

T. Rowe Price Target 2045 Fund

Supplement to Prospectus Dated October 1, 2019

The fund does not currently charge a management fee. However, the fund indirectly bears its pro-rata share of the expenses of the underlying T. Rowe Price Funds in which it invests (Underlying Funds).

The fund currently invests in the I Class of its Underlying Funds. During April 2020, the fund will convert from each Underlying Fund's I Class to its Z Class. T. Rowe Price is contractually obligated to waive and/or bear all of the Z class' expenses, other than interest; expenses related to borrowings, taxes, and brokerage; and nonrecurring, extraordinary expenses. As a result, the fund's total acquired fund fees and expenses associated with investing in the Z Classes are expected to be less than 0.01%.

At the same time, along with the other T. Rowe Price Target Funds, the fund will begin charging an all-inclusive management fee based on the fund's average daily net assets. The all-inclusive management fee covers investment management and all of the fund's operating expenses except for interest; expenses related to borrowings, taxes, and brokerage; nonrecurring, extraordinary expenses; any acquired fund fees and expenses; and any 12b-1 fees applicable to a class. The all-inclusive management fee rate for the T. Rowe Price Target Funds generally declines over time as a fund reduces its overall stock exposure and when a fund nears and then passes its predetermined target date.

At the time the fund implements these changes, the fee table and expense example in Section 1 are revised as follows:

Fees and Expenses of the Fund

| | Investor Class | I Class | Advisor Class |
|---|-------------------------|-------------------------|-------------------------|
| Shareholder fees (fees paid directly from your investment) | | | |
| Maximum account fee | \$20 ^a | — | — |
| Annual fund operating expenses (expenses that you pay each year as a percentage of the value of your investment) | | | |
| Management fees | 0.71% ^{b,c} | 0.52% ^{b,c} | 0.71% ^{b,c} |
| Distribution and service (12b-1) fees | — | — | 0.25 |
| Other expenses | — ^b | — ^b | — ^b |
| Acquired fund fees and expenses | — ^b | — ^b | — ^b |
| Total annual fund operating expenses | 0.71^b | 0.52^b | 0.96^b |

^a Subject to certain exceptions, accounts with a balance of less than \$10,000 are charged an annual \$20 fee.

^b Restated to reflect current fees.

^c The management fee will decline over time in accordance with a predetermined contractual fee schedule, with any annual decrease occurring after the end of the fund's fiscal year. The fee schedule can only be changed with approval by the fund's Board of Directors, and, if required by SEC rules, the fund's shareholders.

Example This example is intended to help you compare the cost of investing in the fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the fund for the time periods indicated and then redeem all of your shares at the end of those periods, that your investment has a 5% return each year, and that the fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

| | 1 year | 3 years | 5 years | 10 years |
|----------------|---------------|----------------|----------------|-----------------|
| Investor Class | \$72 | \$224 | \$389 | \$855 |
| I Class | 53 | 165 | 287 | 634 |
| Advisor Class | 97 | 303 | 525 | 1,152 |

The Target 2045 Fund is managed based on a specific retirement year (target date 2045), which refers to the approximate year an investor would plan to retire and assumes a retirement age of 65. Over time, the allocations to asset classes and Underlying Funds change according to a predetermined "glide path," which represents the shifting of asset classes over time and shows how the fund's asset mix becomes more conservative—both prior to and after retirement—as time elapses.

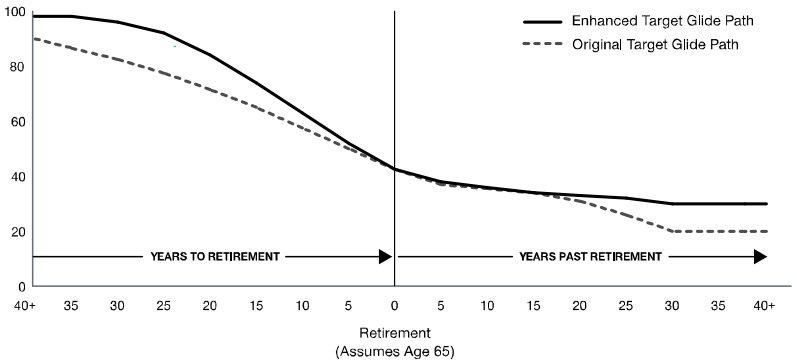
Beginning in the second quarter of 2020, the fund, along with all of the T. Rowe Price Target Funds, will begin to modify its glide path by increasing the overall equity allocation at certain points in the fund's investment life cycle. The equity allocations will generally increase early in the glide path while there are many years leading up to retirement, as well as later in the glide path in the years following retirement. The allocations nearer to the target date will not significantly change, and the overall neutral allocations to stocks and bonds at the target date will remain the same. The transition from the original glide path to the enhanced glide path is expected to occur gradually over time and, for certain Target Funds, may take up to two years to fully implement, based on the changes that are necessary as a result of the fund's positioning on the original glide path.

Accordingly, effective April 1, 2020, the disclosure that appears under "Principal Investment Strategies" in Section 1 is supplemented as follows:

Within the next two years, the fund will shift from its original glide path to an enhanced glide path. The overall allocation to stocks at the beginning of the enhanced glide path (40+ years to retirement) will increase from 90% to 98%, and the 98% equity allocation will remain constant until the fund is 35 years from its target date. The overall allocation to stocks at the end of the enhanced glide path (30 years past retirement) will increase from 20% to 30%. There are increases to the overall equity allocation along other points of the enhanced glide path, but the overall equity allocation at the target date will remain at 42.5%. The following illustrates how the enhanced glide path compares with the original glide path (the left axis indicates the overall neutral allocation to stocks with the remainder of the allocation to bonds):

TARGET FUNDS

% Weighted Stocks



In addition, effective April 1, 2020, the fund will add the T. Rowe Price Emerging Markets Discovery Stock Fund and the T. Rowe Price U.S. Large-Cap Core Fund as new Underlying Funds in which the fund may invest. To reflect the addition of new Underlying Funds, the table showing the fund's neutral allocations in Section 1 is supplemented as follows:

Investments in the "U.S. Large-Cap Stocks" sector may be made through the Equity Index 500, Growth Stock, U.S. Large-Cap Core, and/or Value Funds. Investments in the "International Emerging Market Stocks" sector may be made through the Emerging Markets Discovery Stock and/or Emerging Markets Stock Funds.

Effective with the date that the fund begins investing in the Z Class of its Underlying Funds and charging an all-inclusive management fee, the disclosure under "How are the fund's expenses determined?" in Section 2 is deleted.

Effective with the date that the fund begins investing in the Z Class of its Underlying Funds and charging an all-inclusive management fee, the disclosure under "Management Fee" in Section 2 is revised to add the following:

The fund pays the investment adviser an all-inclusive management fee based on the fund's average daily net assets. The management fee is calculated and accrued daily, and it includes investment management services and ordinary, recurring operating expenses, but it does not cover interest; expenses related to borrowings, taxes, and brokerage; nonrecurring, extraordinary expenses; and acquired fund fees and expenses. Rule 12b-1 fees applicable to the Advisor Class are also not covered by the all-inclusive management fee. In accordance with a predetermined contractual fee schedule, the all-inclusive management fee rate for the T. Rowe Price Target Funds may vary by share class and generally declines over time as the fund reduces its overall stock exposure along its glide path. The fee table in Section 1 reflects the management fee rate that will be in effect in April 2020. Any predetermined decrease in the management fee rate for a particular year will occur on June 1, which is the first day of the fund's fiscal year. The contractual fee schedule applicable to the T. Rowe Price Target Funds will be available in the fund's Statement of Additional Information effective March 1, 2020.

Effective April 1, 2020, the disclosure under “What will happen on the target date?” in Section 2 is supplemented as follows:

Once the transition to the enhanced glide path is fully implemented, about 30 years after a fund’s stated retirement year, the fund will maintain approximately a 30% allocation to stocks.

Effective April 1, 2020, the disclosure under “Tactical Asset Allocation” in Section 2 is supplemented as follows:

The target allocation assigned to a broad asset class (Stocks or Bonds) is not expected to vary by more than plus (+) or minus (-) five percent (5%) from the neutral allocation as prescribed by the fund’s glide path. During the transition from the original glide path to the enhanced glide path, there may be times when the target allocation varies by more than this amount in comparison with either or both of the glide paths.

Effective April 1, 2020, the table titled “Description of Underlying Funds” in Section 2 is supplemented as follows:

Emerging Markets Discovery Stock Fund Long-term growth of capital through investments primarily in the common stocks of companies that are undervalued and located (or with primary operations) in emerging markets.

U.S. Large-Cap Core Fund Long-term capital growth through investments in stocks of large-cap U.S. companies. The fund takes a core approach to investing, which provides exposure to both growth and value styles.

The date of this supplement is February 13, 2020.

F197-041 2/13/20



PROSPECTUS

October 1, 2019

RPTFX
TRFWX
PAFFX

T. ROWE PRICE

Target 2045 Fund

Investor Class

I Class

Advisor Class

The Securities and Exchange Commission (SEC) has not approved or disapproved these securities or passed upon the adequacy of this prospectus. Any representation to the contrary is a criminal offense.

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.

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Investment Objective

The fund seeks the highest total return over time consistent with an emphasis on both capital growth and income.

Fees and Expenses

This table describes the fees and expenses that you may pay if you buy and hold shares of the fund. You may also incur brokerage commissions and other charges when buying or selling shares of the fund, which are not reflected in the table.

Fees and Expenses of the Fund*

| | Investor Class | I Class | Advisor Class |
|---|---------------------------|---------------------------|---------------------------|
| Shareholder fees (fees paid directly from your investment) | | | |
| Maximum account fee | \$20 ^a | — | — |
| Annual fund operating expenses (expenses that you pay each year as a percentage of the value of your investment) | | | |
| Management fees | —% | —% | —% |
| Distribution and service (12b-1) fees | — | — | 0.25 |
| Other expenses | 0.34 ^b | 0.17 ^d | 0.33 ^e |
| Acquired fund fees and expenses | 0.56 | 0.56 | 0.56 |
| Total annual fund operating expenses | 0.90 | 0.73 | 1.14 |
| Fee waiver/expense reimbursement | (0.19) ^{b,c} | (0.16) ^{c,d} | (0.18) ^{c,e} |
| Total annual fund operating expenses after fee waiver/expense reimbursement | 0.71^{b,c} | 0.57^{c,d} | 0.96^{c,e} |

* While the fund itself charges no management fee, it will indirectly bear its pro-rata share of the expenses of the underlying T. Rowe Price funds in which it invests (acquired funds).

^a Subject to certain exceptions, accounts with a balance of less than \$10,000 are charged an annual \$20 fee.

^b T. Rowe Price Associates, Inc., has contractually agreed (through September 30, 2020) to pay the operating expenses of the fund's Investor Class excluding interest; expenses related to borrowings, taxes, and brokerage; nonrecurring, extraordinary expenses; and acquired fund fees and expenses ("Investor Class Operating Expenses"), to the extent the Investor Class Operating Expenses exceed 0.15% of the class' average daily net assets. The agreement may be terminated at any time after September 30, 2020, with approval by the fund's Board of Directors. Any expenses paid under this agreement (or a separate agreement limiting the Investor Class' total expense ratio to 0.74%) are subject to reimbursement to T. Rowe Price Associates, Inc., by the fund whenever the fund's Investor Class Operating Expenses are below 0.15%. However, no reimbursement will be made more than three years from the date such amounts were initially waived or reimbursed. The fund may only make repayments to T. Rowe Price Associates, Inc., if such repayment does not cause the fund's Investor Class Operating Expenses (after the repayment is taken into account) to exceed the lesser of: (1) any Investor Class contractual expense limitation in place at the time such amounts were waived; or (2) any current Investor Class expense limitation.

^c Restated to reflect current fees.

- ^d T. Rowe Price Associates, Inc., has contractually agreed (through September 30, 2020) to pay the operating expenses of the fund's I Class excluding interest; expenses related to borrowings, taxes, and brokerage; nonrecurring, extraordinary expenses; and acquired fund fees and expenses ("I Class Operating Expenses"), to the extent the I Class Operating Expenses exceed 0.05% of the class' average daily net assets. The agreement may be terminated at any time after September 30, 2020, with approval by the fund's Board of Directors. Any expenses paid under this agreement are subject to reimbursement to T. Rowe Price Associates, Inc., by the fund whenever the fund's I Class Operating Expenses are below 0.05%. However, no reimbursement will be made more than three years from the date such amounts were initially waived or reimbursed. The fund may only make repayments to T. Rowe Price Associates, Inc., if such repayment does not cause the I Class Operating Expenses (after the repayment is taken into account) to exceed the lesser of: (1) the limitation on I Class Operating Expenses in place at the time such amounts were waived; or (2) the current expense limitation on I Class Operating Expenses.
- ^e T. Rowe Price Associates, Inc., has contractually agreed (through September 30, 2020) to pay the operating expenses of the fund's Advisor Class excluding interest; expenses related to borrowings, taxes, and brokerage; nonrecurring, extraordinary expenses; acquired fund fees and expenses; and 12b-1 fees ("Advisor Class Operating Expenses"), to the extent the Advisor Class Operating Expenses exceed 0.15% of the class' average daily net assets. The agreement may be terminated at any time after September 30, 2020, with approval by the fund's Board of Directors. Any expenses paid under this agreement (or a separate agreement limiting the Advisor Class' total expense ratio to 0.99%) are subject to reimbursement to T. Rowe Price Associates, Inc., by the fund whenever the fund's Advisor Class Operating Expenses are below 0.15%. However, no reimbursement will be made more than three years from the date such amounts were initially waived or reimbursed. The fund may only make repayments to T. Rowe Price Associates, Inc., if such repayment does not cause the fund's Advisor Class Operating Expenses (after the repayment is taken into account) to exceed the lesser of: (1) any Advisor Class contractual expense limitation in place at the time such amounts were waived; or (2) any current Advisor Class expense limitation.

Example This example is intended to help you compare the cost of investing in the fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the fund for the time periods indicated and then redeem all of your shares at the end of those periods, that your investment has a 5% return each year, and that the fund's operating expenses remain the same. The example also assumes that an expense limitation arrangement currently in place is not renewed; therefore, the figures have been adjusted to reflect fee waivers or expense reimbursements only in the periods for which the expense limitation arrangement is expected to continue. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

| | 1 year | 3 years | 5 years | 10 years |
|----------------|--------|---------|---------|----------|
| Investor Class | \$73 | \$268 | \$480 | \$1,090 |
| I Class | 58 | 217 | 390 | 891 |
| Advisor Class | 98 | 344 | 610 | 1,370 |

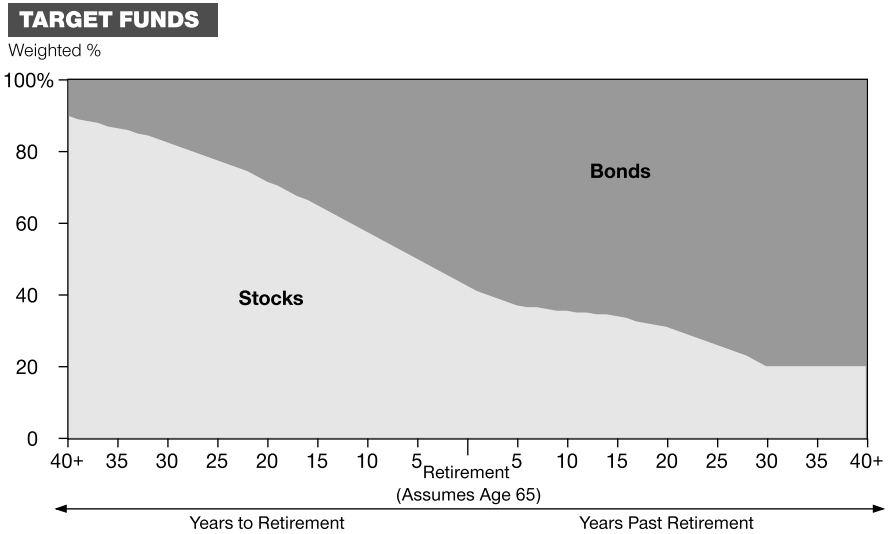
Portfolio Turnover The fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when the fund's shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the fund's performance. During the most recent fiscal year, the fund's portfolio turnover rate was 19.5% of the average value of its portfolio.

Investments, Risks, and Performance

Principal Investment Strategies The fund pursues its objective by investing in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. The fund's allocation between T. Rowe Price stock and bond funds will change over time in relation to its target retirement date.

The fund is managed based on the specific retirement year (target date 2045) included in its name and assumes a retirement age of 65. The target date refers to the approximate year an investor in the fund would plan to retire and likely stop making new investments in the fund. The fund is primarily designed for an investor who anticipates retiring at or about the target date and who plans to withdraw the value of the account in the fund gradually after retirement. However, if an investor retires earlier or later than age 65, the fund may not be an appropriate investment even if the investor retires on or near the fund’s target date.

Over time, the allocation to asset classes and funds will change according to a predetermined “glide path” shown in the following chart. The glide path represents the shifting of asset classes over time and shows how the fund’s asset mix becomes more conservative—both prior to and after retirement—as time elapses. This reflects the need for reduced market risks as retirement approaches and the need for lower portfolio volatility after retiring. Although the glide path is meant to dampen the fund’s potential volatility as retirement approaches, the fund is not designed for a lump sum redemption at the retirement date. The fund pursues an asset allocation strategy that promotes asset accumulation prior to retirement, but it is intended to also serve as a post-retirement investment vehicle with allocations designed to support an income stream made up of regular withdrawals throughout retirement along with some portfolio growth that exceeds inflation. After the target date, the fund is designed to balance longevity and inflation risks along with the need for some income, although it does not guarantee a particular level of income.



At the target date, the fund’s allocation to stocks is anticipated to be approximately 42.5% of its assets. The fund’s overall exposure to stocks will continue to decline until approximately 30 years after its target date, when its allocation to stocks will remain fixed at approximately 20% of its assets and the remainder will be invested in bonds. There are no maturity restrictions within the fund’s overall allocation to bonds, although the bond funds in which the

fund invests may impose specific limits on maturity or credit quality. The allocations are referred to as “neutral” allocations because they are strategic and do not reflect any tactical decisions made by T. Rowe Price to overweight or underweight a particular asset class or sector based on its market outlook. The target allocations assigned to the broad asset classes (Stocks and Bonds), which reflect these tactical decisions resulting from market outlook, are not expected to vary from the neutral allocations set forth in the glide path by more than plus (+) or minus (-) five percentage (5%) points.

The following table illustrates how the portfolio is generally expected to be allocated between the asset classes and the underlying T. Rowe Price funds that are used to represent the broad asset classes and specific sectors. The fund’s overall allocation to stocks is represented by a diversified mix of U.S. and international stock funds that employ both growth and value investment approaches and consist of large-cap, mid-cap, and small-cap stocks. The fund’s overall allocation to bonds is represented by a “core” fixed income component designed to have lower overall volatility and a “diversifying” fixed income component designed to respond to a variety of market conditions and improve risk adjusted returns. The information in the table represents the neutral allocations for the fund as of October 1, 2019. The target allocations and actual allocations may differ. The fund’s shareholder reports set forth its actual allocations between stock funds and bond funds and to the individual T. Rowe Price funds. T. Rowe Price may periodically rebalance or modify the asset mix of the funds and change the underlying fund investments.

