



Multi-Asset Collaboration and Due Diligence

How we actively monitor and fortify our building blocks.

April 2023

KEY INSIGHTS

- Our due diligence process is designed to evaluate the ongoing suitability of each of the underlying strategies in our multi-asset portfolios.
- Our process fosters collaboration between investment teams to review underlying strategies and the role each plays within our multi-asset strategies.
- We have strong building blocks to construct our multi-asset portfolios. While issues are rare, when they have arisen, we have taken action to address concerns.

For more than 30 years, T. Rowe Price has designed and delivered multi-asset strategies, each thoughtfully constructed to help meet the diversity of client needs that exist in a global marketplace. We employ a rigorous research process that carefully incorporates objectives, risks, and opportunities into a strategy built for a specific purpose. Once we've determined the long-term strategic allocation—the level of exposure to various asset classes—of a portfolio, we select suitable underlying building blocks from our proprietary strategies. We seek to use our proprietary strategies to add value over the long term in our multi-asset portfolios, leveraging the strength of our global research platform and insights across asset classes.

Because the long-term performance of the underlying building blocks has a direct impact on the long-term relative performance and rankings

of our multi-asset portfolios, our comprehensive due diligence process is designed to continually evaluate the suitability of each building block. This process fosters collaboration between our Multi-Asset Due Diligence Committee (MADDC) and the managers of underlying strategies so we can understand and address any changes in or performance challenges of underlying portfolios as they may arise.

Ongoing Monitoring

Our multi-asset portfolio managers are supported by a robust governance framework driven by the Multi-Asset Steering Committee (MASC) and the MADDC. The MASC, made up of tenured representatives including portfolio managers across asset classes and senior leaders in research and product development, has governance and oversight responsibilities for all T. Rowe Price multi-asset strategies and processes, including due diligence.



Kim DeDominicis,
*Portfolio Manager,
Target Date Strategies*



Amy Seman, CFA, CAIA,
*Multi-Asset Director
of Due Diligence*



Toby Thompson, CFA CAIA,
*Portfolio Manager,
Target Allocation Strategies*

Multi-Asset Due Diligence Committee



Toby Thompson, CFA, CAIA
*Due Diligence Committee Chair,
Portfolio Manager*



Amy Seman, CFA, CAIA
*Director of Due Diligence,
Multi-Asset*



Kim DeDominicis
Portfolio Manager



Charles Shriver, CFA
Portfolio Manager



Erin Garrett, CAIA
Portfolio Manager



**Michael Walsh, CFA,
CAIA, FIA**
Solutions Strategist



Darren Scheinberg, CFA
Investment Analyst

The Multi-Asset Due Diligence Committee’s formal monitoring process is both qualitative and quantitative in nature.

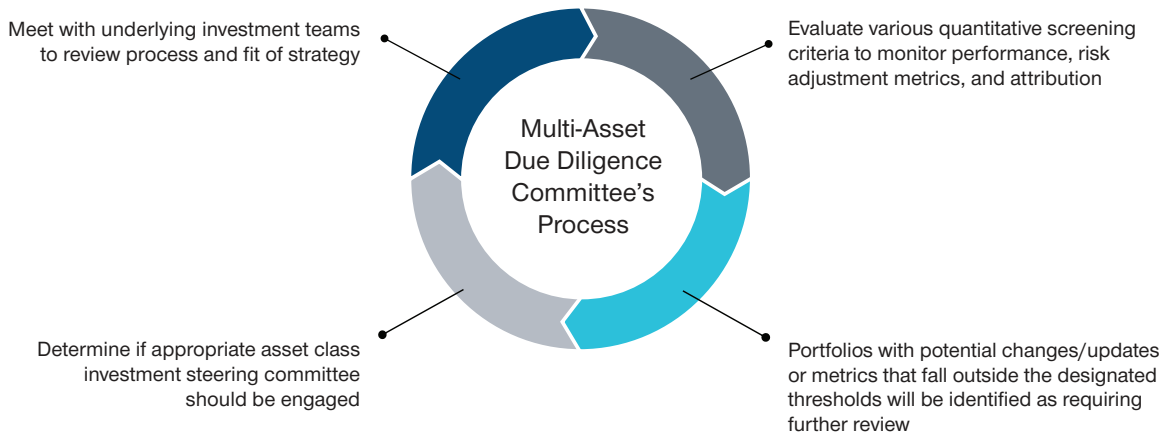
The seven-member MADDCC, which consists of multi-asset investment professionals, provides ongoing oversight for due diligence of proprietary strategies used within T. Rowe Price multi-asset products, and is responsible for escalating concerns with underlying strategies to MASC. The process is overseen by the Multi-Asset Director of Due Diligence, who is a voting member of the MADDCC.

