

Model Viewpoints

T. Rowe Price Target Allocation Active Series Model Portfolios

As of June 30, 2024



T. Rowe Price

The T. Rowe Price Target Allocation Active Series is a suite of diversified, multi-asset model portfolios across a range of risk/return profiles from conservative, income-oriented to higher growth-focused incorporating multiple sources of value-add through active management and tactical/opportunistic allocations across global markets.

PORTFOLIO MANAGEMENT TEAM



Erin Garrett,
CAIA



Som Priestley,
CFA



Toby Thompson,
CFA, CAIA

MARKET PERSPECTIVE

- **Global growth remains broadly resilient** with some signs of cooling along with easing inflationary pressures.
- **Recent data across consumer, labor, and businesses pointing to a moderation in U.S. growth.** European growth stable helped largely by services. Improving growth outlook in Japan albeit still muted, while stimulus measures in China targeted at the housing market help underpin growth outlook.
- **U.S. Fed remains patient as recent data suggests tight policy may finally be weighing on growth.** The European Central Bank has taken the lead on easing policy, with more cuts likely. Despite weaker recent growth, Bank of Japan is still expected to take additional steps toward tightening.
- **Key risks to global** markets include a steeper decline in growth, stubborn inflation, election calendar, central bank policy divergence, geopolitical tensions, and trajectory of Chinese growth.

TACTICAL ASSET ALLOCATION VIEWS

- **We remain modestly overweight equities**, as valuations beyond narrow leadership remain reasonable and economic growth, while slowing, is still supportive for earnings. Bond yields remain attractive but volatility could persist due to global divergence in growth, inflation, and central bank expectations. Credit fundamentals remain supportive; however, spreads remain tight.
- Within equities, **we remain overweight U.S. value equities relative to U.S. growth equities.** Improving economic outlook and further broadening of equity market performance could be supportive for value. Meanwhile, growth stocks face elevated expectations and challenging valuations.
- Within fixed income, **we maintain overweights to long duration U.S. Treasuries and cash.** Long duration Treasury bonds offer ballast to the portfolios amid an uncertain macroeconomic backdrop and potentially peaking rates. Cash provides attractive yields as the yield curve remains inverted and offers liquidity should market opportunities arise.

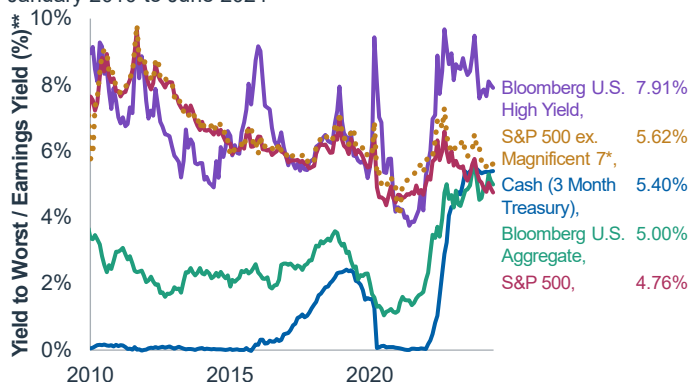
MODERATING, BUT STILL POSITIVE GROWTH¹

Five Years Ended 30 June 2024



FIXED INCOME YIELDS ATTRACTIVE RELATIVE TO EQUITIES²

January 2010 to June 2024



¹ Sources: Haver Analytics / International Monetary Fund, Bureau of Economic Analysis, Statistical Office of the European Communities, Cabinet Office of Japan. T. Rowe Price calculations using data from FactSet Research Systems Inc. All rights reserved.

² Source: Bloomberg Finance L.P.

* ** Please see Additional Disclosures for more information.

CFA® and Chartered Financial Analyst® are trademarks of CFA Institute.

CAIA® is a registered trademark owned and administered by the Chartered Alternative Investment Analyst Association

T. Rowe Price Target Allocation Active Series

As of June 30, 2024

PORTFOLIO SUMMARY

Target Asset Mixes: 8
Vehicles: T. Rowe Price Mutual Funds
Style: Active funds
Gross Expenses¹: 0.40% – 0.59%
Net Expenses¹: 0.37% – 0.58%

