



T. ROWE PRICE ADVISORY SERVICES, INC. (TRP Advisory Services)  
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[troweprice.com](http://troweprice.com)

**PART 2A OF FORM ADV: FIRM BROCHURE**  
**APRIL 24, 2020**

This brochure provides information about the qualifications and business practices of TRP Advisory Services. If you have questions about the contents of this brochure, please contact us at [TRP\\_ADV\\_Inquiries@troweprice.com](mailto:TRP_ADV_Inquiries@troweprice.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (**SEC**) or by any state securities authority.

Additional information about TRP Advisory Services is available on the SEC's website at [adviserinfo.sec.gov](http://adviserinfo.sec.gov). (TRP Advisory Services is a registered investment adviser under the Investment Advisers Act of 1940 (**Advisers Act**), and its associates are registered within a particular jurisdiction as required by applicable law; however, such registration does not imply a certain level of skill or training.)

## Item 2 - Summary of Material Changes

Since our annual filing on March 28, 2019, this brochure has been updated to reflect various non-material changes. This brochure has also been updated to clarify TRP Advisory Services' source of revenue from its affiliate since it does not currently charge any advisory fees for its investment advisory services.

## Item 3 - Table of Contents

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#### Item 4 - Advisory Business

TRP Advisory Services is a Maryland corporation founded in 2000. It is an investment adviser registered under the Investment Advisers Act of 1940 (**Advisers Act**) and a wholly owned subsidiary of T. Rowe Price Group, Inc. (**Price Group**), which was formed in 2000 as the publicly traded parent holding company of TRP Advisory Services and its affiliated entities (collectively, **T. Rowe Price**). As an SEC-registered adviser, TRP Advisory Services has a fiduciary duty to act in its clients' best interests and to abide by the duties of care and loyalty.

TRP Advisory Services and its affiliated investment advisers: T. Rowe Price Associates, Inc. (**Price Associates**), T. Rowe Price International Ltd (**Price International Ltd**), T. Rowe Price Hong Kong Limited (**Price Hong Kong**), T. Rowe Price Singapore Private Ltd. (**Price Singapore**), T. Rowe Price Australia Limited (**Price Australia**), T. Rowe Price Japan, Inc. (**Price Japan**), and T. Rowe Price (Canada), Inc. (**Price Canada**), are collectively referred to herein as the **Price Advisers**. (Please refer to Part 2A of Form ADV for each Price Adviser for additional disclosure about the Price Adviser.) For purposes of this brochure, "we," "us," and "our" mean TRP Advisory Services and its employees, agents, and representatives.

TRP Advisory Services provides investment advisory services for individual investors via the following services which are separate and distinct offerings:

##### T. Rowe Price Advisory Planning Service

TRP Advisory Services provides non-discretionary advice regarding asset allocations and selected investments in the T. Rowe Price family of no-load mutual funds (**Price Funds**) that are registered investment companies, or series thereof, under the Investment Company Act of 1940, as well as educational retirement planning strategies (**Advisory Planning Service** or **APS**).

APS provides asset allocation and fund recommendations consisting of Price Funds (**APS Recommendations**) based on information the client provides in the Client Profile, such as investment and retirement goals, current financial situation and investment account balances, allocations, and contribution rate, as well as salary, retirement time horizon, investment experience and risk tolerance (**Investment Goals, Risk Tolerance, and Financial Situation**), as well as consultations with a T. Rowe Price associate. Any agreement with the client will not take effect until the client completes the Client Profile.

If a client provides information to TRP Advisory Services about assets held jointly with another person, we will consider these assets in developing the APS Recommendation. If a client provides information to us about assets held solely by another person, this person will be treated as a co-client and no APS Recommendation will be provided until the co-client accepts the terms and conditions set forth in the APS Client Agreement. By entering into the APS Client Agreement, clients represent that they are authorized to share information with TRP Advisory Services about jointly-held assets and assets held solely by another person.

Fund recommendations consist of Price Funds that have been selected for inclusion in APS (**APS Funds**) based on their fit in providing diversified exposure most reflective of the respective asset/sub-asset class and style and on their relationship with the asset and sub-asset categories of the APS allocation models and each other. We may recommend that clients retain their existing holdings in certain APS Funds as part of the APS Recommendation because these funds are acceptable alternatives to other APS Funds. APS does not include recommendations to invest in individual securities, third-party mutual funds, or other non-Price securities. Clients with similar investment profiles are generally provided with similar APS recommendations. See the APS Methodology document, which is available on the [troweprice.com](http://troweprice.com) website, for more information about how the APS Recommendations are developed.

If a client selects a retirement goal in their Client Profile, we will provide educational pre-tax retirement savings or income projections and withdrawal strategies focused on helping clients better understand their projected income needs in retirement based on information from the Client Profile and/or client consultations. The APS

Recommendation should not be considered a substitute for a comprehensive financial plan.

TRP Advisory Services will assign a TRP associate to analyze the Client Profile and consult with the client to clarify the information provided in it, discuss any additional information the client may provide regarding the client's Investment Goals, Risk Tolerance, and Financial Situation, and review potential investment strategies (**APS Consultation**). Based on the Client Profile and this APS Consultation, the TRP associate will develop and provide the APS Recommendation in a report titled "Analysis and Recommendation" to the client. The non-discretionary advice within the Analysis and Recommendation report consists of the asset allocation and fund recommendations. The TRP associate will review the Analysis and Recommendation report with and provide specific APS Fund recommendations to the client and is available to assist with implementation. At any time, if a client's circumstances have changed since the receipt of the initial Analysis and Recommendation report, we encourage clients to contact a TRP associate regarding the advisability of a new Analysis and Recommendation report. (Please see *Item 8 — Methods of Analysis, Investment Strategies, and Risk of Loss* for details about the analysis and recommendation process.)

The client is solely responsible for the decision to implement the APS Recommendation; clients have no obligation to accept any recommendations provided by TRP Advisory Services through APS. TRP Advisory Services is not authorized to make decisions regarding clients' accounts or investments and will not monitor or manage any of the client's accounts opened to implement the APS Recommendation, whether at T. Rowe Price or elsewhere. The APS Recommendation will remain in effect until the client's financial circumstances change or termination of the APS relationship (whichever happens first). If a client's financial circumstances change, they can update their Investment Goals, Risk Tolerance, and Financial Situation and request an updated APS Recommendation.