Our formal monitoring process is both qualitative and quantitative in nature and includes:

- Performance and risk metrics, which are evaluated on an ongoing basis and formally reviewed monthly.
- Continuous monitoring of changes to underlying investment teams, concentrated exposures or heightened turnover within portfolio holdings, and other qualitative considerations.
- Meetings with the underlying investment teams that occur at least annually, and more frequently when strategies are deemed to require closer review.

This rigorous due diligence process can reaffirm our confidence in a strategy’s ability to fulfill its intended purpose within a diversified portfolio. Conversely, a review could prompt us to place a strategy on watch for additional monitoring. The MADDCC’s decision to place a strategy on watch is informed by a variety of factors, such as changes to the investment process, changes in risk exposures, performance concerns, investment team turnover, or other conditions or events that have the potential to change the investment thesis. If concerns are not resolved following a period of additional analysis and enhanced monitoring, the MADDCC formally escalates the concern to the MASC. The MASC then engages with the appropriate T. Rowe Price investment steering committee that has governance over the strategy to work collectively to ensure actions are taken to remedy the issues. Similar to the MASC’s oversight of multi-asset portfolios, T. Rowe Price has divisional steering committees that oversee our equity and fixed income strategies, which are integral to the due diligence process. The MASC will remove a strategy from the “watch list”

Multi-Asset Due Diligence Committee



“In the rare instances when underlying portfolios have failed to meet our expectations, we have acted decisively to address the root cause of the issue(s).”

once the area of concern has been successfully resolved.

Due Diligence in Action

In the rare instances when underlying portfolios have failed to meet our expectations, we have acted decisively to address the root cause of the issue(s). Each equity and fixed income steering committee performs regular reviews of performance, investment activity, style adherence, and portfolio structure. In addition, the asset class steering committees are responsible for reviewing

the overall investment results produced by investment analysts. Generally, if a manager experiences challenges, the asset class steering committee evaluates the potential reasons for those challenges and determines the appropriate course of action. These actions, determined by the appropriate steering committee, can range from aiding that manager with additional support to replacing the manager, if deemed necessary. The respective steering committee then engages with the MASC and MADDCC to discuss progress toward resolving the area of concern.

Due Diligence Case Study 1

2016–International Value

The International Value Equity Composite experienced a pronounced period of underperformance, which adversely impacted performance of some multi-asset portfolios. This resulted in the strategy being placed on watch. The International Equity Steering Committee, with input from the MASC, took remedial steps to enhance the strategy's investment process, including:

- Additional oversight in security selection and mentorship from senior portfolio managers experienced in international and value-oriented equity strategies.
- Regular consultation with the equity risk team to reinforce benchmark-relative risk awareness within the investment process.

When performance did not improve, an interim portfolio manager was assigned. An external portfolio manager with a successful track record and distinguished process was hired, and performance for the composite and our multi-asset portfolios subsequently rebounded.

For illustrative purposes only. It is not intended to be investment advice or a recommendation to take any particular investment action. The past performance of other underlying strategies within multi-asset portfolios might differ significantly. Please see the GIPS® Composite Report for additional information on the composite.

Due Diligence Case Study 2

2021–U.S. Large-Cap Core

The portfolio manager of the US Large Cap Core Equity Strategy retired shortly after an allocation to the strategy was initiated within our target date strategies. Understanding the degrees of freedom for a large-cap core manager, the target date team elected to refrain from further increasing exposure to the strategy, pending a review of the new manager's portfolio construction process. Throughout 2021 and 2022, we engaged in a rigorous review of the new portfolio manager's investment process alongside quantitative factors, including portfolio holdings and characteristics and performance patterns.

