



Important Information About Your Investment Options, Fees, and Other Expenses for The Rite Aid 401(k) Plan—Annual Fee Disclosure Statement as of 12/1/2018

The Rite Aid 401(k) Plan is a great way to build savings for your future. Through the plan you get:

- The convenience of **automatic savings** through payroll deductions and the opportunity for **tax advantages** through before-tax contributions
- **Contributions from Rite Aid** that match a portion of your savings
- A **flexible, comprehensive investment lineup** that is monitored by the plan's Investment Committee and includes options that are only available to large, institutional investors

You'll want to make sure you are taking full advantage of the plan by choosing a savings rate and investments in the plan that meet your long-term retirement needs. Use the tools available on the plan's website to explore how your savings and investment decisions impact your long-term savings goals.

Review this statement to learn more about fees and expenses, the plan's investment options, and where to go for more information or to take action. To learn more about the plan, please see the Summary Plan Description available on the plan's website.

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1. About Fees and Expenses

As with other investments, many fees and expenses for the plan are paid by investors; in this case, participants in the plan. There are several types of fees:

- Some fees are **asset-based fees**. You won't see these fees directly because they are charged to plan investment options and reduce your investment earnings. These fees are shown in Section 3 of this statement. Asset-based fees are utilized to pay for investment management fees.
- You also have **administrative fees** that result in a separate fee being charged to your account and **individual fees** that result in charges due to activity you have requested. (See the next page to learn more about administrative and individual fees.)
- When you decide to invest in any of the funds in the plan, there are no upfront sales loads or charges.

Administrative and Individual Fees in the Plan

- **Administrative fees:** The plan routinely incurs expenses for administration, investment management, attorneys, actuaries, accountants, and other persons performing services on behalf of the plan. Some of these expenses may be paid directly by Rite Aid, while other expenses may be paid from the assets of the plan. Expenses paid from assets of the plan will generally be charged to and withdrawn from your account monthly on a per capita basis. Administrative and individual fees apply to all participants in the plan regardless of the investments selected by the participant. Administrative and individual fees paid by the Plan from your account are disclosed in quarterly participant statements.
- **Loan fees:** You will pay a \$50 fee whenever you take a loan from The Rite Aid 401(k) Plan. This fee is taken out of your loan proceeds.
- **Domestic relations order fees:** You will pay a \$350 fee when a domestic relations order is processed on your account. (This occurs when a court awards a portion of your account to another person due to a divorce settlement.) The fee is deducted before the order is applied.

Learn more about applicable plan fees on the plan's website.

Fees and expenses are important because they can substantially reduce the growth of your account over the long term. (You can find an example that illustrates this concept on the Department of Labor's website at http://www.dol.gov/ebsa/publications/401k_employee.html.) But fees are still only one of several factors to consider when making investment decisions. You also should carefully consider other key factors, including asset class and investment risk, investment objectives, principal investment strategies, and historical performance when selecting investment options.

2. The Plan's Investment Options

As a participant in The Rite Aid 401(k) Plan, you're responsible for investing your account in one or any combination of the plan's

investment options. Section 3 provides more specific information about the investment options, which include:

- **Target retirement date trusts** and the **core funds** that primarily provide you with investments that have returns that can change as the market goes up and down.

Choosing Your Investment Strategy

Ultimately, how you invest should depend on your age, lifestyle, accumulated wealth, years to retirement, and comfort level around risk. This statement only provides some information about your investment choices like fees, expenses, and historical returns. Your decisions should be based on the full picture, taking into account your individual situation, not just the information in this statement.

- **To learn more about the investment options:** To learn more about the investment funds offered and fees that apply to these funds, visit The Rite Aid 401(k) Plan website. You can find fund facts, fund performance, and other fund information. You may contact the Rite Aid Customer Service Center at **1.855.594.6214** or visit www.ybr.com/riteaid to receive paper copies of the information that is provided online. Representatives are available weekdays between 9 a.m. and 6 p.m. Eastern time.

