

# State Of Illinois Deferred Compensation Plan

## Annual Default Investment Alternative ("DIA") Notice | December 2018

This notice covers the following points:

- A description of the circumstances under which assets in your Plan account will be invested in a DIA
- A description of the DIA
- An explanation of your rights to direct the investment of assets in your Plan account

NOTE: No changes to your current or future investment allocation or Plan balance will occur as a result of this notice. No action on your part is required.

The Plan lets you invest your account in a number of different investment options. Unless you choose or have previously chosen a different investment option, your Plan account will be invested in the retirement fund with the target date closest to the year in which you turn 65, as shown in the following chart.

<b>If you were born....</b>	<b>You are defaulted into....</b>
In 1993 or after	Vanguard Target Ret 2060 Sel
1988-1992	Vanguard Target Ret 2055 Sel
1983-1987	Vanguard Target Ret 2050 Sel
1978-1982	Vanguard Target Ret 2045 Sel
1973-1977	Vanguard Target Ret 2040 Sel
1968-1972	Vanguard Target Ret 2035 Sel
1963-1967	Vanguard Target Ret 2030 Sel
1958-1962	Vanguard Target Ret 2025 Sel
1953-1957	Vanguard Target Ret 2020 Sel
1948-1952	Vanguard Target Ret 2015 Sel
In 1947 or before	Vanguard Target Ret Income Sel

A brief description of the Plan's default investment(s), including the investment's objectives, risk and return characteristics, fees and expenses (including any restrictions, fees or expenses that apply when you transfer assets from the default investment) is included and made a part of this notice.

You can change how your Plan account is invested, among the Plan's offered investment options, and obtain investment information about the Plan's default investment and other investment options by going to the website at [rps.troweprice.com](http://rps.troweprice.com) or by calling the Plan Account Line at **1-888-457-5770**. Representatives are available to assist you on business days from 7 a.m. to 10 p.m. eastern time.

**For Spanish speaking participants:** Si desea hablar con un representante en español, llame a T. Rowe Price al 1-800-368-2768. Los representantes están a su disposición los días laborales entre las 7 a.m. y las 10 p.m. hora local Este.

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# Vanguard Target Retire Inc Select

**Benchmark**  
Morningstar Lifetime Mod Incm TR USD

**Overall Morningstar Rating™**  
★★★★  
Out of 163 Target-Date Retirement investments. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure page for details.

**Morningstar Return**  
Above Average

**Morningstar Risk**  
Below Average

## Investment Information

### Investment Objective & Strategy

Vanguard Target Retirement Income Trust uses an asset allocation strategy designed for investors currently in retirement. The trust seeks to provide current income and some capital appreciation by investing in a mix of the following five Vanguard funds: Total Bond Market II Index Fund, Total Stock Market Index Fund, Total International Bond Index Fund, Short-Term Inflation-Protected Securities Index Fund, and Total International Stock Index Fund.

### Fees and Expenses as of —

Prospectus Net Expense Ratio	—
Total Annual Operating Exp per \$1000	—
Maximum Sales Charge	—
12b-1 Fee	—
Redemption Fee/Term	—

### Portfolio Manager(s)

William A. Coleman. M.B.A., St. Joseph's University.  
Walter Nejman. B.A., Arcadia University. M.B.A., Villanova University.

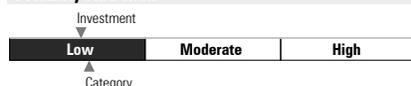
### Operations and Management

Fund Inception Date	06-30-15
Management Company	Vanguard
Telephone	+1 8776627447
Web Site	www.vanguard.com
Issuer	Vanguard Group Inc

### Category Description: Target-Date Retirement

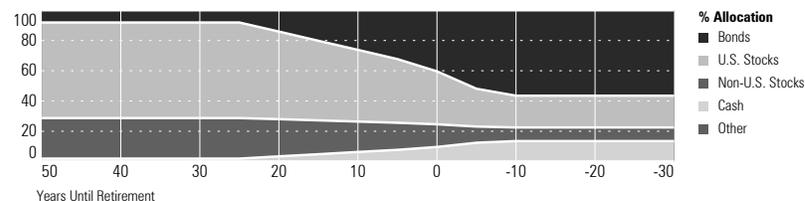
Retirement income portfolios provide a mix of stocks, bonds, and cash for those investors already in or entering retirement. These portfolios tend to be managed to more of a conservative asset-allocation strategy. These portfolios aim to provide investors with steady income throughout retirement.

### Volatility And Risk



<b>Best 3 Month Return</b>	<b>Worst 3 Month Return</b>
3.77%	-2.11%
(Mar '16 - May '16)	(Jul '15 - Sep '15)

## Allocation of Assets



Target-date investment options typically invest in other investments and are designed for investors who plan to retire during the target date year. The investment's target date is the approximate date of when investors expect to begin withdrawing their money. A Target-date investment's objective/strategy typically becomes more conservative over time primarily by reducing its allocation to equity investments and increasing its allocations in fixed-income investments. An investor's principal value in a target-date investment option is not guaranteed at anytime, including at the investment's target date.

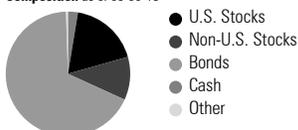
## Performance as of 06-30-18

YTD	1 Year	3 Year	5 Year	10 Year	Since Inception	
-0.06	4.02	4.23	—	—	4.23	Investment Return %
0.40	4.97	4.14	—	—	4.14	Benchmark Return %
-0.60	3.50	3.66	—	—	3.67	Category Average %
—	—	★★★★	—	—	—	Morningstar Rating™
—	—	163	—	—	—	# of Funds in Category

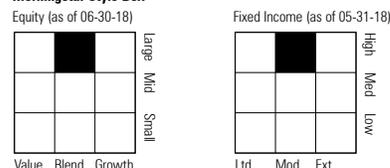
The performance data quoted reflects past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower than the performance data quoted. For the most recent month end performance information, please call 1-800-922-9945, or visit rps.troweprice.com.

## Portfolio Analysis

### Composition as of 06-30-18



### Morningstar Style Box™



Top 5 Holdings as of 06-30-18	% Assets
Vanguard Total Bond Market II Idx I	37.31
Vanguard Total Stock Mkt Idx Instl Pls	18.16
Vanguard Shrt-Term Infl-Prot Sec Idx Ins	16.79
Vanguard Total Intl Bd Idx Institutional	15.97
Vanguard Total Intl Stock Idx InstlPls	11.76

Total Number of Holdings	6
Turnover Ratio %	16.76
Total Assets (\$mil)	2,809.51

Morningstar Equity Super Sectors as of 06-30-18	% Fund
Cyclical	39.16
Sensitive	39.14
Defensive	21.71

## Principal Risks

For more information on the risks presented, please refer to <http://rps.troweprice.com/riskglossary>  
Credit and Counterparty, Inflation-Protected Securities, Prepayment (Call), Country or Region, Income, Index Correlation/Tracking Error, Interest Rate, Market/Market Volatility, Underlying Fund/Fund of Funds, Passive Management, Portfolio Diversification, Target Date

# Vanguard Target Retire 2015 Select

**Benchmark**  
Morningstar Lifetime Mod 2015 TR USD

**Overall Morningstar Rating™**  
★★★★  
Out of 109 Target-Date 2015 investments. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure page for details.

**Morningstar Return**  
Above Average

**Morningstar Risk**  
Below Average

## Investment Information

### Investment Objective & Strategy

Vanguard Target Retirement 2015 Trust uses an asset allocation strategy designed for investors planning to retire between 2013 and 2017. The trust seeks to provide growth of capital and current income consistent with its current target allocation by investing in a gradually more conservative mix of the following Vanguard funds: Total Stock Market Index Fund, Total Bond Market II Index Fund, Total International Bond Index Fund, Short-Term Inflation-Protected Securities Index Fund, and Total International Stock Index Fund.

### Fees and Expenses as of —

Prospectus Net Expense Ratio	—
Total Annual Operating Exp per \$1000	—
Maximum Sales Charge	—
12b-1 Fee	—
Redemption Fee/Term	—

### Portfolio Manager(s)

William A. Coleman. M.B.A., St. Joseph's University.  
Walter Nejman. B.A., Arcadia University. M.B.A., Villanova University.

