



NEWS RELEASE

MORNINGSTAR UPGRADES T. ROWE PRICE RETIREMENT SERIES TARGET DATE FUNDS TO GOLD ANALYST RATING

Upgrade makes T. Rowe Price the only target date manager investing primarily in active underlying funds to have a Gold analyst rating from Morningstar.

Report cites Retirement Funds' stellar performance, topnotch portfolio management team, the vast capabilities of T. Rowe Price, and the critical role research has played in driving the Funds' long-term commitment to its glide path approach.

Baltimore: April 27, 2021

NEWS

T. Rowe Price Group, Inc. (NASDAQ-GS: TROW), a global investment management organization and a market leader in target date investing, today announced that its Retirement Funds target date series has been awarded a Morningstar Gold Analyst Rating upgrade.ⁱ

The Morningstar report cites several factors in its upgrade of the Retirement Series including one of the industry's best-resourced multi-asset teams, led by target date head and 20-year T. Rowe Price veteran Wyatt Lee; an extensive research capability underpinning the series; and an exemplary lineup of underlying managers with strong track records.

Among fund managers with target date products that invest primarily in actively managed underlying funds, T. Rowe Price is the only one with products holding a Gold analyst rating from Morningstar, the highest rating offered.ⁱⁱ The Morningstar accolade also makes T. Rowe Price the only target date manager with a "High" rating on Morningstar's three predictive pillars of Process, People and Parent.ⁱⁱⁱ

Stellar long-term investment performance for Retirement series and underlying funds

In its analysis supporting the Gold rating upgrade, Morningstar noted: "[The Retirement] series has posted stellar performance. The 11 funds with 10-year track records through December 2020 each topped its respective S&P Target-Date Index by an average of 106 annualized basis points, and all but one of the funds ranked in the top decile of their respective target-date Morningstar Category. The outperformance has come from the series' glide-path design, which favors equities, its underlying funds, and the team's tactical allocation."^{iv}

The report continued, "Most of the underlying funds have regularly outperformed their typical peers, boosting results. Twelve of the 22 underlying funds in the series that have a Morningstar Rating earn 4- or 5-stars, reflecting their solid risk-adjusted results versus category peers."

Standardized returns and ranking information located below.

Retirement Funds' equity allocation supported by extensive research

Supporting the High rating awarded to the Retirement Fund's in its Process pillar, Morningstar said "The [T. Rowe Price target date] team spent two-plus years researching updates to the equity glide path, which it began to implement in April 2020. It maintains that the biggest risk that savers face is outliving their assets and that a higher equity allocation is the best solution. It boosted equity exposure at nearly all points on the glide path, making it one of the most equity-heavy around."



The report continued, “Research into how investors respond to higher volatility and greater drawdown potential left the team confident investors could weather the added risk, which was borne out during the coronavirus-driven crash in March 2020 as investors stuck with the series at a higher rate than the broader industry.”

Experienced and deeply resourced target date team

Underpinning the High rating to the Retirement Funds in its People pillar, Morningstar noted the “topnotch management team” on the series, including the “well-planned transition” in 2020 from long-tenured portfolio manager Jerome Clark to Wyatt Lee, head of Target Date Strategies. Mr. Lee was also a finalist in the Rising Talent category of the 2020 Morningstar Awards for Investing Excellence^v. Experienced managers Kim DeDominicis and Andrew Jacobs van Merlen, each with more than 15 years at the firm, round out the portfolio management team.

Morningstar also noted that the T. Rowe Price Retirement Funds series portfolio managers are supported by a 70-person multi-asset team, including professionals focused on portfolio analysis and implementation, research on market trends and investor behavior that informs the target date glide paths, and an Asset Allocation Committee which provides perspectives across asset classes to guide tactical asset allocation shifts in the Retirement Fund portfolios.