As part of APS, clients agree to use electronic signatures and accept electronic delivery (as available) of all documents and disclosures that are necessary to APS enrollment (**APS Documents**) in electronic form, including, but not limited to, the APS Client Agreement, Fiduciary Advisor Disclosure, and this Form ADV and any Part 2B Brochure Supplements, and the Form(s) CRS, including all applicable future updates of these APS Documents. The APS Documents are available in electronic, portable document format (PDF). Regular and dependable Internet access, which cost is the client's responsibility, is required to enroll in APS and to access APS Documents. Clients are required to maintain an accurate and up-to-date email address with T. Rowe Price and to ensure that they have the ability to read, download, print, and retain documents they receive. T. Rowe Price reserves the right to terminate the APS relationship for any reason, including but not limited to cases in which the client does not maintain an accurate and up-to-date email address with us.

Clients must accept the APS Client Agreement by electronic means (such as clicks or other online means) and as such, the APS Client Agreement is legally binding and is considered to have been "signed" by the client with the same effect as a manual signature. Electronic records of the APS Client Agreement that are made online will also be considered to be "in writing." Clients agree not to dispute the validity or enforceability of the APS Client Agreement entered into electronically by the client (or by anyone using client's authentication devices, such as a password or PIN).

Clients will receive an email notification from TRP Advisory Services with a link to the APS Documents that clients can view, print, or download. In the event of an e-mail notification failure, we will deliver paper versions of the APS Documents (including all applicable future updates) to the client's address of record until they provide TRP Advisory Services with a valid email address. Clients may change their email address by logging into their account on the T. Rowe Price website. Clients have the right to request in writing, free of charge, a paper copy of the APS Documents and such requests do not waive or invalidate a client's consent to electronic distribution.

NOTE: APS is conditioned on enrollment in electronic delivery. Withdrawal of consent will result in the termination of the APS relationship. Clients may terminate the APS relationship at any time for any reason without penalty by contacting us at 1-877-844-9424. TRP Advisory Services may terminate the APS relationship for any client for any reason upon written (which may include electronic) notice to the client.

## T. Rowe Price ActivePlus Portfolios Program

TRP Advisory Services also offers clients the T. Rowe Price ActivePlus Portfolios Program (**APP Program**), an online discretionary investment management service available for Individual Retirement Accounts (**IRAs**). The APP Program is designed to provide individual investors with a model portfolio allocated solely among Price Funds selected for inclusion in the APP Program (**Program Funds**) based on the client's time horizon and risk tolerance, which the client provides via an online Risk Tolerance Questionnaire (**APP RTQ**) as part of the new account opening process. Each client's account in the APP Program (**Program Account**) is then assigned to a model portfolio with an equity allocation ranging from approximately 10% to 100%. Program Accounts for clients with similar time horizons and risk tolerances are assigned to the same model portfolios. Clients may also request certain allowable restrictions on the Price Funds in their model portfolio; if approved by TRP Advisory Services, the restricted Price Fund will be replaced by an alternate Price Fund. Clients must agree to electronic delivery of all APP Program communications, although Client Specialists are available to answer questions by telephone. Clients are responsible for updating their risk tolerance and time horizon via the APP RTQ as necessary; TRP Advisory Services will not adjust a client's time horizon to reflect the passage of time or make any changes to the client's recommended portfolio unless the client updates the information in their APP RTQ. For this reason, clients are encouraged to revisit their APP RTQ inputs at least annually.

By entering into a T. Rowe Price ActivePlus Portfolios Program Client Agreement (**Client Agreement**), clients authorize TRP Advisory Services to provide discretionary investment management services (**Advisory Services**) for the assets in the client's Program Account by determining the appropriate asset, sub-asset, and fund allocations for the client's Program Account and investing them in a selection of Price Funds that coincide with the model portfolio recommended for the Program Account based on the time horizon and risk tolerance the client provided in their Risk Tolerance Questionnaire (**Client APP RTQ Information**). The APP Program is available for IRAs only. In providing discretionary advice for the Program Account, TRP Advisory Services will not take into consideration any holdings not managed in the Program Account. In addition, TRP Advisory Services will not offer any management or advisory services with respect to, or be responsible for, any client assets not being managed by TRP Advisory Services as part of the APP Program, even if those assets are held in an Investment Services Brokerage Account or another account held by a TRP Advisory Services affiliate. TRP Advisory Services buys and sells shares of the Price Funds in the Program Account to align with the allocation of the model portfolio to which the client has been assigned after their Program Account is opened, and continuously monitors and periodically rebalances it to maintain alignment with the recommended model portfolio's asset and sub-asset allocations, subject to dispersion limits TRP Advisory Services establishes from time to time. TRP Advisory Services can change its rebalancing methodology at its discretion without notice to the client. T. Rowe Price may periodically revise or adjust the asset, sub-asset, or fund allocations for each model portfolio, consistent with its overall asset allocation approach, and may add or remove sub-asset classes at its discretion. Capital gains and dividends are automatically reinvested. The APP Program is not a complete investment program as it does not consider a client's outside assets, income, debt, and other financial considerations, and it is not intended for short-term investors.

