



SEMIANNUAL REPORT | Financial Statements

November 30, 2018

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|--|--|
| <p>TRARX</p> <p>PANRX</p> <p>TFRRX</p> | <p>T. ROWE PRICE</p> <p>Target 2005 Fund</p> <p>Target 2005 Fund- Advisor Class</p> <p>Target 2005 Fund- I 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 TARGET 2005 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 | 8/20/13 ⁽¹⁾ Through 5/31/14 |
|---|-------------------------------|--------------------------|----------|----------|----------|--|
| NET ASSET VALUE | | | | | | |
| Beginning of period | \$ 11.41 | \$ 11.29 | \$ 10.67 | \$ 10.95 | \$ 10.84 | \$ 10.00 |
| Investment activities | | | | | | |
| Net investment income ⁽²⁾⁽³⁾ | 0.11 | 0.21 | 0.20 | 0.20 | 0.21 | 0.16 |
| Net realized and unrealized gain/loss | (0.23) | 0.26 | 0.66 | (0.18) | 0.11 | 0.76 |
| Total from investment activities | (0.12) | 0.47 | 0.86 | 0.02 | 0.32 | 0.92 |
| Distributions | | | | | | |
| Net investment income | - | (0.19) | (0.21) | (0.19) | (0.16) | (0.07) |
| Net realized gain | - | (0.16) | (0.03) | (0.11) | (0.05) | (0.01) |
| Total distributions | - | (0.35) | (0.24) | (0.30) | (0.21) | (0.08) |
| NET ASSET VALUE | | | | | | |
| End of period | \$ 11.29 | \$ 11.41 | \$ 11.29 | \$ 10.67 | \$ 10.95 | \$ 10.84 |

Ratios/Supplemental Data

| | | | | | | |
|--|----------------------|--------------|--------------|--------------|--------------|----------------------|
| Total return⁽³⁾⁽⁴⁾⁽⁵⁾ | (1.05)% | 4.12% | 8.18% | 0.30% | 3.00% | 9.18% |
| Ratios to average net assets: ⁽³⁾ | | | | | | |
| Gross expenses before payments by Price Associates ⁽⁵⁾ | 0.68% ⁽⁶⁾ | 0.80% | 0.93% | 0.32% | 0.00% | 0.00% ⁽⁶⁾ |
| Net expenses after payments by Price Associates ⁽⁵⁾ | 0.19% ⁽⁶⁾ | 0.19% | 0.16% | 0.05% | 0.00% | 0.00% ⁽⁶⁾ |
| Weighted average net expenses of underlying Price Funds ⁽⁷⁾ | 0.39% ⁽⁶⁾ | 0.39% | 0.42% | 0.54% | 0.58% | 0.59% ⁽⁶⁾ |
| Effective net expenses | 0.58% ⁽⁶⁾ | 0.58% | 0.58% | 0.59% | 0.58% | 0.59% ⁽⁶⁾ |

T. ROWE PRICE TARGET 2005 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 | 8/20/13 ⁽¹⁾ Through 5/31/14 |
|--|-------------------------------|--------------------------|---------|---------|---------|--|
|--|-------------------------------|--------------------------|---------|---------|---------|--|

Ratios/Supplemental Data (continued)

| | | | | | | |
|---|----------------------|-----------|-----------|-----------|-----------|----------------------|
| Net investment income ⁽⁵⁾ | 1.89% ⁽⁶⁾ | 1.84% | 1.82% | 1.93% | 1.93% | 1.97% ⁽⁶⁾ |
| Portfolio turnover rate ⁽⁵⁾ | 13.1% | 44.4% | 33.4% | 29.8% | 32.8% | 44.7% |
| Net assets, end of period (in thousands) | \$ 31,273 | \$ 32,132 | \$ 29,177 | \$ 24,645 | \$ 17,253 | \$ 7,155 |

⁽¹⁾ Inception date

⁽²⁾ Per share amounts calculated using average shares outstanding method.

⁽³⁾ See Note 5 for details of expense-related arrangements with Price Associates.

⁽⁴⁾ 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.

⁽⁵⁾ 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.

