



Deep Experience. Thoughtful Innovation.

Target date solutions from
T. Rowe Price

INVEST WITH CONFIDENCE®

troweprice.com/dc



Investment solutions designed for a complex retirement landscape

Today, defined contribution plan sponsors face an increasingly complex retirement landscape. Multiple factors, including fiduciary challenges, regulatory changes, participant behavioral issues, and plan-specific priorities, combine to complicate decision making.

To help optimize participants' outcomes, it is critical that sponsors have a consultative partner that can understand their objectives—both from a plan design and investment perspective.

T. Rowe Price has nearly 40 years of defined contribution experience, and we have gained valuable insights from our close to 2 million participants, their behavior, preferences, and investment tendencies.

Our knowledge of the participant landscape helps to inform and shape our asset allocation philosophy. For more than 20 years, we have managed asset allocation portfolios, seeking to add value through portfolio construction, risk management, and glide path design. A long-term approach underlies this philosophy.

This experience has also enabled us to pioneer target date solutions designed to meet plan sponsors' primary investment objectives and optimize participant behavior.

Client Assets and Relationships | As of December 31, 2013

T. Rowe Price has demonstrated consistent growth in the DC plan and target date markets.

	2000	2005	2010	2013
DC Channel Assets Under Administration ¹	\$64 B	\$75 B	\$112 B	\$145 B
Target Date Funds and Common Trusts AUM ²	\$0	\$8 B	\$59 B	\$121 B
Target Date Fund U.S. Market Share ³	0%	12%	17%	17%
Recordkeeping Client Relationships ⁴	1,629	2,467	3,267	3,320
Individual Plan Participants ⁵	1.2 M	1.5 M	1.9 M	2.0 M

¹ DC Channel AUA is defined as the total of all DC assets recordkept by T. Rowe Price (including non-T. Rowe Price assets).

² Target Date & Common Trust AUM is defined as the amount of target date fund and common trust assets managed by T. Rowe Price.

³ Target Date Fund U.S. Market Share is defined as the percent of total target date fund assets in the U.S. managed by T. Rowe Price.

⁴ Client Relationships are defined as the total number of T. Rowe Price clients.

⁵ Participant Relationships are defined as the total number of participants in retirement plans recordkept by T. Rowe Price.

A disciplined approach to asset allocation innovation

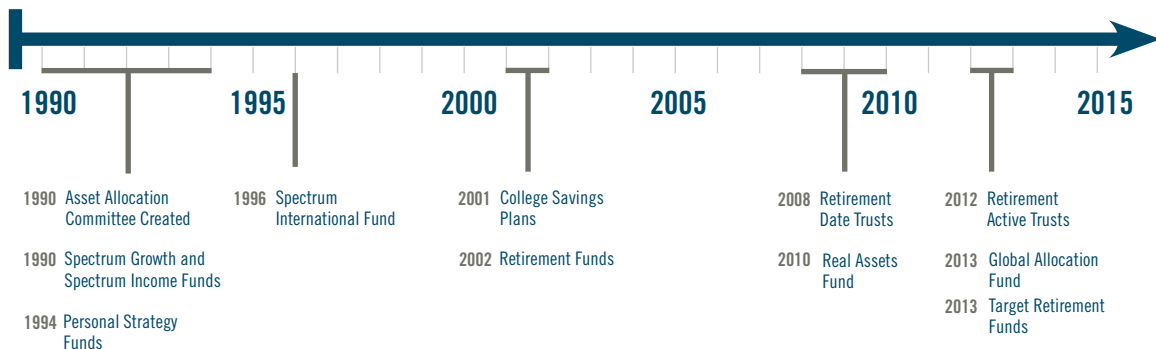
T. Rowe Price's target date solutions seek to address our clients' fiduciary concerns and improve participants' asset allocation profiles.

DESIGNED WITH PARTICIPANT BEHAVIOR IN MIND

Our asset allocation expertise and breadth of participant experience helped us design target date solutions that address behavioral challenges—including proper asset allocation, diversification, and rebalancing—and market uncertainties. Each solution offers a one-step, professionally diversified portfolio with an asset allocation that continues to shift for 30 years after the target retirement date.

20 Years of Asset Allocation Innovation

Since 1990, T. Rowe Price has developed numerous asset allocation solutions to meet a diverse set of client objectives.