This process strengthened our assessment that the strategy appeared well suited to meaningfully enhance our portfolios without introducing an undesired factor tilt or significant overlap in holdings or performance with our existing components. As a result, the target date strategies not only maintained an allocation to the strategy, but subsequently increased the size of the allocation over time.

For illustrative purposes only. It is not intended to be investment advice or a recommendation to take any particular investment action.

We believe our investment professionals and global research platform have been key contributors to the success of our multi-asset strategies. Our focus on due diligence and the ongoing monitoring

of our underlying building blocks to ensure they are fulfilling their role in our multi-asset portfolios reflects our deeply held commitment to bringing our clients the best that T. Rowe Price has to offer.

FEE SCHEDULE

International Value Equity Composite

The International Value Equity Composite seeks long-term capital appreciation primarily through investment in established companies, in developed markets, with attractive valuations and prospects for improving earnings growth relative to market/sector averages. The strategy generally includes 0-15% exposure to emerging-market stocks, as defined by inclusion in the MSCI Emerging Markets Index. (Created December 1998, incepted January 31, 1999.)

First \$50 million 60 basis points

Next \$50 million 55 basis points

Above \$100 million 50 basis points on all assets*

Above \$200 million 42.5 basis points on all assets*

Minimum separate account size \$50 million

*A transitional credit is applied to the fee schedule as assets approach or fall below the break point

GIPS® COMPOSITE REPORT

International Value Equity Composite

Period Ended December 31, 2022. Figures Shown in U.S. Dollars.

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Gross Annual Returns (%)	24.32	-3.95	-2.46	1.19	21.63	-17.83	22.09	2.44	13.61	-7.59
Net Annual Returns (%) ¹	22.60	-5.31	-3.84	-0.23	19.94	-19.01	20.40	1.00	12.02	-8.91
MSCI EAFE Index Net (%) ²	22.78	-4.90	-0.81	1.00	25.03	-13.79	22.01	7.82	11.26	-14.45
MSCI EAFE Index (%) ²	23.29	-4.48	-0.39	1.51	25.62	-13.36	22.66	8.28	11.78	-14.01
Composite 3-Yr St. Dev.	16.37	12.23	11.72	11.87	11.44	11.32	11.85	21.10	20.35	22.35
MSCI EAFE Index Net 3-Yr St. Dev.	16.25	13.03	12.46	12.46	11.83	11.24	10.81	17.89	16.92	19.96
MSCI EAFE Index 3-Yr St. Dev.	16.22	12.99	12.47	12.48	11.85	11.27	10.80	17.87	16.89	19.95
Composite Dispersion	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Comp. Assets (Millions)	10,132.5	11,780.3	13,676.9	14,202.7	18,562.6	16,394.2	18,993.2	22,007.5	26,294.2	20,813.9
Number of Accounts in Composite	3	3	3	3	3	4	4	4	4	4
Total Firm Assets (Billions)	696.3	749.6	772.4	817.2	1,000.2	972.7	1,218.2	1,482.5	1,653.6	1,237.4 ³

¹The fee rate used to calculate net returns is 1.42%. This represents the maximum fee rate applicable to all composite members. **Past performance is not a reliable indicator of future performance.**

²Effective July 1, 2018, the benchmark for the composite changed from gross to net of withholding taxes. The change was made because the firm viewed the new benchmark to be more consistent with the tax impacts of the portfolios in the composite. Historical benchmark representations have been restated.

³Preliminary—subject to adjustment.

T. Rowe Price (TRP) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. TRP has been independently verified for the 26-year period ended June 30, 2022 by KPMG LLP. The verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm wide basis. Verification does not ensure the accuracy of any specific composite presentation.