Tactical Allocation (%) +/-:Over/Under (%)			CONSERVATIVE-FOCUSED												GROWTH-FOCUSED				Change QoQ
			100% FI		10% EQ / 90% FI		20% EQ / 80% FI		40% EQ / 60% FI		60% EQ / 40% FI		70% EQ / 30% FI		80% EQ / 20% FI		100% EQ		
T. Rowe Price Fund			Inv. Class Ticker ²	I-Class Ticker ²	Tactical	+/-	Tactical	+/-	Tactical	+/-	Tactical	+/-	Tactical	+/-	Tactical	+/-	Tactical	+/-	
U.S. Equity	Growth Stock	PRGFX PRUFX	—	—	—	6.0	8.5	-0.5	13.5	-0.5	16.0	-1.0	19.5	-1.5					
	US Equity Research	PRCOX PCCOX	—	10.5	+0.5	14.5	+0.5	16.0	19.5	+0.5	15.5	+0.5	16.5	+0.5	20.5	+0.5			
	Equity Income	PRFDX REIPX	—	—	—	6.5	+0.5	9.5	+0.5	14.5	+0.5	18.0	+1.0	22.0	+1.0				
	Integrated U.S. Small-Mid Cap Core Equity	TQSMX TQSIX	—	—	—	—	5.0	6.0	6.0	8.0									
Int'l Equity	Overseas Stock	TROXS TROIX	—	—	6.0	12.0	13.5	-0.5	15.5	-0.5	17.5	-0.5	22.5	-0.5					
	Emerging Markets Discovery	PRIJX REVIX	—	—	—	—	4.5	+0.5	5.5	+0.5	6.5	+0.5	7.5	+0.5					
Total Equity (%):				10.5	+0.5	20.5	+0.5	40.5	+0.5	60.5	+0.5	70.5	+0.5	80.5	+0.5	100.0			
U.S. Fixed Income	New Income	PRCIX PRXEX	18.0	-2.0	19.0	-2.0	28.0	-4.0	20.0	-4.0	19.0	-3.5	12.5	-2.5	—				
	Corporate Income	PRPIX TICCX	—	—	10.0	8.0	—	—	—	—	—	—	—	—					
	GNMA	PRGMX PRXAX	—	—	15.0	—	—	—	—	—	—	—	—	—					
	Short-Term Bond	PRWBX TBSIX	40.0	—	10.0	5.0	—	—	—	—	—	—	—	—					
	Limited Duration Inflation Focused	TRBFX TRLDX	20.0	—	10.0	10.0	—	—	—	—	—	—	—	—					
	U.S. Treasury Long-Term Index	PRULX PRUUX	—	—	—	—	4.5	+4.5	4.0	+4.0	3.5	+3.5	2.5	+2.5	—				
Int'l/Global Fixed Income	Dynamic Global	RPIEX RPEIX	10.0	9.0	8.0	6.0	4.0	—	—	—	—	—	—	—					
	International Bond (USD Hedged)	TNIBX TNBMX	10.0	15.0	12.0	8.0	5.0	—	—	—	—	—	—	—			↑		
	International Bond (Unhedged)	RPIBX RPISX	—	—	—	—	—	—	—	—	—	—	—	—			↓		
	Global Multi-Sector	PRSNX PGMSX	—	—	—	10.0	-2.0	6.5	-1.5	6.0	-1.0	4.0	-1.0	—					
	Global High Income	RPIHX RPOIX	—	—	7.0	+2.0	—	—	—	—	—	—	—	—					
Total Fixed Income (%):			98.0	-2.0	88.0	-2.0	78.0	-2.0	58.5	-1.5	38.5	-1.5	29.0	-1.0	19.0	-1.0			
Cash ³	Cash ³		2.0	+2.0	1.5	+1.5	1.5	+1.5	1.0	+1.0	1.0	+1.0	0.5	+0.5	0.5	+0.5	—		
Weighted Average Gross Expense Ratio ¹ :			0.40		0.43		0.45		0.46		0.50		0.52		0.54		0.59		
Weighted Average Net Expense Ratio ¹ :			0.37		0.40		0.42		0.44		0.49		0.51		0.54		0.58		

MODEL PORTFOLIO POSITIONING CHANGES

- At the end of April, within fixed income, **we moved to fully hedge the allocation to international bonds by removing the International Bond Fund (Unhedged) Fund and allocating to the International Bond Fund (USD Hedged) Fund.** Resilient U.S. growth and inflation data have increased the odds of the Fed now lagging other major central banks in rate cuts. The expected widening spread in yields favoring the U.S. could support continued dollar strength.

The tactical allocation column reflects the current tactical allocation for a given model. Tactical allocations will differ when a cash allocation is utilized.

The over/under column reflects the overweight or underweight of the current tactical allocations relative to the strategic allocations. For example, a +1.0% means a 1.0% overweight position relative to the strategic allocation.

^{1, 2, 3} Please see Additional Disclosures for more information.