1990s: Created Asset Allocation Committee and first target-risk products

2000s: Introduced first target date series and commingled trust vehicle

2010s: Expanded target date offerings to include multiple trust and glide path options

Consistent and reliable target date investment framework

Our target date solutions share common attributes: Philosophy, Process & People, Portfolio Construction and a Global Research Platform.

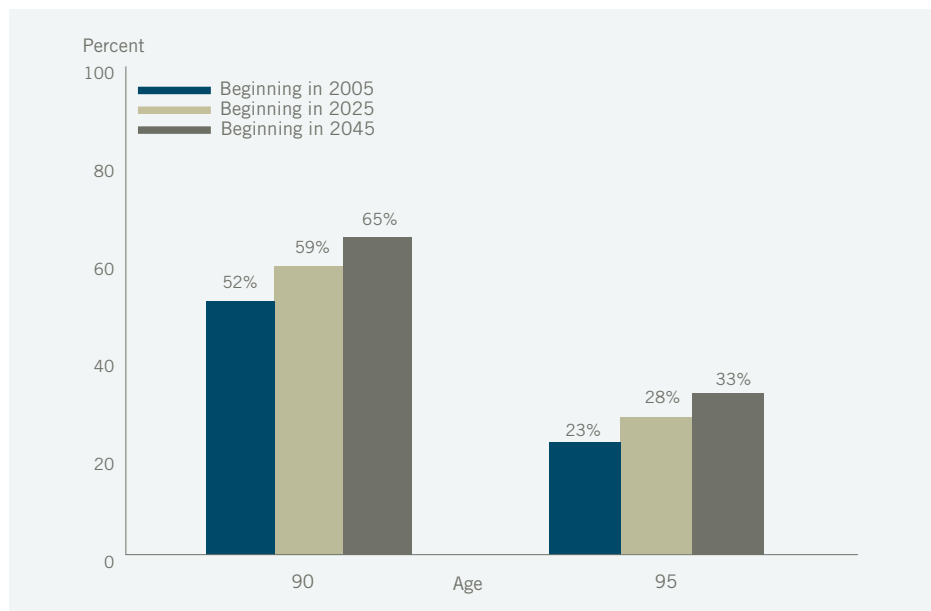
PHILOSOPHY

On the highest level, we believe that retirement accounts are designed to achieve two primary goals: accumulation of wealth prior to retirement and conversion of wealth to income during retirement. We also believe that the risk of participants outliving their retirement assets should be the key driver behind our management of retirement portfolios. To help reduce this risk, we use time horizon as the main determinant of asset allocation throughout the participant's life.

We employ active management and modest tactical asset allocation shifts in an attempt to enhance long-term performance. Since we actively invest across a wide range of asset classes, we can create broadly diversified portfolios to create the opportunity for enhanced returns while reducing volatility.

Longevity expectation increases over time

The chart below shows the odds of at least one member of a 65-year-old couple* living to age 90 or age 95.



* The data reflect couples in which one or both members have reached age 65. Source: Society of Actuaries. Compiled from Longevity: The Underlying Driver of Retirement Risk 2005 Risks and Process of Retirement Survey Report July 2006.