### Operations and Management

Fund Inception Date	06-30-15
Management Company	Vanguard
Telephone	+1 8776627447
Web Site	www.vanguard.com
Issuer	Vanguard Group Inc

### Category Description: Target-Date 2015

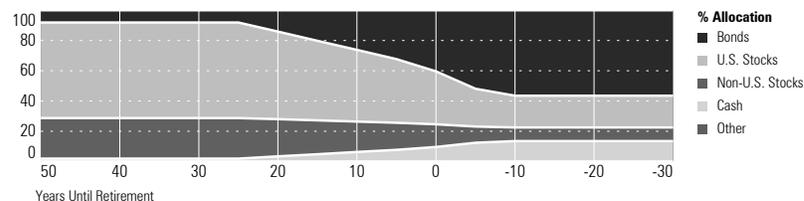
Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2011-2015) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

### Volatility And Risk



<b>Best 3 Month Return</b>	<b>Worst 3 Month Return</b>
5.24%	-3.86%
(Mar '16 - May '16)	(Jul '15 - Sep '15)

## Allocation of Assets



Target-date investment options typically invest in other investments and are designed for investors who plan to retire during the target date year. The investment's target date is the approximate date of when investors expect to begin withdrawing their money. A Target-date investment's objective/strategy typically becomes more conservative over time primarily by reducing its allocation to equity investments and increasing its allocations in fixed-income investments. An investor's principal value in a target-date investment option is not guaranteed at anytime, including at the investment's target date.

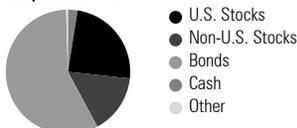
## Performance as of 06-30-18

YTD	1 Year	3 Year	5 Year	10 Year	Since Inception	
0.03	5.47	5.24	—	—	5.24	Investment Return %
-0.02	5.91	5.15	—	—	5.15	Benchmark Return %
-0.20	5.14	4.81	—	—	4.75	Category Average %
—	—	★★★★	—	—	—	Morningstar Rating™
—	—	109	—	—	—	# of Funds in Category

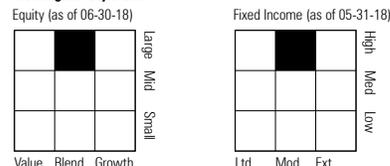
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## Portfolio Analysis

### Composition as of 06-30-18



### Morningstar Style Box™



### Top 5 Holdings as of 06-30-18

Top 5 Holdings as of 06-30-18	% Assets
Vanguard Total Bond Market II Idx I	33.12
Vanguard Total Stock Mkt Idx Instl Pls	24.38
Vanguard Total Intl Stock Idx InstlPls	16.24
Vanguard Total Intl Bd Idx Institutional	14.18
Vanguard Shrt-Term Infl-Prot Sec Idx Ins	12.09

Total Number of Holdings	6
Turnover Ratio %	9.10
Total Assets (\$mil)	2,796.50

### Morningstar Equity Super Sectors as of 06-30-18

Morningstar Equity Super Sectors as of 06-30-18	% Fund
Cyclical	39.23
Sensitive	39.08
Defensive	21.69

## Principal Risks

For more information on the risks presented, please refer to <http://rps.troweprice.com/riskglossary>. Credit and Counterparty, Inflation-Protected Securities, Prepayment (Call), Country or Region, Income, Index Correlation/Tracking Error, Interest Rate, Market/Market Volatility, Underlying Fund/Fund of Funds, Passive Management, Portfolio Diversification, Target Date

# Vanguard Target Retire 2020 Select

**Benchmark**  
Morningstar Lifetime Mod 2020 TR USD

**Overall Morningstar Rating™**  
★★★★★  
Out of 203 Target-Date 2020 investments. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure page for details.

**Morningstar Return**  
High

**Morningstar Risk**  
Average

## Investment Information

### Investment Objective & Strategy

Vanguard Target Retirement 2020 Trust Plus an asset allocation strategy designed for investors planning to retire between 2018 and 2022. The trust seeks to provide growth of capital and current income consistent with its current target allocation by investing in a gradually more conservative mix of the following Vanguard funds: Total Stock Market Index Fund, Total Bond Market II Index Fund, Total International Bond Index Fund, and Total International Stock Index Fund.

### Fees and Expenses as of —

Prospectus Net Expense Ratio	—
Total Annual Operating Exp per \$1000	—
Maximum Sales Charge	—
12b-1 Fee	—
Redemption Fee/Term	—

### Portfolio Manager(s)

William A. Coleman. M.B.A., St. Joseph's University.  
Walter Nejman. B.A., Arcadia University. M.B.A., Villanova University.

### Operations and Management

Fund Inception Date	06-30-15
Management Company	Vanguard
Telephone	+1 8776627447
Web Site	www.vanguard.com
Issuer	Vanguard Group Inc

### Category Description: Target-Date 2020

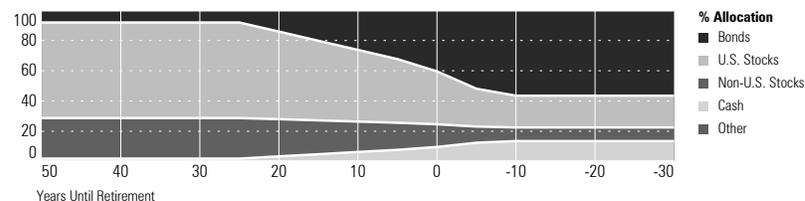
Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2016-2020) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

### Volatility And Risk



<b>Best 3 Month Return</b>	<b>Worst 3 Month Return</b>
6.17%	-4.75%
(Mar '16 - May '16)	(Jul '15 - Sep '15)

## Allocation of Assets



Target-date investment options typically invest in other investments and are designed for investors who plan to retire during the target date year. The investment's target date is the approximate date of when investors expect to begin withdrawing their money. A Target-date investment's objective/strategy typically becomes more conservative over time primarily by reducing its allocation to equity investments and increasing its allocations in fixed-income investments. An investor's principal value in a target-date investment option is not guaranteed at anytime, including at the investment's target date.

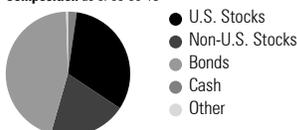
## Performance as of 06-30-18

YTD	1 Year	3 Year	5 Year	10 Year	Since Inception	
0.11	6.79	6.19	—	—	6.19	Investment Return %
-0.07	6.54	5.65	—	—	5.64	Benchmark Return %
-0.25	5.65	5.07	—	—	4.93	Category Average %
—	—	★★★★★	—	—	—	Morningstar Rating™
—	—	203	—	—	—	# of Funds in Category

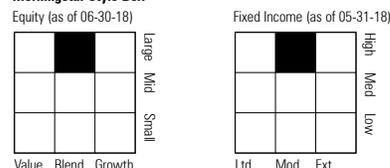
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## Portfolio Analysis

### Composition as of 06-30-18



### Morningstar Style Box™



### Top 5 Holdings as of 06-30-18

Top 5 Holdings as of 06-30-18	% Assets
Vanguard Total Stock Mkt Idx Instl Pls	32.29
Vanguard Total Bond Market II Idx I	29.00
Vanguard Total Intl Stock Idx InstlPls	21.10
Vanguard Total Intl Bd Idx Institutional	12.41
Vanguard Shrt-Term Infl-Prot Sec Idx Ins	5.20

Total Number of Holdings	6
Turnover Ratio %	12.87
Total Assets (\$mil)	8,611.32

### Morningstar Equity Super Sectors as of 06-30-18

Morningstar Equity Super Sectors as of 06-30-18	% Fund
📈 Cyclical	39.19
📉 Sensitive	39.12
➡ Defensive	21.70

## Principal Risks

For more information on the risks presented, please refer to <http://rps.troweprice.com/riskglossary>  
Credit and Counterparty, Inflation-Protected Securities, Prepayment (Call), Country or Region, Income, Index Correlation/Tracking Error, Interest Rate, Market/Market Volatility, Underlying Fund/Fund of Funds, Passive Management, Portfolio Diversification, Target Date

# Vanguard Target Retire 2025 Select

**Benchmark**  
Morningstar Lifetime Mod 2025 TR USD

**Overall Morningstar Rating™**  
★★★★★  
Out of 178 Target-Date 2025 investments. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure page for details.

**Morningstar Return**  
High

**Morningstar Risk**  
Average

## Investment Information

### Investment Objective & Strategy

Vanguard Target Retirement 2025 Trust uses an asset allocation strategy designed for investors planning to retire between 2023 and 2027. The trust seeks to provide growth of capital and current income consistent with its current target allocation by investing in a gradually more conservative mix of the following Vanguard funds: Total Stock Market Index Fund, Total Bond Market II Index Fund, Total International Bond Index Fund, and Total International Stock Index Fund.

