

Balanced Fund (RPBAX)

As of December 31, 2025



T. Rowe Price

Portfolio Management	Managed Since	Joined Firm
Charles Shriver	2011	1991
Toby Thompson	2020	2007
Christina Noonan	2025	2015

Investment Objective

The fund seeks to provide capital growth, current income, and preservation of capital through a portfolio of stocks and fixed income securities.

General Information

CUSIP	77954G108
Inception Date	December 31, 1939
Benchmark	Morningstar Moderate Target Risk Index
Expense Information (as of the most recent Prospectus) ⁽¹⁾	0.65%(Gross) 0.60%(Net)

⁽¹⁾T. Rowe Price Associates, Inc., permanently waives a portion of the fund's management fee in order to ensure that the fund's management fee does not duplicate the management fees of each underlying fund. T. Rowe Price funds would be required to seek regulatory approval in order to terminate this arrangement.

Market Commentary

Global equity and fixed income markets were narrowly mixed in December. Equities were initially buoyed by expectations for a December interest rate cut due to signs of a weakening labor market. Indeed, the Federal Reserve, which reduced rates in September and October despite continued elevated inflation, lowered rates again on December 10. There were hints of sector rotation during the month, as investors seemed to favor cyclical sectors that have previously underperformed but could benefit from lower interest rates and fiscal stimulus legislation passed during the summer. On the other hand, concerns about heightened valuations and enormous capital expenditures among artificial intelligence-related stocks periodically weighed on some high-growth segments.

While equity valuations remain elevated, underlying fundamentals appear supportive, helped by ongoing fiscal stimulus, easing monetary policy, and a regulatory environment that is generally favorable for risk assets. We continue to see valuation disparities across markets, and favor sectors and regions where policy tailwinds and reasonable valuations converge. Policy easing is likely not fully appreciated by markets, offering potential support for equities. Key risks to global markets include narrowness of AI trends supporting earnings and economic growth and markets, sticky inflation, potential for quickening labor market declines, and ongoing geopolitical tensions. We continue to monitor the economic landscape and maintain our disciplined investment process as we look for opportunities moving forward.

Performance (%) (NAV, total return Performance > 1yr is Annualized)

	1m	3m	1yr	3yrs	5yrs	10yrs	15yrs
Balanced Fund (RPBAX)	0.64	2.49	16.09	15.28	7.52	8.97	8.61
Combined Index Portfolio (WN153)	0.56	2.54	16.68	15.34	8.20	9.17	8.73
Morningstar Moderate Target Risk Index (MMTR)	0.69	1.99	15.95	12.43	5.95	7.83	7.15

Past performance is not a guarantee or a reliable indicator of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain the most recent month-end performance, visit troweprice.com.

The Fund's total return figures reflect the reinvestment of dividends and capital gains, if any.

The fund(s) may have other share classes available that offer different investment minimums and fees. See the prospectus for details.

Risks: Interest rates: A rise in interest rates typically causes the price of a fixed rate debt instrument to fall and its yield to rise. Conversely, a decline in interest rates typically causes the price of a fixed rate debt instrument to rise and the yield to fall. **Emerging markets:** Investments in emerging market countries are subject to greater risk and overall volatility than investments in the U.S. and other developed markets. See the prospectus for more detail on the fund's principal risks.

Risk Return Characteristics (Five Years ended December 31, 2025)

	Annualized Std. Deviation (%)	Alpha (%)	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error (%)
Balanced Fund	10.79	1.45	1.03	0.97	0.82	0.39	1.91
Morningstar Moderate Target Risk Index	10.32	0.00	1.00	1.00	0.00	0.25	0.00
Balanced Fund	10.79	-0.60	0.99	0.99	-0.63	0.39	1.08
Combined Index Portfolio	10.80	0.00	1.00	1.00	0.00	0.45	0.00

Past performance is not a guarantee or a reliable indicator of future results. Figures are calculated using monthly data and are net of fees.

Top 10 Holdings (%)	Fund
TRP Real Assets - I	4.1
TRP Institutional High Yield - Inst	3.8
NVIDIA	3.0
TRP Government Reserve	3.0
Microsoft	2.6
Apple	2.2
Amazon.com	1.6
Alphabet Class C	1.5
Broadcom	1.2
Meta Platforms	1.1

Asset Diversification (%)	Fund
Stocks	65.4
U.S. Equities	41.3
International Equities	20.0
Real Assets Equities	4.1
Bonds	32.2
U.S. Investment Grade	28.4
High Yield Bonds	3.8
Cash	2.4

Comprising 21.9% of total net assets.