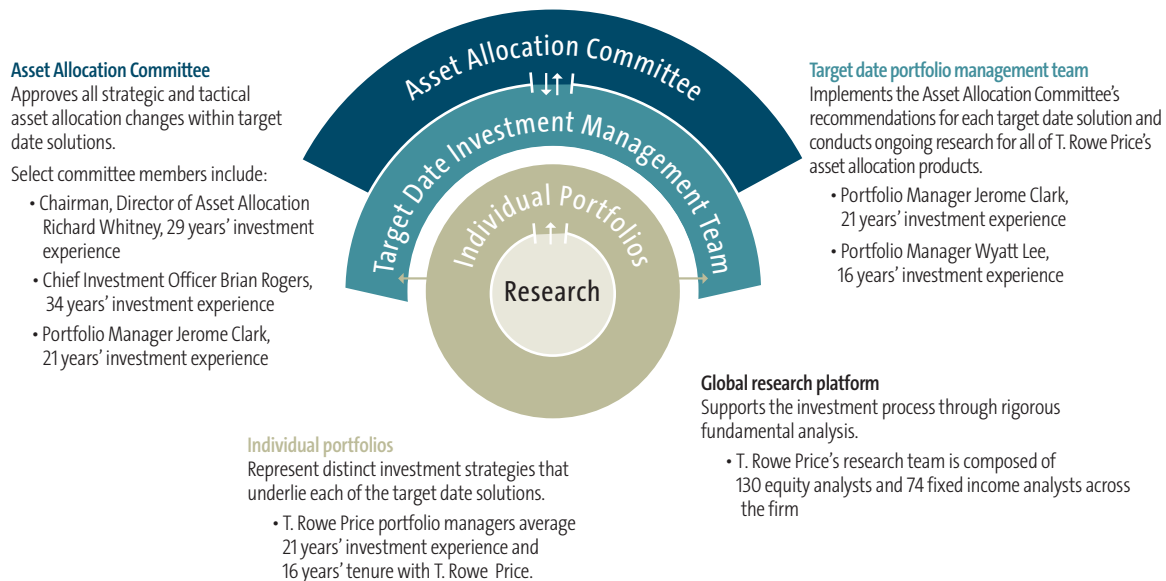
PROCESS & PEOPLE

The investment process for our target date solutions reflects the firm's broader investment culture—a commitment to fundamental research and close collaboration among seasoned professionals in order to deliver investment management excellence.

This process begins with the firm's Asset Allocation Committee—a team of senior investment professionals that helps to guide more than \$100 billion¹ in asset allocation portfolios. The committee approves all strategic and tactical asset allocation changes for our suite of target date solutions.

Committee members are chosen from among senior managers in both the Fixed Income and Equity Divisions, and each has significant investment experience.

The target date portfolio management team implements the Asset Allocation Committee's recommendations for each of the firm's target date solutions and is responsible for the day-to-day management, ongoing research, and oversight of these products.



Associate tenure/investment experience and number of research analysts is measured as of December 31, 2013.

The members of the Asset Allocation Committee are: Richard T. Whitney, Chairman, Jerome A. Clark, Christopher D. Alderson, Edward C. Bernard, Brian W.H. Berghuis, David R. Giroux, Ian D. Kelson, Brian C. Rogers, Daniel O. Shackelford, Charles M. Shriver, Robert W. Smith, and Mark J. Vaselkiv.

¹ The combined asset allocation assets under management of the T. Rowe Price group of companies.

Portfolio Management Team



JEROME CLARK, CFA
Portfolio Manager

- MS, Naval Postgraduate School
- MBA, Johns Hopkins University
- 21 years of investment experience
- 21 years with T. Rowe Price



WYATT LEE, CFA
Portfolio Manager

- BA, Vanderbilt University
- MBA, Washington University
- 16 years of investment experience
- 14 years with T. Rowe Price

Highly experienced, focused portfolio management teams average 21 years of investment experience and 16 years' tenure with **T. Rowe Price.**

GLOBAL RESEARCH PLATFORM

As with all T. Rowe Price investment strategies, fundamental, proprietary research is integral to the investment management process for our target date solutions.

- Knowledge gathered through on-site company visits, conversations with company management, and meetings with suppliers, competitors, distributors, and clients
- Rigorous fundamental analysis at regional, sector, industry, and company levels
- Insights shared across investment styles and strategies, allowing portfolio managers to quickly identify and pursue opportunities for clients

A byproduct of our proprietary, research-intensive approach is that the portfolio management team enjoys real-time holdings transparency for each of the investment strategies underlying our target date solutions. We believe this transparency helps promote both style consistency and long-term investment success.

DISCIPLINED PORTFOLIO CONSTRUCTION

At their core, each of our target date solutions is composed of a complementary range of diversified investment strategies. Each strategy is led by highly experienced portfolio managers who are supported by the firm's global research platform of more than 200 analysts.

TACTICAL ASSET ALLOCATION

We believe that modest tactical tilts can enhance participant outcomes. Our Asset Allocation Committee determines tactical allocation decisions monthly or more frequently if necessary. Its approach is largely qualitative and valuation based, with attention to a broad scope of potential risk and return scenarios.