T. Rowe Price Target Allocation Active Series

As of June 30, 2024

FUND IN FOCUS



Ann Holcomb,
CFA



Jason Polun,
CFA



Jason Nogueira,
CFA



Alexa Gagliardi,
CFA

- The **U.S. Equity Research Fund**—I Class provides diversified large-cap core exposure within models and is a low tracking error fund with a sector-neutral profile emphasizing an analyst-driven approach to security selection. The Fund is a "best ideas" portfolio run by 30 equity research analysts responsible for selecting stocks within industries where they have focused expertise, and 4 portfolio managers acting in an oversight capacity responsible for monitoring risk and broad portfolio construction.
 - The Fund outperformed the S&P 500 index over the period, driven by security selection. Stock picking within the health care, and information technology sectors were leading contributors, while selection in energy detracted.
 - Ann Holcomb, Jason Polun, Jason Nogueira, and Alexa Gagliardi are the Fund's portfolio managers.
- Overall Morningstar Rating™:** ★★★★★ (of 1,302 funds) As of June 30, 2024, Category: Large Blend
Morningstar Ratings based on risk-adjusted total return.

Past performance is not a reliable indicator of future performance.

U.S. Equity Research Fund Risks: The fund is subject to the volatility inherent in common stock investing, and its share price may fluctuate more than a fund investing in income-oriented stocks.

Morningstar rated the U.S. Equity Research Fund—I Class 5 and 5 stars among 1,302 and 1,192 Large Blend funds for the 3- and 5-year periods (as applicable) ending June 30, 2024 respectively.

The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating™ metrics. The Morningstar Rating™ for funds, or "star rating", is calculated for managed products with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star.

T. Rowe Price Target Allocation Active Series

As of June 30, 2024

ADDITIONAL DISCLOSURES:

Page 1:

* The "Magnificent 7" is Apple, Alphabet, Amazon, Meta, Microsoft, NVIDIA, and Tesla. The specific securities identified and described are for informational purposes only and do not represent recommendations.

** Fixed Income yields (Bloomberg U.S. High Yield, Cash, Bloomberg U.S. Aggregate) are yield to worst. Equity yields (S&P 500, S&P 500 ex. Magnificent 7) are earnings yield.

Page 2:

¹ While the model charges no management fee, it will indirectly bear its pro-rata share of the expenses of the underlying T. Rowe Price funds in which it invests (gross and net expenses, after any applicable fee waivers). Expense ratios shown are based on models using I Class shares and no allocation to cash. Expenses will vary based on the underlying share class and cash allocation utilized.

² I Class and Investor Class shares are shown for illustrative purposes and may differ from the share class available on your platform. Official models are based on I Class shares.

³ These models are also available with a cash allocation to cover typical third-party account fees and expenses. Portfolio expenses will vary based on the vehicle chosen.

© 2024 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

IMPORTANT INFORMATION:

This material is being furnished for general informational and/or marketing purposes only and does not constitute advice of any nature, including personalized investment advice, fiduciary investment advice, an offer, an invitation, solicitation to sell or buy any securities in any jurisdiction or a recommendation concerning investments, investment strategies, or account types by T. Rowe Price Associates, Inc. or any of its affiliates ("T. Rowe Price"), and is not intended to suggest any particular investment action is appropriate for you.

The Model Portfolios are not individualized to the needs of, nor are they specific to, any financial professional or client of the financial professional. Financial professionals are responsible for determining if the portfolios and the funds utilized in them are appropriate for their clients. T. Rowe Price Model Portfolios are created by and are the exclusive property of T. Rowe Price Associates, Inc.

T. Rowe Price funds are distributed by T. Rowe Price Investment Services, Inc. and are advised by T. Rowe Price Associates, Inc. or one of its affiliates. T. Rowe Price Associates, Inc. and T. Rowe Price Investment Services, Inc. are affiliated companies. The T. Rowe Price group of companies, including its affiliates, receive revenue from T. Rowe Price investment products and services.

This material has not been reviewed by any regulatory authority in any jurisdiction. Prospective investors are recommended to seek independent legal, financial and tax advice before making any investment decision. Please consider your own circumstances before making an investment decision. **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.

Risks: All investments are subject to risk, including possible loss of principal. The model portfolios are subject to the risks of the underlying mutual funds utilized in the model. Fixed-income securities are subject to credit risk, liquidity risk, call risk, and interest-rate risk. As interest rates rise, bond prices generally fall. International, emerging market, mid-cap, and small-cap investing are subject to additional risks and volatility. Diversification does not assure a profit or protect against a loss in a declining market.

Consider the investment objectives, risks, and charges and expenses of the T. Rowe Price funds carefully before investing. For a prospectus or, if available, a summary prospectus containing this and other information, visit www.troweprice.com. Read it carefully.

© 2024 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.

202407-3717664