Some of the information you can find on the website or request copies of includes:

- Copies of summary prospectuses or similar documents for funds that are not federally registered
- Copies of any financial statements or reports, such as statements of additional information and shareholder reports, and of any other similar materials relating to the plan's funds, to the extent such materials are provided to the plan
- A statement of the value of a share or unit of each fund as well as the date of the valuation
- A list of the "plan assets" constituting the portfolio of each fund

- **To enroll or make changes to your investments:** You can enroll in The Rite Aid 401(k) Plan or make changes to your investments at any time. To make changes to your investments you should contact the Rite Aid Customer Service Center at **1-855-594-6214** or go to **www.ybr.com/riteaid**.

3. Investment-Related Information

The following table provides you with information on the plan investment options effective January 1, 2019. You'll find three things:

1. General information about the type of investment option
2. Fee information including asset-based fees¹ (often called the expense ratio) plus other shareholder-type fees or investment restrictions²
3. Historical performance for the fund and an appropriate benchmark for the same period of time³

Keep in mind, however, that past performance does not guarantee how the investment option will perform in the future. Your investments in these options could lose money. Information about an option's principal risks is available on the plan's website. To facilitate fund changes, it may be necessary on a short-term basis for the fund to be invested in passively managed funds.

Voting, tender, and similar rights and restrictions: Voting, tender, and similar rights with respect to investment options under the plan are not exercised by participants. The plan trustee exercises any voting, tender, and similar rights with respect to assets held under the plan as directed by the fiduciary or investment manager appointed by Rite Aid to manage plan assets.

Investment manager: Rite Aid has engaged Northern Trust Investments, Inc. as investment manager with authority to control and manage the investment options under the plan.

For more information about this statement, you may contact the Rite Aid Customer Service Center at **1-855-594-6214**

Or the plan administrator:
Rite Aid Corporation
P.O. Box 3165
Harrisburg, PA 17105

Federal regulations require plan sponsors to provide this statement. It includes important information to help you understand your retirement plans and compare the investment options offered to you. Most or all of the fund information available in this statement is available to you by other means, and is provided by third parties. We have not independently verified the third-party information we are relaying in this statement.