CONSISTENT PORTFOLIO DIVERSIFICATION

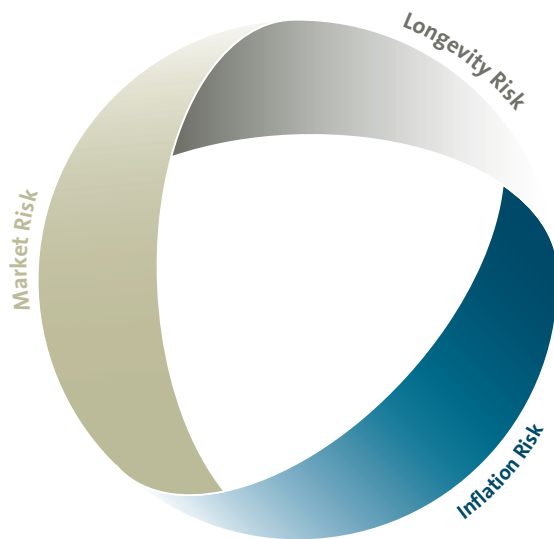
T. Rowe Price's target date strategies are among the most diversified in the industry.

Sector Representation			
Equity	Core Equity 95%	U.S. Equity 70%	Large-Cap 77%
			Mid-Cap 12%
			Small-Cap 11%
		International Equity 30%	Developed Markets 85%
			Emerging Markets 15%
	Real Assets Equity 5%		
Fixed Income	Fixed Income		Core Fixed Income 70%
			High Yield 10%
			Non-Dollar 10%
			Emerging Markets 10%
	Inflation Focused		

Two glide paths designed to address the two primary sponsor objectives

While the underlying investment philosophy and tactical allocation decisions, supported by our global research platform, are consistent across our solutions, we offer two target date glide paths to address distinct client objectives: lifetime income withdrawals during retirement or a moderate withdrawal horizon.

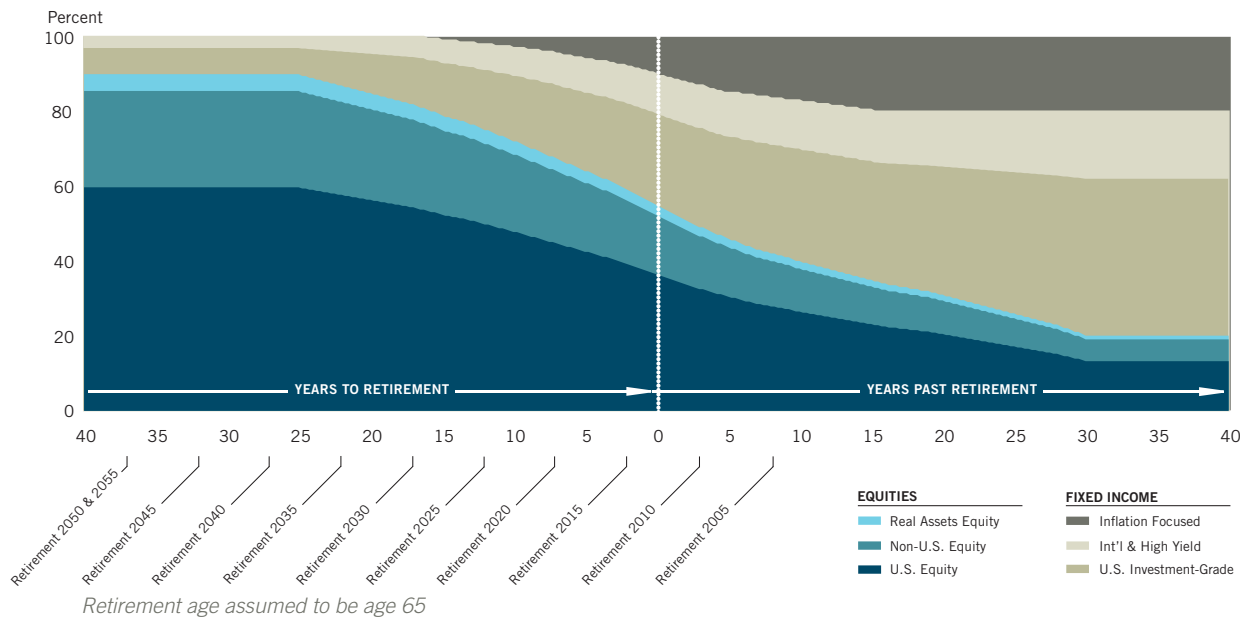
Our research indicates that plan participants face three primary risks: market, inflation, and longevity. Our target date solutions strive to balance and prioritize these risks and to maintain sufficient equity exposure to support the duration of retirement income needs.