### Fees and Expenses as of —

Prospectus Net Expense Ratio —  
Total Annual Operating Exp per \$1000 —  
Maximum Sales Charge —  
12b-1 Fee —  
Redemption Fee/Term —

### Portfolio Manager(s)

William A. Coleman. M.B.A., St. Joseph's University.  
Walter Nejman. B.A., Arcadia University. M.B.A., Villanova University.

### Operations and Management

Fund Inception Date 06-30-15  
Management Company Vanguard  
Telephone +1 8776627447  
Web Site www.vanguard.com  
Issuer Vanguard Group Inc

### Category Description: Target-Date 2025

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2021-2025) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

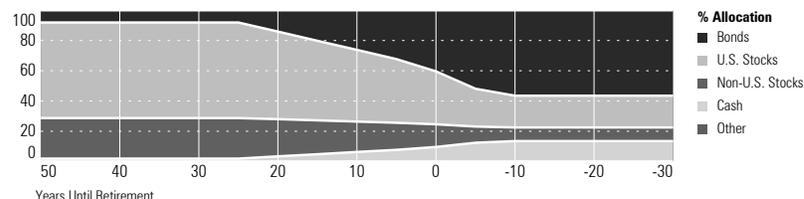
## Volatility And Risk



**Best 3 Month Return** 6.82%  
(Mar '16 - May '16)

**Worst 3 Month Return** -5.50%  
(Jul '15 - Sep '15)

## Allocation of Assets



Target-date investment options typically invest in other investments and are designed for investors who plan to retire during the target date year. The investment's target date is the approximate date of when investors expect to begin withdrawing their money. A Target-date investment's objective/strategy typically becomes more conservative over time primarily by reducing its allocation to equity investments and increasing its allocations in fixed-income investments. An investor's principal value in a target-date investment option is not guaranteed at anytime, including at the investment's target date.

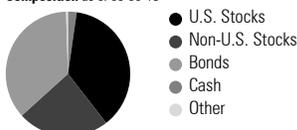
## Performance as of 06-30-18

YTD	1 Year	3 Year	5 Year	10 Year	Since Inception	
0.14	7.73	6.80	—	—	6.80	Investment Return %
-0.01	7.45	6.28	—	—	6.28	Benchmark Return %
-0.10	6.79	5.83	—	—	5.75	Category Average %
—	—	★★★★★	—	—	—	Morningstar Rating™
—	—	178	—	—	—	# of Funds in Category

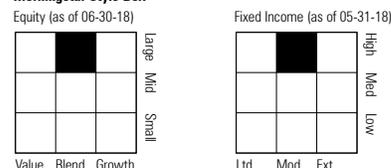
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## Portfolio Analysis

### Composition as of 06-30-18



### Morningstar Style Box™



### Top 5 Holdings as of 06-30-18

	% Assets
Vanguard Total Stock Mkt Idx Instl Pls	37.50
Vanguard Total Bond Market II Idx I	26.25
Vanguard Total Intl Stock Idx InstlPls	25.01
Vanguard Total Intl Bd Idx Institutional	11.24
Cmt Market Liquidity Rate	0.00
Total Number of Holdings	5
Turnover Ratio %	8.15
Total Assets (\$mil)	11,739.50

### Morningstar Equity Super Sectors as of 06-30-18

	% Fund
Cyclical	39.23
Sensitive	39.08
Defensive	21.69

## Principal Risks

For more information on the risks presented, please refer to <http://rps.troweprice.com/riskglossary>  
Credit and Counterparty, Inflation-Protected Securities, Prepayment (Call), Country or Region, Income, Index Correlation/Tracking Error, Interest Rate, Market/Market Volatility, Underlying Fund/Fund of Funds, Passive Management, Portfolio Diversification, Target Date

# Vanguard Target Retire 2030 Select

**Benchmark**  
Morningstar Lifetime Mod 2030 TR USD

**Overall Morningstar Rating™**  
★★★★  
Out of 193 Target-Date 2030 investments. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure page for details.

**Morningstar Return**  
Above Average

**Morningstar Risk**  
Average

## Investment Information

### Investment Objective & Strategy

Vanguard Target Retirement 2030 Trust uses an asset allocation strategy designed for investors planning to retire between 2028 and 2032. The trust seeks to provide growth of capital and current income consistent with its current target allocation by investing in a gradually more conservative mix of the following Vanguard funds: Total Stock Market Index Fund, Total Bond Market II Index Fund, Total International Bond Index Fund, and Total International Stock Index Fund.

### Fees and Expenses as of —

Prospectus Net Expense Ratio	—
Total Annual Operating Exp per \$1000	—
Maximum Sales Charge	—
12b-1 Fee	—
Redemption Fee/Term	—

### Portfolio Manager(s)

William A. Coleman. M.B.A., St. Joseph's University.  
Walter Nejman. B.A., Arcadia University. M.B.A., Villanova University.

### Operations and Management

Fund Inception Date	06-30-15
Management Company	Vanguard
Telephone	+1 8776627447
Web Site	www.vanguard.com
Issuer	Vanguard Group Inc

### Category Description: Target-Date 2030

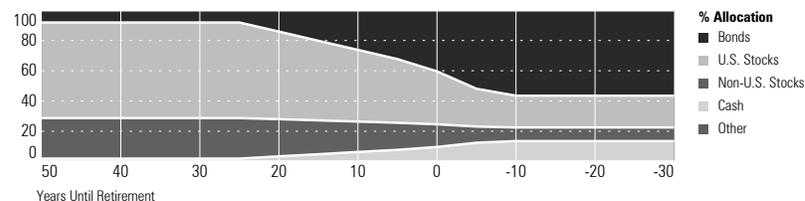
Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2026-2030) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

### Volatility And Risk



<b>Best 3 Month Return</b>	<b>Worst 3 Month Return</b>
7.42%	-6.25%
(Mar '16 - May '16)	(Jul '15 - Sep '15)

## Allocation of Assets



Target-date investment options typically invest in other investments and are designed for investors who plan to retire during the target date year. The investment's target date is the approximate date of when investors expect to begin withdrawing their money. A Target-date investment's objective/strategy typically becomes more conservative over time primarily by reducing its allocation to equity investments and increasing its allocations in fixed-income investments. An investor's principal value in a target-date investment option is not guaranteed at anytime, including at the investment's target date.

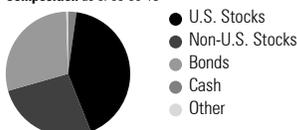
## Performance as of 06-30-18

YTD	1 Year	3 Year	5 Year	10 Year	Since Inception	
0.25	8.56	7.30	—	—	7.30	Investment Return %
0.15	8.64	7.02	—	—	7.02	Benchmark Return %
0.04	7.88	6.49	—	—	6.40	Category Average %
—	—	★★★★	—	—	—	Morningstar Rating™
—	—	193	—	—	—	# of Funds in Category

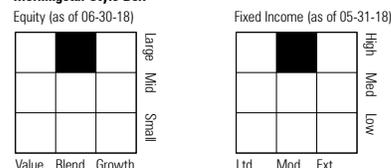
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## Portfolio Analysis

### Composition as of 06-30-18



### Morningstar Style Box™



### Top 5 Holdings as of 06-30-18

	% Assets
Vanguard Total Stock Mkt Idx Instl Pls	42.07
Vanguard Total Intl Stock Idx InstlPls	27.96
Vanguard Total Bond Market II Idx I	20.99
Vanguard Total Intl Bd Idx Institutional	8.98
Cmt Market Liquidity Rate	0.00
.....	
Total Number of Holdings	5
Turnover Ratio %	7.53
Total Assets (\$mil)	12,140.26

### Morningstar Equity Super Sectors as of 06-30-18

	% Fund
📈 Cyclical	39.21
📉 Sensitive	39.09
➡ Defensive	21.69

## Principal Risks

For more information on the risks presented, please refer to <http://rps.troweprice.com/riskglossary>  
Credit and Counterparty, Inflation-Protected Securities, Prepayment (Call), Country or Region, Income, Index Correlation/Tracking Error, Interest Rate, Market/Market Volatility, Underlying Fund/Fund of Funds, Passive Management, Portfolio Diversification, Target Date

# Vanguard Target Retire 2035 Select

**Benchmark**  
Morningstar Lifetime Mod 2035 TR USD

**Overall Morningstar Rating™**  
★★★★  
Out of 173 Target-Date 2035 investments. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure page for details.

