T.RowePrice®

# As you retire, keep your portfolio working for you.

RETIRE WITH CONFIDENCE®

One of the most common pitfalls people face as they approach retirement is moving entirely out of stocks and into fixed income investments. We believe that to support a long retirement, investors should consider the growth potential of stocks.

## STAY INVESTED FOR GROWTH

As life expectancies grow, Americans are grappling with the need to prepare for a retirement of 30 years or more. Even as you get older, consider investing some of your assets in stocks. Historically, equities provide more long-term growth potential than bonds and money market/stable value investments. Growth can help offset inflation and maintain purchasing power throughout retirement.

As retirement approaches, it's normal to think that moving into more "safe" investments such as bonds will reduce the risk of loss. However, cutting exposure to stocks all at once may reduce the portfolio's growth potential, which can actually undermine financial security and increase the risk of running out of money during retirement. Here are some tips:

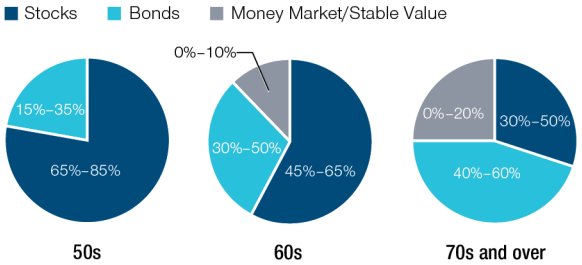
## TAKE A PRACTICAL APPROACH

Think of retirement in terms of two 15-year halves. Conceptually, an investor won't be using half of their money for at least 15 years. That may lead an investor to consider a new goal: growing these assets fast enough to keep up with inflation. Stocks' long-term growth potential could be a key to help the money maintain its buying power over time.

## PERIODICALLY REVIEW YOUR ASSET ALLOCATION

Maintaining a balance between stocks, bonds, and money market/stable value investments is essential. The charts below show ideas for allocating retirement assets at various ages.

As a general rule of thumb, consider keeping some exposure to stocks for growth. The remainder can be invested in bonds or money market/ stable value funds, which may reduce a portfolio's volatility and help support an income stream.




These allocations are age-based only and do not take risk tolerance into account. Our asset allocation models are designed to meet the needs of a hypothetical investor with an assumed retirement age of 65 and a withdrawal horizon of 30 years. They are based on an analysis that seeks to balance long-term return potential with anticipated short-term volatility.

## WHAT YOU CAN DO NOW

To get a sense where you stand, create your **Confidence Number®** score. Log in to your account at **rps.troweprice.com**.

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