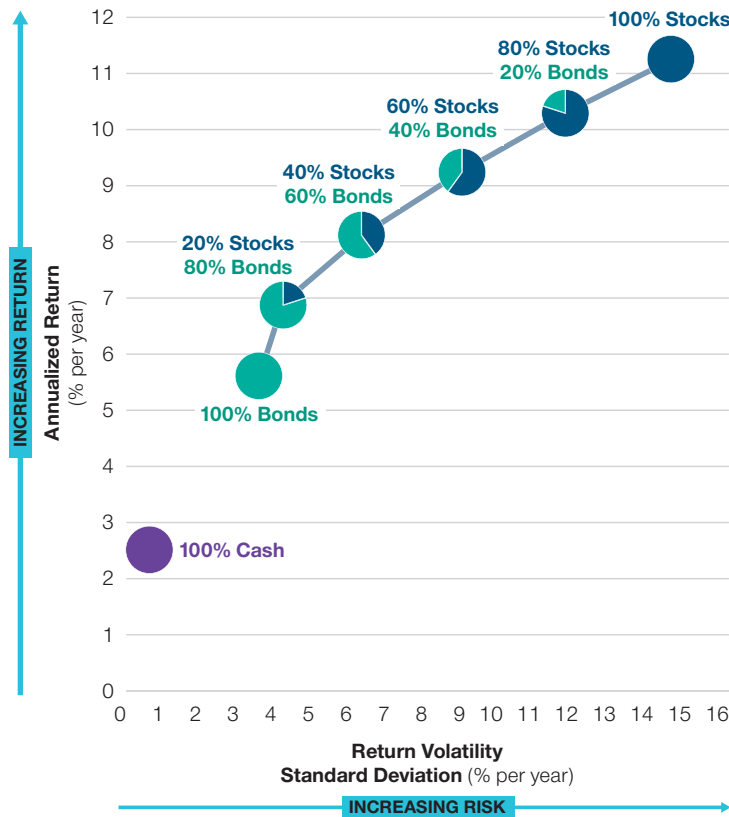


Optimizing Your Portfolio Allocation

There's no single long-term investment that will both safeguard your portfolio from market volatility and provide the growth potential needed to achieve your goals. Instead, investors typically rely on a healthy mix of diversified investments, or an asset allocation strategy.

ASSET ALLOCATION HAS A BIG IMPACT ON PERFORMANCE

30 Years Ended December 31, 2022



You Shouldn't Have to Choose Between a Strong Defense and Strong Offense

Bonds are prized for their durability and predictability, as they tend to generate less return volatility than stocks, long term. On the other hand, stocks have the potential to generate much higher absolute returns than bonds, generally speaking. The charts on this page show that, historically, a portfolio that has a mix of both stocks and bonds generated higher returns than an all-bond or cash portfolio with less risk (as measured by volatility) than an all-stock portfolio. Working with a financial professional to confirm the asset allocation that's right for you, based on your time horizon and risk tolerance, can help you achieve the right balance between capital protection and growth.

PORTFOLIO PERFORMANCE

30 Years Ended December 31, 2022

	100% Bonds	20% Stocks / 80% Bonds	40% Stocks / 60% Bonds	60% Stocks / 40% Bonds	80% Stocks / 20% Bonds	100% Stocks
Return for Best Year	18.5%	22.1%	25.8%	29.7%	33.6%	37.6%
Return for Worst Year	-13.0%	-13.8%	-14.9%	-22.1%	-29.8%	-37.0%
Average Annual Nominal Return	4.6%	5.8%	6.9%	7.9%	8.8%	9.6%
Number of Down Years	5	4	5	7	6	6
Average Loss (in Down Years)	-1.8%	-2.4%	-4.9%	-6.5%	-12.4%	-16.9%

These hypothetical portfolios combine stocks and bonds to represent a range of potential risk/reward profiles. For each allocation model, historical data are shown to represent how the portfolios would have fared in the past. Figures include changes in principal value and reinvested dividends and assume the portfolios are rebalanced monthly. It is not possible to invest directly in an index. **Past performance cannot guarantee future results.**

Charts are shown for illustrative purposes only and do not represent the performance of any specific security or T. Rowe Price product.

Sources: T. Rowe Price, created with Zephyr StyleADVISOR; S&P; Bloomberg Index Ltd.; and FTSE. See Additional Disclosures. Stocks, S&P 500 Index; bonds, Bloomberg U.S. Aggregate Bond Index; cash, FTSE 3-Month U.S. Treasury Bill.

Diversification involves spreading investments across securities or asset classes to reduce dependence on a single category. This can help optimize investment performance in volatile markets.

Charting a Steady Course

The table below shows how multiple stock and bond indexes performed over 10 years. While it's tempting to chase categories with double-digit gains, note that many of those same categories experienced double-digit losses in other years. The orange boxes show how a diversified portfolio with a 60% stock/40% bond allocation performed each year over the 10-year period. The diversified portfolio had only two years of negative performance and still outperformed many other sectors in those down years.

NO ONE CAN PREDICT WHICH ASSET CLASSES WILL BE IN FAVOR

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
38.82%	13.24%	1.23%	21.31%	37.28%	0.01%	31.43%	20.96%	26.45%	-12.71%
33.11%	5.98%	0.92%	14.27%	25.03%	-2.15%	25.52%	19.96%	14.82%	-13.01%
22.78%	5.97%	0.55%	12.05%	21.69%	-4.06%	22.01%	18.31%	13.49%	-14.45%
15.94%	5.53%	-0.43%	11.19%	15.48%	-4.61%	20.34%	13.49%	11.26%	-16.44%
7.33%	4.89%	-0.81%	10.19%	14.65%	-4.78%	18.42%	10.11%	0.99%	-16.45%
-2.02%	0.01%	-2.72%	8.01%	10.51%	-5.11%	14.42%	7.82%	-1.51%	-18.70%
-2.60%	-2.19%	-4.41%	2.65%	10.43%	-11.01%	12.56%	7.51%	-1.54%	-19.13%
-3.08%	-3.08%	-6.02%	1.49%	9.32%	-13.79%	8.72%	7.03%	-2.54%	-20.09%
-6.58%	-4.90%	-14.92%	1.00%	3.54%	-14.58%	5.09%	5.88%	-7.05%	-20.44%

Representative Index	Asset Class/Sector	Diversified Portfolio Allocation
Russell 1000 Index	U.S. Equity Large-Cap	36%
Russell 2000 Index	U.S. Equity Small-Cap	6%
MSCI EAFE Index	Developed International Equity	15%
MSCI EM (Emerging Markets) Index	Emerging Markets Equity	3%
Bloomberg U.S. Aggregate Index	U.S. Investment-Grade Bonds	28%
Bloomberg Global High Yield Index	High Yield Bonds	4%
Bloomberg Global Agg. Ex-USD Bond Index	International Bonds	4%
J.P. Morgan EM Bond Index Global	Emerging Market Bonds	4%
Diversified Portfolio	Asset Allocation	-

The Diversified Portfolio assumes the following weights: 60% stocks and 40% bonds represented by the indices above and assumes monthly rebalancing. Data as of 12/31/22.

Additional Disclosures:

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