⁽⁶⁾ Annualized

⁽⁷⁾ 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 TARGET 2005 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 | 8/20/13 ⁽¹⁾ Through 5/31/14 |
|---|-------------------------------|--------------------------|----------|----------|----------|--|
| NET ASSET VALUE | | | | | | |
| Beginning of period | \$ 11.40 | \$ 11.28 | \$ 10.67 | \$ 10.94 | \$ 10.83 | \$ 10.00 |
| Investment activities | | | | | | |
| Net investment income ⁽²⁾⁽³⁾ | 0.09 | 0.19 | 0.18 | 0.17 | 0.16 | 0.14 |
| Net realized and unrealized gain/loss | (0.21) | 0.25 | 0.64 | (0.17) | 0.14 | 0.76 |
| Total from investment activities | (0.12) | 0.44 | 0.82 | 0.00 | 0.30 | 0.90 |
| Distributions | | | | | | |
| Net investment income | - | (0.16) | (0.18) | (0.16) | (0.14) | (0.06) |
| Net realized gain | - | (0.16) | (0.03) | (0.11) | (0.05) | (0.01) |
| Total distributions | - | (0.32) | (0.21) | (0.27) | (0.19) | (0.07) |
| NET ASSET VALUE | | | | | | |
| End of period | \$ 11.28 | \$ 11.40 | \$ 11.28 | \$ 10.67 | \$ 10.94 | \$ 10.83 |

Ratios/Supplemental Data

| | | | | | | |
|--|----------------------|--------------|--------------|--------------|--------------|----------------------|
| Total return⁽³⁾⁽⁴⁾⁽⁵⁾ | (1.05)% | 3.85% | 7.79% | 0.10% | 2.81% | 8.98% |
| Ratios to average net assets: ⁽³⁾ | | | | | | |
| Gross expenses before payments by Price Associates ⁽⁵⁾ | 1.07% ⁽⁶⁾ | 1.16% | 1.33% | 0.62% | 0.25% | 0.25% ⁽⁶⁾ |
| Net expenses after payments by Price Associates ⁽⁵⁾ | 0.44% ⁽⁶⁾ | 0.44% | 0.41% | 0.30% | 0.25% | 0.25% ⁽⁶⁾ |
| Weighted average net expenses of underlying Price Funds ⁽⁷⁾ | 0.39% ⁽⁶⁾ | 0.39% | 0.42% | 0.54% | 0.58% | 0.59% ⁽⁶⁾ |
| Effective net expenses | 0.83% ⁽⁶⁾ | 0.83% | 0.83% | 0.84% | 0.83% | 0.84% ⁽⁶⁾ |

T. ROWE PRICE TARGET 2005 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 | 8/20/13 ⁽¹⁾ Through 5/31/14 |
|--|-------------------------------|--------------------------|---------|---------|---------|--|
|--|-------------------------------|--------------------------|---------|---------|---------|--|

Ratios/Supplemental Data (continued)

| | | | | | | |
|---|----------------------|--------|----------|----------|----------|----------------------|
| Net investment income ⁽⁵⁾ | 1.64% ⁽⁶⁾ | 1.61% | 1.66% | 1.66% | 1.48% | 1.78% ⁽⁶⁾ |
| Portfolio turnover rate ⁽⁵⁾ | 13.1% | 44.4% | 33.4% | 29.8% | 32.8% | 44.7% |
| Net assets, end of period (in thousands) | \$ 673 | \$ 678 | \$ 1,473 | \$ 1,876 | \$ 1,149 | \$ 273 |

⁽¹⁾ Inception date

⁽²⁾ Per share amounts calculated using average shares outstanding method.

⁽³⁾ See Note 5 for details of expense-related arrangements with Price Associates.

⁽⁴⁾ 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.

⁽⁵⁾ 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.

⁽⁶⁾ Annualized

⁽⁷⁾ 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 TARGET 2005 FUND

Unaudited

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

I Class

| | 6 Months Ended 11/30/18 | Year Ended 5/31/18 | 5/31/17 | 2/26/16 ⁽¹⁾ Through 5/31/16 |
|--|-------------------------------|--------------------------|----------|--|
| NET ASSET VALUE | | | | |
| Beginning of period | \$ 11.41 | \$ 11.28 | \$ 10.67 | \$ 10.17 |
| Investment activities | | | | |
| Net investment income ^{(2) (3)} | 0.12 | 0.18 | 0.22 | 0.04 |
| Net realized and unrealized gain/loss | (0.23) | 0.30 | 0.64 | 0.46 ⁽⁴⁾ |
| Total from investment activities | (0.11) | 0.48 | 0.86 | 0.50 |
| Distributions | | | | |
| Net investment income | - | (0.19) | (0.22) | - |
| Net realized gain | - | (0.16) | (0.03) | - |
| Total distributions | - | (0.35) | (0.25) | - |
| NET ASSET VALUE | | | | |
| End of period | \$ 11.30 | \$ 11.41 | \$ 11.28 | \$ 10.67 |

