



SEMIANNUAL REPORT | Financial Statements

November 30, 2018

<p>TRRGX</p> <p>PARHX</p> <p>RRTMX</p>	<p>T. ROWE PRICE</p> <p>Retirement 2015 Fund</p> <p>Retirement 2015 Fund- Advisor Class</p> <p>Retirement 2015 Fund- R Class</p> <p>For more insights from T. Rowe Price investment professionals, go to troweprice.com.</p>
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Beginning on January 1, 2021, as permitted by SEC regulations, paper copies of the T. Rowe Price funds' annual and semiannual shareholder reports will no longer be mailed, unless you specifically request them. Instead, shareholder reports will be made available on the funds' website (**troweprice.com/prospectus**), and you will be notified by mail with a website link to access the reports each time a report is posted to the site.

If you already elected to receive reports electronically, you will not be affected by this change and need not take any action. At any time, shareholders who invest directly in T. Rowe Price funds may generally elect to receive reports or other communications electronically by enrolling at **troweprice.com/paperless** or, if you are a retirement plan sponsor or invest in the funds through a financial intermediary (such as an investment advisor, broker-dealer, insurance company, or bank), by contacting your representative or your financial intermediary.

You may elect to continue receiving paper copies of future shareholder reports free of charge. To do so, if you invest directly with T. Rowe Price, please call T. Rowe Price as follows: IRA, nonretirement account holders, and institutional investors, **1-800-225-5132**; small business retirement accounts, **1-800-492-7670**. If you are a retirement plan sponsor or invest in the T. Rowe Price funds through a financial intermediary, please contact your representative or financial intermediary or follow additional instructions if included with this document. Your election to receive paper copies of reports will apply to all funds held in your account with your financial intermediary or, if you invest directly in the T. Rowe Price funds, with T. Rowe Price. Your election can be changed at any time in the future.

T. ROWE PRICE RETIREMENT 2015 FUND

Unaudited

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

Investor Class

	6 Months Ended 11/30/18	Year Ended 5/31/18	5/31/17	5/31/16	5/31/15	5/31/14
NET ASSET VALUE						
Beginning of period	\$ 15.00	\$ 15.15	\$ 14.15	\$ 14.99	\$ 14.90	\$ 13.73
Investment activities						
Net investment income ⁽¹⁾⁽²⁾	0.13	0.29	0.26	0.27	0.28	0.25
Net realized and unrealized gain/loss	(0.33)	0.65	1.24	(0.41)	0.43	1.43
Total from investment activities	(0.20)	0.94	1.50	(0.14)	0.71	1.68
Distributions						
Net investment income	-	(0.30)	(0.27)	(0.28)	(0.27)	(0.24)
Net realized gain	-	(0.79)	(0.23)	(0.42)	(0.35)	(0.27)
Total distributions	-	(1.09)	(0.50)	(0.70)	(0.62)	(0.51)
NET ASSET VALUE						
End of period	\$ 14.80	\$ 15.00	\$ 15.15	\$ 14.15	\$ 14.99	\$ 14.90

T. ROWE PRICE RETIREMENT 2015 FUND

Unaudited

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

	6 Months Ended 11/30/18	Year Ended 5/31/18	5/31/17	5/31/16	5/31/15	5/31/14
Ratios/Supplemental Data						
Total return⁽²⁾⁽³⁾⁽⁴⁾	(1.33)%	6.23%	10.84%	(0.73)%	4.91%	12.42%
Ratios to average net assets: ⁽²⁾						
Gross expenses before payments by Price Associates ⁽⁴⁾	0.00% ⁽⁵⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Net expenses after payments by Price Associates ⁽⁴⁾	0.00% ⁽⁵⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Weighted average net expenses of underlying Price Funds ⁽⁶⁾	0.56% ⁽⁵⁾	0.57%	0.59%	0.62%	0.62%	0.63%
Effective net expenses	0.56% ⁽⁵⁾	0.57%	0.59%	0.62%	0.62%	0.63%
Net investment income ⁽⁴⁾	1.68% ⁽⁵⁾	1.86%	1.81%	1.91%	1.85%	1.76%
Portfolio turnover rate ⁽⁴⁾	5.7%	33.1%	13.4%	16.1%	14.2%	14.7%
Net assets, end of period (in millions)	\$ 6,006	\$ 6,688	\$ 8,318	\$ 8,385	\$ 8,972	\$ 8,460

⁽¹⁾ Per share amounts calculated using average shares outstanding method.

