



**SEMIANNUAL REPORT** | Financial Statements

November 30, 2020

TRRCX

T. ROWE PRICE

**Retirement 2030 Fund**

PARCX

**Retirement 2030 Fund-  
Advisor Class**

RRTCX

**Retirement 2030 Fund-  
R Class**

For more insights from T. Rowe Price investment professionals, go to **[troweprice.com](https://www.troweprice.com)**.

T. ROWE PRICE RETIREMENT 2030 FUND

Unaudited

**FINANCIAL HIGHLIGHTS**

For a share outstanding throughout each period

**Investor Class**

	6 Months Ended 11/30/20	Year Ended 5/31/20	5/31/19	5/31/18	5/31/17	5/31/16
<b>NET ASSET VALUE</b>						
Beginning of period	\$ 24.48	\$ 24.29	\$ 26.16	\$ 24.77	\$ 22.36	\$ 24.22
Investment activities						
Net investment income <sup>(1) (2)</sup>	0.03	0.43	0.43	0.40	0.36	0.37
Net realized and unrealized gain/loss	4.42	1.17	(0.33)	1.98	3.01	(1.04)
Total from investment activities	4.45	1.60	0.10	2.38	3.37	(0.67)
Distributions						
Net investment income	-	(0.49)	(0.44)	(0.40)	(0.36)	(0.37)
Net realized gain	-	(0.92)	(1.53)	(0.59)	(0.60)	(0.82)
Total distributions	-	(1.41)	(1.97)	(0.99)	(0.96)	(1.19)
<b>NET ASSET VALUE</b>						
End of period	<b>\$ 28.93</b>	<b>\$ 24.48</b>	<b>\$ 24.29</b>	<b>\$ 26.16</b>	<b>\$ 24.77</b>	<b>\$ 22.36</b>

**Ratios/Supplemental Data**

<b>Total return<sup>(2) (3) (4)</sup></b>	<b>18.18%</b>	<b>6.28%</b>	<b>1.14%</b>	<b>9.65%</b>	<b>15.48%</b>	<b>(2.58)%</b>
Ratios to average net assets: <sup>(2)</sup>						
Gross expenses before payments by Price Associates <sup>(4)</sup>	0.64% <sup>(5)</sup>	0.09%	0.00%	0.00%	0.00%	0.00%
Net expenses after payments by Price Associates <sup>(4)</sup>	0.64% <sup>(5)</sup>	0.09%	0.00%	0.00%	0.00%	0.00%
Weighted average net expenses of underlying Price Funds <sup>(6)</sup>	0.00% <sup>(5)</sup>	0.57%	0.66%	0.67%	0.69%	0.72%

T. ROWE PRICE RETIREMENT 2030 FUND

Unaudited

**FINANCIAL HIGHLIGHTS**

For a share outstanding throughout each period

**Investor Class**

	6 Months Ended 11/30/20	Year Ended 5/31/20	5/31/19	5/31/18	5/31/17	5/31/16
<b>Ratios/Supplemental Data (continued)</b>						
Effective net expenses	0.64% <sup>(5)</sup>	0.66%	0.66%	0.67%	0.69%	0.72%
Net investment income <sup>(4)</sup>	0.26% <sup>(5)</sup>	1.70%	1.70%	1.55%	1.56%	1.62%
Portfolio turnover rate <sup>(4)</sup>	10.5%	16.8%	18.1%	27.7%	16.4%	15.8%
Net assets, end of period (in millions)	\$ 17,493	\$ 15,610	\$ 17,008	\$ 19,619	\$ 22,376	\$ 19,654

<sup>(1)</sup> Per share amounts calculated using average shares outstanding method.

<sup>(2)</sup> See Note 6 for details of expense-related arrangements with Price Associates. Effective April 8, 2020, the fund began charging an all-inclusive management fee based on the class' average daily net assets. On that same date, the fund converted its investments from each underlying Price Fund's Investor Class to its Z Class, which has a net expense ratio of less than 0.01%.

<sup>(3)</sup> Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions, and payment of no redemption or account fees, if applicable. Total return is not annualized for periods less than one year. The fund's total return may be higher or lower than the investment results of the individual underlying Price Funds.

<sup>(4)</sup> Reflects the activity of the fund, and does not include the activity of the underlying Price Funds. However, investment performance of the fund is directly related to the investment performance of the underlying Price Funds in which it invests.

<sup>(5)</sup> Annualized

<sup>(6)</sup> Reflects the indirect expense impact to the fund from its investment in the underlying Price Funds, based on the actual expense ratio of each underlying Price Fund weighted for the fund's relative average investment therein.

The accompanying notes are an integral part of these financial statements.