To enroll in the APP Program, clients must complete an online account opening process, including completion of the APP RTQ and the new account application to establish an IRA in a brokerage account with T. Rowe Price Investment Services, Inc., (**Brokerage Account**) to hold the securities positions within the client's Program Account, and must agree to the terms of the T. Rowe Price Brokerage Account Agreement, Fee Schedule, and Important Disclosures (**Brokerage Agreement and Disclosures**), the Traditional and Roth IRA Disclosure Statement And Custodial Agreement (**IRA Agreement**), and the Client Agreement. T. Rowe Price Investment Services, Inc. (**Investment Services**) is a broker/dealer affiliated with TRP Advisory Services and a member firm of the Financial Industry Regulatory Authority, Inc. (**FINRA**). The IRAs and the Program Accounts will be registered in the name of T. Rowe Price Trust Company (**Trust Company**), a T. Rowe Price affiliate, for the client's benefit. Program Accounts will not be available for brokerage activities except as directed by TRP Advisory Services, which means that clients cannot trade in securities or implement margin or option strategies with respect to the Program Account or hold securities or assets not managed as part of the APP Program. Further, Investment Services' responsibilities for the Brokerage Account shall be limited solely to brokerage services relating to clients' participation in the APP Program, and Investment Services will not act as the client's investment adviser in connection with the APP Program or the Brokerage Account. A third-

party broker unaffiliated with T. Rowe Price will provide custody and clearing services of the securities positions and related recordkeeping and reporting services for the Program Account. Clients are responsible for certain broker processing fees listed in the Brokerage Agreement and Disclosures, such as wire transfer fees, returned check fees, Retirement Account Closeout fees, express mail delivery fees, etc., which will be itemized on client statements and deducted from the client's Program Account. The annual \$20 maximum account fees described in the prospectuses for the Program Funds, as well as the \$20 closeout fees described in the IRA Agreement, are waived for the APP Program.

The APP Program consists solely of asset allocation and trading services among proprietary Price Funds. TRP Advisory Services will not evaluate non-Price Funds for inclusion in the APP Program, even if they have characteristics similar or superior to the Price Funds. The APP Program does not include recommendations to invest in individual securities, third-party mutual funds, or other non-Price securities. The APP Program is not required to include any particular Price Fund and TRP Advisory Services undertakes no obligation to evaluate non-Program Funds for inclusion in the APP Program. At its discretion, TRP Advisory Services may remove funds from or add funds to the recommended model portfolios from the list of Program Funds. The Program Funds are identified during the account opening process and are available on the APP Program section of the T. Rowe Price website. Not all such funds will be included in any specific model portfolio or Program Account. See below for a discussion of the impact of mutual fund selections on revenue received by TRP Advisory Services and affiliates.

The recommendation for a client's model portfolio is based on the Client APP RTQ Information. The client's answers to the APP RTQ are solely for the assets to be managed in this Program Account and will not be considered for other accounts or services at T. Rowe Price; similarly, any information clients provide to TRP Advisory Services or an affiliate outside of the APP RTQ will not be considered when developing a client's recommended portfolio. (For example, if clients change their risk tolerance or time horizon information for other T. Rowe Price accounts, this will have no impact on the client's recommended portfolio.) TRP Advisory Services will recommend substantially the same model portfolios and Price Funds to different clients with substantially the same APP RTQ responses. Any Client APP RTQ Information provided for this Program Account, or changes thereto, will not be made to other Program Accounts at T. Rowe Price unless the client expressly makes those changes with the appropriate Program Account. For example, changing risk tolerance or time horizon information for other T. Rowe Price accounts will not change the Client APP RTQ Information for this Program Account. If a client changes their APP RTQ Information frequently, TRP Advisory Services reserves the right to terminate the Client Agreement and client's Program Account will be closed. For instance, annual or semiannual updates to time horizon and/or risk tolerance are not considered excessive.

Clients are responsible for providing accurate and complete information as part of the APP Program's online account opening process, or thereafter in conjunction with the APP Program. Clients are responsible for promptly notifying TRP Advisory Services, by logging into their Program Account, of any changes to their APP RTQ Information, requested modifications to existing portfolio restrictions, and of any change that may affect the manner in which TRP Advisory Services should allocate or invest the assets in the client's Program Account. Depending on the changes, TRP Advisory Services may adjust the allocation of a client's Program Account to align with a different model portfolio, which will result in trading activity in the client's Program Account. If a client does not update their Client APP RTQ Information, we will continue to manage the client's Program Account according to the most recent information provided by the client. For example, if the client indicated in their most recent Client APP RTQ Information that their time horizon for the Program Account is 20 years and the client does not update that information the following year, we will maintain their Program Account in the portfolio recommended to them consistent with a 20-year time horizon. Even though the client's time horizon may change with the ordinary passage of time, we will not adjust the client's time horizon or the associated portfolio used to manage their Program Account year-over-year unless the client updates their time horizon. TRP Advisory Services or its affiliates shall not bear any responsibility for investment management decisions or other actions taken on the basis of any incomplete, misleading, or incorrect information clients supply or a client's failure to update the information when changes occur.

Clients have the opportunity to impose certain allowable restrictions on the management of their Program Account, and to change such restrictions, subject to TRP Advisory Services' acceptance of any such restriction or change. Specifically, clients may request prohibitions with respect to the purchase of particular Price Fund(s), provided such restriction is not inconsistent with TRP Advisory Services' stated investment strategy or philosophy, or is not fundamentally inconsistent with the nature or operation of the APP Program, in TRP Advisory Services' sole discretion. Clients may request investment restrictions by logging into their Program Account and following the instructions provided. If TRP Advisory Services accepts a client's requested restriction, it will continue to manage the Program Account, but will take no responsibility for any deviation in performance between the client's Program Account as restricted and a Program Account invested in the same model portfolio, without the restriction.

The performance of a Program Account with restrictions may differ from the performance of Program Accounts without restrictions, possibly producing lower overall results. Evaluation of the reasonableness of a restriction request may result in delays in the acceptance or management of a client's Program Account. TRP Advisory Services reserves the right to conclude that the requested restriction is unreasonable or cannot be accommodated within the APP Program. If a client's Program Account cannot be managed with the requested portfolio restriction(s), the client will be notified. TRP Advisory Services will reevaluate restrictions on an as-needed basis, including, but not limited to, as a result of changes in the underlying funds or models, which could result in the denial of a restriction that was previously accepted. Changing a restriction could result in buy or sell activity in a client's Program Account.