**Morningstar Return**  
Above Average

**Morningstar Risk**  
Average

## Investment Information

### Investment Objective & Strategy

Vanguard Target Retirement 2035 Trust Plus an asset allocation strategy designed for investors planning to retire between 2033 and 2037. The trust seeks to provide growth of capital and current income consistent with its current target allocation by investing in a gradually more conservative mix of the following Vanguard funds: Total Stock Market Index Fund, Total Bond Market II Index Fund, Total International Bond Index Fund, and Total International Stock Index Fund.

### Fees and Expenses as of —

Prospectus Net Expense Ratio	—
Total Annual Operating Exp per \$1000	—
Maximum Sales Charge	—
12b-1 Fee	—
Redemption Fee/Term	—

### Portfolio Manager(s)

William A. Coleman. M.B.A., St. Joseph's University.  
Walter Nejman. B.A., Arcadia University. M.B.A., Villanova University.

### Operations and Management

Fund Inception Date	06-30-15
Management Company	Vanguard
Telephone	+1 8776627447
Web Site	www.vanguard.com
Issuer	Vanguard Group Inc

### Category Description: Target-Date 2035

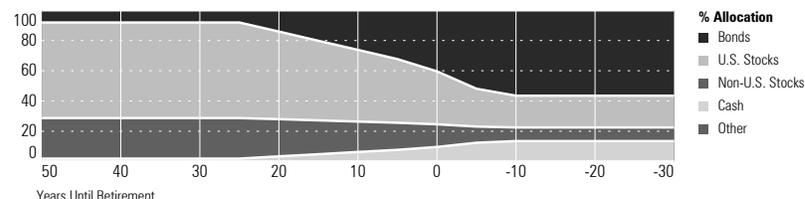
Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2031-2035) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

### Volatility And Risk



<b>Best 3 Month Return</b>	<b>Worst 3 Month Return</b>
8.03%	-7.01%
(Mar '16 - May '16)	(Jul '15 - Sep '15)

## Allocation of Assets



Target-date investment options typically invest in other investments and are designed for investors who plan to retire during the target date year. The investment's target date is the approximate date of when investors expect to begin withdrawing their money. A Target-date investment's objective/strategy typically becomes more conservative over time primarily by reducing its allocation to equity investments and increasing its allocations in fixed-income investments. An investor's principal value in a target-date investment option is not guaranteed at anytime, including at the investment's target date.

## Performance as of 06-30-18

YTD	1 Year	3 Year	5 Year	10 Year	Since Inception	
0.33	9.41	7.81	—	—	7.81	Investment Return %
0.33	9.81	7.70	—	—	7.69	Benchmark Return %
0.26	8.94	7.13	—	—	7.04	Category Average %
—	—	★★★★	—	—	—	Morningstar Rating™
—	—	173	—	—	—	# of Funds in Category

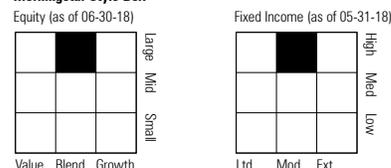
The performance data quoted reflects past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower than the performance data quoted. For the most recent month end performance information, please call 1-800-922-9945, or visit rps.troweprice.com.

## Portfolio Analysis

### Composition as of 06-30-18



### Morningstar Style Box™



### Top 5 Holdings as of 06-30-18

	% Assets
Vanguard Total Stock Mkt Idx Instl Pls	46.50
Vanguard Total Intl Stock Idx InstlPls	31.03
Vanguard Total Bond Market II Idx I	15.74
Vanguard Total Intl Bd Idx Institutional	6.73
Cmt Market Liquidity Rate	0.00

Total Number of Holdings	5
Turnover Ratio %	7.18
Total Assets (\$mil)	10,364.27

### Morningstar Equity Super Sectors as of 06-30-18

	% Fund
📈 Cyclical	39.23
📉 Sensitive	39.08
➡ Defensive	21.69

## Principal Risks

For more information on the risks presented, please refer to <http://rps.troweprice.com/riskglossary>

Credit and Counterparty, Inflation-Protected Securities, Prepayment (Call), Country or Region, Income, Index Correlation/Tracking Error, Interest Rate, Market/Market Volatility, Underlying Fund/Fund of Funds, Passive Management, Portfolio Diversification, Target Date

# Vanguard Target Retire 2040 Select

**Benchmark**  
Morningstar Lifetime Mod 2040 TR USD

**Overall Morningstar Rating™**  
★★★★  
Out of 193 Target-Date 2040 investments. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure page for details.

**Morningstar Return**  
Above Average

**Morningstar Risk**  
Average

## Investment Information

### Investment Objective & Strategy

Vanguard Target Retirement 2040 Trust uses an asset allocation strategy designed for investors planning to retire between 2038 and 2042. The trust seeks to provide growth of capital and current income consistent with its current target allocation by investing in a gradually more conservative mix of the following Vanguard funds: Total Stock Market Index Fund, Total Bond Market II Index Fund, Total International Bond Index Fund, and Total International Stock Index Fund.

### Fees and Expenses as of —

Prospectus Net Expense Ratio —  
Total Annual Operating Exp per \$1000 —  
Maximum Sales Charge —  
12b-1 Fee —  
Redemption Fee/Term —

### Portfolio Manager(s)

William A. Coleman. M.B.A., St. Joseph's University.  
Walter Nejman. B.A., Arcadia University. M.B.A., Villanova University.

### Operations and Management

Fund Inception Date 06-30-15  
Management Company Vanguard  
Telephone +1 8776627447  
Web Site www.vanguard.com  
Issuer Vanguard Group Inc

### Category Description: Target-Date 2040

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2036-2040) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

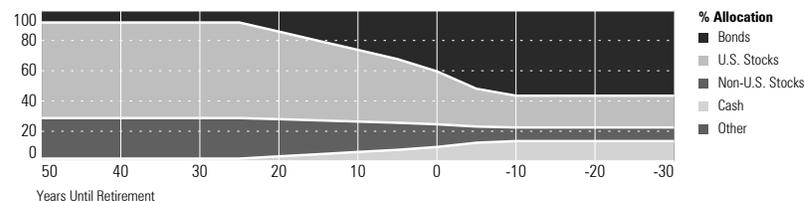
### Volatility And Risk



**Best 3 Month Return** 8.67%  
(Mar '16 - May '16)

**Worst 3 Month Return** -7.84%  
(Jul '15 - Sep '15)

## Allocation of Assets



Target-date investment options typically invest in other investments and are designed for investors who plan to retire during the target date year. The investment's target date is the approximate date of when investors expect to begin withdrawing their money. A Target-date investment's objective/strategy typically becomes more conservative over time primarily by reducing its allocation to equity investments and increasing its allocations in fixed-income investments. An investor's principal value in a target-date investment option is not guaranteed at anytime, including at the investment's target date.

## Performance as of 06-30-18

YTD	1 Year	3 Year	5 Year	10 Year	Since Inception	
0.38	10.23	8.26	—	—	8.26	Investment Return %
0.43	10.62	8.14	—	—	8.14	Benchmark Return %
0.30	9.56	7.46	—	—	7.37	Category Average %
—	—	★★★★	—	—	—	Morningstar Rating™
—	—	193	—	—	—	# of Funds in Category

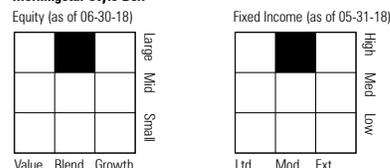
The performance data quoted reflects past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower than the performance data quoted. For the most recent month end performance information, please call 1-800-922-9945, or visit rps.troweprice.com.

## Portfolio Analysis

### Composition as of 06-30-18



### Morningstar Style Box™



### Top 5 Holdings as of 06-30-18

	% Assets
Vanguard Total Stock Mkt Idx Instl Pls	51.08
Vanguard Total Intl Stock Idx InstlPls	33.98
Vanguard Total Bond Market II Idx I	10.48
Vanguard Total Intl Bd Idx Institutional	4.47
Cmt Market Liquidity Rate	0.00

Total Number of Holdings 5  
Turnover Ratio % 7.74  
Total Assets (\$mil) 8,865.30

### Morningstar Equity Super Sectors as of 06-30-18

	% Fund
Cyclical	39.22
Sensitive	39.09
Defensive	21.69

## Principal Risks

For more information on the risks presented, please refer to <http://rps.troweprice.com/riskglossary>  
Credit and Counterparty, Inflation-Protected Securities, Prepayment (Call), Country or Region, Income, Index Correlation/Tracking Error, Interest Rate, Market/Market Volatility, Underlying Fund/Fund of Funds, Passive Management, Portfolio Diversification, Target Date

# Vanguard Target Retire 2045 Select

**Benchmark**  
Morningstar Lifetime Mod 2045 TR USD

**Overall Morningstar Rating™**  
★★★★  
Out of 173 Target-Date 2045 investments. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure page for details.

