

Model Viewpoints

T. Rowe Price Low Duration Model Portfolios

As of June 30, 2024



T. Rowe Price

T. Rowe Price Low Duration Model Portfolios provide financial professionals and their clients with a series of conservative investment solutions that utilize a multi-tiered approach to address the risk profiles, liquidity needs, and investment time horizons unique to low duration investors.

3-Year Anniversary Edition

PORTFOLIO MANAGEMENT TEAM



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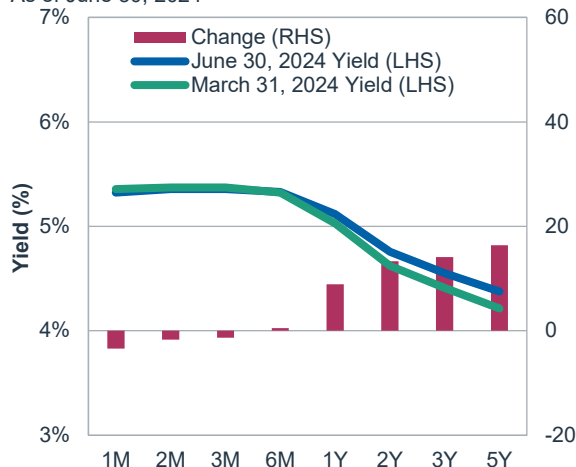
Steven Kohlenstein,
CFA

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.

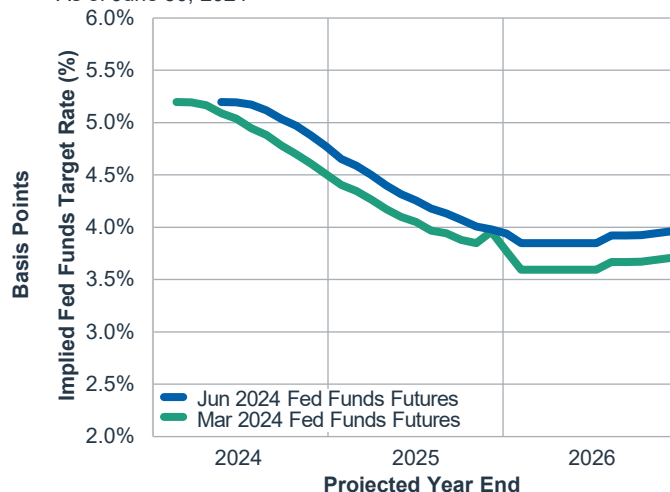
SHORT TERM U.S. TREASURY YIELD CURVE

As of June 30, 2024



IMPLIED FED FUNDS TARGET RATE

As of June 30, 2024



Sources: Bloomberg Finance L.P.

For illustrative purposes only. Actual future outcomes may differ materially.

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T. Rowe Price Low Duration Models

As of June 30, 2024

PORTFOLIO SUMMARY

Target Asset Mixes: 4

Vehicles: T. Rowe Price Mutual Funds

Style: Active funds

Gross Expenses¹: 0.20% – 0.74%

Net Expenses¹: 0.20% – 0.30%

Tactical Allocation (%) +/-: Tactical Over/Under (%)				CAPITAL PERSERVATION		ULTRA SHORT TERM		SHORT TERM		SHORT TERM PLUS		Change QoQ
Asset Class	T. Rowe Price Fund	Investor Class Ticker ²	I-Class Ticker ²	Tactical	+/-	Tactical	+/-	Tactical	+/-	Tactical	+/-	
U.S. Fixed Income	Ultra Short-Term Bond	TRBUX	TRSTX	30.0	+10.0	66.0	+6.0	20.0		10.0		↑
	Short-Term Bond	PRWBX	TBSIX	–		32.0	+2.0	53.0	-7.0	23.0	-7.0	↑
	Short Duration Income	TSDLX	TSIDX	–		–		27.0	+7.0	67.0	+7.0	
	Total Fixed Income (%):			30.0	+10.0	98.0	+8.0	100.0		100.0		
Cash & Equivalents ³	Government Money Fund ³	PRRXX	TTGXX	70.0	-10.0	2.0	-8.0	–		–		↓
	Cash ⁴											
Weighted Average Gross Expense Ratio¹:				0.20		0.24		0.47		0.74		
Weighted Average Net Expense Ratio¹:				0.20		0.24		0.29		0.30		