T. ROWE PRICE RETIREMENT 2030 FUND

Unaudited

**FINANCIAL HIGHLIGHTS**

For a share outstanding throughout each period

**Advisor Class**

	6 Months Ended 11/30/20	Year Ended 5/31/20	5/31/19	5/31/18	5/31/17	5/31/16
<b>NET ASSET VALUE</b>						
Beginning of period	\$ 24.25	\$ 24.07	\$ 25.92	\$ 24.54	\$ 22.17	\$ 24.02
Investment activities						
Net investment income <sup>(1) (2)</sup>	– <sup>(3)</sup>	0.36	0.36	0.34	0.30	0.31
Net realized and unrealized gain/loss	4.37	1.16	(0.31)	1.96	2.98	(1.03)
Total from investment activities	4.37	1.52	0.05	2.30	3.28	(0.72)
Distributions						
Net investment income	–	(0.42)	(0.37)	(0.33)	(0.31)	(0.31)
Net realized gain	–	(0.92)	(1.53)	(0.59)	(0.60)	(0.82)
Total distributions	–	(1.34)	(1.90)	(0.92)	(0.91)	(1.13)
<b>NET ASSET VALUE</b>						
End of period	\$ 28.62	\$ 24.25	\$ 24.07	\$ 25.92	\$ 24.54	\$ 22.17

**Ratios/Supplemental Data**

<b>Total return<sup>(2) (4) (5)</sup></b>	<b>18.02%</b>	<b>6.02%</b>	<b>0.93%</b>	<b>9.41%</b>	<b>15.18%</b>	<b>(2.82)%</b>
Ratios to average net assets: <sup>(2)</sup>						
Gross expenses before payments by Price Associates <sup>(5)</sup>	0.89% <sup>(6)</sup>	0.34%	0.24%	0.25%	0.25%	0.25%
Net expenses after payments by Price Associates <sup>(5)</sup>	0.89% <sup>(6)</sup>	0.34%	0.24%	0.25%	0.25%	0.25%
Weighted average net expenses of underlying Price Funds <sup>(7)</sup>	0.00% <sup>(6)</sup>	0.57%	0.66%	0.67%	0.69%	0.72%

T. ROWE PRICE RETIREMENT 2030 FUND

Unaudited

**FINANCIAL HIGHLIGHTS**

For a share outstanding throughout each period

**Advisor Class**

	6 Months Ended 11/30/20	Year Ended 5/31/20	5/31/19	5/31/18	5/31/17	5/31/16
<b>Ratios/Supplemental Data (continued)</b>						
Effective net expenses	0.89% <sup>(6)</sup>	0.91%	0.90%	0.92%	0.94%	0.97%
Net investment income <sup>(5)</sup>	0.01% <sup>(6)</sup>	1.46%	1.43%	1.30%	1.30%	1.37%
Portfolio turnover rate <sup>(5)</sup>	10.5%	16.8%	18.1%	27.7%	16.4%	15.8%
Net assets, end of period (in millions)	\$ 2,309	\$ 2,086	\$ 2,375	\$ 2,880	\$ 3,315	\$ 3,285

<sup>(1)</sup> Per share amounts calculated using average shares outstanding method.

<sup>(2)</sup> See Note 6 for details of expense-related arrangements with Price Associates. Effective April 8, 2020, the fund began charging an all-inclusive management fee based on the class' average daily net assets. On that same date, the fund converted its investments from each underlying Price Fund's Investor Class to its Z Class, which has a net expense ratio of less than 0.01%.

<sup>(3)</sup> Amounts round to less than \$0.01 per share.

<sup>(4)</sup> Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions, and payment of no redemption or account fees, if applicable. Total return is not annualized for periods less than one year. The fund's total return may be higher or lower than the investment results of the individual underlying Price Funds.

<sup>(5)</sup> Reflects the activity of the fund, and does not include the activity of the underlying Price Funds. However, investment performance of the fund is directly related to the investment performance of the underlying Price Funds in which it invests.

<sup>(6)</sup> Annualized

<sup>(7)</sup> Reflects the indirect expense impact to the fund from its investment in the underlying Price Funds, based on the actual expense ratio of each underlying Price Fund weighted for the fund's relative average investment therein.

The accompanying notes are an integral part of these financial statements.

T. ROWE PRICE RETIREMENT 2030 FUND

Unaudited

**FINANCIAL HIGHLIGHTS**

For a share outstanding throughout each period

**R Class**

	6 Months Ended 11/30/20	Year Ended 5/31/20	5/31/19	5/31/18	5/31/17	5/31/16
<b>NET ASSET VALUE</b>						
Beginning of period	\$ 24.01	\$ 23.85	\$ 25.69	\$ 24.34	\$ 21.99	\$ 23.83
Investment activities						
Net investment income (loss) <sup>(1) (2)</sup>	(0.03)	0.30	0.29	0.27	0.24	0.25
Net realized and unrealized gain/loss	4.33	1.14	(0.30)	1.94	2.96	(1.02)
Total from investment activities	4.30	1.44	(0.01) <sup>(3)</sup>	2.21	3.20	(0.77)
Distributions						
Net investment income	-	(0.36)	(0.30)	(0.27)	(0.25)	(0.25)
Net realized gain	-	(0.92)	(1.53)	(0.59)	(0.60)	(0.82)
Total distributions	-	(1.28)	(1.83)	(0.86)	(0.85)	(1.07)
<b>NET ASSET VALUE</b>						
End of period	\$ 28.31	\$ 24.01	\$ 23.85	\$ 25.69	\$ 24.34	\$ 21.99

**Ratios/Supplemental Data**

<b>Total return<sup>(2) (4) (5)</sup></b>	<b>17.91%</b>	<b>5.75%</b>	<b>0.66%</b>	<b>9.11%</b>	<b>14.91%</b>	<b>(3.07)%</b>
Ratios to average net assets: <sup>(2)</sup>						
Gross expenses before payments by Price Associates <sup>(5)</sup>	1.14% <sup>(6)</sup>	0.59%	0.50%	0.50%	0.50%	0.50%
Net expenses after payments by Price Associates <sup>(5)</sup>	1.14% <sup>(6)</sup>	0.59%	0.50%	0.50%	0.50%	0.50%
Weighted average net expenses of underlying Price Funds <sup>(7)</sup>	0.00% <sup>(6)</sup>	0.57%	0.66%	0.67%	0.69%	0.72%