Clients agree to fund their Program Account with at least \$50,000 in cash or marketable securities acceptable to TRP Advisory Services that clients identify during the account set-up process (amount subject to change at TRP Advisory Services' discretion). The securities used to fund the client's account must be liquid and able to be sold. Any unmarketable or otherwise unacceptable securities will be returned to the client's source account. Clients bear any costs of liquidating securities used to fund the Program Account. By funding their Program Account with securities, clients are directing Investment Services to liquidate these securities as soon as reasonably practicable in order to invest the client's Program Account. However, if clients fund their account with Program Funds from a TRP Brokerage account in which the client's Program Account will be invested, those shares will be transferred and rebalanced according to TRP Advisory Services recommended allocation to those funds in the client's Model Portfolio. Such rebalancing may result in the sale of the shares of these funds, the proceeds of which (including any cash or proceeds from the sale of other securities) will be used to invest in additional shares of Program Funds to meet the client's recommended Model Portfolio allocations. TRP Investment Services will use its standard trading procedures to execute clients' funding instructions. Neither TRP Investment Services nor TRP Advisory Services will provide advice and/or guidance regarding the securities being sold to fund a client's Program Account.

TRP Advisory Services, in its sole discretion, may refuse any Program Account for any reason and reserves the right to terminate a client's participation in the Program if the client's Program Account does not meet the initial funding requirements generally within 60 days of the initial Program Account opening, as described further below. TRP Advisory Services will generally invest funds received in the Program Account prior to the full receipt of \$50,000. TRP Advisory Services makes no representation as to how quickly client Program Accounts, either via initial or ongoing funding, will be invested. Client assets may not be fully invested and will be subject to market risk between redemption and reinvestment dates, including, but not limited to, cases in which T. Rowe Price is required to sell one fund and purchase another fund. Investment amounts less than \$100 are generally held in a free credit balance awaiting investment until they reach \$100. Deposits to the Program Account must be made by check, wire transfer, ACH or other methods determined by T. Rowe Price.

Clients can request a withdrawal from their Program Account on the TRP website. Daily cutoff times for submitting requests for withdrawals from Program Accounts and their anticipated processing times are disclosed on the TRP website. Daily cutoff times for submitting requests for withdrawals from Program Accounts may be earlier than market close. TRP Advisory Services reserves the right to change the daily cutoff times at any time in its sole discretion. Depending on the nature of the request, requests for withdrawals may take up to 10 business days. T. Rowe Price reserves the right to temporarily suspend redemptions and postpone payment of redemption proceeds during periods of market stress. In-kind transfers of assets held in IRA accounts to non-IRA accounts and cash

withdrawals, as described in the IRA Agreement, will incur tax consequences, including possible early withdrawal penalties, which will be the sole responsibility of the client.

Certain transactions involving Program Accounts may not be conducted online and may only be conducted with the assistance of a TRP associate by telephone. These transactions generally involve the transfer of assets between a Program Account and an account held at another TRP Advisory Services' affiliate, and Roth IRA conversions. Please see the APP Program's section of the TRP website for a list of these transactions, which TRP Advisory Services reserves the right to change at any time in its sole discretion.

Clients may request that a check be sent to the address of record or assets be transferred in kind to another account. Depending on the type of Program Account and the exact dollar amount a client wishes to withdraw, more information may be necessary before the withdrawal can occur. Clients should contact a T. Rowe Price representative through the APP Program's section of the TRP website for more information.

If the market value of a Program Account falls below the minimum account maintenance level of \$10,000 (amount subject to change at our discretion), TRP Advisory Services generally will require the client to deposit additional money or Price Funds to bring the Program Account up to the required minimum. TRP Advisory Services reserves the right to terminate the Program Account if it is not brought up to the required minimum.

The APP Program is offered only online through an interactive website or other electronic connectivity, and, as part of the APP Program, clients agree to use electronic signatures and accept electronic delivery (as available) of all communications associated with the client's Program Account, including, but not limited to, the APP Client Agreement, this Form ADV Part 2A Brochure and any Part 2B Brochures and Supplements, the Form(s) CRS, transaction confirmations, statements, agreements, disclosure documents, prospectuses, annual and semiannual reports, , account communications, proxies, and other materials, including all applicable future updates of these documents. All of the documents necessary to open an account online in the Program and account communications are available in electronic, portable document format (PDF). Regular and dependable Internet access, which cost is the responsibility of the client, is required to enroll in the APP Program and to access all APP Program-related documents. Clients are required to maintain an accurate and up-to-date email address with the APP Program and to ensure that they have the ability to read, download, print, and retain documents they receive. T. Rowe Price reserves the right to terminate a client's Program Account if the client does not maintain an accurate and up-to-date email address with the APP Program.

Clients must accept the Client Agreement by electronic means (such as clicks or other online means) and as such, the Client Agreement is legally binding and is considered to have been "signed" by the client with the same effect as a manual signature. Electronic records of the Client Agreement that are made online will also be considered to be "in writing." Clients agree not to dispute the validity or enforceability of any of the Client Agreement entered into electronically by the client (or by anyone using client's authentication devices, such as a password or PIN).

**Risks of transacting online.** During periods of market volatility or high demand, clients' ability to effect transactions, such as redemptions and purchases, access their Program Accounts online, and our ability to execute client transactions may be impacted due to system delays or outages, which could result in losses. If our online trading systems are delayed or unavailable, clients may need to call a TRP representative to place transactions. High call volumes during such periods may also result in delays in reaching a representative or in the execution of transactions.

While enrolled in the APP Program, clients will be sent an email notification from TRP Advisory Services or the broker when a communication is available to be viewed by logging in to the client's Program Account. The email will be sent to the current e-mail address on file for the client's Program Account. Clients may view, verify, and change their e-mail address by logging into their Program Account on the TRP website. In the event of an e-mail notification failure as defined by the APP Program or the broker, the APP Program and the broker may discontinue electronic delivery



and will mail the client's account communications to them in paper form to the client's address of record until they re-enroll for electronic delivery by logging into their Program Account. We reserve the right to terminate a client's Program Account if they do not re-enroll for electronic delivery within a reasonable time. Clients may print or save a copy of any of the account communications for as long as they are available on their online Program Account. Clients have the right to request in writing, free of charge, a paper copy of certain documents required to be delivered under the Internal Revenue Code as described in the IRA Agreement as well as Form ADVs and Forms CRS and such requests do not waive or invalidate a client's consent to electronic distribution.

