

Model Viewpoints

T. Rowe Price Multi-Asset Income

Model Portfolios

As of September 17, 2024



T. Rowe Price

The T. Rowe Price Multi-Asset Income Model Portfolios seek to provide income principally through allocations to U.S. fixed income, international fixed income, and income-oriented equity.

PORTFOLIO MANAGEMENT TEAM



Erin
Garrett,
CAIA



Som
Priestley,
CFA



Toby
Thompson,
CFA, CAIA

MARKET PERSPECTIVE

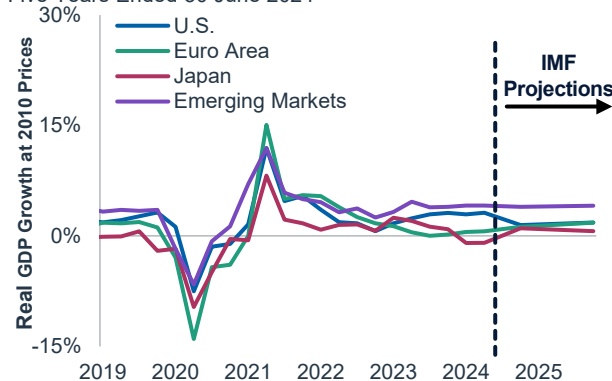
- Trends in recent data are more decisively pointing to slowing growth alongside **easing inflation pressures**, with a soft landing still within grasp as central banks pivot to easing.
- In the U.S., **economic data is showing signs of cooling**, particularly in the labor market. **European growth remains modest** and bolstered by services, while manufacturing lags. **Japanese growth rebounds** from earlier in the year contraction supported by exports. **Chinese growth remains stagnant**, with policymakers remaining measured with stimulus support.
- Key risks to global markets** include a steeper decline in growth, central bank policy missteps, election calendar, geopolitical tensions, and trajectory of Chinese growth.

TACTICAL ASSET ALLOCATION VIEWS

- We reduced our equity weight and are now neutral stocks relative to bonds.** Equity valuations appear extended as we enter a period of slowing growth, potentially punctuated by heightened volatility as the Fed begins to cut rates and the U.S. election unfolds. Bond yields are attractive as the market prices in weaker growth and moderating inflation, driving dovish central bank expectations. Credit fundamentals are supportive; however, spreads remain tight.
- Within fixed income, **we increased our overweight to Intermediate Treasuries**, modestly increasing duration ballast in the portfolio with still attractive yield levels. We maintained our opportunistic allocations to T. Rowe Price U.S. Treasury Long-Term Index Fund and T. Rowe Price International Bond Fund (USD Hedged) which were funded from credit sectors to moderate risk exposure amid tight valuations in favor of quality duration and non-U.S. yields where central banks are cutting policy rates.

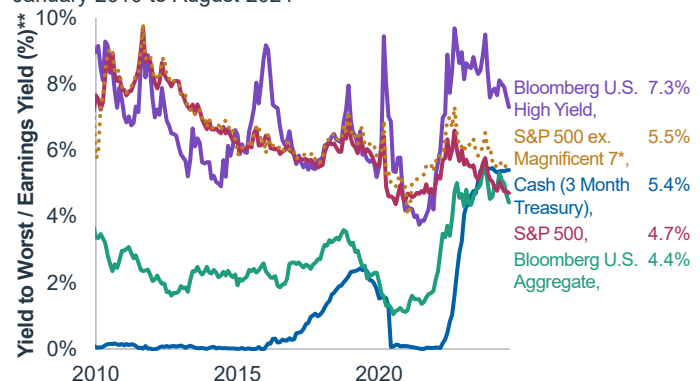
MODERATING, BUT STILL POSITIVE GROWTH¹

Five Years Ended 30 June 2024



FIXED INCOME YIELDS ATTRACTIVE RELATIVE TO EQUITIES²

January 2010 to August 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.