T. ROWE PRICE RETIREMENT 2030 FUND

Unaudited

**FINANCIAL HIGHLIGHTS**

For a share outstanding throughout each period

**R Class**

	6 Months Ended 11/30/20	Year Ended 5/31/20	5/31/19	5/31/18	5/31/17	5/31/16
<b>Ratios/Supplemental Data (continued)</b>						
Effective net expenses	1.14% <sup>(6)</sup>	1.16%	1.16%	1.17%	1.19%	1.22%
Net investment income (loss) <sup>(5)</sup>	(0.24)% <sup>(6)</sup>	1.20%	1.19%	1.05%	1.05%	1.13%
Portfolio turnover rate <sup>(5)</sup>	10.5%	16.8%	18.1%	27.7%	16.4%	15.8%
Net assets, end of period (in millions)	\$ 1,817	\$ 1,629	\$ 1,763	\$ 2,093	\$ 2,275	\$ 2,196

<sup>(1)</sup> Per share amounts calculated using average shares outstanding method.

<sup>(2)</sup> See Note 6 for details of expense-related arrangements with Price Associates. Effective April 8, 2020, the fund began charging an all-inclusive management fee based on the class' average daily net assets. On that same date, the fund converted its investments from each underlying Price Fund's Investor Class to its Z Class, which has a net expense ratio of less than 0.01%.

<sup>(3)</sup> The amount presented is inconsistent with the fund's results of operations because of the timing of redemptions of fund shares in relation to fluctuating market values for the investment portfolio.

<sup>(4)</sup> Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions, and payment of no redemption or account fees, if applicable. Total return is not annualized for periods less than one year. The fund's total return may be higher or lower than the investment results of the individual underlying Price Funds.

<sup>(5)</sup> Reflects the activity of the fund, and does not include the activity of the underlying Price Funds. However, investment performance of the fund is directly related to the investment performance of the underlying Price Funds in which it invests.

<sup>(6)</sup> Annualized

<sup>(7)</sup> Reflects the indirect expense impact to the fund from its investment in the underlying Price Funds, based on the actual expense ratio of each underlying Price Fund weighted for the fund's relative average investment therein.

The accompanying notes are an integral part of these financial statements.

T. ROWE PRICE RETIREMENT 2030 FUND

November 30, 2020 (Unaudited)

PORTFOLIO OF INVESTMENTS <sup>(1)</sup>	\$ Value 5/31/20	\$ Purchase Cost	\$ Sales Cost	Shares	\$ Value 11/30/20
(Cost and value in \$000s)					
<b>EQUITY MUTUAL FUNDS 77.9%</b>					
<b>T. Rowe Price Funds:</b>					
Equity Index 500 Fund	2,496,724	527,013	334,292	32,684,757	3,150,810
Value Fund	2,278,121	105,462	78,468	70,652,271	2,867,776
Growth Stock Fund	2,682,054	2,747	315,688	27,589,775	2,674,829
International Value Equity Fund	1,160,107	1,655	68,263	96,396,398	1,327,378
Overseas Stock Fund	1,200,026	12,655	119,356	113,781,876	1,319,870
International Stock Fund	1,127,262	1,655	53,490	64,258,708	1,307,665
Mid-Cap Growth Fund	665,887	4,356	32,745	6,857,270	779,809
Emerging Markets Stock Fund	731,006	314	158,114	14,440,252	748,727
Mid-Cap Value Fund	561,462	854	31,510	22,308,588	652,526
Small-Cap Stock Fund <sup>(2)</sup>	393,493	5,046	19,287	7,969,238	489,789
New Horizons Fund <sup>(2)</sup>	514,328	199	111,594	5,304,725	476,789
Small-Cap Value Fund	335,744	531	20,844	8,181,254	408,408
Real Assets Fund	323,382	463	19,395	29,930,369	357,368
U.S. Large-Cap Core Fund	60,781	89,108	1,889	5,786,197	174,107
Emerging Markets Discovery Stock Fund	7,061	93,421	818	8,263,471	111,557
<b>Total Equity Mutual Funds (Cost \$10,215,916)</b>					<b>16,847,408</b>
<b>BOND MUTUAL FUNDS 21.3%</b>					
<b>T. Rowe Price Funds:</b>					
New Income Fund	1,847,427	204,739	113,246	199,706,363	1,993,070
International Bond Fund (USD Hedged)	643,151	17,208	43,872	61,640,810	637,366
Dynamic Global Bond Fund	440,024	5,879	25,772	43,465,961	422,924
U.S. Treasury Long-Term Index Fund	317,058	125,006	20,195	27,363,215	410,995
Emerging Markets Bond Fund	366,806	12,902	23,736	34,707,623	394,973
High Yield Fund	327,461	54,347	22,227	58,016,324	380,587
Limited Duration Inflation Focused Bond Fund	285,799	1,277	57,342	45,800,032	238,618
Floating Rate Fund	134,513	3,329	9,095	14,177,274	133,408
<b>Total Bond Mutual Funds (Cost \$4,432,720)</b>					<b>4,611,941</b>