Target 2045 Fund

| Asset Class | | Sector(s) | Neutral Allocation | I Class Fund(s) |
|---------------------------|--------|---------------------------------------|--------------------|---|
| Stocks | 78.00% | U.S. Large-Cap Stocks | 39.94% | Equity Index 500, Growth Stock, and/or Value |
| | | U.S. Mid-Cap Stocks | 6.22 | Mid-Cap Growth, Mid-Cap Index, and/or Mid-Cap Value |
| | | U.S. Small-Cap Stocks | 5.71 | New Horizons, Small-Cap Index, Small-Cap Stock, and/or Small-Cap Value |
| | | International Developed Market Stocks | 18.90 | International Stock, International Value Equity, and/or Overseas Stock |
| | | International Emerging Market Stocks | 3.33 | Emerging Markets Stock |
| | | Inflation Focused Stocks | 3.90 | Real Assets |
| | | Bonds | 22.00 | Core Fixed Income |
| Diversifying Fixed Income | 6.60 | | | Emerging Markets Bond, Floating Rate, High Yield, International Bond, Limited Duration Inflation Focused Bond, and/or U.S. Treasury Long-Term |

Principal Risks As with any mutual fund, there is no guarantee that the fund will achieve its objective. The fund's share price fluctuates, which means you could lose money by investing in the fund. You may experience losses, including losses near, at, or after the target retirement date. There is no guarantee that the fund will provide adequate income at and through your retirement. The principal risks of investing in this fund are summarized as follows:

Asset allocation risks The fund's risks will directly correspond to the risks of the underlying funds in which it invests. By investing in many underlying funds, the fund has partial exposure to the risks of many different areas of the market, and the fund's overall level of risk should decline over time. However, the selection of the underlying funds and the allocation of the fund's assets among the various asset classes and market sectors could cause the fund to underperform in comparison to other funds with a similar benchmark or similar investment objective.

Risks of stock investing Common stocks generally fluctuate in value more than bonds and may decline significantly over short periods. As with any fund having equity exposure, the fund's share price can fall because of overall weakness in the stock market. The value of a stock fund in which the fund invests may decline due to general market conditions or because of factors that affect a particular industry or market sector.

Small- and mid-cap stock risks Investing in small- and mid-cap funds entails greater risk than investing in funds that focus on larger companies. Stocks of smaller companies are usually more volatile than stocks of larger companies because smaller companies usually have more limited financial resources, less experienced management, less publicly available information, and seldom pay significant dividends that could help to cushion returns in a falling market.

Investment style risks Because the fund invests in stock funds with both growth and value characteristics, its share price may be negatively affected if either investing approach falls out of favor. Growth stocks tend to be more volatile than the overall stock market and are more sensitive to changes in current or expected earnings. Value stocks carry the risk that investors will not recognize their intrinsic value for a long time or that they are actually appropriately priced at a low level.

Interest rate risks The prices of, and the income generated by, debt instruments held by an underlying bond fund may be affected by changes in interest rates. A rise in interest rates typically causes the price of a fixed rate debt instrument to fall and its yield to rise. Conversely, a decline in interest rates typically causes the price of a fixed rate debt instrument to rise and the yield to fall. Generally, underlying funds with longer weighted average maturities and durations carry greater interest rate risk. In recent years, the U.S. and many global markets have experienced historically low interest rates. Although interest rates have begun to rise and may continue doing so, interest rates may decline in response to ongoing global trade disputes, increasing the exposure of underlying bond funds to the risks associated with declining interest rates.

Credit risks An issuer of a debt instrument held by an underlying bond fund could suffer an adverse change in financial condition that results in a payment default (failure to make

scheduled interest or principal payments), rating downgrade, or inability to meet a financial obligation, thereby negatively affecting the fund's price or yield. The fund's exposure to credit risk is increased to the extent the fund invests in funds that hold noninvestment-grade bonds, also known as "junk" bonds. Junk bonds should be considered speculative as they carry greater risk of default and erratic price swings due, in part, to adverse changes in the credit quality of the issuer.

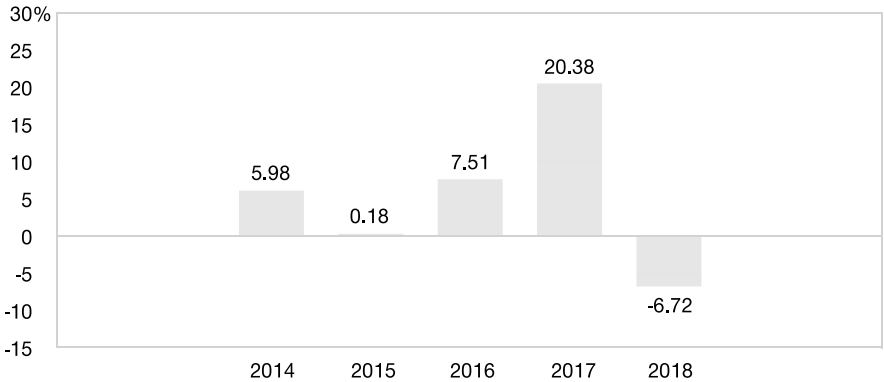
Liquidity risks The fund or an underlying fund may not be able to meet redemption requests without significantly diluting the remaining shareholders' interests in the fund. In addition, an underlying fund may not be able to sell a holding in a timely manner at a desired price. This risk could affect both stock and bond funds in which the fund invests, but typically represents a greater risk for bond funds. Reduced liquidity in the bond markets can result from a number of events, such as limited trading activity, reductions in bond inventory, and rapid or unexpected changes in interest rates. Markets with lower overall liquidity could lead to greater price volatility and limit an underlying fund's ability to sell a holding at a suitable price.

International investing risks An underlying fund's investments in international securities may lose value because of adverse local, political, social, or economic developments overseas, or due to decreases in foreign currency values relative to the U.S. dollar. International securities tend to be more volatile and have lower overall liquidity than investments in U.S. securities, and are subject to settlement practices and regulatory and financial reporting standards that differ from those of the U.S. The risks are heightened for the underlying funds that focus on emerging markets. In addition to the risks of investing in international developed markets, emerging markets are more susceptible to governmental interference, less efficient trading markets, and the imposition of local taxes or restrictions on gaining access to the fund's investments.

Performance The following performance information provides some indication of the risks of investing in the fund. The fund's performance information represents only past performance (before and after taxes) and is not necessarily an indication of future results.

The following bar chart illustrates how much returns can differ from year to year by showing calendar year returns and the best and worst calendar quarter returns during those years for the fund's Investor Class. Returns for other share classes vary since they have different expenses.

TARGET 2045 FUND
 Calendar Year Returns



| | Quarter Ended | Total Return | Quarter Ended | Total Return | |
|--------------|---------------|--------------|---------------|--------------|--------|
| Best Quarter | 3/31/17 | 6.40% | Worst Quarter | 12/31/18 | -9.77% |

The fund's return for the six months ended 6/30/19 was 15.14%.

The following table shows the average annual total returns for each class of the fund that has been in operation for at least one full calendar year, and also compares the returns with the returns of a relevant broad-based market index, as well as with the returns of one or more comparative indexes that have investment characteristics similar to those of the fund, if applicable.

In addition, the table shows hypothetical after-tax returns to demonstrate how taxes paid by a shareholder may influence returns. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. After-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements, such as a 401(k) account or an IRA. After-tax returns are shown only for the Investor Class and will differ for other share classes.

Average Annual Total Returns

| | Periods ended December 31, 2018 | | | Inception date 08/20/2013 |
|--|------------------------------------|---------|-------------------|------------------------------|
| | 1 Year | 5 Years | Since inception | |
| Investor Class | | | | |
| Returns before taxes | -6.72 % | 5.09 % | 6.89% | |
| Returns after taxes on distributions | -7.98 | 4.10 | 5.88 | |
| Returns after taxes on distributions and sale of fund shares | -3.29 | 3.82 | 5.26 | |
| I Class | | | | 02/26/2016 |
| Returns before taxes | -6.71 | — | 8.91 | |
| Advisor Class | | | | 08/20/2013 |
| Returns before taxes | -7.03 | 4.82 | 6.61 | |
| S&P Target Date 2045 Index (reflects no deduction for fees, expenses, or taxes) | | | 6.45 ^b | |
| | -7.74 | 4.91 | 8.59 ^c | |
| Combined Index Portfolio (reflects no deduction for fees, expenses, or taxes) ^a | | | 6.74 ^b | |
| | -5.99 | 5.38 | 8.99 ^c | |

^a Combined Index Portfolio is a blended benchmark composed of 78.50% stocks (54.95% Russell 3000 Index and 23.55% MSCI All Country World Index ex USA), and 21.50% bonds (Bloomberg Barclays U.S. Aggregate Bond Index). The percentages will vary over time and the indices may vary over time.

^b Return since 8/20/13.

^c Return since 2/26/16.

Updated performance information is available through troweprice.com.

Management

Investment Adviser T. Rowe Price Associates, Inc. (T. Rowe Price or Price Associates)

| Portfolio Manager* | Title | Managed Fund Since | Joined Investment Adviser |
|-------------------------|---|--------------------|---------------------------|
| Jerome A. Clark | Cochairman of Investment Advisory Committee | 2013 | 1992 |
| Wyatt A. Lee | Cochairman of Investment Advisory Committee | 2013 | 1999 |
| Kimberly E. DeDominicis | Cochairman of Investment Advisory Committee | 2019 | 1998** |

* Effective January 1, 2020, Andrew Jacobs van Merlen will join Mr. Clark, Ms. DeDominicis and Mr. Lee as one of the fund's portfolio managers and become a Cochairman of the Investment Advisory Committee. Mr. Jacobs van Merlen joined T. Rowe Price in 2000. Effective January 1, 2021, Mr. Clark will step down as a portfolio manager and Cochairman of the fund's Investment Advisory Committee.

** Ms. DeDominicis originally joined the Firm in 1998 and returned to the Firm in 2003.

Purchase and Sale of Fund Shares

The fund (other than the I Class) generally requires a \$2,500 minimum initial investment (\$1,000 minimum initial investment if opening an IRA, a custodial account for a minor, or a small business retirement plan account). Additional purchases generally require a \$100 minimum. These investment minimums generally are waived for financial intermediaries and certain employer-sponsored retirement plans submitting orders on behalf of their customers. Advisor Class shares may generally only be purchased through a financial intermediary or retirement plan.

The I Class requires a \$1 million minimum initial investment and there is no minimum for additional purchases, although the initial investment minimum generally is waived for financial intermediaries, retirement plans, and certain institutional client accounts for which T. Rowe Price or its affiliate has discretionary investment authority.

For investors holding shares of the fund directly with T. Rowe Price, you may purchase, redeem, or exchange fund shares by mail; by telephone (1-800-225-5132 for IRAs and nonretirement accounts; 1-800-492-7670 for small business retirement plans; and 1-800-638-8790 for institutional investors and financial intermediaries); or, for certain accounts, by accessing your account online through **troweprice.com**.

If you hold shares through a financial intermediary or retirement plan, you must purchase, redeem, and exchange shares of the fund through your intermediary or retirement plan. You should check with your intermediary or retirement plan to determine the investment minimums that apply to your account.

Tax Information

Any dividends or capital gains are declared and paid annually, usually in December. Redemptions or exchanges of fund shares and distributions by the fund, whether or not you reinvest these amounts in additional fund shares, may be taxed as ordinary income or capital gains unless you invest through a tax-deferred account (in which case you will be taxed upon withdrawal from such account).

Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase shares of the fund through a broker-dealer or other financial intermediary (such as a bank), the fund and its related companies may pay the intermediary for the sale of fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

ORGANIZATION AND MANAGEMENT

How is the fund organized?

T. Rowe Price Retirement Funds, Inc. (the “Corporation”) was incorporated in Maryland in 2002. Currently, the Corporation consists of 39 series, 12 of which are collectively referred to herein as “Target Funds.” Each series represents a separate pool of assets with different investment objectives and investment policies and is an “open-end management investment company,” or mutual fund. Mutual funds pool money received from shareholders and invest it to try to achieve specified objectives.

What is meant by “shares”?

As with all mutual funds, investors purchase shares when they put money in the fund. These shares are part of the fund’s authorized capital stock, but share certificates are not issued.

Each share and fractional share entitles the shareholder to:

- Receive a proportional interest in income and capital gain distributions. For funds with multiple share classes, the income dividends for each share class will generally differ from those of other share classes to the extent that the expense ratios of the classes differ.
- Cast one vote per share on certain fund matters, including the election of the fund’s directors, changes in fundamental policies, or approval of material changes to the fund’s investment management agreement. Shareholders of each class have exclusive voting rights on matters affecting only that class.

Does the fund have annual shareholder meetings?

The mutual funds that are sponsored and managed by T. Rowe Price (the “T. Rowe Price Funds”) are not required to hold regularly scheduled shareholder meetings. To avoid unnecessary costs to the funds’ shareholders, shareholder meetings are only held when certain matters, such as changes in fundamental policies or elections of directors, must be decided. In addition, shareholders representing at least 10% of all eligible votes may call a special meeting for the purpose of voting on the removal of any fund director. If a meeting is held and you cannot attend, you can vote by proxy. Before the meeting, the funds will send or make available to you proxy materials that explain the matters to be decided and include instructions on voting by mail, telephone, or the Internet.

Who runs the fund?

General Oversight

The fund is governed by a Board of Directors (the “Board”) that meets regularly to review the fund’s investments, performance, expenses, and other business affairs. The Board elects the officers of the fund. At least 75% of the Board members are independent of T. Rowe Price and its affiliates (the “Firm”). The majority of the directors and the officers of the fund and T. Rowe

Price (and its affiliated investment advisers) also serve in similar positions with most of the underlying funds. Thus, if the interests of the fund and the underlying funds were ever to diverge, it is possible that a conflict of interest could arise and affect how the directors and officers fulfill their fiduciary duties to the fund and the underlying funds. The directors of the fund believe they have structured the fund to avoid these concerns. However, conceivably, a situation could occur where proper action for the fund could be adverse to the interests of an underlying fund, or the reverse. If such a possibility arises, the directors and officers of the affected funds and T. Rowe Price will carefully analyze the situation and take all steps they believe reasonable to minimize and, where possible, eliminate the potential conflict.

Investment Adviser

T. Rowe Price is the fund's investment adviser and oversees the selection of the fund's investments and management of the fund's portfolio pursuant to an investment management agreement between the investment adviser and the fund. T. Rowe Price also serves as investment adviser for the underlying funds in which the fund invests. T. Rowe Price is an SEC-registered investment adviser that provides investment management services to individual and institutional investors, and sponsors and serves as adviser and subadviser to registered investment companies, institutional separate accounts, and common trust funds. The address for T. Rowe Price is 100 East Pratt Street, Baltimore, Maryland 21202. As of June 30, 2019, the Firm had approximately \$1.13 trillion in assets under management and provided investment management services for more than 7 million individual and institutional investor accounts.

Portfolio Management

T. Rowe Price has established an Investment Advisory Committee with respect to the fund. The committee chairmen have day-to-day responsibility for managing the fund's portfolio and work with the committee in developing and executing the fund's investment program. The members of the committee are as follows: Jerome A. Clark, Kimberly E. DeDominicis, and Wyatt A. Lee, Cochairmen, Christopher D. Alderson, Francisco Alonso, Mark S. Finn, David R. Giroux, Arif Husain, Sebastien Page, Robert A. Panariello, Robert W. Sharps, Charles M. Shriver, Guido F. Stubenrauch, Justin Thomson, James A. Tzitzouris, Jr., and Mark J. Vaselkiv. The following information provides the year that the chairmen (portfolio managers) first joined the Firm and the chairmen's specific business experience during the past five years (although the chairmen may have had portfolio management responsibilities for a longer period). Mr. Clark and Mr. Lee have been cochairmen of the committee since the fund's inception. Ms. DeDominicis became a cochairman on October 1, 2019. Mr. Clark joined T. Rowe Price in 1992 and his investment experience dates from that time. Mr. Clark has served as portfolio manager with the Firm throughout the past five years. Mr. Lee joined the Firm in 1999 and his investment experience dates from 1997. During the past five years, Mr. Lee has served as portfolio manager and, beginning October 1, 2019, he became Head of Target Date Strategies for the Firm. Ms. DeDominicis originally joined the Firm in 1998 and returned to the Firm in 2003. Her investment experience dates from 1999. Ms. DeDominicis has served as an associate portfolio manager for the target date strategies during the past five years. Effective January 1, 2020, Andrew Jacobs van Merlen will join Mr. Clark, Ms. DeDominicis, and Mr. Lee as one of the fund's portfolio managers and a cochairman of the

committee. Mr. Jacobs van Merlen joined the Firm in 2000 and his investment experience dates from 2002. During the past five years, he has served as a senior product manager, and an analyst and associate portfolio manager for multi-asset portfolios. Effective January 1, 2021, Mr. Clark will step down as a portfolio manager and cochairman of the fund's committee. The Statement of Additional Information provides additional information about the portfolio managers' compensation, other accounts managed by the portfolio managers, and the portfolio managers' ownership of the fund's shares.

Management of the Underlying Funds

For each of the underlying funds in which the fund invests, T. Rowe Price serves as investment adviser and oversees the selection of the fund's investments and management of the fund's portfolio. For certain underlying funds in which the fund invests, T. Rowe Price has entered into a subadvisory agreement with T. Rowe Price International Ltd (T. Rowe Price International) under which this affiliated entity is authorized to trade securities and make discretionary investment decisions on behalf of the fund. T. Rowe Price International is a wholly-owned subsidiary of T. Rowe Price, and is registered with the SEC as an investment adviser and is authorized or licensed by the United Kingdom Financial Conduct Authority and other global regulators. T. Rowe Price International is headquartered in London and has several branch offices around the world.

How are the fund's expenses determined?

The operating expenses of the fund include (a) its direct operating expenses at the fund level and (b) its pro-rata share of the fees and expenses of the underlying funds in which it invests. The fund's operating expenses include shareholder servicing and accounting fees and expenses; legal and auditing fees; expenses of preparing and printing prospectuses and shareholder reports; registration fees and expenses; proxy and annual meeting expenses, if any; and directors' fees and expenses.

The Management Fee

T. Rowe Price is the investment adviser for the fund. T. Rowe Price will not be paid a management fee for performing investment management services for the fund. However, T. Rowe Price receives management fees from managing the underlying funds, and T. Rowe Price International may receive a portion of the management fee that T. Rowe Price receives from those underlying funds for which it serves as investment subadviser. See the underlying funds' prospectuses or Statement of Additional Information for specific fees.