⁽²⁾ See Note 5 for details of expense-related arrangements with Price Associates.

⁽³⁾ 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; it 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.

⁽⁴⁾ 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.

⁽⁵⁾ Annualized

⁽⁶⁾ 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 2015 FUND

Unaudited

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

Advisor Class

	6 Months Ended 11/30/18	Year Ended 5/31/18	5/31/17	5/31/16	5/31/15	5/31/14
NET ASSET VALUE						
Beginning of period	\$ 14.94	\$ 15.09	\$ 14.09	\$ 14.93	\$ 14.84	\$ 13.68
Investment activities						
Net investment income ⁽¹⁾⁽²⁾	0.11	0.24	0.23	0.24	0.24	0.22
Net realized and unrealized gain/loss	(0.32)	0.65	1.24	(0.42)	0.43	1.42
Total from investment activities	(0.21)	0.89	1.47	(0.18)	0.67	1.64
Distributions						
Net investment income	-	(0.25)	(0.24)	(0.24)	(0.23)	(0.21)
Net realized gain	-	(0.79)	(0.23)	(0.42)	(0.35)	(0.27)
Total distributions	-	(1.04)	(0.47)	(0.66)	(0.58)	(0.48)
NET ASSET VALUE						
End of period	\$ 14.73	\$ 14.94	\$ 15.09	\$ 14.09	\$ 14.93	\$ 14.84

T. ROWE PRICE RETIREMENT 2015 FUND

Unaudited

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

	6 Months Ended 11/30/18	Year Ended 5/31/18	5/31/17	5/31/16	5/31/15	5/31/14
Ratios/Supplemental Data						
Total return⁽²⁾⁽³⁾⁽⁴⁾	(1.41)%	5.91%	10.66%	(1.02)%	4.64%	12.16%
Ratios to average net assets: ⁽²⁾						
Gross expenses before payments by Price Associates ⁽⁴⁾	0.22% ⁽⁵⁾	0.25%	0.25%	0.25%	0.25%	0.25%
Net expenses after payments by Price Associates ⁽⁴⁾	0.22% ⁽⁵⁾	0.25%	0.25%	0.25%	0.25%	0.25%
Weighted average net expenses of underlying Price Funds ⁽⁶⁾	0.56% ⁽⁵⁾	0.57%	0.59%	0.62%	0.62%	0.63%
Effective net expenses	0.78% ⁽⁵⁾	0.82%	0.84%	0.87%	0.87%	0.88%
Net investment income ⁽⁴⁾	1.46% ⁽⁵⁾	1.60%	1.58%	1.67%	1.59%	1.51%
Portfolio turnover rate ⁽⁴⁾	5.7%	33.1%	13.4%	16.1%	14.2%	14.7%
Net assets, end of period (in thousands)	\$ 487,190	\$ 544,684	\$ 662,996	\$ 701,522	\$ 834,769	\$ 818,486

⁽¹⁾ Per share amounts calculated using average shares outstanding method.

⁽²⁾ See Note 5 for details of expense-related arrangements with Price Associates.

⁽³⁾ 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; it 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.

⁽⁴⁾ 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.

⁽⁵⁾ Annualized

⁽⁶⁾ 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 2015 FUND

Unaudited

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

R Class

	6 Months Ended 11/30/18	Year Ended 5/31/18	5/31/17	5/31/16	5/31/15	5/31/14
NET ASSET VALUE						
Beginning of period	\$ 14.79	\$ 14.95	\$ 13.97	\$ 14.80	\$ 14.72	\$ 13.58
Investment activities						
Net investment income ⁽¹⁾⁽²⁾	0.09	0.20	0.19	0.20	0.20	0.18
Net realized and unrealized gain/loss	(0.32)	0.65	1.22	(0.41)	0.43	1.41
Total from investment activities	(0.23)	0.85	1.41	(0.21)	0.63	1.59
Distributions						
Net investment income	-	(0.22)	(0.20)	(0.20)	(0.20)	(0.18)
Net realized gain	-	(0.79)	(0.23)	(0.42)	(0.35)	(0.27)
Total distributions	-	(1.01)	(0.43)	(0.62)	(0.55)	(0.45)
NET ASSET VALUE						
End of period	\$ 14.56	\$ 14.79	\$ 14.95	\$ 13.97	\$ 14.80	\$ 14.72