Clients will receive trade confirmations to their attention via electronic delivery promptly following every securities transaction in their Program Account. However, clients will not be provided separate confirmations of automatic investments, automatic withdrawals, or dividend reinvestments. For these activities, the client's regular account statement will serve in lieu of a confirmation. As long as there is activity in a client's account, they will receive Program Account statements detailing their holdings and transaction information on a monthly basis. NOTE: The APP Program is conditioned on enrollment in electronic delivery. Withdrawal of consent will result in the termination of the client's Program Account.

All investments are subject to the terms of a relevant Price Fund prospectus. Clients receive prospectuses electronically via the online account setup process when the Program Funds are initially introduced to them. Clients will be sent an email notification from TRP Advisory Services or the broker when a communication is available to be viewed by logging in to the client's Program Account. The email will be sent to the current email address on file for the client's Program Account, which may be updated by the client by logging into their Program Account on the TRP website. Clients are responsible for understanding the contents of the prospectus, including the section related to fees, which will include the waived annual maximum account fee referenced above.

Any notice required to be given by the client (other than as otherwise specified herein) will be delivered electronically through the APP Program's website or another website designated by T. Rowe Price or its agents. Notice given by the client may also be sent by U.S. mail, certified or registered, or overnight courier, postage prepaid with return receipt requested, and addressed to T. Rowe Price Advisory Services, Inc., Mail Code: 17490, 4515 Painters Mill Road, Owings Mills, Maryland, 21117-4903 or to another address specified by TRP Advisory Services in writing.

Either TRP Advisory Services or the client may terminate the advisory relationship at any time by written notice to the other party. TRP Advisory Services may terminate or suspend our advisory services for a client's Program Account (or for any portion of a client's Program Account) and/or place other restrictions on a client's Program Account for any reason at our sole discretion. Reasons for termination by TRP Advisory Services include, but are not limited to, a client's Program Account balance falling below the minimum account maintenance level of \$10,000 (subject to change at our discretion); failure to maintain a valid email address; or revocation of consent to electronic delivery of all Program Account-related communications, excluding those noted above which can be delivered in hard copy upon request. Before terminating a Program Account, TRP Advisory Services will generally provide clients with 10 business days' notice; certain instances may arise, however, where we may need to suspend investment including, without limitation, if clients reside outside the U.S. or otherwise fail to comply with applicable law, rule, or regulation or any other applicable requirement of the APP Program, including electronic delivery. In such instances, TRP Advisory Services will attempt to contact the client with further instructions.

If TRP Advisory Services terminates its advisory relationship with a client for any reason, the client's Brokerage Account will close, although the client's IRA relationship will remain in effect. In such event, T. Rowe Price will liquidate all of the Price Funds held in the client's Program Account and reinvest those assets in a money market Program Fund in the client's IRA with T. Rowe Price Services, Inc. (**Price Services**), transfer agent for the Price Funds. In that event, the client's account will no longer be a managed account and TRP Advisory Services will no longer have or exercise discretion over it, nor will it be held with Investment Services, a registered broker-dealer and, therefore, the account will not be covered by the Securities Investor Protection Corporation (**SIPC**) and will not be subject to the required pre-dispute arbitration clause for Brokerage Accounts. The owner registration (including mailing address) and any beneficiaries on the account will automatically carry over to the new account(s). The client's new account(s)

and all transactions in the new account(s) held with Price Services will be subject to the then-current prospectus for each Price Fund in which the client's IRA will be invested, certain terms and conditions of the Brokerage Agreement and Disclosures as explained in the APP Client Agreement, as well as the T. Rowe Price Privacy Policy, which will remain in effect. Further, the terms of the IRA Agreement will remain in effect.

Clients agree that their authorized individual, such as a guardian, attorney-in-fact, executor, or other designated representative, will give TRP Advisory Services written notice of the client's disability or incapacity and documentation required to establish the authority of said authorized individual. The powers given to TRP Advisory Services in the Client Agreement will not be affected by a client's disability or incapacity; however, TRP Advisory Services may terminate the Client Agreement upon notice of a client's disability or incapacity and the client's Program Account will be closed. (See previous paragraph for a description of the disposition of the assets in the client's Program account once TRP Advisory Services' advisory relationship with the client is terminated.) All actions taken by TRP Advisory Services regarding the Program Account, either before or after the disability or incapacity of the client, but before receipt by TRP Advisory Services of information of such disability or incapacity, is binding upon the client and the client's legal representatives who will hold TRP Advisory Services harmless from all liability arising from such action so taken.

In certain instances, a "do-not-trade" order may be placed on a client's Program Account for reasons including, but not limited to, to comply with a court order regarding a divorce. For the period when a do-not-trade order is in place, the Program will suspend management of the client's Program Account and will not monitor the Program Account for potential buys and sells of securities. Additionally, any deposits to the Program Account during a do-not-trade period will not be invested. Once the do-not-trade order is lifted, TRP Advisory Services may need to rebalance the client's Program Account to bring it back into alignment with the recommended model portfolio's asset and sub-asset allocations. Neither TRP Advisory Services nor any of its affiliates are responsible for any market loss experienced as a result of a do-not-trade order.

Program Account balances and funds attributable to certain uncashed checks issued from Program Accounts may be transferred to a state unclaimed property administrator if no activity occurs in the Program Account or the check remains outstanding within the time period specified by the applicable state law. Clients should periodically log in to their Program Account and ensure their physical address and email address are up to date to avoid escheatment.

Termination will not affect: (i) the validity of any action we have previously taken, (ii) any liabilities or obligations for transactions initiated before termination, or (iii) our or our affiliates' right to retain compensation from the Price Funds held in the Program Account, or any fees for services rendered that the client or the client's Program Account may have agreed to pay. We will have no obligation to take any action with regard to assets in a client's Program Account after the termination of the Account Agreement (except as directed by the client).

Upon notice of a client's intention to close their Program Account, TRP Advisory Services will (i) liquidate any and all shares of Price Funds that are closed to new investors and/or any share classes for which the client no longer meets the eligibility requirements and invest the proceeds in a money market Program Fund; and (ii) rely on client instructions for disposition of these assets and the assets in the remaining Price Funds in the APP Program. A client's closure of the Program Account will terminate the client's Brokerage Agreement and Disclosures with Investment Services and close the client's Brokerage Account. The terms of the IRA Agreement will remain in effect for as long as the client's assets are held in an IRA account with T. Rowe Price.