Model Portfolio Objectives

Yield Target Above Federal Funds Rate	Up to 50 bps	~50 bps	~100 bps	~150 bps
Target Investment Time Horizon	Next Several Months	6-12 Months	1-3 Years	3+ Years
Target Average Maturity and Duration	<0.5 Years	0.5-1.5 Years	>1.5 Years	>1.5 Years
Target Average Quality ⁵	AA+/AAA	A+/AA-	A-/AA-	BBB+/A-

For illustrative purposes only. There can be no assurances the models will achieve the targets shown. Actual results will vary.

MODEL PORTFOLIO POSITIONING CHANGES



The Capital Preservation and Ultra Short-Term models **increased duration** given possibility of a Fed cut in 2024 and the attractive yield advantage moving out the curve relative to money markets. Within the portfolios, the underlying funds generally de-risked in the quarter as corporate spreads remained tight and took advantage of opportunities within securitized, specifically ABS and CLOs.

The tactical allocation column reflects the current tactical allocation for a given model.

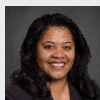
The over/under column reflects the overweight and underweight of the current tactical allocations relative to the strategic allocations. For example, a +1.0% means a 1% overweight position relative to the strategic allocation.

^{1, 2, 3, 4, 5} Please see Additional Disclosures for more information.

T. Rowe Price Low Duration Models

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FUND IN FOCUS



Cheryl Mickel,
CFA



Steve Kohlenstein,
CFA

- The **Short Duration Income Fund**—I Class is a low duration, multi-sector fixed income fund for investors with higher risk tolerance seeking greater income and total return potential than a traditional short term bond offering. The strategy seeks to balance the pursuit of higher yields with potential risks by taking a diversified approach to portfolio construction designed to limit volatility while populating the portfolio with the most durable yield.
- In Q2, the fund generated a positive return and outperformed its corporate centric benchmark, benefiting from allocations to securitized credit, specifically ABS and CLOs as demand for both sectors remained strong. The Fund also benefited from positive security selection across investment grade corporates, highlighting the depth of T. Rowe Price's independent credit research platform. Additionally, a slightly shorter overall duration profile was beneficial as yields across the curve modestly increased over the quarter.
- The fund is managed by Portfolio Managers Cheryl Mickel and Steve Kohlenstein.

Overall Morningstar Rating™: ★★★★★ (of 522 funds) As of June 30, 2024, Category: Short-Term Bond
Morningstar Ratings based on risk-adjusted total return.

Past performance is not a reliable indicator of future performance.

Short Duration Income Fund Risks: Due to the nature of the Fund's investment universe, the Fund will take on incrementally more credit risk than a traditional short-term bond fund. The Fund is subject to the risks of fixed income investing, including interest rate risk and credit risk. The Fund's investments in sub-investment grade securities are subject to greater volatility and credit risk than those for investment grade bonds.

Morningstar rated the Short Duration Income Fund—I Class 3 stars among 522 Short-Term Bond funds for the 3-year period (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.

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ADDITIONAL DISCLOSURES:

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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. Official models are based on I class shares.
- ³ **You could lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the fund is not a bank account and is not insured or guaranteed by the federal deposit insurance corporation or any other government agency. T. Rowe Price Associates, Inc. is not required to reimburse the fund for losses, and you should not expect that T. Rowe Price Associates, Inc. will provide financial support to the fund at any time, including during periods of market stress.**
- ⁴ These models are also available with a cash allocation to cover typical third-party account fees and expenses. Portfolio outcomes and expenses may vary based on the vehicle chosen.
- ⁵ Credit quality targets based on standard & poor's classifications. A rating of "AAA" represents the highest-rated securities, and a rating of "D" represents the lowest-rated securities.

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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. 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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