Ratios/Supplemental Data

| | | | | |
|--|----------------------|--------------|--------------|----------------------|
| Total return^{(9) (5) (6)} | (0.96)% | 4.21% | 8.18% | 4.92% |
| Ratios to average net assets: ⁽³⁾ | | | | |
| Gross expenses before payments by Price Associates ⁽⁶⁾ | 0.60% ⁽⁷⁾ | 0.86% | 1.06% | 0.83% ⁽⁷⁾ |
| Net expenses after payments by Price Associates ⁽⁶⁾ | 0.05% ⁽⁷⁾ | 0.05% | 0.06% | 0.05% ⁽⁷⁾ |
| Weighted average net expenses of underlying Price Funds ⁽⁸⁾ | 0.39% ⁽⁷⁾ | 0.39% | 0.42% | 0.44% ⁽⁷⁾ |
| Effective net expenses | 0.44% ⁽⁷⁾ | 0.44% | 0.48% | 0.49% ⁽⁷⁾ |

T. ROWE PRICE TARGET 2005 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 | 2/26/16 ⁽¹⁾ Through 5/31/16 |
|--|-------------------------------|--------------------------|---------|--|
|--|-------------------------------|--------------------------|---------|--|

Ratios/Supplemental Data (continued)

| | | | | |
|--|----------------------|----------|--------|----------------------|
| Net investment income ⁽⁶⁾ | 2.03% ⁽⁷⁾ | 1.82% | 2.07% | 1.61% ⁽⁷⁾ |
| Portfolio turnover rate ⁽⁶⁾ | 13.1% | 44.4% | 33.4% | 29.8% |
| Net assets, end of period (in thousands) | \$ 2,591 | \$ 2,583 | \$ 289 | \$ 262 |

⁽¹⁾ Inception date

⁽²⁾ Per share amounts calculated using average shares outstanding method.

⁽³⁾ See Note 5 for details of expense-related arrangements with Price Associates.

⁽⁴⁾ The amount presented is inconsistent with the fund's aggregate gains and losses because of the timing of sales and redemptions of fund shares in relation to fluctuating market values for the investment portfolio.

⁽⁵⁾ 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.

⁽⁶⁾ 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.

⁽⁷⁾ Annualized

⁽⁸⁾ 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 TARGET 2005 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 67.7% | | | | | |
| T. Rowe Price Funds: | | | | | |
| New Income Fund | 7,998 | 704 | 910 | 849,939 | 7,666 |
| Limited Duration Inflation Focused Bond Fund | 7,119 | 543 | 760 | 1,387,938 | 6,870 |
| International Bond Fund (USD Hedged) | 2,268 | 256 | 284 | 224,468 | 2,231 |
| Emerging Markets Bond Fund | 1,762 | 571 | 199 | 186,136 | 2,035 |
| Dynamic Global Bond Fund | 1,628 | 168 | 152 | 169,016 | 1,634 |
| U.S. Treasury Long-Term Fund | 1,222 | 277 | 128 | 113,014 | 1,316 |
| High Yield Fund | 1,242 | 108 | 321 | 159,204 | 1,005 |
| Floating Rate Fund | 531 | 185 | 78 | 65,039 | 629 |
| Total Bond Mutual Funds (Cost \$24,034) | | | | | 23,386 |
| EQUITY MUTUAL FUNDS 32.0% | | | | | |
| T. Rowe Price Funds: | | | | | |
| Equity Index 500 Fund | 5,563 | 488 | 728 | 73,219 | 5,442 |
| Overseas Stock Fund | 1,086 | 118 | 112 | 97,914 | 998 |
| International Value Equity Fund | 1,056 | 125 | 102 | 75,122 | 986 |
| International Stock Fund | 925 | 139 | 92 | 53,152 | 901 |
| Emerging Markets Stock Fund | 487 | 137 | 54 | 13,432 | 527 |
| Mid-Cap Growth Fund ⁽²⁾ | 506 | 37 | 55 | 5,361 | 500 |
| Mid-Cap Value Fund | 481 | 35 | 44 | 15,308 | 461 |
| New Horizons Fund ⁽²⁾ | 348 | 24 | 28 | 5,841 | 356 |
| Small-Cap Stock Fund | 343 | 23 | 47 | 6,234 | 321 |
| Small-Cap Value Fund | 333 | 22 | 27 | 6,464 | 316 |
| Real Assets Fund | 279 | 18 | 33 | 22,775 | 248 |
| Total Equity Mutual Funds (Cost \$9,200) | | | | | 11,056 |