T. ROWE PRICE RETIREMENT 2015 FUND

Unaudited

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

	6 Months Ended 11/30/18	Year Ended 5/31/18	5/31/17	5/31/16	5/31/15	5/31/14
Ratios/Supplemental Data						
Total return⁽²⁾⁽³⁾⁽⁴⁾	(1.56)%	5.69%	10.29%	(1.25)%	4.40%	11.87%
Ratios to average net assets: ⁽²⁾						
Gross expenses before payments by Price Associates ⁽⁴⁾	0.50% ⁽⁵⁾	0.50%	0.50%	0.50%	0.50%	0.50%
Net expenses after payments by Price Associates ⁽⁴⁾	0.50% ⁽⁵⁾	0.50%	0.50%	0.50%	0.50%	0.50%
Weighted average net expenses of underlying Price Funds ⁽⁶⁾	0.56% ⁽⁵⁾	0.57%	0.59%	0.62%	0.62%	0.63%
Effective net expenses	1.06% ⁽⁵⁾	1.07%	1.09%	1.12%	1.12%	1.13%
Net investment income ⁽⁴⁾	1.18% ⁽⁵⁾	1.35%	1.32%	1.42%	1.35%	1.26%
Portfolio turnover rate ⁽⁴⁾	5.7%	33.1%	13.4%	16.1%	14.2%	14.7%
Net assets, end of period (in thousands)	\$ 319,169	\$ 366,593	\$ 440,294	\$ 482,473	\$ 555,926	\$ 500,655

⁽¹⁾ Per share amounts calculated using average shares outstanding method.

⁽²⁾ See Note 5 for details of expense-related arrangements with Price Associates.

⁽³⁾ 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; it 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.

⁽⁴⁾ 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.

⁽⁵⁾ Annualized

⁽⁶⁾ 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 2015 FUND

November 30, 2018 (Unaudited)

PORTFOLIO OF INVESTMENTS ⁽¹⁾	\$ Value 5/31/18	\$ Purchase Cost	\$ Sales Cost	Shares	\$ Value 11/30/18
(Cost and value in \$000s)					
BOND MUTUAL FUNDS 53.2%					
T. Rowe Price Funds:					
New Income Fund	1,429,612	23,182	161,060	140,567,866	1,269,328
Limited Duration Inflation Focused Bond Fund	979,861	6,356	102,773	178,137,805	880,001
International Bond Fund (USD Hedged)	402,861	18,929	49,630	37,275,367	370,517
Emerging Markets Bond Fund	281,312	77,307	28,019	28,701,318	313,705
U.S. Treasury Long-Term Fund	277,700	29,558	21,472	23,458,826	273,061
Dynamic Global Bond Fund	290,339	11,889	29,405	28,035,563	271,104
High Yield Fund	199,574	5,065	53,176	23,338,275	147,264
Floating Rate Fund	89,140	24,346	13,618	10,194,086	98,577
Total Bond Mutual Funds (Cost \$3,756,472)					3,623,557
EQUITY MUTUAL FUNDS 46.5%					
T. Rowe Price Funds:					
Equity Index 500 Fund	1,314,599	14,906	112,689	15,622,082	1,160,564
Overseas Stock Fund	343,546	9,967	26,196	28,634,470	292,072
International Value Equity Fund	326,165	10,149	21,310	21,612,068	283,766
International Stock Fund	298,386	10,417	21,672	15,444,239	261,471
Value Fund	219,513	3,305	24,021	5,386,326	199,402
Growth Stock Fund	225,501	299	22,055	2,941,940	198,875
Emerging Markets Stock Fund	159,162	21,397	9,398	3,872,214	151,675
Mid-Cap Growth Fund ⁽²⁾	159,786	2,122	16,976	1,563,887	145,833
Mid-Cap Value Fund	152,747	211	14,695	4,397,262	132,314
New Horizons Fund ⁽²⁾	110,650	140	16,888	1,550,887	94,185
Small-Cap Stock Fund	107,058	136	15,222	1,740,776	89,546
Small-Cap Value Fund	100,603	129	8,208	1,789,965	87,511
Real Assets Fund	82,874	111	7,633	6,421,388	69,929
Total Equity Mutual Funds (Cost \$1,996,598)					3,167,143