**Morningstar Return**  
Above Average

**Morningstar Risk**  
Average

## Investment Information

### Investment Objective & Strategy

Vanguard Target Retirement 2045 Trust uses an asset allocation strategy designed for investors planning to retire between 2043 and 2047. The trust seeks to provide growth of capital and current income consistent with its current target allocation by investing in a gradually more conservative mix of the following Vanguard funds: Total Stock Market Index Fund, Total Bond Market II Index Fund, Total International Bond Index Fund, and Total International Stock Index Fund.

### Fees and Expenses as of —

Prospectus Net Expense Ratio —  
Total Annual Operating Exp per \$1000 —  
Maximum Sales Charge —  
12b-1 Fee —  
Redemption Fee/Term —

### Portfolio Manager(s)

William A. Coleman. M.B.A., St. Joseph's University.  
Walter Nejman. B.A., Arcadia University. M.B.A., Villanova University.

### Operations and Management

Fund Inception Date 06-30-15  
Management Company Vanguard  
Telephone +1 8776627447  
Web Site www.vanguard.com  
Issuer Vanguard Group Inc

### Category Description: Target-Date 2045

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2041-2045) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

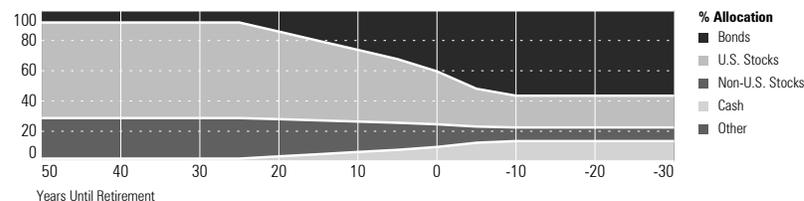
### Volatility And Risk



**Best 3 Month Return** 8.76%  
(Mar '16 - May '16)

**Worst 3 Month Return** -7.88%  
(Jul '15 - Sep '15)

## Allocation of Assets



Target-date investment options typically invest in other investments and are designed for investors who plan to retire during the target date year. The investment's target date is the approximate date of when investors expect to begin withdrawing their money. A Target-date investment's objective/strategy typically becomes more conservative over time primarily by reducing its allocation to equity investments and increasing its allocations in fixed-income investments. An investor's principal value in a target-date investment option is not guaranteed at anytime, including at the investment's target date.

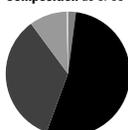
## Performance as of 06-30-18

YTD	1 Year	3 Year	5 Year	10 Year	Since Inception	
0.43	10.64	8.52	—	—	8.52	Investment Return %
0.42	10.96	8.31	—	—	8.30	Benchmark Return %
0.45	10.12	7.79	—	—	7.70	Category Average %
—	—	★★★★	—	—	—	Morningstar Rating™
—	—	173	—	—	—	# of Funds in Category

The performance data quoted reflects past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower than the performance data quoted. For the most recent month end performance information, please call 1-800-922-9945, or visit rps.troweprice.com.

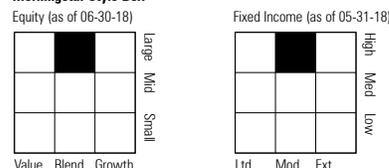
## Portfolio Analysis

### Composition as of 06-30-18



Asset Class	% Assets
U.S. Stocks	53.5
Non-U.S. Stocks	34.3
Bonds	9.8
Cash	2.1
Other	0.4

### Morningstar Style Box™



### Top 5 Holdings as of 06-30-18

Asset	% Assets
Vanguard Total Stock Mkt Idx Instl Pls	53.92
Vanguard Total Intl Stock Idx InstlPls	36.02
Vanguard Total Bond Market II Idx I	7.06
Vanguard Total Intl Bd Idx Institutional	3.01
Cmt Market Liquidity Rate	0.00

Total Number of Holdings 5  
Turnover Ratio % 8.56  
Total Assets (\$mil) 7,667.59

### Morningstar Equity Super Sectors as of 06-30-18

Sector	% Fund
Cyclical	39.23
Sensitive	39.09
Defensive	21.68

## Principal Risks

For more information on the risks presented, please refer to <http://rps.troweprice.com/riskglossary>  
Credit and Counterparty, Inflation-Protected Securities, Prepayment (Call), Country or Region, Income, Index Correlation/Tracking Error, Interest Rate, Market/Market Volatility, Underlying Fund/Fund of Funds, Passive Management, Portfolio Diversification, Target Date

# Vanguard Target Retire 2050 Select

**Benchmark**  
Morningstar Lifetime Mod 2050 TR USD

**Overall Morningstar Rating™**  
★★★★  
Out of 188 Target-Date 2050 investments. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure page for details.

**Morningstar Return**  
Above Average

**Morningstar Risk**  
Average

## Investment Information

### Investment Objective & Strategy

Vanguard Target Retirement 2050 Trust uses an asset allocation strategy designed for investors planning to retire between 2048 and 2052. The trust seeks to provide growth of capital and current income consistent with its current target allocation by investing in a gradually more conservative mix of the following Vanguard funds: Total Stock Market Index Fund, Total Bond Market II Index Fund, Total International Bond Index Fund, and Total International Stock Index Fund.

### Fees and Expenses as of —

Prospectus Net Expense Ratio	—
Total Annual Operating Exp per \$1000	—
Maximum Sales Charge	—
12b-1 Fee	—
Redemption Fee/Term	—

### Portfolio Manager(s)

William A. Coleman. M.B.A., St. Joseph's University.  
Walter Nejman. B.A., Arcadia University. M.B.A., Villanova University.

### Operations and Management

Fund Inception Date	06-30-15
Management Company	Vanguard
Telephone	+1 8776627447
Web Site	www.vanguard.com
Issuer	Vanguard Group Inc

### Category Description: Target-Date 2050

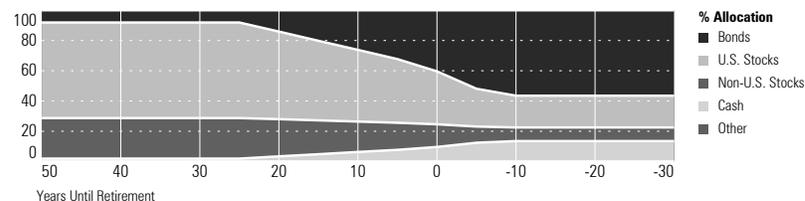
Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2046-2050) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

### Volatility And Risk



<b>Best 3 Month Return</b>	<b>Worst 3 Month Return</b>
8.76%	-7.94%
(Mar '16 - May '16)	(Jul '15 - Sep '15)

## Allocation of Assets



Target-date investment options typically invest in other investments and are designed for investors who plan to retire during the target date year. The investment's target date is the approximate date of when investors expect to begin withdrawing their money. A Target-date investment's objective/strategy typically becomes more conservative over time primarily by reducing its allocation to equity investments and increasing its allocations in fixed-income investments. An investor's principal value in a target-date investment option is not guaranteed at anytime, including at the investment's target date.

## Performance as of 06-30-18

YTD	1 Year	3 Year	5 Year	10 Year	Since Inception	
0.43	10.64	8.50	—	—	8.50	Investment Return %
0.36	11.00	8.30	—	—	8.30	Benchmark Return %
0.38	10.22	7.84	—	—	7.76	Category Average %
—	—	★★★★	—	—	—	Morningstar Rating™
—	—	188	—	—	—	# of Funds in Category

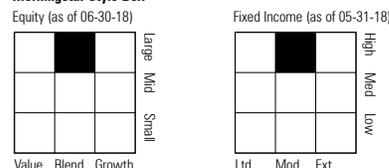
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## Portfolio Analysis

### Composition as of 06-30-18



### Morningstar Style Box™



### Top 5 Holdings as of 06-30-18

Top 5 Holdings as of 06-30-18	% Assets
Vanguard Total Stock Mkt Idx Instl Pls	54.17
Vanguard Total Intl Stock Idx InstlPls	35.78
Vanguard Total Bond Market II Idx I	7.05
Vanguard Total Intl Bd Idx Institutional	3.01
CMT MARKET LIQUIDITY RATE	0.01
Total Number of Holdings	5
Turnover Ratio %	2.62
Total Assets (\$mil)	5,686.84

### Morningstar Equity Super Sectors as of 06-30-18

Morningstar Equity Super Sectors as of 06-30-18	% Fund
Cyclical	39.21
Sensitive	39.09
Defensive	21.69

## Principal Risks

For more information on the risks presented, please refer to <http://rps.troweprice.com/riskglossary>  
Credit and Counterparty, Inflation-Protected Securities, Prepayment (Call), Country or Region, Income, Index Correlation/Tracking Error, Interest Rate, Market/Market Volatility, Underlying Fund/Fund of Funds, Passive Management, Portfolio Diversification, Target Date

# Vanguard Target Retire 2055 Select

**Benchmark**  
Morningstar Lifetime Mod 2055 TR USD

**Overall Morningstar Rating™**  
★★★★  
Out of 171 Target-Date 2055 investments. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure page for details.

