

Keep a long-term perspective



Not every financial account that goes down in value stays down. In fact, history shows that financial markets eventually recover with time. Rather than making drastic moves at the first sign of trouble, here's some practical wisdom designed to help you recover well in the wake of challenging downturns.

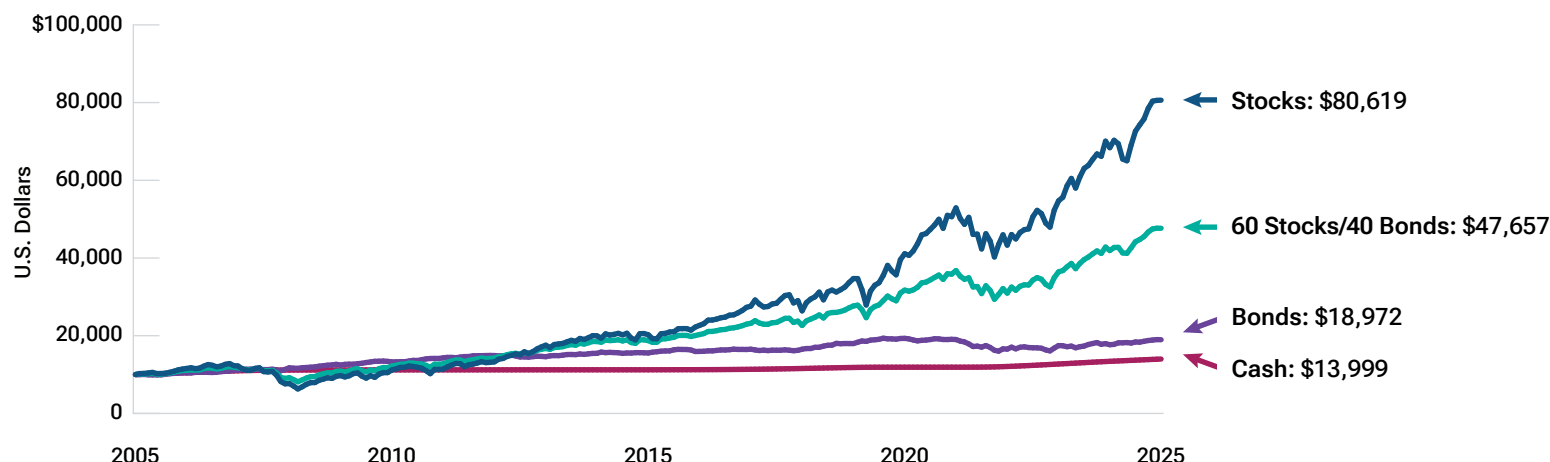
Stay invested for the long haul

The chart below shows two decades' worth of stock and bond market performance. While markets saw some alarming dips, they also rallied periodically for strong gains and ultimately moved forward in an upward trajectory. We also see a potential benefit of diversification¹ at work. The green line, which represents a portfolio composed of both stocks and bonds, generated higher returns than an all-bond or all-cash portfolio with less volatility than an all-stock portfolio.

¹ Diversification cannot assure a profit or protect against loss in a declining market.

Growth of a hypothetical U.S.\$10,000 investment over time

(Fig. 1) Over a 20-year period, stocks and bonds have each experienced their own periods of dips and rallies—though, ultimately, they've continued on an upward trajectory over time.



As of December 31, 2025.

Past performance is not a guarantee or a reliable indicator of future results. It is not possible to invest directly in an index.

Chart is shown for illustrative purposes only.

Stocks: S&P 500 Index, bonds: Bloomberg U.S. Aggregate Bond Index, and cash: FTSE 3-Month United States Treasury Bill Index.

Sources: T. Rowe Price, created with Zephyr StyleADVISOR; S&P; Bloomberg Index Services Ltd.; and FTSE. See Additional Disclosure.



The stock market has delivered higher returns than bonds and cash over a long-term horizon.

A 60/40 asset allocation of stocks and bonds may allow investors to achieve greater levels of growth than an all-bond or all-cash portfolio, while reducing exposure to the volatility of an all-stock portfolio.

Short-term pain, long-term gain

Remember, long-term investment goals require a long-term perspective, particularly during periods of heightened market volatility. While it's hard to watch your portfolio fluctuate with the ups and downs of the market, sticking with your long-term strategy may pay off over time.

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