- Target date managers must strike a balance between the three investment risks: market risk, inflation risk, and longevity risk.
- The primary target date objective should drive the relative emphasis among the investment risks within the glide path design.
- A glide path focused on lifetime income will tilt more toward offsetting inflation and longevity risks.
- A glide path focused on a moderate withdrawal horizon will tilt more toward offsetting market risk.

Retirement Funds Glide Path

The **Retirement Funds Glide Path** seeks to promote accumulation prior to retirement while supporting lifetime income withdrawals after retirement. To address inflation and longevity risks, the glide path maintains significant equity exposure and emphasizes capital appreciation. These investments may be appropriate for clients who are willing to pursue greater growth potential over the long term in exchange for higher market risk.

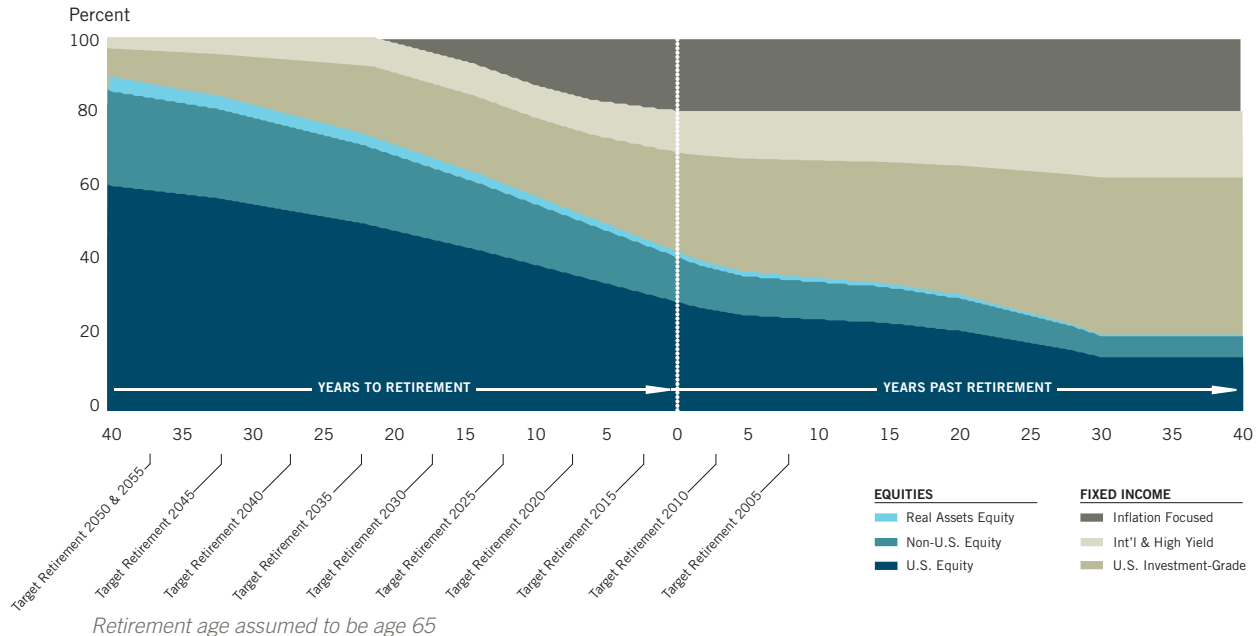


The T. Rowe Price Retirement Funds were one of two target date fund families that received the highest Morningstar Target-Date Series Rating (a “Gold” rating)[†]

The principal value of the Retirement Funds and Target Retirement Funds (collectively the “target date funds”) is not guaranteed at any time, including at or after the target date, which is the approximate year an investor plans to retire (assumed to be age 65) and likely stop making new investments in the fund. If an investor plans to retire significantly earlier or later than age 65, the funds may not be an appropriate investment even if the investor is retiring on or near the target date. The target date funds’ allocations among a broad range of underlying T. Rowe Price stock and bond funds will change over time. The Retirement Funds emphasize potential capital appreciation during the early phases of retirement asset accumulation, balance the need for appreciation with the need for income as retirement approaches, and focus on supporting an income stream over a long-term retirement withdrawal horizon. The Target Retirement Funds emphasize asset accumulation prior to retirement, balance the need for reduced market risk and income as retirement approaches, and focus on supporting an income stream over a moderate postretirement withdrawal horizon. The target date funds are not designed for a lump-sum redemption at the target date and do not guarantee a particular level of income. The key difference between the Retirement Funds and the Target Retirement Funds is the overall allocation to equity; although they each maintain significant allocations to equities both prior to and after the target date, the Retirement Funds maintain a higher equity allocation, which can result in greater volatility over shorter time horizons.

