement 2060 Fund Morningstar Target-Date 2060	178 out of 217	33 out of 149	- -

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