In addition to the limitation on Investor Class Operating Expenses, the fund also has a contractual expense limitation with respect to the Investor Class' total expense ratio. Under this arrangement, T. Rowe Price has contractually agreed (through September 30, 2020) to waive its fees and/or bear any expenses (excluding interest; expenses related to borrowings, taxes, and brokerage; and nonrecurring, extraordinary expenses) that would cause the Investor Class' ratio of expenses to average daily net assets to exceed 0.74%. The agreement may be terminated at any time after September 30, 2020, with approval by the fund's Board. Fees waived and expenses paid under this agreement (or a separate agreement limiting Investor Class Operating Expenses to 0.15%) are subject to reimbursement to T. Rowe Price by the fund

whenever the Investor Class' total expense ratio is below 0.74%. However, no reimbursement will be made more than three years from the date such amounts were initially waived or reimbursed. The fund may only make repayments to T. Rowe Price if such repayment does not cause the Investor Class' expenses (after the repayment is taken into account) to exceed the lesser of: (1) any expense limitation in place at the time such amounts were waived; or (2) any current expense limitation related to the class.

In addition to the limitation on Advisor Class Operating Expenses, the fund also has a contractual expense limitation with respect to the Advisor Class' total expense ratio. Under this arrangement, T. Rowe Price has contractually agreed (through September 30, 2020) to waive its fees and/or bear any expenses (excluding interest; expenses related to borrowings, taxes, and brokerage; and nonrecurring, extraordinary expenses) that would cause the Advisor Class' ratio of expenses to average daily net assets to exceed 0.99%. The agreement may be terminated at any time after September 30, 2020, with approval by the fund's Board. Fees waived and expenses paid under this agreement (or a separate agreement limiting Advisor Class Operating Expenses to 0.15%) are subject to reimbursement to T. Rowe Price by the fund whenever the Advisor Class' total expense ratio is below 0.99%. However, no reimbursement will be made more than three years from the date such amounts were initially waived or reimbursed. The fund may only make repayments to T. Rowe Price if such repayment does not cause the Advisor Class' expenses (after the repayment is taken into account) to exceed the lesser of: (1) any expense limitation in place at the time such amounts were waived; or (2) any current expense limitation related to the class.

T. Rowe Price will determine how the fund's assets are invested consistent with the investment objectives and policies of the fund described in this prospectus and procedures and guidelines established by the Board for the fund. The Board for the fund oversees the allocations and the basis upon which such allocations were made or maintained.

A discussion about the factors considered by the Board and its conclusions in approving the fund's investment management agreement (and any subadvisory agreement, if applicable) appear in the fund's annual report to shareholders for the period ended May 31.

MORE INFORMATION ABOUT THE FUND'S PRINCIPAL INVESTMENT STRATEGIES AND ITS PRINCIPAL RISKS

How can I tell which Target Fund is most appropriate for me?

Consider your estimated retirement date and risk tolerance. These funds' investment programs assume a retirement age of 65. It is expected that the investor will choose a fund whose stated target date is closest to the date the investor turns 65. Choosing a fund targeting an earlier date represents a more conservative choice; targeting a fund with a later date represents a more aggressive choice. It is important to note that the retirement year of the fund you select should not necessarily represent the specific year you intend to start drawing retirement assets. It should be a guide only. This prospectus only describes the specific investment program for this

particular Target Fund. The specific investment programs for each of the other Target Funds are described in their respective prospectuses.

What will happen on the target date?

The funds assume a retirement age of 65. After a fund reaches the stated retirement year indicated in its name, the fund will continue to “roll down” to a more conservative allocation designed to place greater emphasis on income and reduce investors’ overall risks. About 30 years after its stated retirement year, the fund will maintain approximately a 20% allocation to stocks.

What are the Target Funds’ potential rewards?

The Target Funds seek to offer a professionally managed investment program designed to simplify the accumulation of assets prior to retirement and the management of those assets after retirement. Each Target Fund establishes asset allocations that T. Rowe Price considers broadly appropriate to investors at specific stages of their retirement planning, and then each fund alters the asset mix over time to meet increasingly conservative investment needs. As such, investors should consider choosing the Target Fund whose stated retirement date is closest to their own projected retirement date. In general, these funds’ investment programs assume a retirement age of 65.

For Target Funds that are farthest from their stated retirement dates, allocations to stocks are relatively high so that investors may benefit from their long-term growth potential, while allocations to fixed income securities are relatively low. This approach is designed to help investors accumulate the assets needed during their retirement years. As time elapses and an investor’s assumed retirement date approaches, the Target Funds’ allocations to stocks will decrease in favor of fixed income securities. After reaching their stated target dates, the Target Funds’ allocations to stocks will continue decreasing over time in an effort to focus more on higher income and lower risk, which are generally more important to investors managing their assets after they retire. After the stated target date, the Target Funds emphasize reducing market risk to support a moderate withdrawal horizon while still maintaining adequate equity allocation to help offset inflation and longevity risk. The funds’ portfolios are regularly rebalanced to ensure that they stay true to their glide paths.

To accommodate a wider range of investor preferences and retirement time horizons than is possible with a single fund, these funds offer several different combinations of the growth potential of stocks and the greater income of bonds. Generally, the potential for higher returns over time is accompanied by the higher risk of a decline in the value of your principal.

There is no guarantee the Target Funds will achieve their goals. The Target Funds are not a complete solution to the retirement needs of investors. Investors must weigh many factors when considering when to retire, what their retirement needs will be, and what sources of income they may have.

Tactical Asset Allocation

As discussed under “Principal Investment Strategies” in the summary section of the prospectus, the allocations to asset classes and underlying funds are referred to as “neutral”

allocations because they are strategic and do not reflect any tactical decisions made by T. Rowe Price to overweight or underweight a particular asset class or sector based on its outlook for the global economy and securities markets. Target allocations are set periodically for the fund, and any variance from the neutral allocation can be strategically applied to any sector or combination of underlying funds' target allocations within a broad asset class or to any single fund in which the fund can invest. The target allocation assigned to a broad asset class (Stocks or Bonds) is not expected to vary from the fund's prescribed neutral allocation by more than plus (+) or minus (-) five percentage (5%) points. When deciding upon allocations within these prescribed limits, T. Rowe Price may favor bonds if the economy is expected to slow sufficiently to hurt corporate profits and T. Rowe Price may favor stocks when strong economic growth is expected. The fund also considers the capacity of an underlying fund to absorb additional cash flow.

Overall investments in underlying stock funds are allocated across a variety of sectors. When adjusting exposure among the underlying stock funds, T. Rowe Price considers relative values and prospects among growth- and value-oriented stocks, U.S. and international stocks, and small-, mid-, and large-cap stocks, as well as the outlook for inflation. Overall investments in bond funds are generally allocated to a "core" fixed income component and a "diversifying" fixed income component. The core component is designed to establish a lower volatility baseline profile for the overall fixed income allocation and generally consists of U.S. investment-grade bonds, investment-grade non-U.S. dollar-denominated bonds that are hedged to the U.S. dollar, and global bonds that should offer low correlation with equity markets and provide consistent positive returns regardless of market cycle. The diversifying component is designed to respond to a variety of market conditions and improve risk adjusted returns for the portfolio. The allocations within the component dynamically evolve as overall equity exposure becomes lower and generally consist of bank loans, high yield bonds, emerging markets bonds, unhedged non-U.S. dollar-denominated bonds, long-duration U.S. Treasuries, and shorter-duration inflation protected securities. Although there is no specific neutral allocation to money market securities, the fund may make investments in the T. Rowe Price U.S. Treasury Money Fund to help manage cash flows into and out of the fund and invest new purchases in accordance with the fund's target allocations, as well as for any tactical allocations to money market securities.

Certain investment restrictions, such as a required minimum or maximum investment by an underlying fund in a particular type of security or currency, are measured at the time the fund purchases a security or currency. The status, market value, maturity, duration, credit quality, or other characteristics of the fund's securities or currencies may change after they are purchased, and this may cause the amount of the fund's assets invested in such securities or currencies to exceed the stated maximum restriction or fall below the stated minimum restriction. If any of these changes occur, it would not be considered a violation of the investment restriction and will not require the sale of an investment if it was proper at the time the investment was made (this exception does not apply to the fund's borrowing policy). However, certain changes will require holdings to be sold or purchased by the fund during the time it is above or below the

stated percentage restriction in order for the fund to be in compliance with applicable restrictions.

Securities may be sold for a variety of reasons, such as to effect a change in asset allocation, secure a gain, limit a loss, or redeploy assets into more promising opportunities.

Main Risks of Underlying Funds

The performance and risks of the fund will directly correspond to the performance and risks of the underlying funds in which it invests. By investing in many underlying funds, the fund has partial exposure to the risks of many different areas of the market. The more the fund allocates to emerging market or stock funds, the greater the expected risk.

The principal risks associated with the fund's principal investment strategies include the following:

General equity risks As with all funds having equity exposure, the share prices of the fund can fall because of weakness in the broad market, a particular industry, or specific holdings. Stock markets as a whole can decline for many reasons, including adverse local, political, social, or economic developments in the U.S. or abroad, changes in investor psychology, or heavy institutional selling. Sectors of the equity market can experience reduced trading activity, making securities difficult to sell and subject to erratic price movements. Losses could occur if an underlying fund is not able to sell a holding at a favorable price. The prospects for an industry or company may deteriorate because of a variety of factors, including disappointing earnings or changes in the competitive environment. Also, the fund's investment approach could fall out of favor with the investing public, resulting in a lagging performance versus other types of stock funds.

Small- and mid-cap stock risks To the extent that the fund invests in underlying funds that invest in stocks of small- and mid-cap companies, it may take on greater risk, as stocks of small- and mid-cap companies are usually more volatile than larger-company stocks. Stocks of smaller companies are subject to more abrupt or erratic price movements than larger-company stocks. Small companies often have limited product lines, markets, or financial resources, and management that may lack depth and experience.

Growth and value investment risks There are risks associated with the fund's exposure to funds representing the growth or value investing approach. Even well-established growth stocks can be volatile. Stocks of growth companies may lack dividends that can cushion share prices in a down market. In addition, earnings disappointments often result in sharp price declines. The value approach carries the risk that the market will not recognize a security's intrinsic value for a long time or that a stock judged to be undervalued may be appropriately priced.

Interest rate risks A decline in bond prices may accompany a rise in the overall level of interest rates. (Bond prices and interest rates usually move in opposite directions.) Prices fall because the bonds and notes in a fund's portfolio become less attractive to other investors when securities with higher yields become available. Generally, securities with longer

maturities or durations and bond funds with longer weighted average maturities or durations carry greater interest rate risk. As a result, in a rising interest rate environment, the net asset value of a fund with a longer weighted average maturity or duration typically decreases at a faster rate than the net asset value of a fund with a shorter weighted average maturity or duration. While a rise in interest rates is the principal source of interest rate risk for bond funds, falling rates bring the possibility that a bond may be “called,” or redeemed before maturity, and that the proceeds may be reinvested in lower-yielding securities.

Credit risks An issuer or counterparty of an instrument held by an underlying fund may default (fail to make scheduled interest or principal payments), potentially reducing the fund’s income and share price. Credit risk is increased when the underlying fund’s holdings are downgraded or the perceived financial condition of an issuer or counterparty deteriorates.

Investment-grade (AAA through BBB, or an equivalent rating) holdings should have relatively low risk of encountering financial problems and a relatively high probability of future payments. However, holdings rated BBB (or an equivalent rating) are more susceptible to adverse economic conditions than other investment-grade securities and may have speculative characteristics. Holdings rated below investment grade (junk bonds or high-yield bonds) should be regarded as speculative because their issuers are more susceptible to financial setbacks and recession than more creditworthy issuers. High-yield bond issuers include small companies lacking the history or capital to merit investment-grade status, former blue chip companies downgraded because of financial problems, and firms with heavy debt loads. If the fund invests in holdings whose issuers develop unexpected credit problems, the fund’s share price could decline.

Liquidity risks An underlying fund may not be able to meet requests to redeem shares issued by the underlying fund without significant dilution of the remaining shareholders’ interests in such fund. In addition, the underlying fund may not be able to sell a holding in a timely manner at a desired price. Sectors of the bond market can experience sudden downturns in trading activity. During periods of reduced trading, the spread can widen between the price at which a security can be bought and the price at which it can be sold. Securities with lower overall liquidity can become more difficult to value and can change prices abruptly. During times of reduced market liquidity, the fund may not be able to sell holdings readily at prices that reflect what it believes they should be worth.

International risks Funds that have exposure to investments overseas generally carry more risks than funds that invest strictly in U.S. assets. Investments outside the U.S. are subject to potentially adverse local, political, and economic developments; nationalization and exchange controls; potentially lower liquidity and higher volatility; and possible problems arising from accounting, disclosure, settlement, and regulatory practices that differ from U.S. standards. Even investments in countries with highly developed economies are subject to significant risks.

International funds are subject to currency risk, which refers to a decline in the value of a foreign currency versus the U.S. dollar. An underlying fund could experience losses based solely on the weakness of foreign currencies in which the fund’s holdings are denominated

versus the U.S. dollar, and changes in the exchange rates between such currencies and the U.S. dollar.

Emerging market risks To the extent that the fund invests in funds that invest in emerging markets, it is subject to greater risk than funds investing only in developed markets. The economic and political structures of emerging market countries, in most cases, do not compare favorably with the U.S. or other developed countries in terms of wealth and stability, and their financial markets often lack liquidity.

Deflation risks To the extent the fund invests in underlying funds that are designed to provide some protection against the impact of inflation, those investments could adversely affect the fund when inflation or expectations of inflation are low. During such periods, the value and income of an underlying fund's investments in inflation-linked securities could fall and result in losses for the fund. In addition, an underlying fund that seeks to invest in stocks of companies expected to outperform the overall global equity market during periods of high or rising inflation could underperform other stock funds when inflation concerns are low.

Fund-of-funds risks Although T. Rowe Price serves as the investment adviser of the underlying funds in which the fund invests, an underlying fund may change its investment program or policies without the fund's approval, which could force the fund to reduce or eliminate its allocation to the underlying fund at an unfavorable time. In addition, if one underlying fund buys the same securities that another underlying fund sells, the fund would indirectly bear the costs of these transactions without accomplishing any investment purpose.

In addition to the principal investment strategies and principal risks previously described, the fund may employ other investment strategies and may be subject to other risks, which include the following:

The fund typically buys and sells shares of its underlying funds, as appropriate, in order to realign the overall portfolio and remain invested in accordance with its target allocations. However, the fund may also buy and sell futures contracts (thereby taking long or short positions, as appropriate) in an effort to manage cash flows efficiently, remain fully invested, or facilitate asset allocation and rebalancing.

Futures risks To the extent the fund buys and sells futures contracts, it is potentially exposed to greater volatility than investing directly in stock and bond funds. Futures can experience reduced liquidity and become difficult to value, particularly during significant market events. While the fund would typically use stock index futures and interest rate futures that are traded on an exchange, the use of any instruments that are traded over-the-counter as opposed to through an exchange are also subject to the risk that a counterparty to the transaction will fail to meet its obligations under the contract.

Cybersecurity risks The fund may be subject to operational and information security risks resulting from breaches in cybersecurity. Cybersecurity breaches may involve unauthorized access to the digital information systems (e.g., through "hacking" or malicious software coding) of the fund or its third-party service providers, but may also result from outside attacks such as denial-of-service attacks. These breaches may, among other things, result in financial losses to

the fund and its shareholders, cause the fund to lose proprietary information, disrupt business operations, or result in the unauthorized release of confidential information. Further, cybersecurity breaches involving third-party service providers, trading counterparties, or issuers in which the fund invests could subject the fund to many of the same risks associated with direct breaches.

The Statement of Additional Information contains more detailed information about the fund and its investments, operations, and expenses.

DESCRIPTION OF UNDERLYING FUNDS

The fund’s investments are concentrated in the underlying funds, so the fund’s investment performance is directly related to the investment performance of these underlying funds.

The following table gives a brief description of the principal investment programs of the underlying funds. The underlying funds’ investment programs are described in greater detail in each fund’s prospectus.

The major characteristics of the underlying T. Rowe Price funds are as follows:

Description of Underlying Funds

| Bond/Money Market Funds | Objective/Program |
|---|---|
| Dynamic Global Bond—I Class | Income and consistent returns through a flexible allocation to global bonds and other debt instruments. Seeks to offer some protection against rising interest rates and provide a low correlation with equity markets. |
| Emerging Markets Bond—I Class | High income and capital appreciation by normally investing at least 80% of its net assets in government or corporate debt securities of emerging market countries. |
| Floating Rate—I Class | High current income and, secondarily, capital appreciation through investments in floating rate bank loans and floating rate debt securities. |
| High Yield—I Class | High current income and, secondarily, capital appreciation by investing in a widely diversified portfolio of below investment-grade bonds—also known as “junk” bonds. |
| International Bond—I Class | High current income and capital appreciation by investing primarily in high-quality, nondollar-denominated bonds outside the U.S. |
| International Bond (USD Hedged)—I Class | Current income and capital appreciation through investments primarily in investment-grade non-U.S. dollar-denominated bonds that are normally hedged to the U.S. dollar. |

Description of Underlying Funds

| | |
|---|---|
| Limited Duration Inflation Focused Bond—I Class | High level of income consistent with minimal fluctuation in principal value and liquidity with investments designed to provide some protection against the impact of inflation. Duration will range within two years of the Bloomberg Barclays U.S. 1-5 Year Treasury TIPS Index. |
| New Income—I Class | Highest level of income consistent with preservation of capital over time by investing primarily in investment-grade, income-producing debt securities. |
| U.S. Treasury Long-Term—I Class | High income through investments in long-term U.S. Treasury securities, which are backed by the full faith and credit of the U.S. government. The fund's weighted average maturity is expected to vary between 15 and 20 years but may range from 10 to 30 years. |
| U.S. Treasury Money—I Class | A money market fund managed to provide a stable share price of \$1.00. Invests at least 80% of its net assets in U.S. Treasury securities, which are backed by the full faith and credit of the U.S. government, and repurchase agreements thereon. In addition, the fund operates as a "government money market fund," which requires the fund to also invest at least 99.5% of its total assets in cash, U.S. government securities, and/or repurchase agreements that are fully collateralized by government securities or cash. |

Stock Funds**Objective/Program**

| | |
|------------------------------------|--|
| Emerging Markets Stock—I Class | Long-term growth of capital through investments primarily in the common stocks of companies located (or with primary operations) in emerging markets. |
| Equity Index 500—I Class | Seeks to match the investment return of large-capitalization U.S. stocks by tracking the performance of the S&P's 500 Stock Index®. Invests in the stocks in the Index using a full replication strategy. |
| Growth Stock—I Class | Long-term capital growth through investments in stocks of a diversified group of larger growth companies. |
| International Stock—I Class | Long-term growth of capital through investments primarily in the common stocks of established non-U.S. companies. The fund takes a growth approach to stock selection. |
| International Value Equity—I Class | Long-term capital growth and current income primarily through investments in non-U.S. stocks, with an emphasis on large-capitalization stocks. The fund takes a value approach to stock selection. |
| Mid-Cap Growth—I Class | Long-term capital appreciation through investments in mid-cap stocks with potential for above-average earnings growth. |
| Mid-Cap Index—I Class | Seeks to match the investment return of mid-capitalization U.S. stocks by tracking the performance of the Russell Select Midcap Index. Invests in the stocks in the index using a full replication strategy. |
| Mid-Cap Value—I Class | Long-term capital appreciation by investing primarily in mid-size companies that appear to be undervalued. |

Description of Underlying Funds

| | |
|-----------------------------|--|
| New Horizons— I Class | Long-term growth of capital through investments in stocks of small rapidly growing companies. Invests primarily in emerging growth companies, early in their corporate life cycles. |
| Overseas Stock— I Class | Long-term growth of capital through investments in the common stocks of non-U.S. companies. The fund takes a core approach to investing, which provides exposure to both growth and value styles. |
| Real Assets— I Class | Long-term capital growth and some protection against inflation through investments in companies that are involved in activities related to real assets (such as energy and natural resources, real estate, basic materials, equipment, utilities and infrastructure, and commodities). |
| Small-Cap Index— I Class | Seeks to match the investment return of small-capitalization U.S. stocks by tracking the performance of the Russell 2000® Index. Invests in the stocks in the index using a full replication strategy. |
| Small-Cap Stock— I Class | Long-term capital growth through investments in stocks of small companies. Stock selection may reflect either a growth or value investment approach. |
| Small-Cap Value— I Class | Long-term capital growth through investments in small U.S. companies whose common stocks are believed to be undervalued. |
| Value—I Class | Long-term capital appreciation by investing in common stocks believed to be undervalued. Income is a secondary objective. |

INVESTMENT POLICIES OF THE FUND

The fund's investment policies and practices are subject to further restrictions and risks that are described in the Statement of Additional Information. Shareholders will be notified of any material change in such investment programs. The fund will not make a material change in its investment objective or its fundamental policies without obtaining shareholder approval.