Parent company capabilities further strengthen the T. Rowe Price target date franchise

Morningstar completed its analysis by emphasizing a critical set of other capabilities that drove the Gold rating upgrade for the T. Rowe Price Retirement Funds, including what it describes as the vast capabilities of the parent company, evidenced by the firm’s broadening distribution outside the U.S., the expansion of its ESG and quantitative capabilities, and its entry into the active ETF market. The report states, “T. Rowe Price remains well-positioned in an increasingly competitive industry, earning a High Parent rating. It has withstood the headwinds facing active managers with its rigorous research process, strong performance across asset classes, and continued investment in its research team.”

QUOTES

Wyatt Lee, portfolio manager and head of Target Date Strategies, Multi-Asset Division

“As leaders in target date investing for nearly two decades, T. Rowe Price has a well-established track record for delivering superior long-term performance to retirement investors. Morningstar’s Gold rating underscores the critical importance of capabilities that support delivering strong returns and managing risk. It’s our hope that the Gold rating signals to all investors that T. Rowe Price is well positioned to help them achieve their retirement goals.”^{vi}

Sébastien Page, global head of Multi-Asset

“Target date funds are the core of many retirement portfolios today. Morningstar’s Gold rating upgrade to our Retirement Fund series is testament to the success of our investment process, and what we believe is industry-leading work in target date research. Congratulations to Wyatt Lee and the entire target date team for earning this honor and for their dedication to providing our clients with financial security in retirement.”

MORNINGSTAR ANALYST RATING™ FOR FUNDS METHODOLOGY

The Morningstar Analyst Rating™ for Funds is the summary expression of Morningstar’s forward-looking analysis of a fund. Morningstar analysts assign the ratings globally on a five-tier scale with three positive ratings of Gold, Silver, and Bronze, in addition to Neutral and Negative ratings. The Analyst Rating is based on the analyst’s conviction in the fund’s ability to outperform its peer group and/or relevant benchmark on a risk-adjusted basis over the long term.

Morningstar’s global analyst team has identified five key areas that they believe are crucial to predicting the future success of strategies and their associated vehicles: People, Parent, Process, Performance, and Price. These five pillars form the spine of Morningstar’s research approach, and each of them is evaluated when



assessing a fund. In so doing, Morningstar not only evaluates each pillar but also the interaction between them, which they believe is crucial to understanding a strategy's overall merit.

More information on Morningstar's Analyst Rating™ for Funds can be found [here](#).

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ABOUT T. ROWE PRICE'S TARGET DATE FRANCHISE AND MULTI-ASSET DIVISION

T. Rowe Price established its target date portfolios in 2002 and the firm has been a category leader since that time. The firm's target date portfolios are advised by its Multi-Asset Division, which managed \$428 billion in multi-asset portfolios for retail and institutional clients as of March 31, 2021. T. Rowe Price is the largest manager of active target date products in the U.S., with \$327.3 billion in active target date strategy assets under management, as of March 31, 2021.

The firm's target date product suite includes two distinct series with differing glide paths, offered as both mutual funds and collective investment trusts: the Retirement glide path is designed to support the need for lifetime income; the Target glide path is designed to limit balance variability around retirement.

T. Rowe Price's target date portfolios seek to provide investors with an age-appropriate, diversified portfolio that can carry an investor to and through retirement. One hundred percent (100%) of the Retirement Funds with 10-year track records outperformed their respective S&P Target Date Index over the 10-year period as of December 31, 2020, with most in the top decile of their respective target-date Morningstar Category based on total return.^{vii viii}

Target date strategies have become important retirement investment vehicles for many individual investors and for a growing majority of those participating in defined contribution plans or other tax-deferred retirement savings programs. Target date portfolios attempt to address and balance investors' exposure to three main risks: longevity risk, inflation risk, and market risk. These strategies can be an effective investment solution for investors who prefer to delegate their investment and asset allocation decisions to professional money managers.

[Download a prospectus](#) or obtain one by calling 1-800-541-8803. The prospectus includes investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing.