TRP is a U.S. investment management firm with various investment advisers registered with the U.S. Securities and Exchange Commission, the U.K. Financial Conduct Authority, and other regulatory bodies in various countries and holds itself out as such to potential clients for GIPS purposes. TRP further defines itself under GIPS as a discretionary investment manager providing services primarily to institutional clients with regard to various mandates, which include U.S., international, and global strategies but excluding the services of the Private Asset Management group. As of October 1, 2022, there is no minimum asset level for portfolio inclusion into the composite. Prior to October 2022, the minimum asset level for equity portfolios to be included in composites was \$5 million and prior to January 2002 the minimum was \$1 million. The minimum asset level for fixed income and asset allocation portfolios to be included in composites was \$10 million; prior to October 2004 the minimum was \$5 million; and prior to January 2002 the minimum was \$1 million. Valuations are computed and performance reported in U.S. dollars.

Gross performance returns are presented before management and all other fees, where applicable, but after trading expenses. Net of fees performance reflects the deduction of the maximum fee rate applicable to all composite members as shown above. Gross performance returns reflect the reinvestment of dividends and are net of nonreclaimable withholding taxes on dividends, interest income, and capital gains. Gross performance returns are used to calculate presented risk measures. Effective June 30, 2013, portfolio valuation and assets under management are calculated based on the closing price of the security in its respective market. Previously portfolios holding international securities may have been adjusted for after-market events. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Dispersion is measured by the standard deviation across asset-weighted portfolio returns represented within a composite for the full year. Dispersion is not calculated for the composites in which there are five or fewer portfolios.

Some portfolios may trade futures, options, and other potentially high-risk derivatives that may create leverage and generally represent in aggregate less than 10% of a portfolio.

Benchmarks are taken from published sources and may have different calculation methodologies, pricing times, and foreign exchange sources from the composite.

Composite policy requires the temporary removal of any portfolio incurring a client initiated significant cash inflow or outflow greater than or equal to 15% of portfolio assets. The temporary removal of such an account occurs at the beginning of the measurement period in which the significant cash flow occurs and the account re-enters the composite on the last day of the current month after the cash flow. Additional information regarding the treatment of significant cash flows is available upon request.

The firm's list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. CFA® and Chartered Financial Analyst® are trademarks owned by CFA Institute.

A portfolio management change occurred effective July 1, 2010, July 16, 2018, and July 1, 2019. There were no changes to the investment program or strategy related to this composite.

General Portfolio Risks

Capital risk—the value of your investment will vary and is not guaranteed. It will be affected by changes in the exchange rate between the base currency of the portfolio and the currency in which you subscribed, if different.

Equity risk—in general, equities involve higher risks than bonds or money market instruments.

Counterparty risk—an entity with which the portfolio transacts may not meet its obligations to the portfolio.

Geographic concentration risk—to the extent that a portfolio invests a large portion of its assets in a particular geographic area, its performance will be more strongly affected by events within that area.

Hedging risk—a portfolio's attempts to reduce or eliminate certain risks through hedging may not work as intended.

Investment portfolio risk—investing in portfolios involves certain risks an investor would not face if investing in markets directly.

Management risk—the investment manager or its designees may at times find their obligations to a portfolio to be in conflict with their obligations to other investment portfolios they manage (although in such cases, all portfolios will be dealt with equitably).

Operational risk—operational failures could lead to disruptions of portfolio operations or financial losses.

ESG and Sustainability risk—May result in a material negative impact on the value of an investment and performance of the portfolio.

INVEST WITH CONFIDENCESM

T. Rowe Price focuses on delivering investment management excellence that investors can rely on—now and over the long term.

T.RowePrice[®]

Important Information

This material is being furnished for general informational and/or marketing purposes only. The material does not constitute or undertake to give advice of any nature, including fiduciary investment advice, nor is it intended to serve as the primary basis for an investment decision. Prospective investors are recommended to seek independent legal, financial and tax advice before making any investment decision. T. Rowe Price group of companies including T. Rowe Price Associates, Inc. and/or its affiliates receive revenue from T. Rowe Price investment products and services. **Past performance is not a reliable indicator of future performance.** The value of an investment and any income from it can go down as well as up. Investors may get back less than the amount invested.

The material does not constitute a distribution, an offer, an invitation, a personal or general recommendation or solicitation to sell or buy any securities in any jurisdiction or to conduct any particular investment activity. The material has not been reviewed by any regulatory authority in any jurisdiction.