Reserve Position

The fund may maintain a portion of its assets in reserves, which can consist of short-term, high-quality U.S. dollar-denominated money market securities or shares of the T. Rowe Price U.S. Treasury Money Fund. In order to respond to adverse market, economic, political, or other conditions, the fund may assume a temporary defensive position that is inconsistent with its principal investment objective and/or strategies and may invest, without limitation, in reserves. The reserve position provides flexibility in meeting redemptions and in the timing of new investments, and can serve as a short-term defense during periods of unusual market volatility. If the fund has significant holdings in reserves, that fund's ability to achieve its objective could be compromised.

Fundamental Investment Policies

The fund will not purchase a security if, as a result, with respect to 75% of its total assets, more than 5% of the fund's total assets would be invested in securities of a single issuer or more than 10% of the outstanding voting securities of the issuer, except for investments in U.S. government securities and securities of other investment companies.

The fund will not: (i) invest more than 25% of its net assets in any one industry, except that the fund will invest substantially all of its assets in investment companies that are members of the T. Rowe Price family of funds; (ii) borrow money, except temporarily, to facilitate redemption requests in amounts not exceeding 33¹/₃% of the fund's total assets valued at market; and (iii) in any manner transfer as collateral for indebtedness any securities owned by the fund except in connection with permissible borrowings, which in no event will exceed 33¹/₃% of the fund's total assets valued at market. The fund may borrow money from other T. Rowe Price Funds.

Other Investment Restrictions

As a matter of operating policy, the fund will not, among other things: (i) purchase additional securities when money borrowed exceeds 5% of the fund's total assets; or (ii) purchase an illiquid security if it holds 15% or more of its net assets in illiquid securities.

Meeting Redemption Requests

The fund is expected to typically sell shares of its underlying funds in order to meet redemption requests, although the fund may at times hold sufficient cash or cash equivalents to meet redemption requests. These redemption methods will be used regularly and may also be used in deteriorating or stressed market conditions. The fund reserves the right to pay redemption proceeds with securities from the fund's portfolio rather than in cash (redemptions in-kind), as described under "Large Redemptions." Redemptions in-kind are typically used to meet redemption requests that represent a large percentage of the fund's net assets in order to minimize the effect of large redemptions on the fund and its remaining shareholders. In general, any redemptions in-kind will represent a pro-rata distribution of the fund's securities, subject to certain limited exceptions. Redemptions in-kind may be used regularly in circumstances as described above and may also be used in stressed market conditions.

The fund, along with other T. Rowe Price Funds, is a party to an interfund lending exemptive order received from the SEC that permits the T. Rowe Price Funds to borrow money from and/or lend money to other T. Rowe Price Funds to help the funds meet short-term redemptions and liquidity needs.

During periods of deteriorating or stressed market conditions, or during extraordinary or emergency circumstances, the fund may be more likely to pay redemption proceeds with cash obtained through interfund lending or by redeeming a large redemption request in-kind.

Portfolio Turnover

The fund's portfolio turnover rate is expected to be low. The fund will purchase or sell securities to: (i) accommodate purchases and sales of the fund's shares; and (ii) maintain or modify the allocation of the fund's assets among the underlying funds within the percentage

limits described earlier. The fund's portfolio turnover rates are shown in the Financial Highlights tables.

INVESTMENT POLICIES AND PRACTICES OF THE UNDERLYING FUNDS

In pursuing their investment objectives and programs, each of the underlying funds is permitted to engage in a wide range of investment policies and practices. Further information about the underlying funds is contained in the Statement of Additional Information, as well as the prospectuses of each of the underlying funds. Because the fund invests in the underlying funds, shareholders of the fund will be affected by an underlying fund's investment practices in direct proportion to the amount of assets the fund allocates to the underlying funds pursuing such practices.

FINANCIAL HIGHLIGHTS

The Financial Highlights tables, which provide information about each class' financial history, are based on a single share outstanding throughout the periods shown. The tables are part of the fund's financial statements, which are included in its annual report and are incorporated by reference into the Statement of Additional Information (available upon request). The fund's total returns may be higher or lower than the investment results of the individual underlying T. Rowe Price funds. The financial statements in the annual report were audited by the fund's independent registered public accounting firm, PricewaterhouseCoopers LLP.

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

Investor Class

| | Year Ended | | | | |
|---|------------|----------|----------|----------|----------|
| | 5/31/19 | 5/31/18 | 5/31/17 | 5/31/16 | 5/31/15 |
| NET ASSET VALUE | | | | | |
| Beginning of period | \$ 13.43 | \$ 12.60 | \$ 11.27 | \$ 12.07 | \$ 11.46 |
| Investment activities | | | | | |
| Net investment income ⁽¹⁾⁽²⁾ | 0.20 | 0.19 | 0.18 | 0.17 | 0.16 |
| Net realized and unrealized gain/loss | (0.15) | 1.09 | 1.60 | (0.54) | 0.69 |
| Total from investment activities | 0.05 | 1.28 | 1.78 | (0.37) | 0.85 |
| Distributions | | | | | |
| Net investment income | (0.18) | (0.18) | (0.18) | (0.16) | (0.14) |
| Net realized gain | (0.45) | (0.27) | (0.27) | (0.27) | (0.10) |
| Total distributions | (0.63) | (0.45) | (0.45) | (0.43) | (0.24) |
| NET ASSET VALUE | | | | | |
| End of period | \$ 12.85 | \$ 13.43 | \$ 12.60 | \$ 11.27 | \$ 12.07 |

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

Investor Class

| | Year Ended | | | | |
|--|------------|---------|---------|---------|---------|
| | 5/31/19 | 5/31/18 | 5/31/17 | 5/31/16 | 5/31/15 |

Ratios/Supplemental Data

| | | | | | |
|---|--------------|---------------|---------------|------------------|---------------|
| Total return^{(2) (3) (4)} | 0.86% | 10.16% | 16.19% | (2.98) % | 7.53 % |
|---|--------------|---------------|---------------|------------------|---------------|

Ratios to average net assets:⁽²⁾

| | | | | | |
|--|------------|-----------|-----------|-----------|-----------|
| Gross expenses before payments by Price Associates ⁽⁴⁾ | 0.33% | 0.47% | 0.65% | 0.26% | 0.00 % |
| Net expenses after payments by Price Associates ⁽⁴⁾ | 0.17% | 0.18% | 0.16% | 0.05% | 0.00 % |
| Weighted average net expenses of underlying Price Funds ⁽⁵⁾ | 0.56% | 0.56% | 0.58% | 0.69% | 0.74 % |
| Effective net expenses | 0.73% | 0.74% | 0.74% | 0.74% | 0.74 % |
| Net investment income ⁽⁴⁾ | 1.56% | 1.40% | 1.52% | 1.50% | 1.36 % |
| Portfolio turnover rate ⁽⁴⁾ | 19.5% | 24.5% | 19.5% | 25.7% | 16.6 % |
| Net assets, end of period (in thousands) | \$ 109,796 | \$ 83,199 | \$ 61,154 | \$ 43,002 | \$ 29,240 |

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

⁽²⁾ Includes the impact 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. 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⁾ 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.

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

I Class

| | Year Ended 5/31/19 | 5/31/18 | 5/31/17 | 2/26/16 ⁽¹⁾ Through 5/31/16 |
|---|--------------------------|-----------------|-----------------|--|
| NET ASSET VALUE | | | | |
| Beginning of period | \$ 13.45 | \$ 12.62 | \$ 11.28 | \$ 10.48 |
| Investment activities | | | | |
| Net investment income ^{(2) (3)} | 0.22 | 0.19 | 0.11 | 0.02 |
| Net realized and unrealized gain/loss | (0.16) | 1.10 | 1.69 | 0.78 ⁽⁴⁾ |
| Total from investment activities | 0.06 | 1.29 | 1.80 | 0.80 |
| Distributions | | | | |
| Net investment income | (0.20) | (0.19) | (0.19) | - |
| Net realized gain | (0.45) | (0.27) | (0.27) | - |
| Total distributions | (0.65) | (0.46) | (0.46) | - |
| NET ASSET VALUE | | | | |
| End of period | \$ 12.86 | \$ 13.45 | \$ 12.62 | \$ 11.28 |

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

I Class

| Year Ended | 5/31/18 | 5/31/17 | 2/26/16 ⁽¹⁾ Through 5/31/16 |
|---------------|---------|---------|--|
|---------------|---------|---------|--|

Ratios/Supplemental Data

| | | | | |
|---|--------------|---------------|---------------|--------------|
| Total return^{(3) (5) (6)} | 0.96% | 10.23% | 16.37% | 7.63% |
|---|--------------|---------------|---------------|--------------|

Ratios to average net assets:⁽³⁾

| | | | | |
|---|-------|-------|-------|----------------------|
| Gross expenses before payments by Price Associates ⁽⁶⁾ | 0.17% | 0.30% | 0.55% | 0.48% ⁽⁷⁾ |
|---|-------|-------|-------|----------------------|

| | | | | |
|--|-------|-------|-------|----------------------|
| Net expenses after payments by Price Associates ⁽⁶⁾ | 0.03% | 0.05% | 0.05% | 0.05% ⁽⁷⁾ |
|--|-------|-------|-------|----------------------|

| | | | | |
|--|-------|-------|-------|----------------------|
| Weighted average net expenses of underlying Price Funds ⁽⁸⁾ | 0.56% | 0.56% | 0.58% | 0.59% ⁽⁷⁾ |
|--|-------|-------|-------|----------------------|

| | | | | |
|------------------------|-------|-------|-------|----------------------|
| Effective net expenses | 0.59% | 0.61% | 0.63% | 0.64% ⁽⁷⁾ |
|------------------------|-------|-------|-------|----------------------|

| | | | | |
|--------------------------------------|-------|-------|-------|----------------------|
| Net investment income ⁽⁶⁾ | 1.68% | 1.38% | 0.91% | 0.61% ⁽⁷⁾ |
|--------------------------------------|-------|-------|-------|----------------------|

| | | | | |
|--|-------|-------|-------|-------|
| Portfolio turnover rate ⁽⁶⁾ | 19.5% | 24.5% | 19.5% | 25.7% |
|--|-------|-------|-------|-------|

| | | | | |
|--|-----------|----------|----------|--------|
| Net assets, end of period (in thousands) | \$ 37,810 | \$ 9,496 | \$ 4,048 | \$ 269 |
|--|-----------|----------|----------|--------|

⁽¹⁾ Inception date⁽²⁾ Per share amounts calculated using average shares outstanding method.⁽³⁾ Includes the impact 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.

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

Advisor Class

| | Year Ended | | | | |
|--|------------|----------|----------|----------|----------|
| | 5/31/19 | 5/31/18 | 5/31/17 | 5/31/16 | 5/31/15 |
| NET ASSET VALUE | | | | | |
| Beginning of period | \$ 13.39 | \$ 12.57 | \$ 11.24 | \$ 12.05 | \$ 11.45 |
| Investment activities | | | | | |
| Net investment income ^{(1) (2)} | 0.18 | 0.15 | 0.15 | 0.14 | 0.15 |
| Net realized and unrealized gain/loss | (0.17) | 1.09 | 1.60 | (0.54) | 0.67 |
| Total from investment activities | 0.01 | 1.24 | 1.75 | (0.40) | 0.82 |
| Distributions | | | | | |
| Net investment income | (0.15) | (0.15) | (0.15) | (0.14) | (0.12) |
| Net realized gain | (0.45) | (0.27) | (0.27) | (0.27) | (0.10) |
| Total distributions | (0.60) | (0.42) | (0.42) | (0.41) | (0.22) |
| NET ASSET VALUE | | | | | |
| End of period | \$ 12.80 | \$ 13.39 | \$ 12.57 | \$ 11.24 | \$ 12.05 |

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

Advisor Class

| | Year Ended | 5/31/18 | 5/31/17 | 5/31/16 | 5/31/15 |
|--|---------------|---------|---------|---------|---------|
|--|---------------|---------|---------|---------|---------|

Ratios/Supplemental Data

| | | | | | |
|---|--------------|--------------|---------------|----------------|--------------|
| Total return^{(2) (3) (4)} | 0.54% | 9.86% | 15.94% | (3.25)% | 7.26% |
|---|--------------|--------------|---------------|----------------|--------------|

Ratios to average net assets:⁽²⁾

| | | | | | |
|--|----------|----------|----------|----------|----------|
| Gross expenses before payments by Price Associates ⁽⁴⁾ | 0.58% | 0.69% | 0.86% | 0.47% | 0.25% |
| Net expenses after payments by Price Associates ⁽⁴⁾ | 0.42% | 0.43% | 0.41% | 0.30% | 0.25% |
| Weighted average net expenses of underlying Price Funds ⁽⁵⁾ | 0.56% | 0.56% | 0.58% | 0.69% | 0.74% |
| Effective net expenses | 0.98% | 0.99% | 0.99% | 0.99% | 0.99% |
| Net investment income ⁽⁴⁾ | 1.40% | 1.15% | 1.28% | 1.28% | 1.25% |
| Portfolio turnover rate ⁽⁴⁾ | 19.5% | 24.5% | 19.5% | 25.7% | 16.6% |
| Net assets, end of period (in thousands) | \$ 6,710 | \$ 8,616 | \$ 7,929 | \$ 5,589 | \$ 3,847 |

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

⁽²⁾ Includes the impact 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. 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⁾ 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.

DISCLOSURE OF FUND PORTFOLIO INFORMATION

The T. Rowe Price Funds' complete portfolio holdings as of their fiscal year-ends are disclosed in their annual shareholder reports and their complete portfolio holdings as of their fiscal mid-

point are disclosed in their semiannual shareholder reports. The annual and semiannual shareholder reports are filed with the SEC and sent to the funds' shareholders within 60 days of the period covered. The shareholder reports are publicly available immediately upon filing with the SEC. Beginning with reporting periods ending on or after March 1, 2019, the T. Rowe Price Funds (except the money market funds) also disclose their complete portfolio holdings as of their first and third fiscal quarter-ends on Form N-PORT, along with other fund information. Form N-PORT is filed with the SEC each quarter, and the fund's complete portfolio holdings as of its first and third fiscal quarter-ends (as of the third month of the fund's fiscal quarter for reporting periods on or after September 30, 2019) are made publicly available within 60 days after the end of each quarter. Prior to March 1, 2019, the T. Rowe Price Funds (including the money market funds) disclosed their complete portfolio holdings for their first and third fiscal quarter-ends on Form N-Q, which was filed with the SEC within 60 days of the period covered and made publicly available immediately upon filing with the SEC. Neither Form N-PORT nor Form N-Q is sent to the funds' shareholders. Under certain conditions, the shareholder reports, Form N-PORT, and Form N-Q may include up to 5% of a fund's holdings under the caption "Miscellaneous Securities" without identifying the specific security or issuer. Generally, a holding would not be individually identified if it is determined that its disclosure could be harmful to the fund or its shareholders. A holding will not be excluded for these purposes from a fund's SEC filings for more than one year. The money market funds also file detailed month-end portfolio holdings information on Form N-MFP with the SEC each month. Form N-MFP is publicly available immediately upon filing with the SEC.

In addition, most T. Rowe Price Funds disclose their calendar quarter-end portfolio holdings on **troweprice.com** 15 calendar days after each quarter. At the discretion of the investment adviser, these holdings reports may exclude the issuer name and other information relating to a holding in order to protect the fund's interests and prevent harm to the fund or its shareholders. Private placements and other restricted securities may not be individually identified in the calendar quarter-end holdings on **troweprice.com**, but would be disclosed in any SEC filings. Money market funds also disclose on **troweprice.com** their month-end complete portfolio holdings five business days after each month-end and historical information about the fund's investments for the previous six months, as of the last business day of the preceding month. This information includes, among other things, the percentage of the fund's investments in daily and weekly liquid assets, the fund's weighted average maturity and weighted average life, the fund's market-based net asset value, and the fund's net inflows and outflows. The calendar quarter-end portfolio holdings will remain on the website for one year and the month-end money market fund portfolio holdings will remain on the website for six months. In addition, most T. Rowe Price Funds disclose their 10 largest holdings, along with the percentage of the relevant fund's total assets that each of the 10 holdings represents, on **troweprice.com** on the seventh business day after each month-end. These holdings are listed in numerical order based on such percentages of the fund's assets. Each monthly top 10 list will remain on the website for six months. A description of T. Rowe Price's policies and procedures with respect to the disclosure of portfolio information is available in the Statement of Additional Information.

The following policies and procedures generally apply to Investor Class, I Class, Advisor Class, and R Class accounts in the T. Rowe Price Funds. The front cover and Section 1 of this prospectus indicate which share classes are available for the fund.

INVESTING WITH T. ROWE PRICE

This section of the prospectus explains the basics of investing with T. Rowe Price and describes some of the different share classes that may be available. Certain share classes can be held directly with T. Rowe Price, while other share classes must typically be held through a financial intermediary, such as a bank, broker, retirement plan recordkeeper, or investment adviser.