**Morningstar Return**  
Above Average

**Morningstar Risk**  
Below Average

## Investment Information

### Investment Objective & Strategy

Vanguard Target Retirement 2055 Trust uses an asset allocation strategy designed for investors planning to retire between 2053 and 2057. The trust seeks to provide growth of capital and current income consistent with its current target allocation by investing in a gradually more conservative mix of the following Vanguard funds: Total Stock Market Index Fund, Total Bond Market II Index Fund, Total International Bond Index Fund, and Total International Stock Index Fund.

### Fees and Expenses as of —

Prospectus Net Expense Ratio	—
Total Annual Operating Exp per \$1000	—
Maximum Sales Charge	—
12b-1 Fee	—
Redemption Fee/Term	—

### Portfolio Manager(s)

William A. Coleman. M.B.A., St. Joseph's University.  
Walter Nejman. B.A., Arcadia University. M.B.A., Villanova University.

### Operations and Management

Fund Inception Date	06-30-15
Management Company	Vanguard
Telephone	+1 8776627447
Web Site	www.vanguard.com
Issuer	Vanguard Group Inc

### Category Description: Target-Date 2055

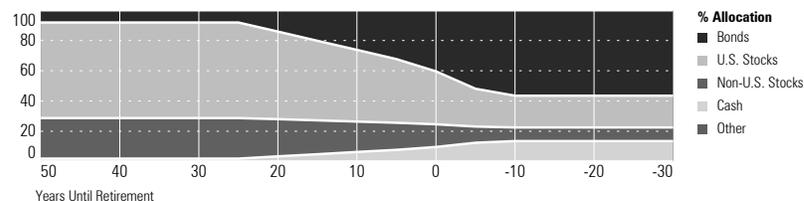
Target-date portfolios provide a diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2051-2055) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

### Volatility And Risk



<b>Best 3 Month Return</b>	<b>Worst 3 Month Return</b>
8.77%	-7.98%
(Mar '16 - May '16)	(Jul '15 - Sep '15)

## Allocation of Assets



Target-date investment options typically invest in other investments and are designed for investors who plan to retire during the target date year. The investment's target date is the approximate date of when investors expect to begin withdrawing their money. A Target-date investment's objective/strategy typically becomes more conservative over time primarily by reducing its allocation to equity investments and increasing its allocations in fixed-income investments. An investor's principal value in a target-date investment option is not guaranteed at anytime, including at the investment's target date.

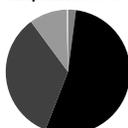
## Performance as of 06-30-18

YTD	1 Year	3 Year	5 Year	10 Year	Since Inception	
0.43	10.65	8.49	—	—	8.49	Investment Return %
0.28	10.98	8.26	—	—	8.26	Benchmark Return %
0.51	10.47	7.97	—	—	7.93	Category Average %
—	—	★★★★	—	—	—	Morningstar Rating™
—	—	171	—	—	—	# of Funds in Category

The performance data quoted reflects past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower than the performance data quoted. For the most recent month end performance information, please call 1-800-922-9945, or visit rps.troweprice.com.

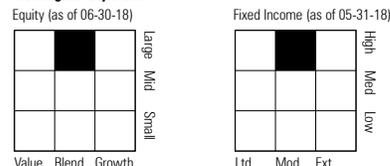
## Portfolio Analysis

### Composition as of 06-30-18



● U.S. Stocks	53.8
● Non-U.S. Stocks	34.0
● Bonds	9.8
● Cash	2.1
● Other	0.4

### Morningstar Style Box™



### Top 5 Holdings as of 06-30-18

	% Assets
Vanguard Total Stock Mkt Idx Instl Pls	54.25
Vanguard Total Intl Stock Idx InstlPls	35.67
Vanguard Total Bond Market II Idx I	7.09
Vanguard Total Intl Bd Idx Institutional	2.96
CMT MARKET LIQUIDITY RATE	0.03

Total Number of Holdings	5
Turnover Ratio %	14.07
Total Assets (\$mil)	2,885.38

### Morningstar Equity Super Sectors as of 06-30-18

	% Fund
📈 Cyclical	39.20
📉 Sensitive	39.10
➡ Defensive	21.70

## Principal Risks

For more information on the risks presented, please refer to <http://rps.troweprice.com/riskglossary>  
 Credit and Counterparty, Inflation-Protected Securities, Prepayment (Call), Country or Region, Income, Index Correlation/Tracking Error, Interest Rate, Market/Market Volatility, Underlying Fund/Fund of Funds, Passive Management, Portfolio Diversification, Target Date

# Vanguard Target Retire 2060 Select

**Benchmark**  
Morningstar Lifetime Mod 2060 TR USD

**Overall Morningstar Rating™**  
★★★  
Out of 65 Target-Date 2060+ investments. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure page for details.

**Morningstar Return**  
Average

**Morningstar Risk**  
Below Average

## Investment Information

### Investment Objective & Strategy

Vanguard Target Retirement 2060 Trust uses an asset allocation strategy designed for investors planning to retire between 2058 and 2062. The trust seeks to provide growth of capital and current income consistent with its current target allocation by investing in a gradually more conservative mix of the following Vanguard funds: Total Stock Market Index Fund, Total Bond Market II Index Fund, Total International Bond Index Fund, and Total International Stock Index Fund.

### Fees and Expenses as of —

Prospectus Net Expense Ratio —  
Total Annual Operating Exp per \$1000 —  
Maximum Sales Charge —  
12b-1 Fee —  
Redemption Fee/Term —

### Portfolio Manager(s)

William A. Coleman. M.B.A., St. Joseph's University.  
Walter Nejman. B.A., Arcadia University. M.B.A., Villanova University.

### Operations and Management

Fund Inception Date 06-30-15  
Management Company Vanguard  
Telephone +1 8776627447  
Web Site www.vanguard.com  
Issuer Vanguard Group Inc

### Category Description: Target-Date 2060+

Target-date portfolios provide a diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2056-2060 and beyond) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

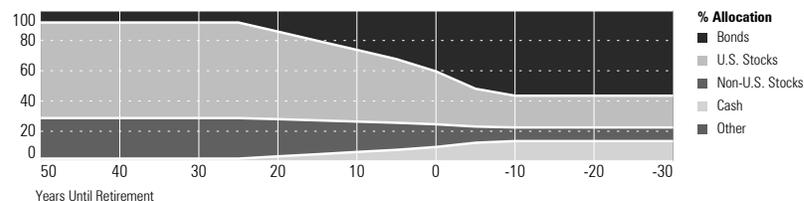
### Volatility And Risk



**Best 3 Month Return** 8.76%  
(Mar '16 - May '16)

**Worst 3 Month Return** -7.98%  
(Jul '15 - Sep '15)

## Allocation of Assets



Target-date investment options typically invest in other investments and are designed for investors who plan to retire during the target date year. The investment's target date is the approximate date of when investors expect to begin withdrawing their money. A Target-date investment's objective/strategy typically becomes more conservative over time primarily by reducing its allocation to equity investments and increasing its allocations in fixed-income investments. An investor's principal value in a target-date investment option is not guaranteed at anytime, including at the investment's target date.

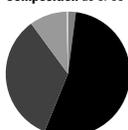
## Performance as of 06-30-18

YTD	1 Year	3 Year	5 Year	10 Year	Since Inception	
0.43	10.61	8.49	—	—	8.49	Investment Return %
0.21	10.93	8.19	—	—	8.19	Benchmark Return %
0.53	10.64	8.29	—	—	8.09	Category Average %
—	—	★★★	—	—	—	Morningstar Rating™
—	—	65	—	—	—	# of Funds in Category

The performance data quoted reflects past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower than the performance data quoted. For the most recent month end performance information, please call 1-800-922-9945, or visit rps.troweprice.com.