T. ROWE PRICE TARGET 2005 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, 1.98% ⁽³⁾ | 206 | 681 | 800 | 86,504 | 87 |
| Total Short-Term Investments (Cost \$87) | | | | | 87 |
| Total Investments in Securities | | | | | |
| 100.0% of Net Assets (Cost \$33,321) | | | | | \$ 34,529 |

- (1) Each underlying Price Fund is an affiliated company; the fund is invested in the I 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 | \$ (4) | \$ (10) | \$ 21 |
| Emerging Markets Bond Fund | (24) | (99) | 51 |
| Emerging Markets Stock Fund | (8) | (43) | — |
| Equity Index 500 Fund | 1 | 119 | 53 |
| Floating Rate Fund | (1) | (9) | 16 |
| High Yield Fund | (10) | (24) | 34 |
| International Bond Fund (USD Hedged) | (6) | (9) | 22 |
| International Stock Fund | (8) | (71) | — |
| International Value Equity Fund | (11) | (93) | — |
| Limited Duration Inflation Focused Bond Fund | (11) | (32) | 28 |
| Mid-Cap Growth Fund | — | 12 | — |
| Mid-Cap Value Fund | (1) | (11) | — |
| New Horizons Fund | — | 12 | — |
| New Income Fund | (41) | (126) | 126 |
| Overseas Stock Fund | (8) | (94) | — |
| Real Assets Fund | (1) | (16) | — |
| Small-Cap Stock Fund | 1 | 2 | — |
| Small-Cap Value Fund | — | (12) | — |
| U.S. Treasury Long-Term Fund | (10) | (55) | 19 |
| U.S. Treasury Money Fund | — | — | 2 |
| Totals | \$ (142)# | \$ (559) | \$ 372+ |

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

+ Investment income comprised \$372 of income distributions from underlying Price Funds.

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

T. ROWE PRICE TARGET 2005 FUND

November 30, 2018 (Unaudited)

STATEMENT OF ASSETS AND LIABILITIES

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

Assets

| | |
|---|---------------|
| Investments in securities, at value (cost \$33,321) | \$ 34,529 |
| Receivable for investment securities sold | 139 |
| Due from affiliates | 7 |
| Receivable for shares sold | 3 |
| Other assets | 34 |
| Total assets | <u>34,712</u> |

Liabilities

| | |
|---|------------|
| Payable for shares redeemed | 80 |
| Payable for investment securities purchased | 60 |
| Other liabilities | 34 |
| Total liabilities | <u>174</u> |

NET ASSETS **\$ 34,538**

Net Assets Consist of:

| | |
|---|---------------|
| Undistributed net investment income | \$ 544 |
| Accumulated undistributed net realized gain | 23 |
| Net unrealized gain | 1,208 |
| Paid-in capital applicable to 3,058,631 shares of \$0.0001 par value capital stock outstanding; 30,000,000,000 shares of the Corporation authorized | <u>32,763</u> |

NET ASSETS **\$ 34,538**

November 30, 2018 (Unaudited)

STATEMENT OF ASSETS AND LIABILITIES

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

NET ASSET VALUE PER SHARE**Investor Class****(\$31,273,118 / 2,769,689 shares outstanding)****\$ 11.29****Advisor Class****(\$673,427 / 59,721 shares outstanding)****\$ 11.28****I Class****(\$2,591,335 / 229,221 shares outstanding)****\$ 11.30**

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

T. ROWE PRICE TARGET 2005 FUND

Unaudited

STATEMENT OF OPERATIONS

(\$000s)

| | 6 Months Ended 11/30/18 |
|--|-------------------------------|
| Investment Income (Loss) | |
| Income distributions from underlying Price Funds | \$ 372 |
| Expenses | |
| Shareholder servicing | |
| Investor Class | \$ 11 |
| Advisor Class | 1 |
| Rule 12b-1 fees | |
| Advisor Class | 1 |
| Prospectus and shareholder reports | |
| Investor Class | 12 |
| Custody and accounting | 50 |
| Registration | 28 |
| Legal and audit | 12 |
| Proxy and annual meeting | 1 |
| Miscellaneous | 6 |
| Paid by Price Associates | (90) |
| Total expenses | 32 |
| Net investment income | 340 |
| Realized and Unrealized Gain / Loss | |
| Net realized loss on Sales of underlying Price Funds | (142) |
| Change in net unrealized gain / loss on underlying Price Funds | (559) |
| Net realized and unrealized gain / loss | (701) |
| DECREASE IN NET ASSETS FROM OPERATIONS | \$ (361) |