AVAILABLE SHARE CLASSES

Each class of a fund's shares represents an interest in the same fund with the same investment program and investment policies. However, each class is designed for a different type of investor and has a different cost structure primarily due to shareholder services or distribution arrangements that may apply only to that class. For example, certain classes may make payments to financial intermediaries for various administrative services they provide (commonly referred to as administrative fee payments, or AFP) and/or make payments to certain financial intermediaries for distribution of the fund's shares (commonly referred to as 12b-1 fee payments). Determining the most appropriate share class depends on many factors, including how much you plan to invest, whether you are investing directly in the fund or through a financial intermediary, and whether you are investing on behalf of a person or an organization.

This section generally describes the differences between Investor Class, I Class, Advisor Class, and R Class shares. This section does not describe the policies that apply to accounts in T. Rowe Price institutional funds and certain other types of funds. Policies for these other funds are described in their respective prospectuses, and all available share classes for the T. Rowe Price Funds are described more fully in the funds' Statement of Additional Information. While many T. Rowe Price Funds are offered in more than one share class, not all funds are offered in the share classes described in this section.

Investor Class

A T. Rowe Price Fund that does not include the term "institutional" or indicate a specific share class as part of its name is considered to be the Investor Class of that fund. The Investor Class is available to individual investors, institutions, and a wide variety of other types of investors. The Investor Class may be purchased directly from T. Rowe Price or through a retirement plan or financial intermediary. The Investor Class does not impose sales charges and does not make

any 12b-1 fee payments to financial intermediaries but may make administrative fee payments at an annual rate of up to 0.15% of the class' average daily net assets. In addition, you may also incur brokerage commissions and other charges when buying or selling Investor Class shares through a financial intermediary. For investors holding the Investor Class through the T. Rowe Price® ActivePlus Portfolios program, the terms and conditions of the program will be applicable.

I Class

The I Class may be purchased directly from T. Rowe Price or through a financial intermediary. The I Class does not impose sales charges and does not make any administrative fee payments or 12b-1 fee payments to financial intermediaries. However, you may incur brokerage commissions and other charges when buying or selling I Class shares through a financial intermediary.

The I Class requires a \$1 million initial investment minimum, although the minimum generally is waived for retirement plans, financial intermediaries, certain institutional client accounts for which T. Rowe Price or its affiliate has discretionary investment authority, and certain other accounts. For investors eligible for the I Class through the T. Rowe Price ActivePlus Portfolios program, the terms and conditions of the program will be applicable. Accounts that are not eligible for the I Class may be converted to the Investor Class following notice to the financial intermediary or investor.

Advisor Class

The Advisor Class is designed to be sold through various financial intermediaries, such as broker-dealers, banks, insurance companies, retirement plan recordkeepers, and financial advisors. The Advisor Class must be purchased through an eligible financial intermediary (except for certain retirement plans held directly with T. Rowe Price). The Advisor Class does not impose sales charges but may make 12b-1 fee payments at an annual rate of up to 0.25% of the class' average daily net assets and may also separately make administrative fee payments at an annual rate of up to 0.15% of the class' average daily net assets.

The Advisor Class requires an agreement between the financial intermediary and T. Rowe Price to be executed prior to investment. Purchases of Advisor Class shares for which the required agreement with T. Rowe Price has not been executed or that are not made through an eligible financial intermediary are subject to rejection or cancellation without prior notice to the financial intermediary or investor, and accounts that are no longer eligible for the Advisor Class may be converted to the Investor Class following notice to the financial intermediary or investor.

R Class

The R Class is designed to be sold through financial intermediaries for employer-sponsored defined contribution retirement plans and certain other retirement accounts. The R Class must be purchased through an eligible financial intermediary (except for certain retirement plans held directly with T. Rowe Price). The R Class does not impose sales charges but may make 12b-1 fee payments at an annual rate of up to 0.50% of the class' average daily net assets and

may also separately make administrative fee payments at an annual rate of up to 0.15% of the class' average daily net assets.

The R Class requires an agreement between the financial intermediary and T. Rowe Price to be executed prior to investment. Purchases of R Class shares for which the required agreement with T. Rowe Price has not been executed or that are not made through an eligible financial intermediary are subject to rejection or cancellation without prior notice to the financial intermediary or investor, and accounts that are no longer eligible for the R Class may be converted to the Investor Class or Advisor Class following notice to the financial intermediary or investor.

DISTRIBUTION AND SHAREHOLDER SERVICING FEES

Administrative Fee Payments (Investor Class, Advisor Class, and R Class)

Certain financial intermediaries perform recordkeeping and administrative services for their clients that would otherwise be performed by the funds' transfer agent. T. Rowe Price Funds (other than I Class shares) may make administrative fee payments to retirement plan recordkeepers, broker-dealers, and other financial intermediaries (at an annual rate of up to 0.15% of the fund's average daily net assets) for transfer agency, recordkeeping, and other administrative services that they provide on behalf of the funds. These administrative services may include maintaining account records for each customer; transmitting purchase and redemption orders; delivering shareholder confirmations, statements, and tax forms; and providing support to respond to customers' questions regarding their accounts. Except for funds that have an all-inclusive management fee, these separate administrative fee payments are reflected in the "Other expenses" line that appears in a fund's fee table in Section 1.

12b-1 Fee Payments (Advisor Class and R Class)

Mutual funds are permitted to adopt a 12b-1 plan to pay certain expenses associated with the distribution of the fund's shares out of the fund's assets. Each fund offering Advisor and/or R Class shares has adopted a 12b-1 plan under which those classes may make payments (for the Advisor Class, at an annual rate of up to 0.25% of the class' average daily net assets, and for the R Class, at an annual rate of up to 0.50% of the class' average daily net assets) to various financial intermediaries, such as brokers, banks, insurance companies, investment advisers, and retirement plan recordkeepers for distribution and/or shareholder servicing of the Advisor and R Class shares. The 12b-1 plans provide for the class to pay such fees to the fund's distributor and for the distributor to then pay such fees to the financial intermediaries that provide services for the class and/or make the class available to investors.

For the Advisor Class, distribution payments may include payments to financial intermediaries for making the Advisor Class shares available to their customers (for example, providing the fund with "shelf space" or inclusion on a "preferred list" or "supermarket" platform). For the R Class, distribution payments may include payments to financial intermediaries for making the R Class shares available as investment options to retirement plans and retirement plan

participants, assisting plan sponsors in conducting searches for investment options, and providing ongoing monitoring of investment options.

Shareholder servicing payments under the plans may include payments to financial intermediaries for providing shareholder support services to existing shareholders of the Advisor and R Class. These payments may be more or less than the costs incurred by the financial intermediaries. Because the fees are paid from the Advisor Class or R Class net assets on an ongoing basis, they will increase the cost of your investment over time. In addition, payments of 12b-1 fees may influence your financial advisor's recommendation of the fund or of any particular share class of the fund. Payments of 12b-1 fees are reflected in the "Distribution and service (12b-1) fees" line that appears in a fund's fee table in Section 1.

Additional Compensation to Financial Intermediaries

In addition to the AFP payments made by certain funds and the 12b-1 payments made by each Advisor and R Class, T. Rowe Price or the fund's distributor will, at their own expense, provide compensation to certain financial intermediaries that have sold shares of or provide shareholder or other services to the T. Rowe Price Funds, commonly referred to as revenue sharing. These payments may be in the form of asset-based, transaction-based, or flat payments. These payments are used to compensate third parties for distribution and shareholder servicing activities, including sub-accounting, sub-transfer agency, or other services. Some of these payments may include expense reimbursements and meeting and marketing support payments (out of T. Rowe Price's or the fund's distributor's own resources and not as an expense of the funds) to financial intermediaries, such as broker-dealers, registered investment advisers, banks, insurance companies, and retirement plan recordkeepers, in connection with the sale, distribution, marketing, and/or servicing of the T. Rowe Price Funds. The Statement of Additional Information provides more information about these payment arrangements.

The receipt of, or the prospect of receiving, these payments and expense reimbursements from T. Rowe Price or the fund's distributor may influence intermediaries, plan sponsors, and other third parties to offer or recommend T. Rowe Price Funds over other investment options for which an intermediary does not receive additional compensation (or receives lower levels of additional compensation). In addition, financial intermediaries that receive these payments and/or expense reimbursements may elevate the prominence of the T. Rowe Price Funds by, for example, placing the T. Rowe Price Funds on a list of preferred or recommended funds and/or provide preferential or enhanced opportunities to promote the T. Rowe Price Funds in various ways. Since these additional payments are not paid by a fund directly, these arrangements do not increase fund expenses and will not change the price that an investor pays for shares of the T. Rowe Price Funds or the amount that is invested in a T. Rowe Price Fund on behalf of an investor. You may ask your financial intermediary for more information about any payments they receive from T. Rowe Price or the fund's distributor.

Comparison of Fees

The following table summarizes the distribution and shareholder servicing fee arrangements applicable to each class.

| Class | 12b-1 Fee Payments | Administrative Fee Payments |
|----------------|----------------------|-----------------------------|
| Investor Class | None | Up to 0.15% per year |
| I Class | None | None |
| Advisor Class | Up to 0.25% per year | Up to 0.15% per year |
| R Class | Up to 0.50% per year | Up to 0.15% per year |

ACCOUNT SERVICE FEE

Investor Class

In an effort to help offset the disproportionately high costs incurred by the funds in connection with servicing lower-balance accounts that are held directly with the T. Rowe Price Funds' transfer agent, an annual \$20 account service fee (paid to T. Rowe Price Services, Inc., or one of its affiliates) is charged to certain Investor Class accounts with a balance below \$10,000. The determination of whether a fund account is subject to the account service fee is based on account balances and services selected for accounts as of the last business day of August of each calendar year. The fee may be charged to an account with a balance below \$10,000 for any reason, including market fluctuation and recent redemptions. The fee, which is automatically deducted from an account by redeeming fund shares, is typically charged to accounts in early September each calendar year. Such redemption may result in a taxable gain or loss to you.

The account service fee generally does not apply to fund accounts that are held through a financial intermediary, participant accounts in employer-sponsored retirement plans for which T. Rowe Price Retirement Plan Services provides recordkeeping services, accounts held through the T. Rowe Price ActivePlus Portfolios program, or money market funds that are used as a T. Rowe Price Brokerage sweep account. Regardless of a particular fund account's balance on the last business day of August, the account service fee is automatically waived for accounts that satisfy any of the following conditions:

- Any accounts for which the shareholder has elected to receive electronic delivery of all of the following: account statements, transaction confirmations, prospectuses, and shareholder reports (paper copies of fund documents are available, free of charge, upon request, to any shareholder regardless of whether the shareholder has elected electronic delivery);
- Any accounts of a shareholder with at least \$50,000 in total assets with T. Rowe Price (for this purpose, total assets include investments through T. Rowe Price Brokerage and investments in T. Rowe Price Funds, except for those held through a retirement plan for which T. Rowe Price Retirement Plan Services provides recordkeeping services); or
- Any accounts of a shareholder who is a T. Rowe Price Select Client Services—visit troweprice.com or call 1-800-225-3222 for more information.

T. Rowe Price reserves the right to authorize additional waivers for other types of accounts or to modify the conditions for assessment of the account service fee. Fund shares held in a T. Rowe Price IRA, Education Savings Account, or small business retirement plan account (including certain 403(b) plan accounts) are subject to the account service fee and may be subject to additional administrative fees when distributing all fund shares from such accounts.

POLICIES FOR OPENING AN ACCOUNT

Investor and I Class shares may be purchased directly from T. Rowe Price or through various financial intermediaries. Advisor and R Class shares must be purchased through a financial intermediary (except for certain retirement plans held directly at T. Rowe Price). If you are opening an account through an employer-sponsored retirement plan or other financial intermediary, you should contact the retirement plan or financial intermediary for information regarding its policies on opening an account, including the policies relating to purchasing, exchanging, and redeeming shares, and the applicable initial and subsequent investment minimums.

Tax Identification Number

Investors must provide T. Rowe Price with a valid Social Security number or taxpayer identification number on a signed new account form or Form W-9, and financial intermediaries must provide T. Rowe Price with their certified taxpayer identification number. Otherwise, federal law requires the funds to withhold a percentage of dividends, capital gain distributions, and redemptions and may subject you or the financial intermediary to an Internal Revenue Service fine. If this information is not received within 60 days of the account being established, the account may be redeemed at the fund's then-current net asset value.

Important Information Required to Open a New Account

Pursuant to federal law, all financial institutions must obtain, verify, and record information that identifies each person or entity that opens an account. This information is needed not only for the account owner and any other person who opens the account, but also for any person who has authority to act on behalf of the account.

When you open an account, you will be asked for the name, U.S. street address (post office boxes are not acceptable), date of birth, and Social Security number or taxpayer identification number for each account owner and person(s) opening an account on behalf of others, such as custodians, agents, trustees, or other authorized signers. When opening an entity account, you will be asked to identify and provide personal information for: (i) any individual who, either directly or indirectly, owns 25% or more of the equity interest of the entity and (ii) a single individual who controls, manages, or directs the entity. Corporate and other institutional accounts require documents showing the existence of the entity (such as articles of incorporation or partnership agreements) to open an account. Certain other fiduciary accounts (such as trusts or power of attorney arrangements) require documentation, which may include an original or certified copy of the trust agreement or power of attorney, to open an account.

T. Rowe Price will use this information to verify the identity of the person(s)/entity opening the account. An account cannot be opened until all of this information is received. If the identity of the account holder cannot be verified, T. Rowe Price is authorized to take any action permitted by law. (See “Rights Reserved by the Funds” later in this section.)

Institutional investors and financial intermediaries should call Financial Institution Services at 1-800-638-8790 for more information on these requirements, as well as to be assigned an account number and instructions for opening an account. Other investors should call Investor Services at 1-800-638-5660 for more information about these requirements.

The funds are generally available only to investors residing in the United States. In addition, nongovernment money market funds that operate as “retail money market funds” pursuant to Rule 2a-7 under the Investment Company Act of 1940 are required to limit their beneficial owners to natural persons. An investor in a retail money market fund is required to demonstrate eligibility (for example, by providing a valid Social Security number) before an account can be opened.

PRICING OF SHARES AND TRANSACTIONS

How and When Shares Are Priced

The trade date for your transaction request depends on the day and time that T. Rowe Price receives your request and will normally be executed using the next share price calculated after your order is received in correct form by T. Rowe Price or its agent (or by your financial intermediary if it has the authority to accept transaction orders on behalf of the fund). The share price, also called the net asset value, for each share class of a fund is calculated as of the close of trading on the New York Stock Exchange (“NYSE”), which is normally 4 p.m. ET, on each day that the NYSE is open for business. Net asset values are not calculated for the funds on days when the NYSE is scheduled to be closed for trading (for example, weekends and certain U.S. national holidays). If the NYSE is unexpectedly closed due to weather or other extenuating circumstances on a day it would typically be open for business, or if the NYSE has an unscheduled early closing on a day it has opened for business, the funds reserve the right to treat such day as a business day and accept purchase and redemption orders and calculate their share price as of the normally scheduled close of regular trading on the NYSE for that day.

To calculate the net asset value, a fund’s assets are valued and totaled, liabilities are subtracted, and each class’ proportionate share of the balance, called net assets, is divided by the number of shares outstanding of that class. Market values are used to price portfolio holdings for which market quotations are readily available. Market values generally reflect the prices at which securities actually trade or represent prices that have been adjusted based on evaluations and information provided by the fund’s pricing services. Investments in other mutual funds are valued at the closing net asset value per share of the mutual fund on the day of valuation. If a market value for a portfolio holding is not available or normal valuation procedures are deemed to be inappropriate, the fund will make a good faith effort to assign a fair value to the

holding by taking into account various factors and methodologies that have been approved by the fund's Board. This value may differ from the value the fund receives upon sale of the securities.

Amortized cost is used to price securities held by money market funds and certain short-term debt securities held by other funds. The retail and government money market funds, which seek to maintain a stable net asset value of \$1.00, use the amortized cost method of valuation to calculate their net asset value. Amortized cost allows the money market funds to value a holding at the fund's acquisition cost with adjustments for any premiums or discounts and then round the net asset value per share to the nearest whole cent. The amortized cost method of valuation enables the money market funds to maintain a \$1.00 net asset value, but it may also result in periods during which the stated value of a security held by the funds differs from the market-based price the funds would receive if they sold that holding. The current market-based net asset value per share for each business day in the preceding six months is available for the retail and government money market funds through **troweprice.com**. These market-based net asset values are for informational purposes only and are not used to price transactions.

The funds use various pricing services to provide closing market prices, as well as information used to adjust those prices and to value most fixed income securities. A fund cannot predict how often it will use closing prices or how often it will adjust those prices. As a means of evaluating its fair value process, the fund routinely compares closing market prices, the next day's opening prices in the same markets, and adjusted prices.

Non-U.S. equity securities are valued on the basis of their most recent closing market prices at 4 p.m. ET, except under the following circumstances. Most foreign markets close before 4 p.m. ET. For example, the most recent closing prices for securities traded in certain Asian markets may be as much as 15 hours old at 4 p.m. ET. If a fund determines that developments between the close of a foreign market and the close of the NYSE will affect the value of some or all of the fund's securities, the fund will adjust the previous closing prices to reflect what it believes to be the fair value of the securities as of 4 p.m. ET. In deciding whether to make these adjustments, the fund reviews a variety of factors, including developments in foreign markets, the performance of U.S. securities markets, and the performance of instruments trading in U.S. markets that represent foreign securities and baskets of foreign securities.

A fund may also fair value certain securities or a group of securities in other situations—for example, when a particular foreign market is closed but the fund is open. For a fund that has investments in securities that are primarily listed on foreign exchanges that trade on weekends or other days when the fund does not price its shares, the fund's net asset value may change on days when shareholders will not be able to purchase or redeem the fund's shares. If an event occurs that affects the value of a security after the close of the market, such as a default of a commercial paper issuer or a significant move in short-term interest rates, a fund may make a price adjustment depending on the nature and significance of the event. The funds also evaluate a variety of factors when assigning fair values to private placements and other restricted securities. Other mutual funds may adjust the prices of their securities by different

amounts or assign different fair values than the fair value that the fund assigns to the same security.

The various ways you can purchase, sell, and exchange shares are explained throughout this section. These procedures differ based on whether you hold your account directly with T. Rowe Price or through an employer-sponsored retirement plan or financial intermediary.

INVESTING DIRECTLY WITH T. ROWE PRICE

The following policies apply to accounts that are held directly with T. Rowe Price and not through a financial intermediary.

Options for Opening Your Account

If you own other T. Rowe Price Funds, you should consider registering any new account identically to your existing accounts so you can exchange shares among them easily (the name(s) of the account owner(s) and the account type must be identical).

For joint accounts or other types of accounts owned or controlled by more than one party, either owner/party has complete authority to act on behalf of all and give instructions concerning the account without notice to the other party. T. Rowe Price may, in its sole discretion, require written authorization from all owners/parties to act on the account for certain transactions (for example, to transfer ownership). There are multiple ways to establish a new account directly with T. Rowe Price.

Online You can open a new Investor Class account online. (I Class accounts currently must be opened either by telephone or in writing.) Go to troweprice.com/newaccount to choose the type of account you wish to open.