T. Rowe Price Investment Services, Inc., distributor, T. Rowe Price mutual funds.

The principal value of the Retirement Funds and the Target Funds (collectively, the "target date 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 target date funds' allocations among a broad range of underlying T. Rowe Price stock and bond funds will change over time. The Retirement 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 Target Funds emphasize asset accumulation prior to retirement, balance the need for reduced market risk and income as retirement approaches, and focus on supporting an income stream over a moderate postretirement withdrawal horizon. The target date funds are not designed for a lump-sum redemption at the target date and do not guarantee a level of income. The key difference between the Retirement Funds and the Target Funds is the overall allocation to equity; although they each maintain significant allocations to equities both prior to and after the target date, the Retirement Funds maintain a higher equity allocation, which can result in greater volatility over shorter time horizons.

Past performance cannot guarantee future results.



Average annual total returns and percentile rankings as of 3/31/21:

Fund	1 Year	5 Years	10 Years	Since Inception	Inception Date	Expense Ratio*
Retirement 2005 Fund	26.49%	7.80%	6.39%	—	—	0.52%
S&P Target Date Retirement Income Index	16.64	6.04	5.27	—	—	
Total Return Ranking vs. Morningstar	15th	22nd	27th	—	—	
US Fund Target-Date 2000--2010	11 out of 115	13 out of 76	14 out of 51	—	—	
Retirement 2010 Fund	29.01	8.38	6.89	—	—	0.52
S&P Target Date 2010 Index	19.92	6.92	5.36	—	—	
Total Return Ranking vs. Morningstar US	5th	2nd	2nd	—	—	
Fund Target-Date 2000--2010	3 out of 115	2 out of 76	2 out of 51	—	—	
Retirement 2015 Fund	31.89	9.15	7.58	—	—	0.55
S&P Target Date 2015 Index	22.79	7.63	6.55	—	—	
Total Return Ranking vs. Morningstar US	2nd	2nd	1st	—	—	
Fund Target-Date 2015	3 out of 108	2 out of 71	1 out of 41	—	—	
Retirement 2020 Fund	35.83	10.13	8.31	—	—	0.57
S&P Target Date 2020 Index	25.04	8.22	7.05	—	—	
Total Return Ranking vs. Morningstar US	4th	2nd	1st	—	—	
Fund Target-Date 2020	4 out of 158	2 out of 107	1 out of 63	—	—	
Retirement 2025 Fund	41.09	11.14	9.02	—	—	0.61
S&P Target Date 2025 Index	30.77	9.24	7.69	—	—	
Total Return Ranking vs. Morningstar US	1st	1st	2nd	—	—	
Fund Target-Date 2025	2 out of 202	2 out of 146	2 out of 82	—	—	
Retirement 2030 Fund	46.13	12.09	9.67	—	—	0.64
S&P Target Date 2030 Index	36.53	10.15	8.28	—	—	
Total Return Ranking vs. Morningstar US	1st	1st	2nd	—	—	
Fund Target-Date 2030	2 out of 200	2 out of 147	3 out of 80	—	—	
Retirement 2035 Fund	50.74	12.87	10.15	—	—	0.67
S&P Target Date 2035 Index	42.83	11.08	8.86	—	—	
Total Return Ranking vs. Morningstar US	4th	7th	4th	—	—	
Fund Target-Date 2035	8 out of 198	10 out of 143	5 out of 79	—	—	
Retirement 2040 Fund	54.73	13.56	10.56	—	—	0.69
S&P Target Date 2040 Index	47.29	11.73	9.26	—	—	
Total Return Ranking vs. Morningstar US	12th	8th	4th	—	—	
Fund Target-Date 2040	26 out of 200	10 out of 147	5 out of 80	—	—	
Retirement 2045 Fund	57.66	13.90	10.73	—	—	0.71
S&P Target Date 2045 Index	49.94	12.12	9.52	—	—	
Total Return Ranking vs. Morningstar US	6th	2nd	4th	—	—	
Fund Target-Date 2045	11 out of 198	5 out of 143	5 out of 78	—	—	