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 | \$ 340 | \$ 622 |
| Net realized gain (loss) | (142) | 752 |
| Change in net unrealized gain / loss | (559) | (94) |
| Increase (decrease) in net assets from operations | (361) | 1,280 |
| Distributions to shareholders | | |
| Net investment income | | |
| Investor Class | - | (525) |
| Advisor Class | - | (20) |
| I Class | - | (6) |
| Net realized gain | | |
| Investor Class | - | (429) |
| Advisor Class | - | (19) |
| I Class | - | (5) |
| Decrease in net assets from distributions | - | (1,004) |
| Capital share transactions * | | |
| Shares sold | | |
| Investor Class | 2,611 | 8,680 |
| Advisor Class | 18 | 88 |
| I Class | 422 | 2,320 |
| Distributions reinvested | | |
| Investor Class | - | 952 |
| Advisor Class | - | 31 |
| I Class | - | 2 |
| Shares redeemed | | |
| Investor Class | (3,150) | (6,956) |
| Advisor Class | (15) | (927) |
| I Class | (380) | (12) |
| Increase (decrease) in net assets from capital share transactions | (494) | 4,178 |

T. ROWE PRICE TARGET 2005 FUND

Unaudited

STATEMENT OF CHANGES IN NET ASSETS

(\$000s)

| | 6 Months Ended 11/30/18 | Year Ended 5/31/18 |
|---|-------------------------------|--------------------------|
| Net Assets | | |
| Increase (decrease) during period | (855) | 4,454 |
| Beginning of period | 35,393 | 30,939 |
| End of period | \$ 34,538 | \$ 35,393 |
| | | |
| Undistributed net investment income | 544 | 204 |
| | | |
| *Share information | | |
| Shares sold | | |
| Investor Class | 228 | 754 |
| Advisor Class | 2 | 8 |
| I Class | 37 | 202 |
| Distributions reinvested | | |
| Investor Class | - | 83 |
| Advisor Class | - | 3 |
| Shares redeemed | | |
| Investor Class | (276) | (605) |
| Advisor Class | (1) | (82) |
| I Class | (34) | (1) |
| Increase (decrease) in shares outstanding | (44) | 362 |

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 Target 2005 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 Target 2005 Fund (Investor Class), the Target 2005 Fund–Advisor Class (Advisor Class), and the Target 2005 Fund–I Class (I Class). Advisor Class shares are sold only through unaffiliated brokers and other financial intermediaries that are compensated by the class for distribution, shareholder servicing, and/or certain administrative services under a Board-approved Rule 12b-1 plan; the Investor and I Classes do not pay Rule 12b-1 fees. I Class shares generally are available only to investors meeting a \$1,000,000 minimum investment, although the minimum is generally waived for certain client accounts. 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 Shareholder servicing, prospectus, and shareholder report expenses incurred by each class are charged directly to the class to which they relate. 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 pays Rule 12b-1 fees in an amount not exceeding 0.25% of the class's average daily net assets.

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 \$4,659,000 and \$4,812,000, 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 \$33,717,000. Net unrealized gain aggregated \$812,000 at period-end, of which \$1,873,000 related to appreciated investments and \$1,061,000 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 Group). 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 pays no management fees; however, Price Associates receives management fees from the underlying Price Funds. The fund operates in accordance with an amended and restated investment management agreement (amended management agreement), between the corporation, on behalf of the fund, and Price Associates, under which expenses associated with the operation of the fund are borne by the fund. In addition to its own operating expenses, the fund indirectly bears its proportionate share of the management fees received by Price Associates and operating costs of the underlying Price Funds in which it invests.