You can exchange shares online from an existing account in one fund to open a new account in another fund. The new account will have the same registration as the account from which you are exchanging, and any services (other than systematic purchase and systematic distribution arrangements) that you have preauthorized will carry over from the existing account to the new account.

To open an account online for the first time or with a different account registration, you must be a U.S. citizen residing in the U.S. or a resident alien and not subject to Internal Revenue Service backup withholding. Additionally, you must provide consent to receive certain documents electronically. You will have the option of providing your bank account information, which will enable you to make electronic funds transfers to and from your bank account. To set up this banking service online, additional steps will be taken to verify your identity.

By Mail If you are sending a check, please make your check payable to T. Rowe Price Funds (otherwise it may be returned) and send the check, together with the applicable new account form, to the appropriate address. (Please refer to the appropriate address under “Contacting

T. Rowe Price” later in this section to avoid a delay in opening your new account.) T. Rowe Price does not accept third-party checks for initial purchases; however, third-party checks are typically accepted for additional purchases to an existing account. In addition, T. Rowe Price does not accept purchases by cash, traveler’s checks, money orders, or credit card checks. For exchanges from an identically registered account, be sure to specify the fund(s) and account number(s) that you are exchanging out of and the fund(s) you wish to exchange into.

By Telephone Direct investors can call Shareholder Services at 1-800-225-5132 (institutional investors should call 1-800-638-8790) to exchange from an existing fund account to open a new identically registered account in another fund. You may also be eligible to open a new account by telephone and provide your bank account information in order to make an initial purchase. To set up the account and banking service by telephone, additional steps will be taken to verify your identity and the authenticity of your bank account. Although the account may be opened and the purchase made, services may not be established and an Internal Revenue Service penalty withholding may occur until we receive the necessary signed form to certify your Social Security number or taxpayer identification number.

How Your Trade Date Is Determined

If you invest directly with T. Rowe Price and your request to purchase, sell, or exchange shares is received by T. Rowe Price or its agent in correct form by the close of the NYSE (normally 4 p.m. ET), your transaction will be priced at that business day’s net asset value. If your request is received by T. Rowe Price or its agent in correct form after the close of the NYSE, your transaction will be priced at the next business day’s net asset value. Systematic transactions that are scheduled to occur on a date the NYSE is closed will normally be processed the next business day (except for certain retirement plan payroll deduction orders generated by T. Rowe Price where the orders are processed the day before the day the NYSE is closed).

Note: There may be times when you are unable to contact us by telephone or access your account online due to extreme market activity, the unavailability of the T. Rowe Price website, or other circumstances. Should this occur, your order must still be placed and received in correct form by T. Rowe Price prior to the time the NYSE closes to be priced at that business day’s net asset value. The time at which transactions and shares are priced and the time until which orders are accepted may be changed in case of an emergency or if the NYSE closes at a time other than 4 p.m. ET. The funds reserve the right to not treat an unscheduled intraday disruption or closure in NYSE trading as a closure of the NYSE and still accept transactions and calculate their net asset value as of 4 p.m. ET.

Transaction Confirmations

T. Rowe Price sends immediate confirmations for most of your fund transactions. However, certain transactions, such as systematic purchases and systematic redemptions, dividend reinvestments, checkwriting redemptions from money market funds, and transactions in money market funds used as a Brokerage sweep account, do not receive an immediate transaction confirmation but are reported on your account statement. Please review transaction confirmations and account statements as soon as you receive them, and promptly report any discrepancies to Shareholder Services.

Telephone and Online Account Transactions

You may access your accounts and conduct transactions involving Investor Class accounts using the telephone or the T. Rowe Price website at **troweprice.com**. You can only conduct transactions involving the I Class over the telephone or in writing.

Preventing Unauthorized Transactions

The T. Rowe Price Funds and their agents use reasonably designed procedures to verify that telephone, electronic, and other instructions are genuine. These procedures include, among other things, recording telephone calls; requiring personalized security codes or other information online and certain identifying information for telephone calls; requiring Medallion signature guarantees for certain transactions and account changes; and promptly sending confirmations of transactions and address changes. For transactions conducted online, we recommend the use of a secure Internet browser.

T. Rowe Price Account Protection Program Shareholders who invest in the T. Rowe Price Funds directly are eligible for the Account Protection Program. The Account Protection Program restores eligible losses due to unauthorized or fraudulent activity, provided that you follow all security best practices when you access and maintain your account(s). T. Rowe Price reserves the right to modify or withdraw the Account Protection Program at any time. The Account Protection Program security best practices and additional information may be accessed online at <https://www.troweprice.com/personal-investing/help/policies-and-security/account-protection-program.html>.

If our verification procedures are followed, and the losses are not eligible to be restored under the Account Protection Program, the funds and their agents are not liable for any losses that may occur from acting on unauthorized instructions.

If you suspect any unauthorized account activity, notice errors or discrepancies in your T. Rowe Price account, or are not receiving your T. Rowe Price account statements, please contact T. Rowe Price immediately. Telephone conversations are recorded.

Trusted Contacts Investors who hold shares of a T. Rowe Price Fund directly or through a T. Rowe Price Brokerage account have the option to add one or more trusted contacts to their brokerage and mutual fund accounts. Trusted contacts are intended to be a resource to help protect client assets. Any individuals designated as a trusted contact will be authorized to serve as a primary contact if T. Rowe Price has questions or concerns related to potentially fraudulent account activity, suspected financial exploitation, or to confirm your contact information if we are unable to reach you (but are not authorized to act on your account). For more information or to add trusted contacts to your account, visit **troweprice.com** or call 1-800-225-5132.

If you are age 65 or older, or if you are age 18 or older and we have reason to believe you have a mental or physical impairment that renders you unable to protect your own interest, we may place a temporary hold on the disbursement of redemption proceeds from your account in an effort to protect you if we reasonably believe that you have been or will be the victim of actual or attempted financial exploitation. You will receive notice of this temporary delay, and it will

be for no more than 15 business days while we conduct an internal review of the suspected financial exploitation (including contacting your trusted contact if one is on file). We may delay an additional 10 business days if T. Rowe Price reasonably believes that actual or attempted financial exploitation has occurred or will occur. At the expiration of the hold time, if we have not confirmed that exploitation has occurred, the proceeds will be released to you.

Purchasing Shares

Shares may be purchased in a variety of ways.

By Check Please make your check payable to the T. Rowe Price Funds. Include a new account form if establishing a new account, and include either a fund investment slip or a letter indicating the fund and your account number if adding to an existing account. Your transaction will receive the share price for the business day that the request is received by T. Rowe Price or its agent prior to the close of the NYSE (not the day the request is received at the post office box).

By Electronic Transfer Shares may be purchased using the Automated Clearing House system if you have established the service on your account, which allows T. Rowe Price to request payment for your shares directly from your bank account or other financial institution account. You may also arrange for a wire to be sent to T. Rowe Price (wire transfer instructions can be found at troweprice.com/wireinstructions or by calling Shareholder Services). T. Rowe Price must receive the wire by the close of the NYSE to receive that day's share price. There is no assurance that you will receive the share price for the same day you initiated the wire from your financial institution.

By Exchange You may purchase shares of a fund using the proceeds from the redemption of shares from another fund. The redemption and purchase will receive the same trade date, and if you are establishing a new account, it will have the same registration as the account from which you are exchanging. The purchase must still generally meet the applicable minimum investment requirement.

Systematic Purchases (Automatic Asset Builder) You can instruct T. Rowe Price to automatically transfer money from your account at your bank or other financial institution at least once per month, or you can instruct your employer to send all or a portion of your paycheck to the fund or funds that you designate. Each systematic purchase must be at least \$100 per fund account to be eligible for the Automatic Asset Builder service. To automatically transfer money to your account from a bank account or through payroll deductions, complete the appropriate section of the new account form when opening a new account or complete an Account Services Form to add the service to an existing account. Prior to establishing payroll deductions, you must set up the service with T. Rowe Price so that the appropriate instructions can be provided to your employer.

Initial Investment Minimums

Investor Class accounts, other than the Retirement Income 2020 Fund and Summit Funds, require a \$2,500 minimum initial investment (\$1,000 minimum initial investment for IRAs; certain small business retirement accounts; and custodial accounts for minors, known as

Uniform Gifts to Minors Act or Uniform Transfer to Minors Act accounts). The Retirement Income 2020 Fund and Summit Funds require a \$25,000 minimum initial investment. I Class accounts require a \$1 million minimum initial investment, although the minimum generally is waived for certain types of accounts. If you request the I Class of a particular fund when you open a new account but the investment amount does not meet the applicable minimum, the purchase will be automatically invested in the Investor Class of the same fund.

Additional Investment Minimums

Investor Class accounts, other than Summit Funds, require a \$100 minimum for additional purchases, including those made through Automatic Asset Builder. Summit Funds require a \$100 minimum for additional purchases through Automatic Asset Builder and a \$1,000 minimum for all other additional purchases. I Class accounts require a \$100 minimum for additional purchases through Automatic Asset Builder but do not require a minimum amount for other additional purchases.

Exchanging and Redeeming Shares

Exchanges You can move money from one account to an existing, identically registered account or open a new identically registered account. For taxable accounts, an exchange from one fund to another will be reported to the Internal Revenue Service as a sale for tax purposes. (Institutional investors are restricted from exchanging into a fund that operates as a retail money market fund.) You can set up systematic exchanges so that money is automatically moved from one fund account to another on a regular basis.

Receiving Redemption Proceeds Redemption proceeds can be mailed to your account address by check or sent electronically to your bank account by Automated Clearing House transfer or bank wire. You can set up systematic redemptions and have the proceeds automatically sent via check or Automated Clearing House on a regular basis. If your request is received in correct form by T. Rowe Price or its agent on a business day prior to the close of the NYSE, proceeds are usually sent on the next business day. However, if you request a redemption from a money market fund on a business day prior to noon ET and request to have proceeds sent via bank wire, proceeds are normally sent later that same day.

Proceeds sent by Automated Clearing House transfer are usually credited to your account the second business day after the sale, and there are typically no fees associated with such payments. Proceeds sent by bank wire are usually credited to your account the next business day after the sale (except for wire redemptions from money market funds received prior to noon ET). A \$5 fee will be charged for an outgoing wire of less than \$5,000, in addition to any fees your financial institution may charge for an incoming wire.

If for some reason your request to exchange or redeem shares cannot be processed because it is not received in correct form, we will attempt to contact you.

If you request to redeem a specific dollar amount and the market value of your account is less than the amount of your request and we are unable to contact you, your redemption will not be processed and you must submit a new redemption request in correct form.

If you change your address on an account, proceeds may not be mailed to the new address for 15 calendar days after the address change, unless we receive a letter of instruction with a Medallion signature guarantee.

Please note that large purchase and redemption requests initiated through the Automated Clearing House may be rejected, and in such instances, the transaction must be placed by calling Shareholder Services.

Checkwriting You may write an unlimited number of free checks on any money market fund and certain bond funds, with a minimum of \$500 per check. Keep in mind, however, that a check results in a sale of fund shares; a check written on a bond fund will create a taxable event that must be reported by T. Rowe Price to the Internal Revenue Service as a redemption.

Converting to Another Share Class

You may convert from one share class of a fund to another share class of the same fund. Although the conversion has no effect on the dollar value of your investment in the fund, the number of shares owned after the conversion may be greater or less than the number of shares owned before the conversion, depending on the net asset values of the two share classes. A conversion between share classes of the same fund is a nontaxable event. The new account will have the same registration as the account from which you are converting.

T. Rowe Price may conduct periodic reviews of account balances. If your account balance in a fund exceeds the minimum amount required for the I Class, T. Rowe Price may, but is not required to, automatically convert your Investor Class shares to I Class shares with advance notice. However, if T. Rowe Price has investment discretion, T. Rowe Price may convert your shares without advance notice.

Maintaining Your Account Balance

Investor Class Due to the relatively high cost to a fund of maintaining small accounts, we ask that you maintain an account balance of at least \$1,000 (\$10,000 for Summit Funds). If, for any reason, your balance is below this amount for three months or longer, we have the right to redeem your account at the then-current net asset value after giving you 60 days to increase your balance.

I Class To keep operating expenses lower, we ask that you maintain an account balance of at least \$1 million. If your investment falls below \$1 million (even if due to market depreciation), we have the right to redeem your account at the then-current net asset value after giving you 60 days to increase your balance or convert your account to a different share class in the same fund (if available) with a higher expense ratio with advance notice. However, if T. Rowe Price has investment discretion, T. Rowe Price may convert your shares without advance notice.

The redemption of your account could result in a taxable gain or loss.

Investors holding the fund through the T. Rowe Price ActivePlus Portfolios program will be subject to the minimum account balance requirements of the program, which may differ from the minimum account balance requirements listed above.

INVESTING THROUGH A FINANCIAL INTERMEDIARY

The following policies apply to accounts that are held through a financial intermediary.

Accounts in Investor Class and I Class shares are not required to be held through a financial intermediary, but accounts in Advisor Class and R Class shares must be held through an eligible financial intermediary (except for certain retirement plans held directly with T. Rowe Price). It is important that you contact your retirement plan or financial intermediary to determine the policies, procedures, and transaction deadlines that apply to your account. The financial intermediary may charge a fee, such as transaction fees or brokerage commissions, for its services.

Opening an Account

The financial intermediary must provide T. Rowe Price with its certified taxpayer identification number. Financial intermediaries should call Financial Institution Services for an account number and wire transfer instructions. In order to obtain an account number, the financial intermediary must supply the name, taxpayer identification number, and business street address for the account. (Please refer to “Contacting T. Rowe Price” later in this section for the appropriate telephone number and mailing address.) Financial intermediaries must also enter into a separate agreement with the fund or its agent.

How the Trade Date Is Determined

If you invest through a financial intermediary and your transaction request is received by T. Rowe Price or its agent in correct form by the close of the NYSE, your transaction will be priced at that business day’s net asset value. If your request is received by T. Rowe Price or its agent in correct form after the close of the NYSE, your transaction will be priced at the next business day’s net asset value unless the fund has an agreement with your financial intermediary for orders to be priced at the net asset value next computed after receipt by the financial intermediary.

The funds have authorized certain financial intermediaries or their designees to accept orders to buy or sell fund shares on their behalf. When authorized financial intermediaries receive an order in correct form, the order is considered as being placed with the fund and shares will be bought or sold at the net asset value next calculated after the order is received by the authorized financial intermediary. The financial intermediary must transmit the order to T. Rowe Price and pay for such shares in accordance with the agreement with T. Rowe Price or the order may be canceled and the financial intermediary could be held liable for the losses. If the fund does not have such an agreement in place with your financial intermediary, T. Rowe Price or its agent must receive the request in correct form from your financial intermediary by the close of the NYSE in order for your transaction to be priced at that business day’s net asset value.

Note: The time at which transactions and shares are priced and the time until which orders are accepted by the fund or a financial intermediary may be changed in case of an emergency or if the NYSE closes at a time other than 4 p.m. ET. The funds reserve the right to not treat an unscheduled intraday disruption or closure in NYSE trading as a closure of the NYSE and still

accept transactions and calculate their net asset value as of 4 p.m. ET. Should this occur, your order must still be placed and received in correct form by T. Rowe Price (or by the financial intermediary in accordance with its agreement with T. Rowe Price) prior to the time the NYSE closes to be priced at that business day's net asset value.

Purchasing Shares

All initial and subsequent investments by financial intermediaries should be made by bank wire or electronic payment. There is no assurance that the share price for the purchase will be the same day the wire was initiated. Purchases by financial intermediaries are typically initiated through the National Securities Clearing Corporation or by calling Financial Institution Services.

Investment Minimums

You should check with your financial intermediary to determine what minimum applies to your initial and additional investments.

The Retirement Income 2020 Fund and Summit Funds require a \$25,000 minimum initial investment, and other funds generally require a \$2,500 minimum initial investment, although the minimum is generally waived or modified for any retirement plans and financial intermediaries establishing accounts in the Investor Class, Advisor Class, or R Class. I Class accounts require a \$1 million minimum initial investment, although the minimum generally is waived for certain types of accounts.

Investments through a financial intermediary generally do not require a minimum amount for additional purchases.

Redeeming Shares

Unless otherwise indicated, redemption proceeds will be sent via bank wire to the financial intermediary's designated bank. Redemptions by financial intermediaries are typically initiated through the National Securities Clearing Corporation or by calling Financial Institution Services. Normally, the fund transmits proceeds to financial intermediaries for redemption orders received in correct form on either the next business day or second business day after receipt of the order, depending on the arrangement with the financial intermediary. Proceeds for redemption orders received prior to noon ET for a money market fund may be sent via wire the same business day. You must contact your financial intermediary about procedures for receiving your redemption proceeds.

Please note that certain purchase and redemption requests initiated through the National Securities Clearing Corporation may be rejected, and in such instances, the transaction must be placed by contacting Financial Institution Services.

GENERAL POLICIES RELATING TO TRANSACTIONS

The following policies and requirements apply generally to accounts in the T. Rowe Price Funds, regardless of whether the account is held directly or indirectly with T. Rowe Price.

The funds generally do not accept orders that request a particular day or price for a transaction or any other special conditions. However, when authorized by the fund, certain institutions, financial intermediaries, or retirement plans purchasing fund shares directly with T. Rowe Price may place a purchase order unaccompanied by payment. Payment for these shares must be received by the time designated by the fund (not to exceed the period established for settlement under applicable regulations). If payment is not received by this time, the order may be canceled. The institution, financial intermediary, or retirement plan is responsible for any costs or losses incurred by the fund or T. Rowe Price if payment is delayed or not received.

U.S. Dollars All purchases must be paid for in U.S. dollars; checks must be drawn on U.S. banks. In addition, we request that you give us at least three business days' notice for any purchase of \$5 million or more.

Nonpayment If a check or Automated Clearing House transfer does not clear or payment for an order is not received in a timely manner, your purchase may be canceled. You (or the financial intermediary) may be responsible for any losses or expenses incurred by the fund or its transfer agent, and the fund can redeem shares in your account or another identically registered T. Rowe Price account as reimbursement. The funds and their agents have the right to reject or cancel any purchase, exchange, or redemption due to nonpayment.

Retail Money Market Funds The retail money market funds have implemented policies and procedures designed to limit purchases to accounts beneficially owned by a natural person. Purchases of a retail money market fund may be rejected from an investor who has not demonstrated sufficient eligibility to purchase shares of the fund or from a financial intermediary that has not demonstrated adequate procedures to limit investments to natural persons. In addition, purchases may be prohibited or subject to certain conditions during periods where a liquidity fee or redemption gate is in effect.

Liquidity Fees and Redemption Gates—Retail Money Market Funds

A money market fund that operates as a retail money market fund pursuant to Rule 2a-7 under the Investment Company Act of 1940 has the ability to impose liquidity fees of up to 2% of the value of the shares redeemed if the fund's weekly liquid assets fall below certain thresholds, as specified in Rule 2a-7. A retail money market fund also has the ability to impose a redemption gate, which enables the fund to temporarily suspend redemptions for up to 10 days within a 90-day period if the fund's weekly liquid assets fall below a certain threshold, as specified in Rule 2a-7. A money market fund's Board has ultimate discretion to determine whether or not a liquidity fee or redemption gate would be in the best interests of the fund's shareholders and should be imposed.