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Trade Update: T. Rowe Price Multi-Asset Income Models

As of September 17, 2024

PORTFOLIO SUMMARY

Target Asset Mixes: 2

Vehicles: T. Rowe Price Mutual Funds

Style: Active funds

Gross Expenses¹: 0.52% – 0.54%

Net Expenses¹: 0.48% – 0.50%

Tactical Allocation (%) +/-: Over/Under (%)				CONSERVATIVE INCOME		MODERATE INCOME		Change QoQ
Asset Class	T. Rowe Price Fund	Investor Class Ticker ²	I-Class Ticker ²	Tactical	+/-	Tactical	+/-	
U.S. Equity	Equity Income	PRFDX	REIPX	10.0		15.0		↓
	Dividend Growth	PRDGX	PDGIX	5.0		10.0		
Int'l/Global Equity	Overseas Stock	TROX	TROIX	–		5.0		
Total Equity (%):				15.0		30.0		
U.S. Fixed Income	New Income	PRCIX	PRXEX	16.5	-3.5	12.0	-3.0	
	Corporate Income	PRPIX	TICCX	13.5	-1.5	8.5	-1.5	
	U.S. High Yield Bond	TUHYX	TUHIX	6.5	-3.5	6.0	-4.0	
	U.S. Treasury Long-Term Index	PRULX	PRUUX	3.0	+3.0	4.0	+4.0	
	U.S. Treasury Intermediate Index	PRTIX	PRKIX	4.5	+4.5	4.0	+4.0	↑
Int'l/Global Fixed Income	Global Multi-Sector Bond	PRSNX	PGMSX	19.0	-1.0	14.0	-1.0	
	Global High Income Bond	RPIHX	RPOIX	6.5	-3.5	6.0	-4.0	
	Emerging Markets Bond	PREMX	PRXIX	10.5	+0.5	10.5	+0.5	
	International Bond (USD Hedged)	TNIBX	TNBMX	5.0	+5.0	5.0	+5.0	
Total Fixed Income (%):				85.0		70.0		
Cash ³	Cash ³			–		–		
Weighted Average Gross Expense Ratio ¹ (%):				0.52		0.54		
Weighted Average Net Expense Ratio ¹ (%):				0.48		0.50		

TRADE UPDATE: MODEL PORTFOLIO POSITIONING CHANGES (EFFECTIVE SEPTEMBER 17, 2024)



In a step to moderate risk profiles across portfolios, **we reduced our overweight to stocks relative to bonds to neutral**, allocating to T. Rowe Price U.S. Treasury Intermediate Index Fund. Risk assets have broadly continued to outperform despite increased evidence of slowing economic growth and potential for near-term volatility as the Fed embarks on rate cuts amid U.S. elections.

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.

Trade Update:

T. Rowe Price

Multi-Asset Income Models

As of September 17, 2024

FUND IN FOCUS



Rob Larkins,
CFA



Yong Lee,
Ph.D.



Amit Deshpande,
CFA, FRM

- The **U.S. Treasury Intermediate Index Fund**—I Class provides exposure to high quality income-generating assets, that can provide diversification to higher yielding fixed income sectors and equities, while providing ballast in market selloffs. The Fund's investment process leverages research-backed portfolio construction methods to take advantage of bond market inefficiencies and combines macro-driven insights from our global fixed income research platform with quantitative insights to position the portfolio.
- The Fund seeks a high level of income consistent with maximum credit protection, investing in 100% U.S. government guaranteed assets, with at least 80% of its net assets in U.S. Treasury securities, and the remaining allocation is to other securities backed by the full faith and credit of the U.S. government. The fund targets a duration within 0.5 years of the Bloomberg U.S. 4–10 Year Treasury Bond Index, and a tracking error range of 20–40 basis points.
- The fund is managed by Portfolio Managers Rob Larkins, CFA, Amit Deshpande, CFA, FRM, and Yong Lee, Ph.D.

Overall Morningstar Rating™: ★★ (of 228 funds) As of August 31, 2024, Category: Intermediate Government Morningstar Ratings based on risk-adjusted total return.

Past performance is not a reliable indicator of future performance.

U.S. Treasury Intermediate Index Fund Risks: Fixed-income securities are subject to credit risk, liquidity risk, call risk, and interest-rate risk. As interest rates rise, bond prices generally fall. Longer-term bonds are subject to the greatest price swings because the longer the maturity, the greater the price decline when rates rise and the greater the price increase when rates fall. The fund is managed to track the performance of its benchmark index, holdings are generally not reallocated based on changes in market conditions or the outlook for interest rates and U.S. Treasury securities and performance may lag the performance of actively managed investments. The fund does not attempt to fully replicate its benchmark index, which increases the potential for the fund's performance to deviate from that of its index.

Morningstar rated the U.S. Treasury Intermediate Index Fund—I Class 2 and 2 stars among 228 and 217 Intermediate Government funds for the 3- and 5-year periods (as applicable) ending August 31, 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.

Trade Update:

T. Rowe Price

Multi-Asset Income Models

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ADDITIONAL DISCLOSURES:

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* 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.

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- 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.

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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.

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