The Investor Class and Advisor Class are each subject to a contractual expense limitation (each a Class Limit) at the rates and through the limitation dates indicated in the table below; the Class Limits may be renewed, revised, or revoked only with approval of the fund's Board. Each Class Limit contractually requires Price Associates to pay any (i) operating expenses (excluding interest, expenses related to borrowings, taxes, and brokerage, and other non-recurring expenses permitted by the amended management agreement) (Direct Expenses), and (ii) the indirect expense impact from the fund's

investments in the underlying Price Funds (Indirect Expenses), to the extent total Direct and Indirect Expenses exceed the Class Limit. Class Limits measure the total of Direct and Indirect Expenses on an annualized basis as a percentage of the class's average daily net assets (effective net expense ratio); Indirect Expenses are based on the actual expense ratio of each underlying Price Fund weighted for the fund's relative average investment therein. Each class is required to repay Price Associates for expenses previously paid to the extent the class's net assets grow or expenses decline sufficiently to allow repayment without causing the class's effective net expense ratio (after the repayment is taken into account) to exceed both: (1) the expense limitation in place at the time such amounts were paid; and (2) the class's current expense limitation. However, no repayment will be made more than three years after the date of a payment.

The I Class is also subject to an expense limitation (I Class Limit) pursuant to which Price Associates is contractually required to pay all Direct Expenses (as previously defined) of the I Class to the extent such Direct Expenses, on an annualized basis, exceed the I Class Limit. Indirect expenses are not subject to the I Class Limit. This agreement will continue through the limitation date indicated in the table below, and may be renewed, revised, or revoked only with approval of the fund's Board. The I Class is required to repay Price Associates for expenses previously paid to the extent the class's net assets grow or expenses decline sufficiently to allow repayment without causing the class's operating expenses (after the repayment is taken into account) to exceed both: (1) the I Class Limit in place at the time such amounts were paid; and (2) the current I Class Limit. However, no repayment will be made more than three years after the date of a payment.

Pursuant to this agreement, expenses were paid by Price Associates during the six months ended November 30, 2018 as indicated in the table below. Including this amount, expenses previously paid by Price Associates in the amount of \$587,000 remain subject to repayment by the fund at November 30, 2018. To the extent any expenses are paid in accordance with an expense limitation, the payment is charged to the applicable class or allocated across the classes in the same manner as the related expense. Any repayment of expenses previously paid by Price Associates during the period, if any, would be included in the net investment income and expense ratios relating to the activity of the fund presented on the accompanying Financial Highlights.

| | Investor Class | Advisor Class | I Class |
|--|-----------------------|----------------------|----------------|
| Class Limit/I Class Limit | 0.58% | 0.83% | 0.05% |
| Limitation date | 09/30/20 | 09/30/20 | 09/30/20 |
| (Paid)/repaid during the period (\$000s) | \$(80) | \$(2) | \$(8) |

In addition, the fund has entered into service agreements with Price Associates and two wholly owned subsidiaries of Price Associates (collectively, Price). Price Associates provides certain accounting and administrative services to the fund. T. Rowe Price Services, Inc. provides shareholder and administrative services in its capacity as the fund's transfer and dividend-disbursing agent. T. Rowe Price Retirement Plan Services, Inc. provides subaccounting and recordkeeping services for certain retirement accounts invested in the Investor Class. For the six months ended November 30, 2018, expenses incurred pursuant to these service agreements were \$20,000 for Price Associates; \$6,000 for T. Rowe Price Services, Inc.; and \$1,000 for T. Rowe Price Retirement Plan Services, Inc. All amounts due to and due from Price are presented net on the accompanying Statement of Assets and Liabilities.

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.

As of November 30, 2018, T. Rowe Price Group, Inc., or its wholly owned subsidiaries owned 25,000 shares of the Advisor Class, representing 42% of the Advisor Class's net assets and 24,582 shares of the I Class, representing 11% of the I Class's net assets.

NOTE 6 - SUBSEQUENT EVENT

Effective January 1, 2019, the fund has implemented an operating expense limit for the Investor Class and Advisor Class whereby Price Associates is contractually required to pay all operating expenses (excluding interest; expenses related to borrowings, taxes, and brokerage; other non-recurring expenses; and 12b-1 fees, with respect to the Advisor Class), on an annualized basis, to the extent that such operating expenses exceed 0.15% of each respective class's average daily net assets. The current expense limitations in place to limit the Direct Expenses and Indirect Expenses on the Investor Class and Advisor Class have not changed and remain in effect. In addition, effective January 1, 2019, the I Class's operating expense limitation was reduced from 0.05% to 0.01% of average daily net assets. These agreements will continue until September 30, 2020, and may be renewed, revised or revoked, only with approval of the fund's Board.

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.*