A money market fund that operates as a government money market fund pursuant to Rule 2a-7 is not required to impose a liquidity fee or redemption gate upon the sale of your shares. The Boards of the T. Rowe Price money market funds that operate as government money market funds have determined that the funds do not intend to impose liquidity fees and redemption gates. However, the Board of a T. Rowe Price government money market fund reserves the right to impose liquidity fees and redemption gates in the future, at which point shareholders would be provided with at least 60 days' notice prior to such a change.

If a liquidity fee is in place, all exchanges out of the fund will be subject to the liquidity fee, and if a redemption gate is in place, all exchanges out of the fund will be suspended. When a liquidity fee or redemption gate is in place, the fund may elect to not permit the purchase of shares or to subject the purchase of shares to certain conditions, which may include affirmation of the purchaser's knowledge that a liquidity fee or a redemption gate is in effect.

Omnibus Accounts If your shares are held through a financial intermediary, T. Rowe Price may rely on the financial intermediary to assess any applicable liquidity fees or impose redemption gates on underlying shareholder accounts. In certain situations, T. Rowe Price enters into agreements with financial intermediaries maintaining omnibus accounts that require the financial intermediary to assess liquidity fees or redemption gates. There are no assurances that T. Rowe Price will be successful in ensuring that all financial intermediaries will properly assess the fees.

Please refer to Sections 1 and 2 of the retail money market fund prospectuses for more information regarding liquidity fees and redemption gates.

Large Redemptions

Large redemptions (for example, \$250,000 or more) can adversely affect a portfolio manager's ability to implement a fund's investment strategy by causing the premature sale of securities that would otherwise be held longer. Therefore, the fund reserves the right (without prior notice) to redeem in kind. In general, any redemptions in-kind will represent a pro-rata distribution of a fund's securities, subject to certain limited exceptions. The redeeming shareholder will be responsible for disposing of the securities, and the shareholder will be subject to the risks that the value of the securities could decline prior to their sale, the securities could be difficult to sell, and brokerage fees could be incurred. If you continue to hold the securities, you may be subject to any ownership restriction imposed by the issuers. For example, real estate investment trusts ("REITs") often impose ownership restriction on their equity securities. In addition, we request that you give us at least three business days' notice for any redemption of \$5 million or more.

Delays in Sending Redemption Proceeds

The T. Rowe Price Funds typically expect that redemption requests will be paid out to redeeming shareholders by the business day following the receipt of a redemption request that is in correct form, regardless of the method the fund uses to make such payment (for example, check, wire, or Automated Clearing House transfer). Checks are typically mailed on the business day after the redemption, proceeds sent by wire are typically credited to your financial

institution the business day after the redemption, and proceeds sent by Automated Clearing House are typically credited to your financial institution on the second business day after the redemption. However, under certain circumstances, and when deemed to be in a fund's best interests, proceeds may not be sent for up to seven calendar days after receipt of a valid redemption order (for example, during periods of deteriorating or stressed market conditions or during extraordinary or emergency circumstances).

In addition, if shares are sold that were just purchased and paid for by check or Automated Clearing House transfer, the fund will process your redemption but will generally delay sending the proceeds for up to seven calendar days to allow the check or Automated Clearing House transfer to clear. If, during the clearing period, we receive a check drawn against your newly purchased shares, it will be returned and marked "uncollected." (The seven-day hold does not apply to purchases paid for by bank wire or automatic purchases through payroll deduction.)

The Board of a retail money market fund may temporarily suspend redemptions from the fund for up to 10 business days during any 90-day period (i.e., a "redemption gate") and elect to temporarily suspend redemptions for up to 10 business days in a 90-day period if the fund's weekly liquid assets fall below 30% of its total assets and the fund's Board determines that imposing a redemption gate is in the fund's best interests. In addition, under certain limited circumstances, the Board of a money market fund may elect to permanently suspend redemptions in order to facilitate an orderly liquidation of the fund (subject to any additional liquidation requirements).

Involuntary Redemptions and Share Class Conversions

Since nongovernment money market funds that operate as retail money market funds are required to limit their beneficial owners to natural persons, shares held directly by an investor or through a financial intermediary in these funds that are not eligible to invest in a retail money market fund are subject to involuntary redemption at any time without prior notice.

Shares held by any investors or financial intermediaries that are no longer eligible to invest in the I Class or who fail to meet or maintain their account(s) at the investment minimum are subject to involuntary redemption or conversion to the Investor Class of the same fund (which may have a higher expense ratio). Investments in Advisor Class shares that are no longer held through an eligible financial intermediary may be automatically converted by T. Rowe Price to the Investor Class of the same fund following notice to the financial intermediary or shareholder. Investments in R Class shares that are no longer held on behalf of an employer-sponsored defined contribution retirement plan or other eligible R Class account or that are not held through an eligible financial intermediary may be automatically converted by T. Rowe Price to the Investor Class or Advisor Class of the same fund following notice to the financial intermediary or shareholder.

Excessive and Short-Term Trading Policy

Excessive transactions and short-term trading can be harmful to fund shareholders in various ways, such as disrupting a fund's portfolio management strategies, increasing a fund's trading

and other costs, and negatively affecting its performance. Short-term traders in funds that invest in foreign securities may seek to take advantage of developments overseas that could lead to an anticipated difference between the price of the funds' shares and price movements in foreign markets. While there is no assurance that T. Rowe Price can prevent all excessive and short-term trading, the Boards of the T. Rowe Price Funds have adopted the following trading limits that are designed to deter such activity and protect the funds' shareholders. The funds may revise their trading limits and procedures at any time as the Boards deem necessary or appropriate to better detect short-term trading that may adversely affect the funds, to comply with applicable regulatory requirements, or to impose additional or alternative restrictions.

Subject to certain exceptions, each T. Rowe Price Fund restricts a shareholder's purchases (including through exchanges) into a fund account for a period of 30 calendar days after the shareholder has redeemed or exchanged out of that same fund account (the "30-Day Purchase Block"). The calendar day after the date of redemption is considered Day 1 for purposes of computing the period before another purchase may be made.

General Exceptions As of the date of this prospectus, the following types of transactions generally are not subject to the funds' excessive and short-term trading policy:

- Shares purchased or redeemed in money market funds and ultra-short-term bond funds;
- Shares purchased or redeemed through a systematic purchase or withdrawal plan;
- Checkwriting redemptions from bond funds and money market funds;
- Shares purchased through the reinvestment of dividends or capital gain distributions;
- Shares redeemed automatically by a fund to pay fund fees or shareholder account fees;
- Transfers and changes of account registration within the same fund;
- Shares purchased by asset transfer or direct rollover;
- Shares purchased or redeemed through IRA conversions and recharacterizations;
- Shares redeemed to return an excess contribution from a retirement account;
- Transactions in Section 529 college savings plans;
- Certain transactions in defined benefit and nonqualified plans, subject to prior approval by T. Rowe Price;
- Shares converted from one share class to another share class in the same fund;
- Shares of T. Rowe Price Funds that are purchased by another T. Rowe Price Fund, including shares purchased by T. Rowe Price fund-of-funds products, and shares purchased by discretionary accounts managed by T. Rowe Price or one of its affiliates (please note that shareholders of the investing T. Rowe Price Fund are still subject to the policy);
- Transactions initiated by the trustee or adviser to a donor-advised charitable gift fund as approved by T. Rowe Price; and
- Transactions having a value of \$5,000 or less (retirement plans, including those for which T. Rowe Price serves as recordkeeper, and other financial intermediaries may apply the excessive and short-term trading policy to transactions of any amount).

Transactions in certain rebalancing, asset allocation, wrap programs, and other advisory programs (including the T. Rowe Price ActivePlus Portfolios program), as well as non-T. Rowe

Price fund-of-funds products, may also be exempt from the 30-Day Purchase Block, subject to prior written approval by T. Rowe Price.

In addition to restricting transactions in accordance with the 30-Day Purchase Block, T. Rowe Price may, in its discretion, reject (or instruct a financial intermediary to reject) any purchase or exchange into a fund from a person (which includes individuals and entities) whose trading activity could disrupt the management of the fund or dilute the value of the fund's shares, including trading by persons acting collectively (for example, following the advice of a newsletter). Such persons may be barred, without prior notice, from further purchases of T. Rowe Price Funds for a period longer than 30 calendar days, or permanently.

Financial Intermediary and Retirement Plan Accounts If you invest in T. Rowe Price Funds through a financial intermediary, including a retirement plan, you should review the financial intermediary's or retirement plan's materials carefully or consult with the financial intermediary or plan sponsor directly to determine the trading policy that will apply to your trades in the T. Rowe Price Funds as well as any other rules or conditions on transactions that may apply. If T. Rowe Price is unable to identify a transaction placed through a financial intermediary as exempt from the excessive trading policy, the 30-Day Purchase Block may apply.

Financial intermediaries, including retirement plans, may maintain their underlying accounts directly with the fund, although they often establish an omnibus account (one account with the fund that represents multiple underlying shareholder accounts) on behalf of their customers. When financial intermediaries establish omnibus accounts in the T. Rowe Price Funds, T. Rowe Price is not able to monitor the trading activity of the underlying shareholders. However, T. Rowe Price monitors aggregate trading activity at the financial intermediary (omnibus account) level in an attempt to identify activity that indicates potential excessive or short-term trading. If it detects such trading activity, T. Rowe Price may contact the financial intermediary to request personal identifying information and transaction histories for some or all underlying shareholders (including plan participants, if applicable) pursuant to a written agreement that T. Rowe Price has entered into with each financial intermediary. Any nonpublic personal information provided to the fund (for example, a shareholder's taxpayer identification number or transaction records) is subject to the fund's privacy policy. If T. Rowe Price believes that excessive or short-term trading has occurred and there is no exception for such trades under the funds' Excessive and Short-Term Trading Policy previously described, it will instruct the financial intermediary to impose restrictions to discourage such practices and take appropriate action with respect to the underlying shareholder, including restricting purchases for 30 calendar days or longer. Each financial intermediary has agreed to execute such instructions pursuant to a written agreement. There is no assurance that T. Rowe Price will be able to properly enforce its excessive trading policies for omnibus accounts. Because T. Rowe Price generally relies on financial intermediaries to provide information and impose restrictions for omnibus accounts, its ability to monitor and deter excessive trading will be dependent upon the intermediaries' timely performance of their responsibilities.

For shares that are held in a retirement plan, generally the 30-Day Purchase Block applies only to shares redeemed by a participant-directed exchange to another fund. However, the 30-Day Purchase Block may apply to transactions other than exchanges depending on how shares of the plan are held at T. Rowe Price or the excessive trading policy applied by your plan's recordkeeper.

T. Rowe Price may allow a financial intermediary, including a retirement plan, to maintain restrictions on trading in the T. Rowe Price Funds that differ from the 30-Day Purchase Block. An alternative excessive trading policy would be acceptable to T. Rowe Price if it believes that the policy would provide sufficient protection to the T. Rowe Price Funds and their shareholders that is consistent with the excessive trading policy adopted by the funds' Boards.

There is no guarantee that T. Rowe Price will be able to identify or prevent all excessive or short-term trades or trading practices.

Unclaimed Accounts and Uncashed Checks

If your account has no activity for a certain period of time and/or mail sent to you from T. Rowe Price (or your financial intermediary) is returned by the post office, T. Rowe Price (or your financial intermediary) may be required to transfer your account and any assets related to uncashed checks to the appropriate state under its abandoned property laws. To avoid such action, it is important to keep your account address up to date and periodically communicate with T. Rowe Price by contacting us or logging in to your account at least once every two years.

Delivery of Shareholder Documents

If two or more accounts own the same fund, share the same address, and T. Rowe Price reasonably believes that the two accounts are part of the same household or institution, we may economize on fund expenses by mailing only one shareholder report and prospectus for the fund. If you need additional copies or do not want your mailings to be "householded," please call Shareholder Services.

T. Rowe Price can deliver account statements, transaction confirmations, prospectuses, tax forms, and shareholder reports electronically. If you are a registered user of **troweprice.com**, you can consent to the electronic delivery of these documents by logging in and changing your mailing preferences. You can revoke your consent at any time through **troweprice.com**, and we will begin to send paper copies of these documents within a reasonable time after receiving your revocation.

Signature Guarantees

A Medallion signature guarantee is designed to protect you and the T. Rowe Price Funds from fraud by verifying your signature.

A shareholder or financial intermediary may need to obtain a Medallion signature guarantee in certain situations, such as:

- Requests to wire redemption proceeds when bank account information is not already authorized and on file for an account;

- Remitting redemption proceeds to any person, address, or bank account not on file;
- Establishing certain services after an account is opened; or
- Changing the account registration or broker-dealer of record for an account.

Financial intermediaries should contact T. Rowe Price Financial Institution Services for specific requirements.

The signature guarantee must be obtained from a financial institution that is a participant in a Medallion signature guarantee program. You can obtain a Medallion signature guarantee from certain banks, savings institutions, broker-dealers, and other guarantors acceptable to T. Rowe Price. When obtaining a Medallion signature guarantee, please discuss with the guarantor the dollar amount of your proposed transaction. It is important that the level of coverage provided by the guarantor's stamp covers the dollar amount of the transaction or it may be rejected. We cannot accept guarantees from notaries public or organizations that do not provide reimbursement in the case of fraud.

Fund Operations and Shareholder Services

T. Rowe Price and The Bank of New York Mellon, subject to the oversight of T. Rowe Price, each provide certain accounting services to the T. Rowe Price Funds. T. Rowe Price Services, Inc., acts as the transfer agent and dividend disbursing agent and provides shareholder and administrative services to the funds. T. Rowe Price Retirement Plan Services, Inc., provides recordkeeping, sub-transfer agency, and administrative services for certain types of retirement plans investing in the funds. These companies receive compensation from the funds for their services. The funds may also pay financial intermediaries for performing shareholder and administrative services for underlying shareholders in omnibus accounts. In addition, certain funds serve as an underlying fund in which some fund-of-funds products, the T. Rowe Price Spectrum and Retirement Funds, invest. Subject to approval by each applicable fund's Board, each underlying fund bears its proportionate share of the direct operating expenses of the T. Rowe Price Spectrum and Retirement Funds. All of the fees previously discussed are included in a fund's financial statements and, except for funds that have an all-inclusive management fee, are also reflected in the "Other expenses" line that appears in a fund's fee table in Section 1.

CONTACTING T. ROWE PRICE

Accounts Held Directly With T. Rowe Price

Investors who want to open an account directly with T. Rowe Price or who already have an account held directly with T. Rowe Price (and not through a financial intermediary) should refer to the following information.

Online You can open an account and place most transactions online at troweprice.com.

Telephone If you have questions relating to the opening of a new account (including Traditional, Roth, and Rollover IRAs and most nonretirement accounts) with T. Rowe Price,

please call Investor Services at 1-800-638-5660. To place a transaction, report unauthorized activity on your account or a discrepancy on your transaction confirmation, elect out of the “householding” of prospectuses and shareholder reports, or ask a question about an existing account, please call Shareholder Services at 1-800-225-5132. If you find our phones busy during unusually volatile markets, please consider placing your order online.

To access information on fund performance, prices, account balances, and your latest transactions 24 hours a day, please call T. Rowe Price Tele*Access[®] at 1-800-638-2587. (Please note that transactions cannot be placed through Tele*Access[®].)

If you are an institutional investor opening an account directly with T. Rowe Price or have questions or want to place a transaction on an existing account, please call Financial Institution Services at 1-800-638-8790.

For inquiries regarding funds owned in a small business retirement plan, which include SEP-IRA, SAR-SEP, SIMPLE IRA, individual 401(k), profit sharing, money purchase pension, and certain 403(b) plan accounts, please call T. Rowe Price Retirement Client Services at 1-800-492-7670 or consult your plan administrator. Requests for redemptions from these types of retirement accounts may be required to be in writing.

Funds held through other employer-sponsored retirement plans should call the appropriate telephone number that appears on your retirement plan account statement.

If you hold shares of a T. Rowe Price Fund through a T. Rowe Price Brokerage account and want to place a transaction, please call 1-800-225-7720.

For inquiries or to place a transaction, the hearing-impaired should call the applicable number found under “Contacting T. Rowe Price” with a relay operator or visit the T. Rowe Price website at troweprice.com. Inquires may also be directed to info@troweprice.com.

By Mail Please be sure to use the correct address to avoid a delay in opening your account or processing your transaction. These addresses are subject to change at any time, so you may want to consider checking troweprice.com/contactus or calling the appropriate telephone number to ensure that you use the correct mailing address.

Investors (other than institutions and small business retirement plans) opening a new account or making additional purchases by check should use the following addresses:

via U.S. mail

T. Rowe Price Account Services
P.O. Box 17300
Baltimore, MD 21297-1300

via private carriers/overnight services

T. Rowe Price Account Services
Mail Code 17300
4515 Painters Mill Road
Owings Mills, MD 21117-4903

Investors (other than institutions and small business retirement plans) requesting an exchange or redemption should use the following addresses:

via U.S. mail

T. Rowe Price Account Services
P.O. Box 17468
Baltimore, MD 21298-8275

via private carriers/overnight services

T. Rowe Price Account Services
Mail Code 17468
4515 Painters Mill Road
Owings Mills, MD 21117-4903

Investors in a small business retirement plan opening a new account, making a purchase by check, or placing an exchange or redemption should use the following addresses:

via U.S. mail

T. Rowe Price Retirement Client Services
P.O. Box 17350
Baltimore, MD 21297-1350

via private carriers/overnight services

T. Rowe Price
Attn.: Retirement Operations
4515 Painters Mill Road
Owings Mills, MD 21117-4903

Institutional investors opening a new account, making a purchase by check, or placing an exchange or redemption should use the following addresses:

via U.S. mail

T. Rowe Price Financial Institution Services
P.O. Box 17300
Baltimore, MD 21297-1603

via private carriers/overnight services

T. Rowe Price Financial Institution Services
Mail Code: OM-4232
4515 Painters Mill Road
Owings Mills, MD 21117-4842

Note: Your transaction will receive the share price for the business day that the request is received by T. Rowe Price or its agent prior to the close of the NYSE (normally 4 p.m. ET), which could differ from the day that the request is received at the post office box.

Accounts Held Through Financial Intermediaries

If you hold shares of a fund through a financial intermediary, you must contact your financial intermediary to determine the requirements for opening a new account and placing transactions. Financial intermediaries should refer to the following information.

Telephone To open a new account, place transactions, or ask any question about an account, please call Financial Institution Services at 1-800-638-8790.