← General Information →

← Fee Information →

← Historical Performance →

Fund Name/ Benchmark	Asset Class	Total Asset- Based Fees ¹	Total Annual Cost per \$1,000 of Investment	Net Asset- Based Fees ⁴	Net Annual Cost per \$1,000 of Investment	Average Annual Total Return as of 9/30/18 (Fund and Benchmark)			
						1 yr.	5 yr.	10 yr.	Incept. to date
Target Retirement Date Trusts									
Retirement Income Trust ¹² <i>Benchmark: Dow Jones Moderately Conservative Index</i>	Target Date	0.38%	\$3.80	0.38%	\$3.80	4.18% 3.68%	5.09% 4.69%	N/A N/A	5.64% ³ 5.15% ³
Retirement 2005 Trust ² <i>Benchmark: Dow Jones Target 2010 TR</i>	Target Date	0.38%	\$3.80	0.38%	\$3.80	3.65% 2.01%	5.30% 2.89%	N/A N/A	6.00% ³ 3.06% ³
Retirement 2010 Trust ² <i>Benchmark: Dow Jones Target 2010 TR</i>	Target Date	0.38%	\$3.80	0.38%	\$3.80	4.30% 2.01%	5.83% 2.89%	N/A N/A	6.72% ³ 3.06% ³
Retirement 2015 Trust ² <i>Benchmark: Dow Jones Target 2015 TR</i>	Target Date	0.38%	\$3.80	0.38%	\$3.80	5.05% 2.23%	6.60% 3.53%	N/A N/A	7.74% ³ 3.93% ³
Retirement 2020 Trust ² <i>Benchmark: Dow Jones Target 2020 TR</i>	Target Date	0.38%	\$3.80	0.38%	\$3.80	5.94% 2.69%	7.45% 4.36%	N/A N/A	8.77% ³ 5.06% ³
Retirement 2025 Trust ² <i>Benchmark: Dow Jones Target 2025 TR</i>	Target Date	0.38%	\$3.80	0.38%	\$3.80	6.77% 4.28%	8.17% 5.42%	N/A N/A	9.68% ³ 6.39% ³
Retirement 2030 Trust ² <i>Benchmark: Dow Jones Target 2030 TR</i>	Target Date	0.38%	\$3.80	0.38%	\$3.80	7.57% 6.10%	8.80% 6.60%	N/A N/A	10.45% ³ 7.78% ³
Retirement 2035 Trust ² <i>Benchmark: Dow Jones Target 2035 TR</i>	Target Date	0.38%	\$3.80	0.38%	\$3.80	8.18% 7.72%	9.29% 7.57%	N/A N/A	11.05% ³ 8.95% ³
Retirement 2040 Trust ² <i>Benchmark: Dow Jones Target 2040 TR</i>	Target Date	0.38%	\$3.80	0.38%	\$3.80	8.70% 9.10%	9.63% 8.35%	N/A N/A	11.42% ³ 9.86% ³
Retirement 2045 Trust ² <i>Benchmark: Dow Jones Target 2045 TR</i>	Target Date	0.38%	\$3.80	0.38%	\$3.80	9.02% 10.10%	9.76% 8.88%	N/A N/A	11.52% ³ 10.42% ³
Retirement 2050 Trust ² <i>Benchmark: Dow Jones Target 2050 TR</i>	Target Date	0.38%	\$3.80	0.38%	\$3.80	8.98% 10.61%	9.75% 9.11%	N/A N/A	11.51% ³ 10.61% ³
Retirement 2055 Trust ² <i>Benchmark: Dow Jones Target 2055 TR Index</i>	Target Date	0.38%	\$3.80	0.38%	\$3.80	9.03% 10.66%	9.79% 9.13%	N/A N/A	11.50% ³ 10.63% ³
Core Funds									
Stable Value Fund <i>Benchmark: BofA Merrill Lynch USD LIBOR 3 Mth Const Mat TR</i>	Stable Value	0.31%	\$3.10	0.31%	\$3.10	2.65% 1.48%	2.68% 0.76%	3.45% 0.75%	3.84% 1.71%
Fixed Income Fund <i>Benchmark: Bloomberg Barclays US Agg Bond TR</i>	Bond	0.48%	\$4.80	0.38%	\$3.80	0.22% -1.22%	N/A N/A	N/A N/A	2.23% 1.35%
Vanguard Total Bond Market Index ² <i>Benchmark: Bloomberg Barclays US Agg Bond TR</i>	Bond	0.04%	\$0.40	0.04%	\$0.40	-1.21% -1.22%	2.10% 2.16%	3.73% 3.77%	4.95% 5.06%

Fund Name/ Benchmark	Asset Class	Total Asset- Based Fees ¹	Total Annual Cost per \$1,000 of Investment	Net Asset- Based Fees ⁴	Net Annual Cost per \$1,000 of Investment	Average Annual Total Return as of 9/30/18 (Fund and Benchmark)			
						1 yr.	5 yr.	10 yr.	Incept. to date
Vanguard Inst Index Fund ² Benchmark: S&P 500 TR	U.S. Large Cap Equity	0.02%	\$0.20	0.02%	\$0.20	17.89% 17.91%	13.94% 13.95%	11.98% 11.97%	7.67% 7.63%
Large Cap Growth Fund Benchmark: Russell 1000 Growth TR	U.S. Large Cap Growth Equity	0.69%	\$6.90	0.49%	\$4.90	27.37% 26.30%	17.43% 16.58%	15.19% 14.31%	10.71% 9.91%
Small Cap Fund Benchmark: Russell 2000 TR	U.S. Small Cap Equity	0.97%	\$9.70	0.97%	\$9.70	15.91% 15.24%	7.74% 11.07%	10.63% 11.11%	11.49% 9.15%
Large Cap Value Fund Benchmark: Russell 1000 Value TR	U.S. Large Cap Value Equity	0.64%	\$6.40	0.44%	\$4.40	15.23% 9.45%	11.81% 10.72%	9.94% 9.79%	9.55% 9.90%
Mid Cap Fund Benchmark: Russell MidCap TR	U.S. Mid Cap Equity	0.82%	\$8.20	0.70%	\$7.00	11.54% 13.98%	10.58% 11.65%	11.38% 12.31%	11.72% 11.40%
International Equity Fund Benchmark: MSCI EAFE NR USD	Non-U.S. Equity	0.86%	\$8.60	0.84%	\$8.40	-2.24% 2.74%	2.24% 4.42%	3.72% 5.38%	6.18% 4.92%
Vanguard FTSE All-World ex-US Index ² Benchmark: MSCI EAFE NR USD	Non-U.S. Equity	0.10%	\$1.00	0.10%	\$1.00	1.74% 2.74%	4.44% 4.42%	5.31% 5.38%	2.36% 1.77%
Vanguard Extended Market Index ² Benchmark: Russell 2000 TR	U.S. Mid and Small Cap Equity	0.06%	\$0.60	0.06%	\$0.60	16.12% 15.24%	11.43% 11.07%	12.44% 11.11%	9.11% 8.51%