Portfolio Characteristics	Fund
Entire Portfolio	
Total Number of Issuers	796
Total Number of Markets	42
Total Assets (all share classes)	\$5,079,053,874
Percent of Portfolio in Cash ⁽²⁾	2.7%
Equity⁽⁴⁾	
Investment Weighted Average Market Cap (mm)	\$888,057
Price to Earnings (12 Months Forward) ⁽³⁾⁽⁵⁾⁽⁶⁾	22.9X
Price to Book (trailing) ⁽⁵⁾	6.0X
Projected Earnings Growth Rate (3-5 Years) ⁽³⁾⁽⁵⁾⁽⁶⁾	11.7%
Return on Equity (Last 12 Months excl. charges) ⁽⁵⁾	19.4%
Fixed Income⁽⁷⁾	
Weighted Average Maturity	8.30 years
Weighted Average Effective Duration	5.57 years

⁽²⁾Includes the cash underlying derivative positions and includes portfolio level cash and any cash in underlying commingled vehicles managed by T. Rowe Price.

⁽³⁾Source: Financial data and analytics provider FactSet. Copyright 2026 FactSet. All Rights Reserved.

⁽⁴⁾Excludes impact of equity derivatives.

⁽⁵⁾Statistics are based on Investment Weighted Average.

⁽⁶⁾These statistics are based on the Fund's underlying holdings and are not a projection of future portfolio performance. Actual results may vary.

⁽⁷⁾Calculations exclude cash and includes the impact of bond derivatives.

**Sector Diversification
Equity Only (%)**

	Fund
Info Tech	23.6
Financials	17.3
Indust & Bus Svcs	11.5
Cons Disc	10.6
Health Care	9.3
Comm Svcs	7.7
Materials	5.3
Cons Stpls	4.4
Energy	4.3
Real Estate	3.7
Other	2.3

**Sector Diversification Fixed
Income Only (%)**

	Fund
U.S. Treasuries	28.3
Mortgage	23.7
Corporate	23.3
High Yield	10.0
ABS	4.5
CMBS	3.4
Government Related	3.0
TIPS	2.9
Bank Debt	0.5
U.S. Municipals	0.2
Non-U.S. \$ Denom	0.1
Emerging Market	0.1

Additional Disclosures & Definitions

Consider the investment objectives, risks, and charges and expenses carefully before investing. For a prospectus or, if available, a summary prospectus containing this and other information, call 1-800-638-7780 or visit troweprice.com. Read it carefully.

Visit Troweprice.com/glossary for a glossary of financial terminology.

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Portfolio holdings in this report are presented gross of any non-reclaimable withholding tax. Any non-reclaimable withholding tax is included in position market values. Portfolio diversification data is calculated net of any non-reclaimable withholding tax. Any non-reclaimable tax withheld is not reflected in category market values.

Fund Assets, holdings-based analytics (excluding portfolio turnover), and portfolio attribution are calculated using T. Rowe Price's internal Investment Book of Records (IBOR). Due to timing and accounting methodology differences, IBOR data may differ from the Accounting Book of Records (ABOR) data provided by the Fund's accountant.

For any equity benchmarks shown, returns are shown with gross dividends reinvested, unless otherwise noted.

Combined Index Portfolio: As of August 1, 2012 the Combined Index Portfolio consisted of 45.5% S&P 500 Index, 35% Bloomberg U.S. Aggregate Bond Index, and 19.5% MSCI EAFE Index Net. From May 1, 2011 until July 31, 2012 the Combined Index Portfolio contained a range of 52%-45.5% S&P 500 Index, 35% Bloomberg U.S. Aggregate Bond Index, and 13%-19.5% MSCI EAFE Index Net. From May 1, 2008 until April 30, 2011 the Combined Index Portfolio consisted of 52% S&P 500 Index, 35% Bloomberg U.S. Aggregate Bond Index, and 13% MSCI EAFE Index Net. From inception until April 30, 2008 the Combined Index Portfolio consisted of 50% S&P 500 Index, 40% Bloomberg U.S. Aggregate Bond Index, and 10% MSCI EAFE Index Net.

The indices or percentages may vary over time.

Equities include common stocks as well as convertible securities.

T. Rowe Price uses the current MSCI/S&P Global Industry Classification Standard (GICS) for equity sector and industry reporting.

T. Rowe Price uses a custom structure for diversification reporting on this product.

Diversification exhibits may not add to 100% due to exclusion or inclusion of cash.

"Other" includes any categories not explicitly mentioned.

Certain numbers in this report may not equal stated totals due to rounding. Unless otherwise stated, data is as of the report date.

Unless indicated otherwise the source of all data is T. Rowe Price.

This material should not be deemed a recommendation to buy or sell any of the securities mentioned.

This material has been prepared for informational purposes only. The views and opinions stated in this commentary are those of the portfolio managers listed as of the date indicated. These views and opinions are subject to change based on market or other conditions and may differ from those of other T. Rowe Price associates.

Actual market and investment results may differ materially from expectations.

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