Certain instances may arise where we may need to suspend investment management of and/or restrict activity in a client's Program Account. Upon notification of a client's death, we will suspend the investment management of the client's Program Account and await receipt of a valid death certificate and instructions from the client's authorized representative. All actions taken by TRP Advisory Services regarding the Program Account, either before or after a client's death, but before receipt by TRP Advisory Services of notification of the client's death, is binding upon the client and their legal representatives, who will hold TRP Advisory Services harmless from all liability arising from such action so taken.

T. Rowe Price does not provide any tax advice. Although a client's actions to enroll in the APP Program may raise tax or other legal implications, clients acknowledge that TRP Advisory Services bears no responsibility for their decision-making. Clients are responsible for any tax implications and/or tax obligations arising as a result of the client's use of the APP Program. Clients are strongly encouraged to seek the advice of their accountant or attorney for tax or legal questions related to their use of the APP Program.

### T. Rowe Price Investment Allocation Tool

TRP Advisory Services also offers clients an Investment Allocation Tool (**IA Tool**), a non-discretionary advice service that provides a point-in-time investment allocation recommendation (**Investment Allocation Recommendation**) consisting solely of one or more Price Funds (**IA Tool Funds**) based on a client's responses to a questionnaire (**IA Tool Questionnaire**). The questionnaire asks clients to identify their investment goal (retirement or general investment), initial investment amount, risk tolerance, time horizon, and whether they want a recommendation for a single fund or a multi-fund portfolio (and, for a retirement goal, whether they prefer a fund with a static or dynamic (i.e., glidepath) asset allocation). The IA Tool does not consider a client's income, debt, or other financial considerations.

The IA Tool provides point-in-time advice only. As described below, the Investment Allocation Recommendation delivered via the website expires at the end of the online session or during the same online session if the client retakes the IA Tool Questionnaire to receive a new Investment Allocation Recommendation; the Investment Allocation Recommendation delivered over the phone or in person with a TRP associate expires at the end of that specific interaction between the client and the TRP associate. The client is solely responsible for implementing the Investment Allocation Recommendation; clients have no obligation to accept any recommendations provided by TRP Advisory Services through the IA Tool. TRP Advisory Services is not authorized to make decisions regarding clients' accounts or investments and will not monitor or manage any of the client's accounts opened to implement the Investment Allocation Recommendation, whether at T. Rowe Price or elsewhere. Because Investment Allocation Recommendations expire at the end of an online session, in-person interaction, or phone call, such recommendations do not account for any changes to the client's investment goals, risk tolerance, time horizon, or financial circumstances, and T. Rowe Price Advisory Services is not responsible for any decision to implement the recommendation after it has expired.

The Investment Allocation Recommendation will consist solely of either a single IA Tool Fund or an asset allocation amongst multiple IA Tool Funds. The IA Tool Funds are identified during the enrollment process. Not all such funds will be included in any specific Investment Allocation Recommendation. The IA Tool does not include recommendations to invest in individual securities, third-party mutual funds, or other non-Price securities. The IA Tool is not required to include any particular Price Fund and we undertake no obligation to evaluate non-IA Tool Funds, including non-Price Funds, for inclusion in the IA Tool even if other funds have characteristics or performance that is similar or superior to, or fees that are lower than, the IA Tool Funds. At its discretion, TRP Advisory Services may remove funds from or add funds to the list of IA Tool Funds. T. Rowe Price Advisory Services may periodically adjust the asset, sub-asset, or fund allocations recommended through the IA Tool consistent with its overall asset allocation approach. See below for a discussion of the impact of mutual fund selections on revenue received by Price Associates and its affiliates.

In order to receive an Investment Allocation Recommendation, clients must complete the IA Tool Questionnaire and agree to the terms of the Investment Allocation Tool Client Agreement. Clients have the option of going through the IA Tool Questionnaire and receiving their Investment Allocation Recommendation either over the phone or in person with a TRP associate or online through an interactive website. As part of the IA Tool, clients agree to use electronic signatures and accept electronic delivery of all documents and disclosures that are necessary to complete enrollment in the IA Tool in electronic form, including, but not limited to, the IA Tool Client Agreement, this Form ADV Part 2A Brochure and any Part 2B Brochures and Supplements, the Form(s) CRS, and prospectuses for the IA Tool Funds. These documents are available in electronic, portable document format (PDF).

Clients must accept the IA Tool Client Agreement by electronic means (such as clicks or other online means) and as such, the IA Tool Client Agreement is legally binding and is considered to have been “signed” by the client with the same effect as a manual signature. Electronic records of the IA Tool Client Agreement that are made online will also be considered to be “in writing.” Clients agree not to dispute the validity or enforceability of the IA Tool Client Agreement entered into electronically by the client (or by anyone using client’s authentication devices, such as a password or PIN).

T. Rowe Price does not provide any tax advice. Although a client’s actions to implement an Investment Allocation Recommendation may raise tax or other legal implications, clients acknowledge that TRP Advisory Services bears no responsibility for their decision-making. Clients are responsible for any tax implications and/or tax obligations arising as a result of the client’s implementation of the recommendation. Clients are strongly encouraged to seek the advice of their accountant or attorney for tax or legal questions related to their implementation of the recommendation.

**IA Tool Questionnaire.** The Investment Allocation Recommendation is based on the client’s responses to the IA Tool Questionnaire, which are limited to the assets the client intends to use to implement the recommendation and will not consider any other assets the client may have elsewhere at T. Rowe Price or with any unaffiliated firm. TRP Advisory Services will recommend substantially the same asset allocations and IA Tool Funds to different clients with substantially the same IA Tool Questionnaire responses. Clients may retake the IA Tool Questionnaire at any time to receive another Investment Allocation Recommendation. More information regarding the methodology used in developing the Investment Allocation Recommendations is provided in detail in *Item 8 — Methods of Analysis, Investment Strategies, and Risk of Loss*, below.