By Mail Financial intermediaries should send new account agreements and other documentation to the following addresses:

via U.S. mail

T. Rowe Price Financial Institution Services
P.O. Box 17300
Baltimore, MD 21297-1603

via private carriers/overnight services

T. Rowe Price Financial Institution Services
Mail Code: OM-4232
4515 Painters Mill Road
Owings Mills, MD 21117-4842

INFORMATION ON DISTRIBUTIONS AND TAXES

Each fund intends to qualify to be treated each year as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended. In order to qualify, a fund must satisfy certain income, diversification, and distribution requirements. A regulated investment company is not subject to U.S. federal income tax at the portfolio level on income and gains from investments that are distributed to shareholders. However, if a fund were to fail to qualify as a regulated investment company and was ineligible to or otherwise did not cure such failure, the result would be fund-level taxation and, consequently, a reduction in income available for distribution to the fund's shareholders.

To the extent possible, all net investment income and realized capital gains are distributed to shareholders.

Dividends and Other Distributions

Except for the Retirement Income 2020 Fund, dividend and capital gain distributions are reinvested in additional fund shares in your account unless you select another option. For the Retirement Income 2020 Fund, subject to certain exceptions, regularly scheduled monthly dividends may generally not be reinvested. Reinvesting distributions results in compounding, which allows you to receive dividends and capital gain distributions on an increasing number of shares.

Distributions not reinvested may be paid by check or transmitted to your bank account via Automated Clearing House or may be automatically invested into another fund account. For the Retirement Income 2020 Fund, regularly scheduled monthly dividends are generally not paid by check. If the U.S. Postal Service cannot deliver your check or if your check remains uncashed for six months, the fund reserves the right to reinvest your distribution check in your account at the net asset value on the day of the reinvestment and to reinvest all subsequent distributions in additional shares of the fund. Interest will not accrue on amounts represented by uncashed distributions or redemption checks.

The following table provides details on dividend payments:

| Dividend Payment Schedule | |
|---|--|
| Fund | Dividends |
| Money market funds | <ul style="list-style-type: none"> • Shares purchased via wire that are received by T. Rowe Price by noon ET begin to earn dividends on that day. Shares purchased via a wire received after noon ET and through other methods normally begin to earn dividends on the business day after payment is received by T. Rowe Price. • Dividends are declared daily and paid on the first business day of each month. |
| Bond funds | <ul style="list-style-type: none"> • Shares normally begin to earn dividends on the business day after payment is received by T. Rowe Price. • Dividends are declared daily and paid on the first business day of each month. |
| These stock funds only: <ul style="list-style-type: none"> • Balanced • Dividend Growth • Equity Income • Equity Index 500 • Global Real Estate • Growth & Income • Personal Strategy Balanced • Personal Strategy Income • Real Estate | <ul style="list-style-type: none"> • Dividends, if any, are declared and paid quarterly, in March, June, September, and December. • Must be a shareholder on the dividend record date. |
| Other stock funds | <ul style="list-style-type: none"> • Dividends, if any, are declared and paid annually, generally in December. • Must be a shareholder on the dividend record date. |
| Retirement Income 2020 | <ul style="list-style-type: none"> • Dividends are declared and normally paid in the middle of each month. |
| Retirement Balanced, Retirement I Balanced—I Class, and Spectrum Income | <ul style="list-style-type: none"> • Shares normally begin to earn dividends on the business day after payment is received by T. Rowe Price. • Dividends are declared daily and paid on the first business day of each month. |
| All other Retirement, Retirement I, Spectrum, and Target Funds | <ul style="list-style-type: none"> • Dividends, if any, are declared and paid annually, generally in December. • Must be a shareholder on the dividend record date. |

For funds that declare dividends daily, shares earn dividends through the date of a redemption (for redemptions from money market funds where the request is received prior to noon ET and proceeds are sent via wire, shares only earn dividends through the calendar day prior to the date of redemption). Shares redeemed on a Friday or prior to a holiday will continue to earn dividends until the next business day. Generally, if you redeem all of your shares at any time during the month, you will also receive all dividends earned through the date of redemption in the same check. When you redeem only a portion of your shares, all dividends accrued on those shares will be reinvested, or paid in cash, on the next dividend payment date. The funds

do not pay dividends in fractional cents. Any dividend amount earned for a particular day on all shares held that is one-half of one cent or greater (for example, \$0.016) will be rounded up to the next whole cent (\$0.02), and any amount that is less than one-half of one cent (for example, \$0.014) will be rounded down to the nearest whole cent (\$0.01). Please note that if the dividend payable on all shares held is less than one-half of one cent for a particular day, no dividend will be earned for that day.

If you purchase and redeem your shares through a financial intermediary, consult your financial intermediary to determine when your shares begin and stop accruing dividends as the information previously described may vary.

Capital Gain Payments

A capital gain or loss is the difference between the purchase and sale price of a security. If a fund has net capital gains for the year (after subtracting any capital losses), they are usually declared and paid in December to shareholders of record on a specified date that month. If a second distribution is necessary, it is generally paid the following year. A fund may have to make additional capital gain distributions, if necessary, to comply with the applicable tax law. Capital gains are not expected from government or retail money market funds since they are managed to maintain a stable share price. However, if a money market fund unexpectedly has net capital gains for the year (after subtracting any capital losses), the capital gain may be declared and paid in December to shareholders of record.

Tax Information

In most cases, you will be provided information for your tax filing needs no later than mid-February.

If you invest in the fund through a tax-deferred account, such as an IRA or employer-sponsored retirement plan, you will not be subject to tax on dividends and distributions from the fund or the sale of fund shares if those amounts remain in the tax-deferred account. You may receive a Form 1099-R or other Internal Revenue Service forms, as applicable, if any portion of the account is distributed to you.

If you invest in the fund through a taxable account, you generally will be subject to tax when:

- You sell fund shares, including an exchange from one fund to another.
- The fund makes dividend or capital gain distributions.

Additional information about the taxation of dividends for certain T. Rowe Price Funds is listed below:

Tax-Free and Municipal Funds

- Regular monthly dividends (including those from the state-specific tax-free funds) are expected to be exempt from federal income taxes.
- Exemption is not guaranteed since the fund has the right under certain conditions to invest in nonexempt securities.
- Tax-exempt dividends paid to Social Security recipients may increase the portion of benefits that is subject to tax.
- For state-specific funds, the monthly dividends you receive are expected to be exempt from state and local income tax of that particular state. For other funds, a small portion of your income dividend may be exempt from state and local income taxes.
- If a fund invests in certain “private activity” bonds that are not exempt from the alternative minimum tax, shareholders who are subject to the alternative minimum tax must include income generated by those bonds in their alternative minimum tax calculation. The portion of a fund’s income dividend that should be included in your alternative minimum tax calculation, if any, will be reported to you by mid-February on Form 1099-DIV.

For individual shareholders, a portion of ordinary dividends representing “qualified dividend income” received by the fund may be subject to tax at the lower rates applicable to long-term capital gains rather than ordinary income. You may report it as “qualified dividend income” in computing your taxes, provided you have held the fund shares on which the dividend was paid for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date. Ordinary dividends that do not qualify for this lower rate are generally taxable at the investor’s marginal income tax rate. This includes the portion of ordinary dividends derived from interest, short-term capital gains, income and gains from derivatives, distributions from nonqualified foreign corporations, distributions from real estate investment trusts, and dividends received by the fund from stocks that were on loan. Little, if any, of the ordinary dividends paid by the bond funds or money market funds is expected to qualify for this lower rate.

For corporate shareholders, a portion of ordinary dividends may be eligible for the deduction for dividends received by corporations to the extent the fund’s income consists of dividends paid by U.S. corporations. Little, if any, of the ordinary dividends paid by the international stock funds, bond funds, or money market funds is expected to qualify for this deduction.

A 3.8% net investment income tax is imposed on net investment income, including interest, dividends, and capital gains of U.S. individuals with income exceeding \$200,000 (or \$250,000 if married filing jointly) and of estates and trusts.

If you hold your fund through a financial intermediary, the financial intermediary is responsible for providing you with any necessary tax forms. You should contact your financial intermediary for the tax information that will be sent to you and reported to the Internal Revenue Service.

Taxes on Fund Redemptions

When you sell shares in any fund, you may realize a gain or loss. An exchange from one fund to another fund in a taxable account is also a sale for tax purposes. As long as a money market fund maintains a stable share price of \$1.00, a redemption or exchange to another fund will not result in a gain or loss for tax purposes. However, an exchange from one fund into a money market fund may result in a gain or loss on the fund from which shares were redeemed.

All or a portion of the loss realized from a sale or exchange of your fund shares may be disallowed under the “wash sale” rule if you purchase substantially identical shares within a 61-day period beginning 30 days before and ending 30 days after the date on which the shares are sold or exchanged. Shares of the same fund you acquire through dividend reinvestment are shares purchased for the purpose of the wash sale rule and may trigger a disallowance of the loss for shares sold or exchanged within the 61-day period of the dividend reinvestment. Any loss disallowed under the wash sale rule is added to the cost basis of the purchased shares.

T. Rowe Price (or your financial intermediary) will make available to you Form 1099-B, if applicable, no later than mid-February, providing certain information for each sale you made in the fund during the prior year. Unless otherwise indicated on your Form 1099-B, this information will also be reported to the Internal Revenue Service. For mutual fund shares acquired prior to 2012 in most accounts established or opened by exchange in 1984 or later, our Form 1099-B will provide you with the gain or loss on the shares you sold during the year based on the average cost single category method. This information on average cost and gain or loss from sale is not reported to the Internal Revenue Service. For these mutual fund shares acquired prior to 2012, you may calculate the cost basis using other methods acceptable to the Internal Revenue Service, such as specific identification.

For mutual fund shares acquired after 2011, federal income tax regulations require us to report the cost basis information on Form 1099-B using a cost basis method selected by the shareholder in compliance with such regulations or, in the absence of such selected method, our default method if you acquire your shares directly from T. Rowe Price. Our default method is average cost. For any fund shares acquired through a financial intermediary after 2011, you should check with your financial intermediary regarding the applicable cost basis method. You should note that the cost basis information reported to you may not always be the same as what you should report on your tax return because the rules applicable to the determination of cost basis on Form 1099-B may be different from the rules applicable to the determination of cost basis for reporting on your tax return. Therefore, you should save your transaction records to make sure the information reported on your tax return is accurate. T. Rowe Price and financial intermediaries are not required to issue a Form 1099-B to report sales of money market fund shares.

To help you maintain accurate records, T. Rowe Price will make available to you a confirmation promptly following each transaction you make (except for systematic purchases and systematic redemptions) and a year-end statement detailing all of your transactions in each fund account during the year. If you hold your fund through a financial intermediary, the

financial intermediary is responsible for providing you with transaction confirmations and statements.

Taxes on Fund Distributions

T. Rowe Price (or your financial intermediary) will make available to you, as applicable, generally no later than mid-February, a Form 1099-DIV, or other Internal Revenue Service forms, as required, indicating the tax status of any income dividends, dividends exempt from federal income taxes, and capital gain distributions made to you. This information will be reported to the Internal Revenue Service. Taxable distributions are generally taxable to you in the year in which they are paid. A dividend declared in October, November, or December and paid in the following January is generally treated as taxable to you as if you received the distribution in December. Dividends from tax-free funds are generally expected to be tax-exempt for federal income tax purposes. Your bond fund and money market fund dividends for each calendar year will include dividends accrued up to the first business day of the next calendar year. Ordinary dividends and capital gain dividends may also be subject to state and local taxes. You will be sent any additional information you need to determine your taxes on fund distributions, such as the portion of your dividends, if any, that may be exempt from state and local income taxes.

Taxable distributions are subject to tax whether reinvested in additional shares or received in cash.

The tax treatment of a capital gain distribution is determined by how long the fund held the portfolio securities, not how long you held the shares in the fund. Short-term (one year or less) capital gain distributions are taxable at the same rate as ordinary income, and gains on securities held for more than one year are taxed at the lower rates applicable to long-term capital gains. If you realized a loss on the sale or exchange of fund shares that you held for six months or less, your short-term capital loss must be reclassified as a long-term capital loss to the extent of any long-term capital gain distributions received during the period you held the shares. For funds investing in foreign instruments, distributions resulting from the sale of certain foreign currencies, currency contracts, and the foreign currency portion of gains on debt instruments are taxed as ordinary income. Net foreign currency losses may cause monthly or quarterly dividends to be reclassified as returns of capital.

A fund's distributions that have exceeded the fund's earnings and profits for the relevant tax year may be treated as a return of capital to its shareholders. A return of capital distribution is generally nontaxable but reduces the shareholder's cost basis in the fund, and any return of capital in excess of the cost basis will result in a capital gain.

The tax status of certain distributions may be recharacterized on year-end tax forms, such as your Form 1099-DIV. Distributions made by a fund may later be recharacterized for federal income tax purposes—for example, from taxable ordinary income dividends to returns of capital. A recharacterization of distributions may occur for a number of reasons, including the recharacterization of income received from underlying investments, such as REITs, and distributions that exceed taxable income due to losses from foreign currency transactions or

other investment transactions. Certain funds, including international bond funds and funds that invest significantly in REITs, are more likely to recharacterize a portion of their distributions as a result of their investments. The Retirement Income 2020 Fund is also more likely to have some or all of its distributions recharacterized as returns of capital because of the predetermined monthly distribution amount.

If the fund qualifies and elects to pass through nonrefundable foreign income taxes paid to foreign governments during the year, your portion of such taxes will be reported to you as taxable income. However, you may be able to claim an offsetting credit or deduction on your tax return for those amounts. There can be no assurance that a fund will meet the requirements to pass through foreign income taxes paid.

If you are subject to backup withholding, we will have to withhold a 24% backup withholding tax on distributions and, in some cases, redemption payments. You may be subject to backup withholding if we are notified by the Internal Revenue Service to withhold, you have failed one or more tax certification requirements, or our records indicate that your tax identification number is missing or incorrect. Backup withholding is not an additional tax and is generally available to credit against your federal income tax liability with any excess refunded to you by the Internal Revenue Service.

The following table provides additional details on distributions for certain funds:

| Taxes on Fund Distributions |
|--|
| <p>Tax-Free and Municipal Funds</p> <ul style="list-style-type: none"> • Gains realized on the sale of market discount bonds with maturities beyond one year may be treated as ordinary income and cannot be offset by other capital losses. • Payments received or gains realized on certain derivative transactions may result in taxable ordinary income or capital gains. • To the extent the fund makes such investments, the likelihood of a taxable distribution will be increased. |
| <p>Limited Duration Inflation Focused Bond and Inflation Protected Bond Funds</p> <ul style="list-style-type: none"> • Inflation adjustments on Treasury inflation protected securities that exceed deflation adjustments for the year will be distributed as a short-term capital gain, resulting in ordinary income. • In computing the distribution amount, the funds cannot reduce inflation adjustments by short- or long-term capital losses from the sales of securities. • Net deflation adjustments for a year may result in all or a portion of dividends paid earlier in the year being treated as a return of capital. |
| <p>Retirement, Retirement I, Spectrum, and Target Funds</p> <ul style="list-style-type: none"> • Distributions by the underlying funds and changes in asset allocations may result in taxable distributions of ordinary income or capital gains. |

Tax Consequences of Liquidity Fees

It is currently anticipated that shareholders of retail money market funds that impose a liquidity fee may generally treat the liquidity fee as offsetting the shareholder's amount realized on the redemption (thereby decreasing the shareholder's gain, or increasing the shareholder's

loss, on the redeemed amount). A fund that imposes a liquidity fee anticipates using 100% of the fee to help repair a market-based net asset value per share that was below \$1.00.

Because the retail money market funds use amortized cost to maintain a stable share price of \$1.00, in the event that a liquidity fee is imposed, a fund may need to distribute to its remaining shareholders sufficient value to prevent the fund from breaking the buck on the upside (i.e., by rounding up to \$1.01 in pricing its shares) if the imposition of a liquidity fee causes the fund's market-based net asset value to reach \$1.0050. To the extent that a fund has sufficient earnings and profits to support the distribution, the additional dividends would be taxable as ordinary income to shareholders and would be eligible for deduction by the fund. Any distribution in excess of the fund's earnings and profits would be treated as a return of capital, which would reduce your cost basis in the fund shares.

Tax Consequences of Hedging

Entering into certain transactions involving options, futures, swaps, and forward currency exchange contracts may result in the application of the mark-to-market and straddle provisions of the Internal Revenue Code. These provisions could result in a fund being required to distribute gains on such transactions even though it did not close the contracts during the year or receive cash to pay such distributions. The fund may not be able to reduce its distributions for losses on such transactions to the extent of unrealized gains in offsetting positions.

Tax Effect of Buying Shares Before an Income Dividend or Capital Gain Distribution

If you buy shares shortly before or on the record date—the date that establishes you as the person to receive the upcoming distribution—you may receive a portion of the money you just invested in the form of a taxable distribution. Therefore, you may wish to find out a fund's record date before investing. In addition, a fund's share price may, at any time, reflect undistributed capital gains or income and unrealized appreciation, which may result in future taxable distributions. Such distributions can occur even in a year when the fund has a negative return.

RIGHTS RESERVED BY THE FUNDS

T. Rowe Price Funds and their agents, in their sole discretion, reserve the following rights: (1) to waive or lower investment minimums; (2) to accept initial purchases by telephone; (3) to refuse any purchase or exchange order; (4) to cancel or rescind any purchase or exchange order placed through a financial intermediary no later than the business day after the order is received by the financial intermediary (including, but not limited to, orders deemed to result in excessive trading, market timing, or 5% ownership); (5) to cease offering fund shares at any time to all or certain groups of investors; (6) to freeze any account and suspend account services when notice has been received of a dispute regarding the ownership of the account, or a legal claim against an account, upon initial notification to T. Rowe Price of a shareholder's death until T. Rowe Price receives required documentation in correct form, or if there is reason

to believe a fraudulent transaction may occur; (7) to otherwise modify the conditions of purchase and modify or terminate any services at any time; (8) to waive any wire, small account, maintenance, or fiduciary fees charged to a group of shareholders; (9) to act on instructions reasonably believed to be genuine; (10) to involuntarily redeem an account at the net asset value calculated the day the account is redeemed, in cases of threatening conduct, suspected fraudulent or illegal activity, or if the fund or its agent is unable, through its procedures, to verify the identity of the person(s) or entity opening an account; and (11) for money market funds, to suspend redemptions to facilitate an orderly liquidation.

The fund's Statement of Additional Information, which contains a more detailed description of the fund's operations, investment restrictions, policies and practices, has been filed with the SEC. The Statement of Additional Information is incorporated by reference into this prospectus, which means that it is legally part of this prospectus even if you do not request a copy. Further information about the fund's investments, including a review of market conditions and the manager's recent investment strategies and their impact on performance during the past fiscal year, is available in the annual and semiannual shareholder reports. These documents and updated performance information are available through troweprice.com. For inquiries about the fund and to obtain free copies of any of these documents, call 1-800-638-5660. If you invest in the fund through a financial intermediary, you should contact your financial intermediary for copies of these documents.

Fund reports and other fund information are available on the EDGAR Database on the SEC's Internet site at <http://www.sec.gov>. Copies of this information may be obtained, after paying a duplicating fee, by electronic request at publicinfo@sec.gov.

T.RowePrice®

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