

## Target 2040 Fund

### Investor Class (TRHRX)

This annual shareholder report contains important information about Target 2040 Fund (the "fund") for the period of June 1, 2024 to May 31, 2025. You can find the fund's prospectus, financial information on Form N-CSR (which includes required tax information for dividends), holdings, proxy voting information, and other information at [www.troweprice.com/prospectus](http://www.troweprice.com/prospectus). You can also request this information without charge by contacting T. Rowe Price at 1-800-638-5660 or [info@troweprice.com](mailto:info@troweprice.com) or contacting your intermediary.

#### What were the fund costs for the last year? (based on a hypothetical \$10,000 investment)

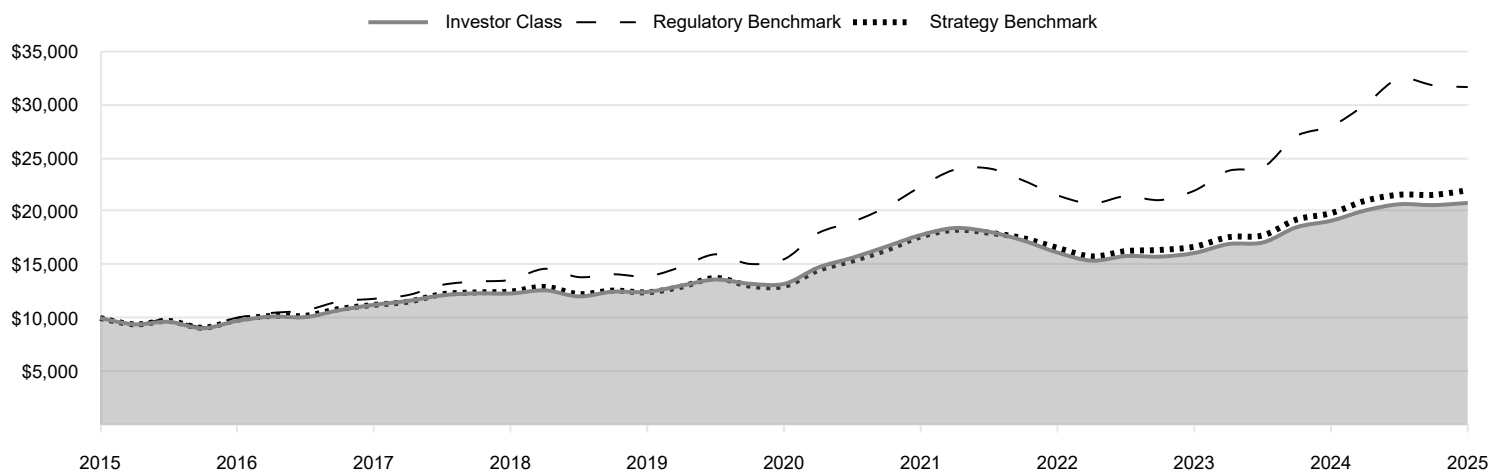
	Costs of a \$10,000 investment	Costs paid as a percentage of a \$10,000 investment
Target 2040 Fund - Investor Class	\$61	0.58%

#### What drove fund performance during the past 12 months?

- Global stock indexes and fixed income markets were broadly positive for the 12 months ended May 31, 2025. Many major central banks began easing interest rates early in the period as inflation slowed. Early optimism over the U.S. election of President Donald Trump brought, first, a boost to U.S. equities, followed by heightened volatility in global equity markets amid concerns over Trump's fluctuating tariff policies.
- Versus the style-specific S&P Target Date 2040 Index, our diversified U.S. mid-cap equity structure contributed to performance for the trailing one-year period as our dedicated allocations to growth and value outpaced the benchmark's core-oriented mid-cap equity allocation. Additionally, security selection within the underlying developed International Growth Equity Strategy, which outpaced its benchmark, had a favorable impact.
- On the negative side, a leading detractor from relative results was security selection within the US Mid-Cap Growth Equity Strategy, which trailed its benchmark. The fund's structural exposure to real assets equities also detracted.
- The fund seeks the highest total return over time, consistent with an emphasis on both capital growth and income. The fund invests in a diversified portfolio of other T. Rowe Price stock and bond mutual funds that represent various asset classes and sectors. Its allocation among T. Rowe Price funds will change over time in relation to its target retirement date.

#### How has the fund performed?

Cumulative Returns of a Hypothetical \$10,000 Investment as of May 31, 2025



Average Annual Total Returns			
	1 Year	5 Years	10 Years
Target 2040 Fund (Investor Class)	8.79%	9.52%	7.59%
Russell 3000 Index (Regulatory Benchmark)	13.12	15.34	12.21
S&P Target Date 2040 Index (Strategy Benchmark)	10.87	11.07	8.19

The preceding line graph shows the value of a hypothetical \$10,000 investment in the fund over the past 10 fiscal year periods or since inception (for funds lacking 10-year records). The fund’s performance information included in the line graph and table above is compared with a regulatory required index that represents an overall securities market (Regulatory Benchmark). In addition, the line graph and table may also include one or more indexes that more closely aligns to the fund's investment strategy (Strategy Benchmark(s)). The fund's total return figures reflect the reinvestment of dividends and capital gains, if any. Neither the fund’s returns nor the index returns reflect the deduction of taxes that a shareholder would pay on fund distributions or redemptions of fund shares. **The fund’s past performance is not a good predictor of the fund’s future performance.** Updated performance information can be found at [www.troweprice.com](http://www.troweprice.com).

What are some fund statistics?

Fund Statistics			
Total Net Assets (000s)	\$453,258	Investment Advisory Fees Paid (000s)	\$2,113
Number of Portfolio Holdings	24	Portfolio Turnover Rate	28.5%

What did the fund invest in?

Asset Allocation (as a % of Net Assets)	
Domestic Equity Funds	51.6%
International Equity Funds	22.0
Domestic Bond Funds	16.3
International Bond Funds	6.1
Short-Term and Other	4.0

Top Ten Holdings (as a % of Net Assets)	
T. Rowe Price Value Fund	11.8%
T. Rowe Price Growth Stock Fund	11.3
T. Rowe Price U.S. Large-Cap Core Fund	8.0
T. Rowe Price New Income Fund	7.5
T. Rowe Price International Value Equity Fund	6.8
T. Rowe Price Equity Index 500 Fund	6.4
T. Rowe Price Overseas Stock Fund	5.9
T. Rowe Price International Stock Fund	5.1
T. Rowe Price Real Assets Fund	5.0
T. Rowe Price Limited Duration Inflation Focused Bond Fund	4.7

If you invest directly with T. Rowe Price, you can elect to receive future shareholder reports or other important documents through electronic delivery by enrolling at [www.troweprice.com/paperless](http://www.troweprice.com/paperless). If you invest through a financial intermediary such as an investment advisor, a bank, retirement plan sponsor or a brokerage firm, please contact that organization and ask if it can provide electronic delivery.

Frank Russell Company "LSE" and S&P do not accept any liability for any errors or omissions in the indexes or data, and hereby expressly disclaim all warranties of originality, accuracy, completeness, timeliness, merchantability and fitness for a particular purpose. No party may rely on any indexes or data contained in this communication. Visit [www.troweprice.com/en/us/market-data-disclosures](http://www.troweprice.com/en/us/market-data-disclosures) for additional legal notices & disclaimers.