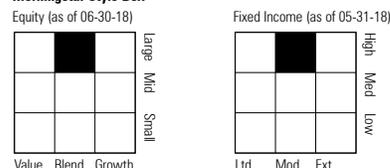
## Portfolio Analysis

### Composition as of 06-30-18



	% Assets
● U.S. Stocks	54.1
● Non-U.S. Stocks	33.8
● Bonds	9.7
● Cash	2.1
● Other	0.4

### Morningstar Style Box™



### Top 5 Holdings as of 06-30-18

	% Assets
Vanguard Total Stock Mkt Idx Instl Pls	54.50
Vanguard Total Intl Stock Idx InstlPls	35.48
Vanguard Total Bond Market II Idx I	7.07
Vanguard Total Intl Bd Idx Institutional	2.94
CMT MARKET LIQUIDITY RATE	0.01

Total Number of Holdings 5  
Turnover Ratio % 27.87  
Total Assets (\$mil) 821.58

### Morningstar Equity Super Sectors as of 06-30-18

	% Fund
📈 Cyclical	39.17
📉 Sensitive	39.13
➡ Defensive	21.70

## Principal Risks

For more information on the risks presented, please refer to <http://rps.troweprice.com/riskglossary>  
Credit and Counterparty, Inflation-Protected Securities, Prepayment (Call), Country or Region, Income, Index Correlation/Tracking Error, Interest Rate, Market/Market Volatility, Underlying Fund/Fund of Funds, Passive Management, Portfolio Diversification, Target Date



# Important Disclosures

When used as supplemental sales literature, the Investment Profile must be preceded or accompanied by the fund's current prospectus as well as this disclosure statement. The fund is not FDIC-insured, may lose value and is not guaranteed by a bank or other financial institution. **Call 1-800-354-2351 to request a prospectus, which includes investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing.**

## Morningstar Rating™

For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure as of the date indicated that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics.

## Morningstar Return

This statistic is a measurement of a fund's excess return over a risk-free rate (the return of the 90-day Treasury bill), after adjusting for all applicable loads and sales charges. In each Morningstar Category, the top 10% of funds earn a High Morningstar Return, the next 22.5% Above Average, the middle 35% Average, the next 22.5% Below Average, and the bottom 10% Low. Morningstar Return is measured for up to three time periods (three-, five-, and 10-years). These separate measures are then weighted and averaged to produce an overall measure for the fund. Funds with less than three years of performance history are not rated.

## Morningstar Risk

This statistic evaluates the variations in a fund's monthly returns, with an emphasis on downside variations. In each Morningstar Category, the 10% of funds with the lowest measured risk are described as Low Risk, the next 22.5% Below Average, the middle 35% Average, the next 22.5% Above Average, and the top 10% High. Morningstar Risk is measured for up to three time periods (three-, five-, and 10-years). These separate measures are then weighted and averaged to produce an overall measure for the fund. Funds with less than three years of performance history are not rated.

## Morningstar Style Box™

The Morningstar Style Box reveals a fund's investment style as of the date noted on this report.

For equity funds the vertical axis shows the market capitalization of the long stocks owned and the horizontal axis shows investment style (value, blend, or growth).

For fixed-income funds, the vertical axis shows the credit quality of the long bonds owned and the horizontal axis shows interest rate sensitivity as measured by a bond's effective duration.

Morningstar seeks credit rating information from fund companies on a periodic basis (e.g., quarterly). In compiling credit rating information Morningstar accepts credit ratings reported by fund companies that have been issued by all

Nationally Recognized Statistical Rating Organizations (NRSROs). For a list of all NRSROs, please visit <http://www.sec.gov/divisions/marketreg/ratingagency.htm>. Additionally, Morningstar accepts foreign credit ratings from widely recognized or registered rating agencies. If two rating organizations/agencies have rated a security, fund companies are to report the lower rating; if three or more organizations/agencies have rated a security, fund companies are to report the median rating, and in cases where there are more than two organization/agency ratings and a median rating does not exist, fund companies are to use the lower of the two middle ratings. PLEASE NOTE: Morningstar, Inc. is not itself an NRSRO nor does it issue a credit rating on the fund. An NRSRO or rating agency ratings can change from time-to-time.

For credit quality, Morningstar combines the credit rating information provided by the fund companies with an average default rate calculation to come up with a weighted-average credit quality. The weighted-average credit quality is currently a letter that roughly corresponds to the scale used by a leading NRSRO. Bond funds are assigned a style box placement of "low", "medium", or "high" based on their average credit quality. Funds with a low credit quality are those whose weighted-average credit quality is determined to be less than "BBB-"; medium are those less than "AA-", but greater or equal to "BBB-"; and high are those with a weighted-average credit quality of "AA-" or higher. When classifying a bond portfolio, Morningstar first maps the NRSRO credit ratings of the underlying holdings to their respective default rates (as determined by Morningstar's analysis of actual historical default rates). Morningstar then averages these default rates to determine the average default rate for the entire bond fund. Finally, Morningstar maps this average default rate to its corresponding credit rating along a convex curve.

For interest-rate sensitivity, Morningstar obtains from fund companies the average effective duration. Generally, Morningstar classifies a fixed-income fund's interest-rate sensitivity based on the effective duration of the Morningstar Core Bond Index (MCBI), which is currently three years. The classification of Limited will be assigned to those funds whose average effective duration is between 25% to 75% of MCBI's average effective duration; funds whose average effective duration is between 75% to 125% of the MCBI will be classified as Moderate; and those that are at 125% or greater of the average effective duration of the MCBI will be classified as Extensive.

For municipal bond funds, Morningstar also obtains from fund companies the average effective duration. In these cases static breakpoints are utilized. These breakpoints are as follows: (i) Limited: 4.5 years or less; (ii) Moderate: more than 4.5 years but less than 7 years; and (iii) Extensive: more than 7 years. In addition, for non-US taxable and non-US domiciled fixed income funds static duration breakpoints are used: (i) Limited: less than or equal to 3.5 years; (ii) Moderate: greater than 3.5 and less than equal to 6 years; (iii) Extensive: greater than 6 years.

## Performance

*Current performance may be lower or higher than the quoted past performance, which cannot guarantee future results. Share price, principal value, and return will vary, and you may have a gain or loss when you sell your shares. To obtain the most recent month-end performance, please call 1-800-922-9945 or go to [troweprice.com](http://troweprice.com).*

## Fund Return

*Total return reflects performance without adjusting for sales charges or the effects of taxation, but is adjusted to reflect*

*all actual ongoing fund expenses and assumes reinvestment of dividends and capital gains. If adjusted, sales charges would reduce the performance quoted. In addition, due to market volatility, the fund's return may vary greatly over short periods of time.*

## Standardized Return

Standardized Total Return is total return adjusted for maximum front-end or deferred sales charges. The sales charge utilized in the Standardized Return calculation was obtained from the fund's most recent prospectus and/or shareholder report available to Morningstar.

## Index Return

The fund's performance is compared with that of an index. The index is an unmanaged portfolio of specified securities and the index does not reflect any initial or ongoing expenses nor can it be invested in directly. A fund's portfolio may differ significantly from the securities in the index. Morningstar chooses the index.

## Benchmarks

Morningstar assigns a benchmark to a fund based on the fund's Morningstar Category. They use either a Primary Index, which is based on the broad asset classes that each category belongs to, or a Secondary Index, which Morningstar believes is more specific to the individual category. The index shown may not be consistent with the benchmark included in a fund's prospectus.

## Prospectus Gross Expense Ratio

This is the percentage of fund assets paid for operating expenses and management fees. The expense ratio typically includes the following types of fees: accounting, administrator, advisor, auditor, board of directors, custodial, distribution (12b-1), legal, organizational, professional, registration, shareholder reporting, sub-advisor, and transfer agency. The expense ratio does not reflect the fund's brokerage costs or any investor sales charges. In contrast to the net expense ratio, the gross expense ratio does not reflect any fee waivers in effect during the time period. Also known as the Total Annual Fund Operating Expense Ratio, Morningstar pulls the prospectus gross expense ratio from the fund's most recent prospectus. Prospectus expense ratios reflect material changes to the expense structure for the current period.