T. ROWE PRICE RETIREMENT 2030 FUND

	\$ Value 5/31/20	\$ Purchase Cost	\$ Sales Cost	Shares	\$ Value 11/30/20
(Cost and value in \$000s)					
<b>SHORT-TERM INVESTMENTS 0.5%</b>					
<b>T. Rowe Price Funds:</b>					
U.S. Treasury Money Fund, 0.15% <sup>(3)</sup>	420,955	860,973	1,179,626	102,302,385	102,302
<b>Total Short-Term Investments (Cost \$102,302)</b>					<b>102,302</b>
<b>Total Investments in Securities</b>					
<b>99.7% of Net Assets (Cost \$14,750,938)</b>					<b>\$21,561,651</b>

- (1) Each underlying Price Fund is an affiliated company; the fund is invested in the Z Class of each underlying Price Fund. Additional information about each underlying Price Fund is available by calling 1-877-495-1138 and at [www.troweprice.com](http://www.troweprice.com).
- (2) Non-income producing
- (3) Seven-day yield

**FUTURES CONTRACTS**

(\$000s)

	<b>Expiration Date</b>	<b>Notional Amount</b>	<b>Value and Unrealized Gain (Loss)</b>
Short, 1,394 MSCI EAFE Index contracts	12/20	(141,700)	\$ (9,331)
Short, 1,189 Russell 2000 E-Mini Index contracts	12/20	(108,205)	(16,677)
Short, 3,117 S&P 500 E-Mini Index contracts	12/20	(564,676)	(39,178)
Long, 4,737 U.S. Treasury Notes ten year contracts	3/21	654,520	290
<b>Net payments (receipts) of variation margin to date</b>			<b>72,385</b>
<b>Variation margin receivable (payable) on open futures contracts</b>			<b>\$ 7,489</b>

**AFFILIATED COMPANIES**

(\$000s)

The fund may invest in certain securities that are considered affiliated companies. As defined by the 1940 Act, an affiliated company is one in which the fund owns 5% or more of the outstanding voting securities, or a company that is under common ownership or control. The following securities were considered affiliated companies for all or some portion of the six months ended November 30, 2020. Net realized gain (loss), investment income, and change in net unrealized gain/loss reflect all activity for the period then ended.

Affiliate	Net Realized Gain (Loss)	Change in Net Unrealized Gain/Loss	Investment Income
<b>T. Rowe Price Funds:</b>			
Dynamic Global Bond Fund	\$ 355	\$ 2,793	\$ 5,262
Emerging Markets Bond Fund	(1,662)	39,001	10,357
Emerging Markets Discovery Stock Fund	96	11,893	—
Emerging Markets Stock Fund	36,702	175,521	—
Equity Index 500 Fund	33,650	461,365	25,984
Floating Rate Fund	(306)	4,661	3,118
Growth Stock Fund	319,933	305,716	—
High Yield Fund	(177)	21,006	10,921
International Bond Fund (USD Hedged)	622	20,879	6,253
International Stock Fund	12,293	232,238	—
International Value Equity Fund	(3,950)	233,879	—
Limited Duration Inflation Focused Bond Fund	1,792	8,884	863
Mid-Cap Growth Fund	8,523	142,311	—
Mid-Cap Value Fund	(1,158)	121,720	—
New Horizons Fund	59,910	73,856	—
New Income Fund	951	54,150	26,701
Overseas Stock Fund	7,838	226,545	—
Real Assets Fund	1,643	52,918	—
Small-Cap Stock Fund	4,335	110,537	—
Small-Cap Value Fund	1,178	92,977	—
U.S. Large-Cap Core Fund	253	26,107	—
U.S. Treasury Long-Term Index Fund	3,162	(10,874)	3,025
Value Fund	14,020	562,661	—
U.S. Treasury Money Fund	—	—	228
<b>Totals</b>	<b>\$ 500,003#</b>	<b>\$ 2,970,744</b>	<b>\$ 92,712+</b>

# Capital gain distributions from mutual funds represented \$0 of the net realized gain (loss).

+ Investment income comprised \$92,712 of income distributions from underlying Price Funds.

The accompanying notes are an integral part of these financial statements.

T. ROWE PRICE RETIREMENT 2030 FUND

November 30, 2020 (Unaudited)

**STATEMENT OF ASSETS AND LIABILITIES**

(\$000s, except shares and per share amounts)

**Assets**

Investments in securities, at value (cost \$14,750,938)	\$ 21,561,651
Cash deposits on futures contracts	62,805
Receivable for investment securities sold	22,221
Receivable for shares sold	17,367
Variation margin receivable on futures contracts	7,489
Total assets	<u>21,671,533</u>

**Liabilities**

Payable for shares redeemed	39,578
Investment management and administrative fees payable	11,386
Other liabilities	1,240
Total liabilities	<u>52,204</u>

**NET ASSETS**

**\$ 21,619,329**

**Net Assets Consist of:**

Total distributable earnings (loss)	\$ 7,375,979
Paid-in capital applicable to 749,553,168 shares of \$0.0001 par value capital stock outstanding; 30,000,000,000 shares of the Corporation authorized	<u>14,243,350</u>

**NET ASSETS**

**\$ 21,619,329**

**NET ASSET VALUE PER SHARE**

**Investor Class**

**(\$17,493,174,243 / 604,664,521 shares outstanding) \$ 28.93**

**Advisor Class**

**(\$2,308,593,549 / 80,677,706 shares outstanding) \$ 28.62**

**R Class**

**(\$1,817,561,485 / 64,210,941 shares outstanding) \$ 28.31**

The accompanying notes are an integral part of these financial statements.