¹Total asset-based fees are investment management company fees plus other plan-specific costs charged to the investment fund to cover administrative services, such as plan administration, trustee, accounting, legal, and other plan-level costs. For example, in the case of the funds listed above, the total asset-based fee may include revenue sharing, which is a permissible fee charged against the fund and typically used to pay other plan-related expenses, such as plan administration, legal, communication, and audit expenses.

²Shareholder-type fees and investment restrictions exist for this fund. Shareholder-type fees and investment restrictions outline any fees paid directly from your investment in this option (e.g., redemption fee and purchase block provisions) on trading that might exist for a specific investment option. For these funds, there is a 30-day purchase block restriction on the fund. After moving money out of the fund, a participant must wait 30 days before moving money back into the fund.

³In general, 1-year, 5-year, and 10-year performance history is shown. If a full history is not available, a return since inception is provided instead. Any returns that are since inception are footnoted and the benchmark is adjusted to reflect the same time frame.

⁴Net asset-based fees reflect the total asset-based fees reduced by revenue sharing offered by the fund. Revenue sharing generated by the plan's investment funds will be rebated directly back to the fund, which will in turn lower the investment fee participants pay. Learn more about the net expense ratios by reviewing the fund's prospectus or fund fact sheet.

4. Terms You Should Know

For definitions related to investments, go to the plan's website. You will find definitions in [401\(k\) Savings>Investments>Investment Summary>Fund Detail](#).

Here are a few key terms and concepts to help you understand the information described in this statement.

Administrative fees: Fees paid to the recordkeeper to cover expense for things like keeping data on participants, communication materials, Internet services, and assisting participants with transactions; fees paid to a trustee to manage some operations of the plan including trading and holding assets; plus fees paid for legal and accounting services. You may see administrative or plan-related fees on your quarterly statement.

Asset-based fees: Fees that are charged as a percent of holdings in an investment to cover investment management fees plus any asset-based administrative service fees. Asset-based fees are also referred to as the expense ratio, or, more technically, the fund's total annual operating expenses.

Asset class: A specific category of assets or investments (such as stocks, bonds, or cash) as well as certain types of stocks (such as international stocks, large-cap stocks, etc.). Assets within the same class generally exhibit similar characteristics.

Benchmark: A standard against which the performance of a security, fund or investment

manager can be measured. Generally, broad market and market-segment stock and bond indexes are used to evaluate the performance of an investment.

Core funds: Each of these funds represents a single asset class. A combination of core funds is needed to have a diversified portfolio that will provide the most optimal long-term investment experience.

Designated investment advisor: This is the individual or organization that manages investments for individuals who choose to participate in managed account services.

Equity wash: A transfer restriction for a stable value fund requiring monies transferred out to be invested in an equity fund or other noncompeting fund for a specific period of time (usually 90 days) before the monies can be reinvested into a stable value fund or other competing fund.

Individual fees: These fees apply to your account and generally depend on transactions in your account, such as taking a loan from the plan. (Other individual fees may be charged to

each participant to pay for services available to all participants, such as investment advice.)

Investment management fees: The fees paid to the advisory firm or investment management company for the day-to-day investment management of the securities in the fund's portfolio. These fees may also include costs such as advertising and promotion, administration, and other related services

Purchase block: This transfer restriction applies when money is moved out of a fund and then cannot be moved back into the fund for a specific period of time (usually 30 to 90 days).

Target retirement date trusts: These funds are premixed, diversified investment strategies that are designed to be a single investment solution. They have a mix of underlying investments that are generally appropriate for a given retirement date.