Target Retirement Funds Glide Path

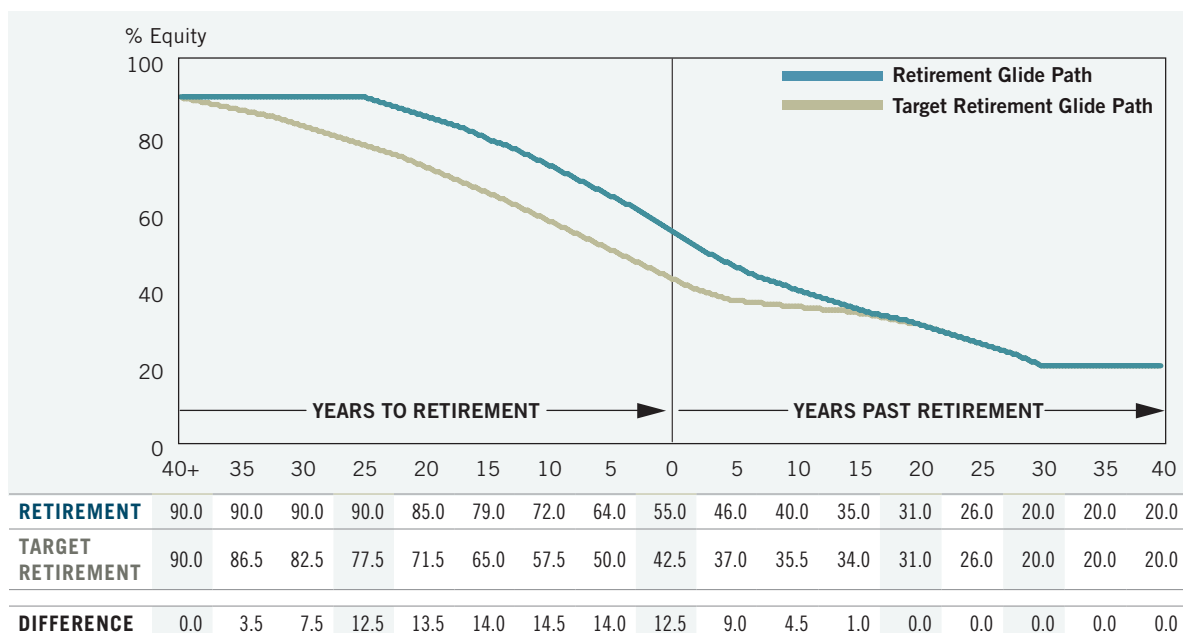
The **Target Retirement Funds Glide Path** seeks to promote accumulation prior to retirement while supporting income withdrawals over a moderate postretirement time horizon. To address market risk, the Target Retirement Funds glide path maintains a more moderate equity exposure in favor of fixed income investments in order to reduce the risk of principal loss around and after the target retirement date. These investments may be appropriate for clients who are willing to accept more modest growth potential in exchange for potentially lower market volatility around the target date.



DESIGNED TO ADDRESS TWO PRIMARY SPONSOR OBJECTIVES

The Retirement Funds glide path has a higher equity allocation to address inflation and longevity risks.

The Target Retirement Funds glide path has a more moderate equity exposure to address market risk.



Implementation experience and expertise

T. Rowe Price uses its experience as a pioneer of target date investment solutions to develop best practice guidelines that help sponsors successfully integrate these strategies into existing plans.

A WIDE ARRAY OF APPLICATIONS

Our experience implementing target date solutions in diverse plans allows us to anticipate participants' needs, provide meaningful guidance, and share firsthand learning with sponsors.

Auto-investment at conversion

Having pioneered and advocated for today's automated solutions, including the use of target date investment options as qualified default investment alternatives (QDIAs), T. Rowe Price has emerged as a leader in the target date conversion process. Our experience managing these conversions since 2005 has led to a proven, results-driven process for sponsors looking to achieve a more optimal asset allocation.

- Since 2005, 41% of conversions by T. Rowe Price full service clients used the auto-investment strategy.¹
- When clients employed the auto-investment strategy at conversion, 72% of participant assets² remained invested in target date products 18 months later.