Fund	1 Year	5 Years	10 Years	Since Inception	Inception Date	Expense Ratio*
Retirement 2050 Fund	57.64	13.90	10.73	—	—	0.71
S&P Target Date 2050 Index	51.32	12.40	9.73	—	—	
Total Return Ranking vs. Morningstar	8th	4th	4th	—	—	
US Fund Target-Date 2050	12 out of 200	6 out of 147	5 out of 71	—	—	
Retirement 2055 Fund	57.71	13.88	10.71	—	—	0.71
S&P Target Date 2055 Index	51.99	12.54	9.89	—	—	
Total Return Ranking vs. Morningstar	6th	6th	8th	—	—	
US Fund Target-Date 2055	12 out of 198	8 out of 140	5 out of 44	—	—	
Retirement 2060 Fund	57.73	13.88	—	10.16%	6/23/14	0.71
S&P Target Date 2060+ Index	52.11	12.69	—	9.23	—	
Total Return Ranking vs. Morningstar	11th	8 th	—	—	—	
US Fund Target-Date 2060+	19 out of 245	9 out of 109	—	—	—	

* 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.

Investors should note that the fund's short-term performance is highly unusual and unlikely to be sustained.

The Morningstar percentile ranking is based on a fund's total return relative to all funds in the same category for the period. The highest (or most favorable) percentile rank is 1%, and the lowest (or least favorable) percentile rank is 100%. The top-performing funds in a category will always receive a rank of 1.

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An investment cannot be made in an index.

ABOUT T. ROWE PRICE

Founded in 1937, Baltimore-based T. Rowe Price Group, Inc. is a global investment management organization with \$1.52 trillion in assets under management as of March 31, 2021. The organization provides a broad array of mutual funds, subadvisory services, and separate account management for individual and institutional investors, retirement plans, and financial intermediaries. The company also offers sophisticated investment planning and guidance tools. T. Rowe Price's disciplined, risk-aware investment approach focuses on diversification, style consistency, and fundamental research. For more information, visit troweprice.com, [Twitter](#), [YouTube](#), [LinkedIn](#), and [Facebook](#) sites.



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ⁱ Morningstar's Gold Rating upgrade applies to the T. Rowe Price Retirement, 2005-2060 Funds Investor Class, and the T. Rowe Price Retirement I 2005-2060 Funds - I Class. 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.

ⁱⁱ Source: ©2021 Morningstar. All rights reserved. Peers in the Morningstar US Fund target date category not managed by T. Rowe Price having gold ratings are made up of either all passive underlying investments, or a blend of active and passive, with the majority of the underlying investments being passive. Based on most recent holdings data available, as of December 31, 2020.

ⁱⁱⁱ Source: Morningstar, as of March 31, 2021.

^{iv} The Morningstar percentile ranking is based on a fund's total return relative to all funds in the same category for the period. The highest (or most favorable) percentile rank is 1%, and the lowest (or least favorable) percentile rank is 100%. The top-performing funds in a category will always receive a rank of 1.

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^v To qualify for the Rising Talent Award, candidates must have less than seven years of experience managing public portfolios and have delivered exceptional results during that time. They must run an investment strategy with a Morningstar Analyst Rating of Bronze or higher for at least one vehicle or share class or be featured in Morningstar Prospects, a publication that highlights up-and-coming strategies under consideration for full analyst coverage. Each candidate stands out among emerging managers.

^{vi} Refer to footnote v for performance information

^{vii} Source: Morningstar Analyst Report on T. Rowe Price Retirement Funds, February 19, 2021: The 11 Retirement Funds with 10-year track records through December 2020 each topped its respective S&P Target-Date Index by an average of 106 annualized basis points, and all but one of the funds ranked in the top decile of their respective target-date Morningstar Category.

^{viii} Refer to footnote v for performance information.