Unaudited

**STATEMENT OF OPERATIONS**

(\$000s)

	6 Months Ended 11/30/20
<b>Investment Income (Loss)</b>	
Income distributions from underlying Price Funds	\$ 92,712
Expenses	
Investment management and administrative expense	66,287
Rule 12b-1 fees	
Advisor Class	\$ 2,753
R Class	4,314
Total expenses	73,354
Net investment income	19,358
<b>Realized and Unrealized Gain / Loss</b>	
Net realized gain (loss)	
Sales of underlying Price Funds	500,003
Futures	3,764
Net realized gain	503,767
Change in net unrealized gain / loss	
Underlying Price Funds	2,970,744
Futures	(86,733)
Change in net unrealized gain / loss	2,884,011
Net realized and unrealized gain / loss	3,387,778
<b>INCREASE IN NET ASSETS FROM OPERATIONS</b>	<b>\$ 3,407,136</b>

The accompanying notes are an integral part of these financial statements.

T. ROWE PRICE RETIREMENT 2030 FUND

Unaudited

**STATEMENT OF CHANGES IN NET ASSETS**

(\$000s)

	6 Months Ended 11/30/20	Year Ended 5/31/20
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income	\$ 19,358	\$ 337,742
Net realized gain	503,767	801,100
Change in net unrealized gain / loss	2,884,011	126,072
Increase in net assets from operations	3,407,136	1,264,914
Distributions to shareholders		
Net earnings		
Investor Class	-	(913,321)
Advisor Class	-	(119,944)
R Class	-	(88,020)
Decrease in net assets from distributions	-	(1,121,285)
Capital share transactions*		
Shares sold		
Investor Class	1,029,053	2,834,718
Advisor Class	154,579	403,767
R Class	89,845	221,029
Distributions reinvested		
Investor Class	-	901,365
Advisor Class	-	118,116
R Class	-	87,997
Shares redeemed		
Investor Class	(1,907,217)	(5,243,753)
Advisor Class	(294,982)	(831,898)
R Class	(183,849)	(456,183)
Decrease in net assets from capital share transactions	(1,112,571)	(1,964,842)

T. ROWE PRICE RETIREMENT 2030 FUND

Unaudited

**STATEMENT OF CHANGES IN NET ASSETS**

(\$000s)

	6 Months Ended 11/30/20	Year Ended 5/31/20
<b>Net Assets</b>		
Increase (decrease) during period	2,294,565	(1,821,213)
Beginning of period	19,324,764	21,145,977
<b>End of period</b>	<b><u>\$ 21,619,329</u></b>	<b><u>\$ 19,324,764</u></b>
*Share information		
Shares sold		
Investor Class	38,481	113,685
Advisor Class	5,827	16,218
R Class	3,442	8,997
Distributions reinvested		
Investor Class	-	34,896
Advisor Class	-	4,612
R Class	-	3,466
Shares redeemed		
Investor Class	(71,415)	(211,081)
Advisor Class	(11,200)	(33,459)
R Class	(7,050)	(18,576)
Decrease in shares outstanding	(41,915)	(81,242)

The accompanying notes are an integral part of these financial statements.

**NOTES TO FINANCIAL STATEMENTS**

T. Rowe Price Retirement Funds, Inc. (the corporation) is registered under the Investment Company Act of 1940 (the 1940 Act). T. Rowe Price Retirement 2030 Fund (the fund) is a diversified, open-end management investment company and is one of the portfolios established by the corporation. The fund invests in a portfolio of other T. Rowe Price stock and bond funds (underlying Price Funds) that represent various asset classes and sectors. The fund's allocation among underlying Price Funds will change, and its asset mix will become more conservative over time. The fund seeks the highest total return over time consistent with an emphasis on both capital growth and income.

The fund has three classes of shares: the Retirement 2030 Fund (Investor Class), Retirement 2030 Fund–Advisor Class (Advisor Class), and Retirement 2030 Fund–R Class (R Class). Advisor Class shares are sold only through various brokers and other financial intermediaries, and R Class shares are available through financial intermediaries for employer-sponsored defined contribution retirement plans and certain other retirement accounts. The Advisor Class and R Class each operate under separate Board-approved Rule 12b-1 plans, pursuant to which each class compensates financial intermediaries for distribution, shareholder servicing, and/or certain administrative services; the Investor Class does not pay Rule 12b-1 fees. Each class has exclusive voting rights on matters related solely to that class; separate voting rights on matters that relate to all classes; and, in all other respects, the same rights and obligations as the other classes.

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation** The fund is an investment company and follows accounting and reporting guidance in the Financial Accounting Standards Board *Accounting Standards Codification* Topic 946 (ASC 946). The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), including, but not limited to, ASC 946. GAAP requires the use of estimates made by management. Management believes that estimates and valuations of the underlying Price Funds are appropriate; however, actual results may differ from those estimates, and the valuations reflected in the accompanying financial statements may differ from the value ultimately realized upon sale of the underlying Price Funds.