Information and opinions presented have been obtained or derived from sources believed to be reliable and current; however, we cannot guarantee the sources' accuracy or completeness. There is no guarantee that any forecasts made will come to pass. The views contained herein are as of the date written and are subject to change without notice; these views may differ from those of other T. Rowe Price group companies and/or associates. Under no circumstances should the material, in whole or in part, be copied or redistributed without consent from T. Rowe Price.

The material is not intended for use by persons in jurisdictions which prohibit or restrict the distribution of the material and in certain countries the material is provided upon specific request. It is not intended for distribution to retail investors in any jurisdiction.

Australia—Issued by T. Rowe Price Australia Limited (ABN: 13 620 668 895 and AFSL: 503741), Level 28, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000, Australia. For Wholesale Clients only.

Canada—Issued in Canada by T. Rowe Price (Canada), Inc. T. Rowe Price (Canada), Inc.'s investment management services are only available to Accredited Investors as defined under National Instrument 45-106. T. Rowe Price (Canada), Inc. enters into written delegation agreements with affiliates to provide investment management services.

DIFC—Issued in the Dubai International Financial Centre by T. Rowe Price International Ltd which is regulated by the Dubai Financial Services Authority as a Representative Office. For Professional Clients only.

EEA—Unless indicated otherwise this material is issued and approved by T. Rowe Price (Luxembourg) Management S.à r.l. 35 Boulevard du Prince Henri L-1724 Luxembourg which is authorised and regulated by the Luxembourg Commission de Surveillance du Secteur Financier. For Professional Clients only.

Hong Kong—Issued by T. Rowe Price Hong Kong Limited, 6/F, Chater House, 8 Connaught Road Central, Hong Kong. T. Rowe Price Hong Kong Limited is licensed and regulated by the Securities & Futures Commission. For Professional Investors only.

New Zealand— Issued by T. Rowe Price Australia Limited (ABN: 13 620 668 895 and AFSL: 503741), Level 28, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000, Australia. No Interests are offered to the public. Accordingly, the Interests may not, directly or indirectly, be offered, sold or delivered in New Zealand, nor may any offering document or advertisement in relation to any offer of the Interests be distributed in New Zealand, other than in circumstances where there is no contravention of the Financial Markets Conduct Act 2013.

Singapore—Issued by T. Rowe Price Singapore Private Ltd. (UEN: 201021137E), 501 Orchard Rd, #10-02 Wheelock Place, Singapore 238880. T. Rowe Price Singapore Private Ltd. is licensed and regulated by the Monetary Authority of Singapore. For Institutional and Accredited Investors only.

South Africa—Issued in South Africa by T. Rowe Price International Ltd (TRPIL), 60 Queen Victoria Street, London, EC4N 4TZ, is an authorised financial services provider under the Financial Advisory and Intermediary Services Act, 2002 (Financial Services Provider (FSP) Licence Number 31935), authorised to provide "intermediary services" to South African Investors. TRPIL's Complaint Handling Procedures are available to clients upon request. The Financial Advisory and Intermediary Services Act Ombud in South Africa deals with complaints from clients against FSPs in relation to the specific services rendered by FSPs. The contact details are noted below: Telephone: +27 12 762 5000, Web: www.faisombud.co.za, Email: info@faisombud.co.za

Switzerland—Issued in Switzerland by T. Rowe Price (Switzerland) GmbH, Talstrasse 65, 6th Floor, 8001 Zurich, Switzerland. For Qualified Investors only.

UK—This material is issued and approved by T. Rowe Price International Ltd, 60 Queen Victoria Street, London, EC4N 4TZ which is authorised and regulated by the UK Financial Conduct Authority. For Professional Clients only.

USA—Issued in the USA by T. Rowe Price Associates, Inc., 100 East Pratt Street, Baltimore, MD, 21202, which is regulated by the U.S. Securities and Exchange Commission. For Institutional Investors only.

© 2023 T. Rowe Price. All Rights Reserved. T. ROWE PRICE, INVEST WITH CONFIDENCE, and the Bighorn Sheep design are, collectively and/or apart, trademarks of T. Rowe Price Group, Inc.