**Phone and In Person Service.** Clients who wish to receive an Investment Allocation Recommendation over the phone may contact a TRP associate, and either complete the IA Tool Questionnaire and receive their Investment Allocation Recommendation during this same call with the TRP associate or schedule a follow-up appointment to do so. Clients may also choose to receive an Investment Allocation Recommendation in person with a TRP associate.

Whether over the phone or in person, the TRP associate will enter the client’s responses to the IA Tool Questionnaire into the IA Tool, and use the IA Tool to generate the client’s Investment Allocation Recommendation. During this interaction, the TRP associate may discuss the features of the IA Tool and the assumptions underlying the Investment Allocation Recommendation with the client and assist with any implementation needs. However, the Investment Allocation Recommendation is responsive only to the client’s answers to the IA Tool Questionnaire during this interaction with the TRP associate; the TRP associate does not formulate any advice or recommendations to the client independently of the IA Tool. The Investment Allocation Recommendation expires at the end of this interaction and TRP Advisory Services has no responsibility for any subsequent action the client may take with respect to the Price Funds included in the expired recommendation.

**Online Service.** Clients who choose to receive an Investment Allocation Recommendation online may do so by visiting [troweprice.com](http://troweprice.com) and completing the electronic version of the IA Tool Questionnaire. The Investment Allocation Recommendation is responsive to the client’s answers to the IA Tool Questionnaire during this online session only. Once the client exits the session or they retake the IA Tool Questionnaire, the Investment Allocation Recommendation expires and TRP Advisory Services has no responsibility for any subsequent action the client may take with respect to the Price Funds included in the expired recommendation.

## **T. Rowe Price Retirement Fund Recommendation Service**

TRP Advisory Services also offers the Retirement Fund Recommendation Service (**RFR Service**), a non-discretionary advice service that provides a point-in-time recommendation for a T. Rowe Price Retirement Fund (**Retirement Fund**) to investors based solely on their age, investment amount, and certain representations and assumptions described below. The RFR Service is designed for individual investors who have decided to establish an IRA with T. Rowe Price through the online new account set-up process and want a recommendation for a Retirement Fund before funding the new account.

The RFR Service provides point-in-time advice only, which expires at the end of the online new account set-up process. The recommendation provided by the RFR Service consists solely of a Retirement Fund advised by Price Associates (**Retirement Fund Recommendation**). The RFR Service is not required to consider or recommend any particular Price Fund and we undertake no obligation to evaluate non-Retirement Funds, including non-Price Funds, for inclusion in the RFR Service, even if other funds have characteristics or performance that is similar or superior to, or fees that are lower than, the Retirement Funds. The RFR Service does not include recommendations to invest in individual securities, third-party mutual funds, or other non-Price securities. The RFR Service will account for a client's stated investment amount by recommending the lowest-cost share class of the Retirement Fund available to the client for their target retirement year. (See below for a discussion of the impact of mutual fund selections on revenue received by Price Associates and its affiliates.) Clients have no obligation to accept the Retirement Fund Recommendation. TRP Advisory Services is not authorized to implement the Retirement Fund Recommendation; the client is solely responsible for doing so. Clients must take action in order to implement the Retirement Fund Recommendation. The Retirement Fund Recommendation addresses only those assets clients identify as available for investment through the online new account set-up process and will not consider a client's retirement income needs, financial circumstances or any information that clients may have provided to T. Rowe Price as part of the online new account set-up process or any other account, interaction, or service. Retirement Fund Recommendations do not consider any other assets that a client may have elsewhere at T. Rowe Price or with any unaffiliated firm. If the client implements the Retirement Fund Recommendation, TRP Advisory Services will not monitor or manage any investments made or accounts opened by the client, whether at T. Rowe Price or elsewhere, nor will we make any trades in or adjustments to the client's account unless the client directs us to do so. TRP Advisory Services is not responsible for any decision to implement the Retirement Fund Recommendation after it has expired; we will not be liable if the client does not implement the recommendation at the time it is provided to them.

The Retirement Fund Recommendation is solely based on a client's age, investment amount, as well as the following representations that the client makes by using the RFR Service: (a) client plans to use the assets identified as part of the online new account set-up process for a retirement goal; (b) client intends to retire at or near age 65; and (c) client plans to withdraw these assets over a long-term retirement horizon. In recommending a specific Retirement Fund, TRP Advisory Services assumes that the client's risk tolerance is consistent with the age-appropriate assumptions for the Retirement Funds, meaning that it changes over time from a primary preference for growth potential (via a higher exposure to stocks) and greater tolerance of the accompanying volatility to a preference for greater stability (through a lower exposure to stocks) in light of the need to withdraw assets to generate replacement income.

TRP Advisory Services will recommend the same Retirement Funds to different clients with substantially the same retirement savings profile (as described in the representations listed above), investment amount, and age. Because a client's age is a primary factor underlying the Retirement Fund Recommendations, reusing the RFR Service within the same year generally will not yield a different recommendation.

As part of the RFR Service, clients agree to use electronic signatures and accept electronic delivery of all documents and disclosures that are necessary to enroll in the RFR Service in electronic form, including, but not limited to, the RFR Service Client Agreement (**RFRS Client Agreement**), this Form ADV Part 2A Brochure and any Part 2B Brochures and Supplements, and the Form(s) CRS. These documents are available in electronic, portable document format (PDF).

Clients must accept the RFRS Client Agreement by electronic means (such as clicks or other online means) and as such, the RFRS Client Agreement is legally binding and is considered to have been "signed" by the client with the same effect as a manual signature. Electronic records of the RFRS Client Agreement will also be considered to be "in writing." Clients agree not to dispute the validity or enforceability of the RFRS Client Agreement entered into electronically by the client (or by anyone using client's authentication devices, such as a password or PIN).

T. Rowe Price does not provide any tax advice. Although a client's actions to implement the Retirement Fund Recommendation may raise tax or other legal implications, clients acknowledge that TRP Advisory Services bears no responsibility for their decision-making. Clients are responsible for any tax implications and/or tax obligations arising

as a result of the client's implementation of the recommendation. Clients are strongly encouraged to seek the advice of their accountant or attorney for tax or legal questions related to their implementation of the Retirement Fund Recommendation.