**Investment Transactions, Investment Income, and Distributions** Purchases and sales of the underlying Price Funds are accounted for on the trade date basis. Income and expenses are recorded on the accrual basis. Gains and losses realized on sales of the underlying Price Funds are reported on the identified cost basis. Income tax-related interest and penalties, if incurred, are recorded as income tax expense. Dividends received from underlying Price Fund investments are reflected as dividend income; capital gain distributions are reflected as realized gain/loss. Income and capital gain distributions from the underlying Price Funds are recorded on the ex-dividend date. Distributions to shareholders are recorded on the ex-dividend date. Income distributions, if any, are declared and paid by each class annually. A capital gain distribution may also be declared and paid by the fund annually.

**Class Accounting** Expenses common to all classes, income distributions from the underlying Price Funds, and realized and unrealized gains and losses are allocated to the classes based upon the relative daily net assets of each class. The Advisor Class and R Class each pay Rule 12b-1 fees in an amount not exceeding 0.25% and 0.50%, respectively, of the class's average daily net assets.

**In-Kind Redemptions** In accordance with guidelines described in the fund's prospectus, the fund may distribute shares of the underlying Price Funds rather than cash as payment for a redemption of fund shares (in-kind redemption). For financial reporting purposes, the fund recognizes a gain on in-kind redemptions to the extent the value of the distributed shares of the underlying Price Funds on the date of redemption exceeds the cost of those shares. Gains and losses realized on in-kind redemptions are not recognized for tax purposes and are reclassified from undistributed realized gain (loss) to paid-in capital. During the six months ended November 30, 2020, the fund realized \$87,671,000 of net gain on \$257,651,000 of in-kind redemptions.

**Capital Transactions** Each investor's interest in the net assets of the fund is represented by fund shares. The fund's net asset value (NAV) per share is computed at the close of the New York Stock Exchange (NYSE), normally 4 p.m. ET, each day the NYSE is open for business. However, the NAV per share may be calculated at a time other than the normal close of the NYSE if trading on the NYSE is restricted, if the NYSE closes earlier, or as may be permitted by the SEC. Purchases and redemptions of fund shares are transacted at the next-computed NAV per share, after receipt of the transaction order by T. Rowe Price Associates, Inc., or its agents.

**Indemnification** In the normal course of business, the fund may provide indemnification in connection with its officers and directors, service providers and/or private company investments. The fund's maximum exposure under these arrangements is unknown; however, the risk of material loss is currently considered to be remote.

**NOTE 2 - VALUATION**

The fund's financial instruments are valued at the close of the NYSE and are reported at fair value, which GAAP defines as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments in the underlying Price Funds are valued at their closing NAV per share on the day of valuation. Futures contracts are valued at closing settlement prices. Assets and liabilities other than financial instruments, including short-term receivables and payables, are carried at cost, or estimated realizable value, if less, which approximates fair value.

The T. Rowe Price Valuation Committee (the Valuation Committee) is an internal committee that has been delegated certain responsibilities by the fund's Board of Directors (the Board) to ensure that financial instruments are appropriately priced at fair value in accordance with GAAP and the 1940 Act. Subject to oversight by the Board, the Valuation Committee develops and oversees pricing-related policies and procedures and approves all fair value determinations. Specifically, the Valuation Committee establishes policies and procedures used in valuing financial instruments; determines pricing techniques, sources, and persons eligible to effect fair value pricing actions; evaluates the service and performance of pricing vendors; oversees the pricing process to ensure policies and procedures are being followed; and provides guidance on internal controls and valuation-related matters. The Valuation Committee provides periodic reporting to the Board on valuation matters.

Various valuation techniques and inputs are used to determine the fair value of financial instruments. GAAP establishes the following fair value hierarchy that categorizes the inputs used to measure fair value:

- Level 1 – quoted prices (unadjusted) in active markets for identical financial instruments that the fund can access at the reporting date
- Level 2 – inputs other than Level 1 quoted prices that are observable, either directly or indirectly (including, but not limited to, quoted prices for similar financial instruments in active markets, quoted prices for identical or similar financial instruments in inactive markets, interest rates and yield curves, implied volatilities, and credit spreads)
- Level 3 – unobservable inputs (including the fund's own assumptions in determining fair value)

Observable inputs are developed using market data, such as publicly available information about actual events or transactions, and reflect the assumptions that market participants would use to price the financial instrument. Unobservable inputs are those for which market data are not available and are developed using the best information available about the assumptions that market participants would use to price the financial instrument. GAAP requires valuation techniques to maximize the use of relevant observable inputs and minimize the use of unobservable inputs. When multiple inputs are used to derive fair value, the financial instrument is assigned to the level within the fair value hierarchy based on the lowest-level input that is significant to the fair value of the financial instrument. Input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level but rather the degree of judgment used in determining those values. On November 30, 2020, all of the fund's financial instruments were classified as Level 1, based on the inputs used to determine their fair values.