## Expense Ratio

The Expense Ratio varies by portfolio and represents the percentage of portfolio assets paid for both investment management fees and plan operating and administrative expenses. Operating and administrative expenses typically include the following types of fees: accounting, administrator, advisor, auditor, custodial, distribution (12b-1), legal, organizational, professional, registration, shareholder reporting, sub-advisor, and transfer agency. These fees are incorporated into the Net Asset Value (NAV) of each portfolio.

## Expense Ratio for Trusts

The expense ratio for a class of a trust is generally equal to its trustee fee. From time to time, a trust (or a class) may incur other charges as permitted by the Declaration of Trust; however, to the extent these charges exist, they generally are minor and will not increase the expense ratio. The trustee fee is paid to the trustee of the trust. The trustee may, at its own expense, retain third party service providers (including affiliates) to provide services for the trust.

## Turnover Ratio

Turnover Ratio % is expressed as an annual figure except in the case where the portfolio has less than one year's worth

# Important Disclosures

of data. In this case the Turnover Ratio % is expressed as the unannualized since inception to date figure.

## Volatility and Risk

**Low:** In the past, this investment has shown a relatively small range of price fluctuations relative to other investments. Based on this measure, currently more than two thirds of all investments have shown higher levels of risk. Consequently, this investment may appeal to investors looking for a conservative investment strategy.

**Moderate:** In the past, this investment has shown a relatively moderate range of price fluctuations relative to other investments. This investment may experience larger or smaller price declines or price increases depending on market conditions. Some of this risk may be offset by owning other investments with different portfolio makeups or investment strategies.

**High:** In the past, this investment has shown a wide range of price fluctuations relative to other investments. This investment may experience significant price increases in favorable markets or undergo large price declines in adverse markets. Some of this risk may be offset by owning other investments that follow different investment strategies.

## Investment Risk

When considering mutual funds, investors should consider other factors along with historical performance, such as the fund's investment objective, the types of securities in which it invests, and its level of risk as compared to other types of investments. As with all stock and bond mutual funds, each fund's share price can fall because of weakness in the stock or bond markets, a particular industry, or specific holdings. Stock markets can decline for many reasons, including adverse political or economic developments, changes in investor psychology, or heavy institutional selling. The prospects for an industry or company may deteriorate because of a variety of factors, including disappointing earnings or changes in the competitive environment. In addition, the investment manager's assessment of companies held in a fund may prove incorrect, resulting in losses or poor performance even in rising markets. For more information on the risks associated with investing, please refer to [rps.troveprice.com/riskglossary](http://rps.troveprice.com/riskglossary).

**Foreign Securities Funds/Emerging Markets Funds:** The investor should note that funds that invest in foreign securities involve special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks. Funds that invest overseas generally carry more risk than funds that invest strictly in U.S. assets. The specific risk profile of an international fund varies with its investment style; geographic focus; and whether it invests in developed markets, emerging markets, or both. Funds investing in a single country or limited geographic region tend to be riskier than more diversified funds. Risks can result from varying stages of economic and political development; differing regulatory environments, trading days, and accounting standards; and higher transaction costs of non-U.S. markets. These funds may also be subject to currency risk, which is a decline in the value of a foreign currency versus the U.S. dollar, which reduces the dollar value of securities denominated in that currency. Investments in emerging markets are subject to abrupt and severe price declines and should be regarded as speculative. The economic and political structures of developing nations, 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. Some countries also have

legacies of hyperinflation, currency devaluations, and governmental interference in markets.

**Specialty/ Sector Funds:** The investor should note that funds that invest exclusively in one sector or industry involve additional risks. The lack of industry diversification subjects the investor to increased industry-specific risks, such as the ones listed below

**Banks:** The banking industry can be significantly affected by legislation that has reduced the separation between commercial and investment banking businesses, changed laws governing capitalization requirements and the savings and loan industry, and increased competition. In addition, changes in general economic conditions and interest rates can significantly impact the banking industry.

**Financial Services:** Financial services companies may be hurt when interest rates rise sharply, although not all companies are affected equally. The stocks may also be vulnerable to rapidly rising inflation.

**Health Sciences:** Companies in this field are subject to special risks such as increased competition within the health care industry, changes in legislation or government regulations, reductions in government funding, product liability or other litigation, and the obsolescence of popular products.

**Media and Telecommunications:** Companies in these industries are subject to the risks of rapid obsolescence, lack of investor or consumer acceptance, lack of standardization or compatibility with existing technologies, an unfavorable regulatory environment, intense competition, and a dependency on patent and copyright protection.

**Natural Resources:** The rate of earnings growth of natural resources companies may be irregular since these companies are strongly affected by natural forces, global economic cycles, and international politics. For example, stock prices of energy companies can fall sharply when oil prices fall.

**Precious Metals:** The precious metals industry can be significantly affected by international monetary and political developments such as currency devaluations or revaluations, central bank movements, economic and social conditions within a country, trade imbalances, or trade or currency restrictions between countries.

**Real Estate:** Changes in the tax laws, overbuilding, environmental issues, the quality of property management in the case of real estate investment trusts (REITs), and other factors could hurt a fund that invests in the real estate industry. Real estate is also affected by general economic conditions. When growth is slowing, demand for property decreases and prices may decline. Rising interest rates, which drive up mortgage and financing costs, can restrain construction and buying and selling activity, and may reduce the appeal of real estate investments.

**Technology:** Technology stocks historically have experienced unusually wide price swings, both up and down. The potential for wide variation in performance reflects the special risks common to companies in the rapidly changing field of technology. For example, products or services that at first appear promising may not prove commercially successful and may become obsolete quickly. Earnings disappointments and intense competition for market share can result in sharp price declines.

**Transportation:** Competition within the industry, domestic

and foreign economies, government regulation, labor relations, and the price of fuel can significantly affect the transportation industry.

**Utilities:** The utilities industries can be significantly affected by government regulation, financing difficulties, supply and demand of services or fuel, and natural resource conservation.

**Non-Diversified Funds:** The investor should note that funds that invest more of their assets in a single issuer involve additional risks, including share price fluctuations, because of the increased concentration of investments.

**Small Cap Funds:** The investor should note that funds that invest in stocks of small companies involve additional risks. Smaller companies typically have a higher risk of failure, and are not as well established as larger blue-chip companies. Historically, smaller-company stocks have experienced a greater degree of market volatility than the overall market average and may be less liquid than larger companies.

**Mid Cap Funds:** The investor should note that funds that invest in companies with market capitalizations below \$10 billion involve additional risks. The securities of these companies may be more volatile and less liquid than the securities of larger companies.

**Growth/Value Funds:** Investors should note that growth and value stocks are subject to the volatility inherent in common stock investing. In addition, growth stocks may experience more price volatility than income-oriented stocks. Value stocks carry 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 actually be appropriately priced.

**Bond Funds:** Investors should note that investments in fixed income securities are subject to interest rate risk and credit risk. Interest rate risk is the decline in bond prices that usually accompanies a rise in interest rates. Longer-maturity bonds typically decline more than those with shorter maturities. Credit risk is the chance that any fund holding could have its credit rating downgraded, or that a bond issuer will default (fail to make timely payments of interest or principal), potentially reducing the fund's income level and share price.

**High-Yield Bond Funds:** The investor should note that funds that invest in lower-rated debt securities (commonly referred to as junk bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. The investor should be aware of the possible higher level of volatility, and increased risk of default.

**Funds that invest in Mortgage-Backed Securities:** Funds that invest extensively in mortgage-backed securities have special risks related to changing interest rates, such as prepayment risk and extension risk. A mortgage-backed bond, unlike most other bonds, can be hurt when interest rates fall, because homeowners tend to refinance and prepay principal. The loss of high-yielding, underlying mortgages and the reinvestment of proceeds at lower interest rates can reduce the bond's potential price gain in response to falling interest rates, reduce the bond's yield, or even cause the bond's price to fall below what an investor paid for it, resulting in capital loss. Any of these developments could cause a decrease in the fund's income, share price, or total return. Extension risk refers to a rise in interest rates that causes a fund's average maturity to lengthen unexpectedly due to a drop in mortgage prepayments. This would increase the fund's sensitivity to

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## Important Disclosures

rising rates and its potential for price declines.

*Money Market Funds: **The investor should note an investment in a money market fund is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund.*** The income will vary daily, generally reflecting changes in short-term interest rates.

### Source of Data

T. Rowe Price does not guarantee the suitability or potential value of any particular investment or information source. All data are historical and subject to change. Morningstar, Inc. is not affiliated with T. Rowe Price. This information is provided for informational purposes only. Morningstar and T. Rowe Price accept no liability for reliance on this data.

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