Streamlined mergers and acquisitions

Retirement plan investment options can vary widely among companies, making mapping funds an imperfect process. The auto-investment strategy streamlines plan integration.

Investment lineup changes

When eliminating or closing investment options, target date funds as a default option can assist in the process. For example, when a sector fund is removed, there is an opportunity to encourage participants to use diversified investments by shifting balances into a target date fund.

Automatic enrollment opportunities

Plan sponsors can positively impact plan participation and asset allocation through auto-enrollment. For plans that offer auto-enrollment, T. Rowe Price has long advocated using target date investment solutions as the default option, an approach supported by the 2006 Pension Protection Act and associated regulatory guidance. We also advocate "auto-reenrollment," which allows sponsors to periodically enroll workers in the default plan, with the opportunity to opt out. This impacts workers who began working before auto-enrollment was adopted or those who chose another investment strategy in place of the default option.

¹ Includes client conversions and merger and acquisition activities from January 1, 2005, to December 31, 2012, on T. Rowe Price Retirement Plan Services OMNI recordkeeping platform.

² Statistic is based on 122 conversions completed for T. Rowe Price using the Retirement Funds auto-investment strategy from January 1, 2005, to December 31, 2012, on T. Rowe Price Retirement Plan Services OMNI recordkeeping platform.

Replacing existing lifestyle or target date solutions

When replacing current lifestyle or target date solutions, mapping existing balances to the new options is an obvious first step. T. Rowe Price can also find additional ways to encourage participant investments in target date solutions, such as automatic enrollment for new employees and annual reenrollment for nonparticipating employees.

COMMUNICATION ENHANCES ADOPTION OF TARGET DATE SOLUTIONS

With nearly 40 years of experience serving the defined contribution industry, our dedicated team of specialists has the expertise to provide a range of communications that can help participants understand and properly use our target date solutions. Standard communications assistance includes announcements, education pieces, and fund fact sheets.

Our experience shows that positioning target date investment solutions in the following manner leads to long-term adoption:

- Group target date solutions as a single choice for investing in contrast to a “build your own portfolio” approach.
- Highlight important features such as professional diversification and an asset allocation that continues to shift for 30 years after the target date.

For sponsors, staying abreast of the issues at hand—and assessing potential solutions—is an increasingly complex task. T. Rowe Price offers pertinent information and insights delivered regularly.

- Clear and timely portfolio reporting
- Thought leadership—best practice considerations, fiduciary considerations, and participant behavior studies
- Timely insights on legislative and regulatory issues
- Webinars focusing on timely investment and DC-oriented topics
- E-Newsletters highlighting available content

FOR MORE INFORMATION ON OUR TARGET DATE SOLUTIONS

Visit troweprice.com/dc or contact your T. Rowe Price representative.

Call 1-800-638-7890 to request a prospectus, which includes investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

troweprice.com/dc



More than 75 YEARS OF PUTTING CLIENTS FIRST

Founded in 1937, T. Rowe Price is an independent, global asset management firm offering institutional and individual investors a powerful combination of investment management excellence, world-class service, and trusted guidance.

*As of May 31, 2013. The Morningstar Target-Date Series Rating is based on Morningstar's evaluation of 5 key pillars, which are process, performance, people, parent, and price. Morningstar's analysts use this five-pillar evaluation to identify funds they believe are more likely to outperform over the long term on a risk-adjusted basis. Analysts consider quantitative and qualitative factors in their research, but the assessment of each pillar and how they are combined is driven by the analyst's overall assessment and overseen by Morningstar's Analyst Rating Committee.

Source: Morningstar.com, May 31, 2013. Each target date fund series was given one of the following ratings: Gold, Silver, Bronze, Neutral, and Negative. ©2013 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.



T. ROWE PRICE INVESTMENTS SERVICES, INC., DISTRIBUTOR.

This publication has been prepared by T. Rowe Price Investment Services, Inc., for informational purposes only. T. Rowe Price Investment Services, Inc., its affiliates, and its associates do not provide legal or tax advice. Any tax-related discussion contained in this publication, including any attachments, is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding any tax penalties or (ii) promoting, marketing, or recommending to any other party any transaction or matter addressed herein. Please consult your independent legal counsel and/or professional tax advisor regarding any legal or tax issues raised in this publication.