### **NOTE 3 - DERIVATIVE INSTRUMENTS**

The fund may use derivatives in an effort to manage cash flows efficiently, remain fully invested, or facilitate asset allocation and rebalancing. As defined by GAAP, a derivative is a financial instrument whose value is derived from an underlying security price, foreign exchange rate, interest rate, index of prices or rates, or other variable; it requires little or no initial investment and permits or requires net settlement. The fund invests in derivatives only if the expected risks and rewards are consistent with its investment objectives, policies, and overall risk profile, as described in its prospectus and Statement of Additional Information. The risks associated with the use of derivatives are different from, and potentially much greater than, the risks associated with investing directly in the instruments on which the derivatives are based. The fund at all times maintains sufficient cash reserves, liquid assets, or other SEC-permitted asset types to cover its settlement obligations under open derivative contracts.

The fund values its derivatives at fair value and recognizes changes in fair value currently in its results of operations. Accordingly, the fund does not follow hedge accounting, even for derivatives employed as economic hedges. Generally, the fund accounts for its derivatives on a gross basis. It does not offset the fair value of derivative liabilities against the fair value of derivative assets on its financial statements, nor does it offset the fair value of derivative instruments against the right to reclaim or obligation to return collateral.

The following table summarizes the fair value of the fund's futures contracts held as of November 30, 2020, and the related location on the accompanying Statement of Assets and Liabilities, presented by primary underlying risk exposure:

(\$000s)	Location on Statement of Assets and Liabilities	Fair Value *
<b>Assets</b>		
Interest rate derivatives	Futures	\$ 290
<b>Liabilities</b>		
Equity derivatives	Futures	\$ 65,186

\*The fair value presented includes cumulative gain (loss) on open futures contracts; however, the value reflected on the accompanying Statement of Assets and Liabilities is only the unsettled variation margin receivable (payable) at that date.

Additionally, the amount of gains and losses on futures recognized in fund earnings during the six months ended November 30, 2020, and the related location on the accompanying Statement of Operations is summarized in the following table by primary underlying risk exposure:

(\$000s)	Location of Gain (Loss) on Statement of Operations
	<b>Futures</b>
<b>Realized Gain (Loss)</b>	
Interest rate derivatives	\$ 2,927
Equity derivatives	837
Total	\$ 3,764
<b>Change in Unrealized Gain (Loss)</b>	
Interest rate derivatives	\$ 408
Equity derivatives	(87,141)
Total	\$ (86,733)

**Counterparty Risk and Collateral** The fund invests in exchange-traded futures. Counterparty risk on such derivatives is minimal because the clearinghouse provides protection against counterparty defaults. For futures, the fund is required to deposit collateral in an amount specified by the clearinghouse and the clearing firm (margin requirement) and the margin requirement must be maintained over the life of the contract. Each clearinghouse and clearing firm, in its sole discretion, may adjust the margin requirements applicable to the fund.

Collateral may be in the form of cash or debt securities issued by the U.S. government or related agencies. Cash posted by the fund is reflected as cash deposits in the accompanying financial statements and generally is restricted from withdrawal by the fund; securities posted by the fund are so noted in the accompanying Portfolio of Investments; both remain in the fund's assets. While typically not sold in the same manner as equity or fixed income securities, exchange-traded derivatives may be closed out only on the exchange or clearinghouse where the contracts were traded. This ability is subject to the liquidity of underlying positions. As of November 30, 2020, cash of \$62,805,000 had been posted by the fund for exchange-traded derivatives.

**Futures Contracts** A futures contract provides for the future sale by one party and purchase by another of a specified amount of a specific underlying financial instrument at an agreed upon price, date, time, and place. The fund currently invests only in exchange-traded futures, which generally are standardized as to maturity date, underlying financial instrument, and other contract terms. Payments are made or received by the fund each day to settle daily fluctuations in the value of the contract (variation margin), which reflect changes in the value of the underlying financial instrument. Variation margin is recorded as unrealized gain or loss until the contract is closed. The value of a futures contract included in net assets is the amount of unsettled variation margin; net variation margin receivable is reflected as an asset and net variation margin payable is reflected as a liability on the accompanying Statement of Assets and Liabilities. Risks related to the use of futures contracts include possible illiquidity of the futures markets, contract prices that can be highly volatile and imperfectly correlated to movements in hedged security values and/or interest rates, and potential losses in excess of the fund's initial investment. During the six months ended November 30, 2020, the volume of the fund's activity in futures, based on underlying notional amounts, was generally between 0% and 6% of net assets.

#### **NOTE 4 - INVESTMENTS IN UNDERLYING PRICE FUNDS**

Purchases and sales of the underlying Price Funds during the six months ended November 30, 2020, aggregated \$2,131,139,000 and \$3,360,867,000, respectively.

#### **NOTE 5 - FEDERAL INCOME TAXES**

No provision for federal income taxes is required since the fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code and distribute to shareholders all of its taxable income and gains. Distributions determined in accordance with federal income tax regulations may differ in amount or character from net investment income and realized gains for financial reporting purposes. Financial reporting records are adjusted for permanent book/tax differences to reflect tax character but are not adjusted for temporary differences. The amount and character of tax-basis distributions and composition of net assets are finalized at fiscal year-end; accordingly, tax-basis balances have not been determined as of the date of this report.

At November 30, 2020, the cost of investments for federal income tax purposes was \$15,034,661,000. Net unrealized gain aggregated \$6,462,094,000 at period-end, of which \$6,829,542,000 related to appreciated investments and \$367,448,000 related to depreciated investments.