T. ROWE PRICE RETIREMENT 2015 FUND

	\$ Value 5/31/18	\$ Purchase Cost	\$ Sales Cost	Shares	\$ Value 11/30/18
(Cost and value in \$000s)					
SHORT-TERM INVESTMENTS 0.3%					
T. Rowe Price Funds:					
U.S. Treasury Money Fund, 1.88% ⁽³⁾	49,073	146,804	173,643	22,234,279	22,234
Total Short-Term Investments (Cost \$22,234)					22,234
Total Investments in Securities					
100.0% of Net Assets (Cost \$5,775,304)					\$ 6,812,934

- (1) Each underlying Price Fund is an affiliated company; the fund is invested in the Investor 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.
- (2) Non-income producing
- (3) Seven-day yield

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, 2018. 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
T. Rowe Price Funds:			
Dynamic Global Bond Fund	\$ (569)	\$ (1,719)	\$ 3,334
Emerging Markets Bond Fund	(2,383)	(16,895)	7,697
Emerging Markets Stock Fund	3,512	(19,486)	—
Equity Index 500 Fund	85,980	(56,252)	11,272
Floating Rate Fund	(120)	(1,291)	2,568
Growth Stock Fund	4,343	(4,870)	—
High Yield Fund	(968)	(4,199)	4,965
International Bond Fund (USD Hedged)	(826)	(1,643)	3,424
International Stock Fund	1,752	(25,660)	—
International Value Equity Fund	892	(31,238)	—
Limited Duration Inflation Focused Bond Fund	(2,005)	(3,443)	3,066
Mid-Cap Growth Fund	3,102	901	—
Mid-Cap Value Fund	2,563	(5,949)	—
New Horizons Fund	4,109	283	—
New Income Fund	(5,872)	(22,406)	20,641
Overseas Stock Fund	5,258	(35,245)	—
Real Assets Fund	714	(5,423)	—
Small-Cap Stock Fund	3,450	(2,426)	—
Small-Cap Value Fund	1,820	(5,013)	—
U.S. Treasury Long-Term Fund	(1,001)	(12,725)	3,922
Value Fund	2,197	605	—
U.S. Treasury Money Fund	—	—	460
Totals	\$ 105,948#	\$ (254,094)	\$ 61,349+

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

+ Investment income comprised \$61,349 of income distributions from underlying Price Funds.

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

T. ROWE PRICE RETIREMENT 2015 FUND

November 30, 2018 (Unaudited)

STATEMENT OF ASSETS AND LIABILITIES

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

Assets

Investments in securities, at value (cost \$5,775,304)	\$ 6,812,934
Receivable for investment securities sold	17,975
Receivable for shares sold	3,614
Total assets	<u>6,834,523</u>

Liabilities

Payable for investment securities purchased	13,040
Payable for shares redeemed	8,334
Other liabilities	540
Total liabilities	<u>21,914</u>

NET ASSETS

\$ 6,812,609

Net Assets Consist of:

Undistributed net investment income	\$ 99,994
Accumulated undistributed net realized gain	312,436
Net unrealized gain	1,037,630
Paid-in capital applicable to 460,668,661 shares of \$0.0001 par value capital stock outstanding; 30,000,000,000 shares of the Corporation authorized	<u>5,362,549</u>

NET ASSETS

\$ 6,812,609

T. ROWE PRICE RETIREMENT 2015 FUND

November 30, 2018 (Unaudited)

STATEMENT OF ASSETS AND LIABILITIES

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

NET ASSET VALUE PER SHARE

Investor Class	
(\$6,006,250,591 / 405,691,245 shares outstanding)	\$ <u>14.80</u>
Advisor Class	
(\$487,189,887 / 33,063,680 shares outstanding)	\$ <u>14.73</u>
R Class	
(\$319,168,759 / 21,913,736 shares outstanding)	\$ <u>14.56</u>

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

T. ROWE PRICE RETIREMENT 2015 FUND

Unaudited

STATEMENT OF OPERATIONS

(\$000s)

	6 Months Ended 11/30/18
Investment Income (Loss)	
Income distributions from underlying Price Funds	\$ 61,349
Expenses	
Rule 12b-1 fees	
Advisor Class	487
R Class	884
Total expenses	1,371
Net investment income	59,978
Realized and Unrealized Gain / Loss	
Net realized gain on Sales of underlying Price Funds	105,948
Change in net unrealized gain/loss on underlying Price Funds	(254,094)
Net realized and unrealized gain / loss	(148,146)
DECREASE IN NET ASSETS FROM OPERATIONS	\$ (88,168)

