The T. Rowe Price Strategic Investing Approach

Discipline that has brought long-term rewards for clients.

Investors experienced periods of high volatility during the past 20 years, with two strong U.S. bull markets giving way to two of the most brutal bear markets in recent memory: the collapse of the dot-com bubble in 2000 and the global financial crisis that began in 2007.

Throughout, T. Rowe Price remained committed to disciplined, active investment management. Our research shows that long-term U.S. equity clients have been rewarded.

Note that past performance data throughout this material are not reliable indicators of future performance. All funds are subject to market risk, including possible loss of principal. For more information on the T. Rowe Price funds used in this study, including fund performance, please visit troweprice.com/complete-study.
Outperformance Improved Over Time

An extensive study by T. Rowe Price shows that we excelled through the many market environments of the past two decades. A vast majority of 18 of our diversified active U.S. equity mutual funds beat their benchmark across multiple time periods over 20 years or their lifetime. A notable 94% generated positive average excess returns over rolling five-year periods, and 100% over rolling 10-year periods...

Moreover, our outperformance tended to remain strong over time. Sixteen of the 18 funds had positive active success rates (see Active Success Rates sidebar) over rolling 3-, 5-, and 10-year periods. A notable 94% generated positive average excess returns over rolling five-year periods, and 100% over rolling 10-year periods, underlining that it frequently has been worth waiting for our strategic investing approach to pay off.

T. Rowe Price’s Large-Cap Funds Proved Worth

The study challenges the commonly held belief that it is not possible for active managers to add value in what is widely regarded as the world’s most efficient capital market. Ten out of 11 of our U.S. large-cap funds included in the study had positive excess returns, on average, over all four of the time horizons examined.

Our Approach to Strategic Investing

We attribute our success primarily to careful stock selection and in-depth fundamental research, conducted by our long-tenured investment team.

We go out into the field to get the answers we need. That means that over 400 of our investment professionals see firsthand how the companies we’re investing in are performing today in order to make skilled judgments about how they’ll perform in the future.

Experience has been a critical component of our success as well. Our skilled portfolio managers have deep experience—an average of 22 years in the industry and 17 years with T. Rowe Price.

Our own study shows that a skilled active management approach can help navigate challenging market conditions.

Independent academic research affirms our approach: Active equity managers, as a group, have been shown to have the skill to select stocks that outperform the broader market, before costs, while stable, long-standing active teams appear more likely to excel.

Our own study shows that a skilled active management approach can help navigate challenging market conditions.

Look to the Long Term

The factors above will remain central to our approach.

We don’t wait for change, we seek to get ahead of change for our clients. Our people have the conviction to think independently but act collaboratively. This means we’re able to respond quickly to take advantage of short-term market fluctuations, or we can also choose to hold tight.

Call 1-800-225-5132 to request a prospectus, which includes investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing.

T. Rowe Price Investment Services, Inc., Distributor.

For more information on the methodology of this study please visit troweprice.com/complete-study.