#### **NOTE 6 - RELATED PARTY TRANSACTIONS**

The fund is managed by T. Rowe Price Associates, Inc. (Price Associates), a wholly owned subsidiary of T. Rowe Price Group, Inc. Price Associates, directly or through sub-advisory agreements with its wholly owned subsidiaries, also provides investment management services to all the underlying Price Funds. Certain officers and directors of the fund are also officers and directors of Price Associates and its subsidiaries and the underlying Price Funds.

The fund operates in accordance with an amended investment management agreement (amended management agreement), between the corporation, on behalf of the fund, and Price Associates. Under the amended agreement, the fund pays an all-inclusive annual fee that is based on a predetermined fee schedule that will range from 0.714% to 0.521%, generally declining as the fund reduces its overall stock exposure along its investment glide path. The all-inclusive management fee covers investment management and all of the fund's operating expenses except for interest expense; expenses related to borrowings, taxes, and brokerage; nonrecurring expenses; and any 12b-1 fees applicable to a class. At November 30, 2020, the effective all-inclusive management fee rate was 0.64%.

The fund does not invest in the underlying Price Funds for the purpose of exercising management or control; however, investments by the fund may represent a significant portion of an underlying Price Fund's net assets. At November 30, 2020, the fund held less than 25% of the outstanding shares of any underlying Price Fund.

## **NOTE 7 - OTHER MATTERS**

Unpredictable events such as environmental or natural disasters, war, terrorism, pandemics, outbreaks of infectious diseases, and similar public health threats may significantly affect the economy and the markets and issuers in which a fund invests. Certain events may cause instability across global markets, including reduced liquidity and disruptions in trading markets, while some events may affect certain geographic regions, countries, sectors, and industries more significantly than others, and exacerbate other pre-existing political, social, and economic risks.

These types of events may also cause widespread fear and uncertainty, and result in, among other things: quarantines and travel restrictions, including border closings; disruptions to business operations and supply chains; exchange trading suspensions and closures, and overall reduced liquidity of securities, derivatives, and commodities trading markets; reductions in consumer demand and economic output; and significant challenges in healthcare service preparation and delivery. The funds could be negatively impacted if the value of a portfolio holding were harmed by such political or economic conditions or events. In addition, the operations of the funds, their investment advisers, and the funds' service providers may be significantly impacted, or even temporarily halted, as a result of extensive employee illnesses or unavailability, government quarantine measures, and restrictions on travel or meetings and other factors related to public emergencies. Recently, a novel strain of coronavirus (COVID-19) has resulted in disruptions to global business activity and caused significant volatility and declines in global financial markets.

Governmental and quasi-governmental authorities and regulators have in the past responded to major economic disruptions with a variety of significant fiscal and monetary policy changes, including but not limited to, direct capital infusions into companies, new monetary programs, and dramatically lower interest rates. An unexpected or quick reversal of these policies, or the ineffectiveness of these policies, could negatively impact overall investor sentiment and further increase volatility in securities markets.

## **INFORMATION ON PROXY VOTING POLICIES, PROCEDURES, AND RECORDS**

A description of the policies and procedures used by T. Rowe Price funds and portfolios to determine how to vote proxies relating to portfolio securities is available in each fund's Statement of Additional Information. You may request this document by calling 1-800-225-5132 or by accessing the SEC's website, [sec.gov](http://sec.gov).

The description of our proxy voting policies and procedures is also available on our corporate website. To access it, please visit the following Web page:

<https://www.troweprice.com/corporate/en/utility/policies.html>

Scroll down to the section near the bottom of the page that says, "Proxy Voting Policies." Click on the Proxy Voting Policies link in the shaded box.

Each fund's most recent annual proxy voting record is available on our website and through the SEC's website. To access it through T. Rowe Price, visit the website location shown above, and scroll down to the section near the bottom of the page that says, "Proxy Voting Records." Click on the Proxy Voting Records link in the shaded box.

## **HOW TO OBTAIN QUARTERLY PORTFOLIO HOLDINGS**

Effective for reporting periods on or after March 1, 2019, a fund, except a money market fund, files a complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. Prior to March 1, 2019, a fund, including a money market fund, filed a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. A money market fund files detailed month-end portfolio holdings information on Form N-MFP with the SEC each month and posts a complete schedule of portfolio holdings on its website ([troweprice.com](http://troweprice.com)) as of each month-end for the previous six months. A fund's Forms N-PORT, N-MFP, and N-Q are available electronically on the SEC's website ([sec.gov](http://sec.gov)).



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All mutual funds are subject to market risk, including possible loss of principal. Investing internationally involves special risks including economic and political uncertainty and currency fluctuation.

<sup>1</sup> The T. Rowe Price® ActivePlus Portfolios is a discretionary investment management program provided by T. Rowe Price Advisory Services, Inc., a registered investment adviser under the Investment Advisers Act of 1940. Brokerage services are provided by T. Rowe Price Investment Services, Inc., member FINRA/SIPC. Brokerage accounts are carried by Pershing LLC, a BNY Mellon Company, member NYSE/FINRA/SIPC. T. Rowe Price Advisory Services, Inc., and T. Rowe Price Investment Services, Inc., are affiliated companies.

<sup>2</sup> Brokerage services are provided by T. Rowe Price Investment Services, Inc., member FINRA/SIPC. Brokerage accounts are carried by Pershing LLC, a BNY Mellon Company, member NYSE/FINRA/SIPC.