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

Unaudited

STATEMENT OF CHANGES IN NET ASSETS

(\$000s)

	6 Months Ended 11/30/18	Year Ended 5/31/18
Increase (Decrease) in Net Assets		
Operations		
Net investment income	\$ 59,978	\$ 156,332
Net realized gain	105,948	882,022
Change in net unrealized gain / loss	(254,094)	(495,866)
Increase (decrease) in net assets from operations	(88,168)	542,488
Distributions to shareholders		
Net investment income		
Investor Class	-	(144,757)
Advisor Class	-	(9,609)
R Class	-	(5,802)
Net realized gain		
Investor Class	-	(381,328)
Advisor Class	-	(30,363)
R Class	-	(20,835)
Decrease in net assets from distributions	-	(592,694)
Capital share transactions *		
Shares sold		
Investor Class	338,791	961,433
Advisor Class	42,194	127,603
R Class	21,803	67,163
Distributions reinvested		
Investor Class	-	520,264
Advisor Class	-	39,569
R Class	-	26,630
Shares redeemed		
Investor Class	(944,271)	(3,067,014)
Advisor Class	(93,262)	(282,649)
R Class	(63,981)	(164,698)
Decrease in net assets from capital share transactions	(698,726)	(1,771,699)

T. ROWE PRICE RETIREMENT 2015 FUND

Unaudited

STATEMENT OF CHANGES IN NET ASSETS

(\$000s)

	6 Months Ended 11/30/18	Year Ended 5/31/18
Net Assets		
Decrease during period	(786,894)	(1,821,905)
Beginning of period	7,599,503	9,421,408
End of period	\$ 6,812,609	\$ 7,599,503
Undistributed net investment income	99,994	40,016
*Share information		
Shares sold		
Investor Class	22,524	62,709
Advisor Class	2,824	8,359
R Class	1,464	4,444
Distributions reinvested		
Investor Class	-	34,801
Advisor Class	-	2,654
R Class	-	1,803
Shares redeemed		
Investor Class	(62,726)	(200,580)
Advisor Class	(6,214)	(18,503)
R Class	(4,331)	(10,906)
Decrease in shares outstanding	(46,459)	(115,219)

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 2015 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 2015 Fund (Investor Class), Retirement 2015 Fund–Advisor Class (Advisor Class), and Retirement 2015 Fund–R Class (R Class). Advisor Class shares are sold only through unaffiliated brokers and other financial intermediaries, and R Class shares are available to retirement plans serviced by intermediaries. 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. Certain ratios in the accompanying Financial Highlights have been included to conform to the current year presentation.

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 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, 2018, the fund realized \$31,385,000 of net gain on \$135,100,000 of in-kind redemptions.

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, and each class'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. The fund's

financial instruments 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. 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 procedures to value securities; determines pricing techniques, sources, and persons eligible to effect fair value pricing actions; oversees the selection, services, and performance of pricing vendors; oversees valuation-related business continuity practices; and provides guidance on internal controls and valuation-related matters. The Valuation Committee reports to the Board and has representation from legal, portfolio management and trading, operations, risk management, and the fund's treasurer.

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

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, 2018, all of the investments in underlying Price Funds were classified as Level 1, based on the inputs used to determine their fair values.

NOTE 3 - INVESTMENTS IN UNDERLYING PRICE FUNDS

Purchases and sales of the underlying Price Funds during the six months ended November 30, 2018, aggregated \$416,725,000 and \$1,055,707,000, respectively.

NOTE 4 - 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, 2018, the cost of investments for federal income tax purposes was \$5,914,092,000. Net unrealized gain aggregated \$898,842,000 at period-end, of which \$1,170,544,000 related to appreciated investments and \$271,702,000 related to depreciated investments.

NOTE 5 - 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. Pursuant to various service agreements, Price Associates and its wholly owned subsidiaries provide shareholder servicing and

administrative services as well as certain accounting, marketing, and other services to the fund. 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 pays no management fees; however, Price Associates receives management fees from the underlying Price Funds. The fund operates in accordance with the investment management and special servicing agreements between and among the corporation; the underlying Price Funds; Price Associates; and T. Rowe Price Services, Inc., a wholly owned subsidiary of Price Associates. Pursuant to these agreements, expenses associated with the operation of the fund, other than class-specific Rule 12b-1 fees, are borne by each underlying Price Fund to the extent of estimated savings to it and in proportion to the average daily value of its shares owned by the fund. Therefore, the expense ratio of each class reflects only its Rule 12b-1 fees, if any. However, the fund indirectly bears its proportionate share of the management fees and operating costs of the underlying Price Funds in which it invests.

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, 2018, the fund held less than 25% of the outstanding shares of any underlying Price Fund.

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.

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://www3.troweprice.com/usis/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

The fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission for the first and third quarters of each fiscal year on Form N-Q. The fund's Form N-Q is available electronically on the SEC's website (sec.gov); hard copies may be reviewed and copied at the SEC's Public Reference Room, 100 F St. N.E., Washington, DC 20549. For more information on the Public Reference Room, call 1-800-SEC-0330.

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T. Rowe Price Mutual Funds

This page contains supplementary information that is not part of the shareholder report.

STOCK FUNDS

Domestic

Blue Chip Growth
Capital Appreciation[†]
Capital Opportunity
Communications & Technology
Diversified Mid-Cap Growth
Dividend Growth
Equity Income
Equity Index 500
Extended Equity Market Index
Financial Services
Growth & Income
Growth Stock
Health Sciences
Mid-Cap Growth[†]
Mid-Cap Value[†]
New America Growth
New Era
New Horizons[†]
QM U.S. Small & Mid-Cap
Core Equity
QM U.S. Small-Cap Growth Equity
QM U.S. Value Equity
Real Estate
Science & Technology
Small-Cap Stock[†]
Small-Cap Value
Tax-Efficient Equity
Total Equity Market Index
U.S. Large-Cap Core
Value

ASSET ALLOCATION FUNDS

Balanced
Global Allocation
Multi-Strategy Total Return
Personal Strategy Balanced
Personal Strategy Growth
Personal Strategy Income
Real Assets
Spectrum Growth
Spectrum Income
Spectrum International
Target Date Funds^{*}

BOND FUNDS

Domestic Taxable

Corporate Income
Credit Opportunities
Floating Rate
GNMA
High Yield[†]
Inflation Protected Bond
Limited Duration Inflation
Focused Bond
New Income
Short-Term Bond
Total Return
Ultra Short-Term Bond
U.S. Bond Enhanced Index
U.S. High Yield
U.S. Treasury Intermediate
U.S. Treasury Long-Term

Domestic Tax-Free

California Tax-Free Bond
Georgia Tax-Free Bond
Intermediate Tax-Free High Yield
Maryland Short-Term Tax-Free Bond
Maryland Tax-Free Bond
New Jersey Tax-Free Bond
New York Tax-Free Bond
Summit Municipal Income
Summit Municipal Intermediate
Tax-Free High Yield
Tax-Free Income
Tax-Free Short-Intermediate
Virginia Tax-Free Bond

MONEY MARKET FUNDS

Taxable

Cash Reserves¹
Government Money²
U.S. Treasury Money²

MONEY MARKET FUNDS (CONT.)

Tax-Free

California Tax-Free Money¹
Maryland Tax-Free Money¹
New York Tax-Free Money¹
Summit Municipal Money Market¹
Tax-Exempt Money¹

INTERNATIONAL/GLOBAL FUNDS

Stock

Africa & Middle East
Asia Opportunities
Emerging Europe
Emerging Markets Stock
Emerging Markets Value Stock
European Stock
Global Consumer
Global Growth Stock
Global Industrials
Global Real Estate
Global Stock
Global Technology[†]
International Concentrated Equity
International Discovery[†]
International Equity Index
International Stock
International Value Equity
Japan
Latin America
New Asia
Overseas Stock
QM Global Equity

Bond

Dynamic Credit
Dynamic Global Bond
Emerging Markets Bond
Emerging Markets Corporate Bond
Emerging Markets Local Currency
Bond
Global High Income Bond
Global Multi-Sector Bond
International Bond
International Bond (USD Hedged)

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.

[†] Subject to certain exceptions, the fund is currently closed to new investors and new accounts.

^{*} The Target Date Funds are inclusive of the Retirement Funds, the Target Funds, and the Retirement Balanced Fund.

¹ *Retail Funds: You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. Beginning October 14, 2016, the Fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the Fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.*

² *Government Funds: You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.*