### **Assets Under Management**

As of December 31, 2019, TRP Advisory Services managed approximately \$533 Million on a discretionary basis for its clients. As of the same date, TRP Advisory Services did not manage assets on a non-discretionary basis for its clients.

### **Item 5 - Fees and Compensation**

#### **T. Rowe Price Advisory Planning Service**

TRP Advisory Services does not charge a separate advisory fee for the non-discretionary advice services provided in APS, which includes the delivery of the Analysis and Recommendation report, assistance with implementation of the chosen strategy utilizing Price Funds, and ongoing checkups.

It is not necessary for an investor to receive an APS Recommendation to invest directly in Price Funds and redeem or exchange shares. All investors in Price Funds indirectly pay asset management fees and other administrative and servicing fees to certain T. Rowe Price affiliates, regardless of whether they are implementing advice provided by TRP Advisory Services. Such fees and expenses are disclosed in each Price Fund prospectus and vary by Price Fund.

#### **T. Rowe Price ActivePlus Portfolios Program**

TRP Advisory Services does not charge a separate advisory fee for the discretionary investment management services provided to the Program Account but will be compensated solely through the management fees earned in connection with the underlying Price Funds held in a client's Program Account. The client will pay the expenses of the underlying Price Funds in their Program Account, which are the same expenses that all fund shareholders in like share classes pay. See "*Other Fees and Expenses*," below, for more information. The client is responsible for certain broker processing fees listed in the Brokerage Agreement and Disclosures, such as wire transfer fees, returned check fees, Retirement Account Closeout fees, express mail delivery fees, etc. These fees will be itemized on client statements and deducted from the client's Program Account. The annual \$20 maximum account fees described in the prospectuses for the Program Funds, as well as the \$20 closeout fees described in the IRA Agreement, are waived for this Program.

TRP Advisory Services will use the Investor Classes of the Price Funds in the APP Program; portions of the service fees charged by the Investor Classes are used to pay for clearing charges for the client's Program Account, which would not be available from the Price Funds' lower-cost share class. If a client is eligible for investment in a lower-cost share class based on their initial or continuing investment amount, TRP Advisory Services will transfer the assets in the client's Program Account into a portfolio with an identical asset allocation that is comprised of lower-cost share classes of all of the same underlying Price Funds, to the extent available. If clients fund their Program Account with Price Funds that are Program Funds but in a share class the client is not eligible to hold in their Program Account, TRP Investment Services will convert the shares of those funds into the share class for which the client is eligible. T. Rowe Price will monitor the investment amount in all of the client's identically registered Program Accounts and reserves the right to move the client's Program Account between share classes based on the total amount the client has invested in the APP Program. For purposes of share class eligibility, T. Rowe Price will not consider any assets in Price Funds that are not part of the APP Program.

To the extent that the Program Funds' investment management fees increase over and above amounts that have already been disclosed to clients in prospectuses for the Program Funds, clients will receive notice and be provided an opportunity to consent or withhold consent as required by applicable law. If clients do not consent, they will be terminated from the APP Program.

If TRP Advisory Services determines to substitute a Price Fund not previously included in the APP Program for one that is included or add a new Price Fund not previously included, it will provide clients with notice, trade confirmations reflecting any resulting changes to the client's portfolio, and a copy of the prospectus for the new Program Fund. Unless the management fee of the new or substituted Price Fund exceeds the highest management fee of any fund already included in the APP Program within the same asset class (i.e., equity or fixed income), clients will not be required to provide consent to such substitution or addition. An updated list of Program Funds will be provided to clients.

TRP Advisory Services has an incentive to structure portfolios in such a way that results in the maximum fee/benefit to TRP Advisory Services' affiliates but conducts prudent portfolio construction processes and ongoing oversight of these portfolios to mitigate this potential conflict of interest. TRP Advisory Services' affiliates will not receive more in investment management fees than is disclosed in prospectuses provided to the client unless it receives the client's consent.

#### **T. Rowe Price Investment Allocation Tool**

TRP Advisory Services does not charge a separate advisory fee for the Investment Allocation Recommendation provided to the client as part of the IA Tool. When recommending Price Funds, TRP Advisory Services will alert the client to the existence of lower cost share classes for which they are eligible. If the client chooses to implement the Investment Allocation Recommendation, Price Associates or its affiliates will be compensated through the management fees or other fees earned in connection with the underlying Price Funds held by the client. If the client implements the recommendation, the client will pay the expenses of the IA Tool Funds as disclosed in each fund's prospectus provided to the client during the enrollment process. TRP Advisory Services' affiliates will not receive more in investment management fees as part of an Investment Allocation Recommendation than is disclosed in the funds' prospectuses. (If clients remain invested in the Price Funds, they will be notified of any fee changes in the same manner as all other shareholders.) See *"Other Fees and Expenses,"* below, for more information.

#### **T. Rowe Price Retirement Fund Recommendation Service**

TRP Advisory Services does not charge a separate advisory fee for the Retirement Fund Recommendation provided to the client as part of the RFR Service. If the client chooses to implement the Retirement Fund Recommendation, Price Associates or its affiliates will be compensated through the management fees or other fees earned in connection with the Retirement Fund in which the client invests. These are the same expenses that all Retirement Fund shareholders in like share classes pay, and TRP Advisory Services' affiliates will not receive more in investment management fees as part of a Retirement Fund Recommendation than is disclosed in the Retirement Funds' prospectus. (Clients who remain invested in the Retirement Fund will be notified of any fee changes in the same manner as all other fund shareholders.) Details of Retirement Fund expenses can be found in each fund's prospectus. See *"Other Fees and Expenses,"* below, for more information.

**Other Fees and Expenses.** The Price Funds are included in portfolios recommended to clients by TRP Advisory Services for all its offerings. Price Associates and certain of its affiliates receive investment management and other administrative and servicing fees from each Price Fund based upon the value of the Price Fund's assets. This fee is included in the expense ratio of each of the Price Funds and is the same for clients of TRP Advisory Services and any other shareholders who invest in the Price Funds. The expenses of a fund are generally comprised of a) investment management fees paid to Price Associates based on the assets under management of the fund; and b) servicing fees (for transfer agent, accounting, and custodial services, etc.) paid to T. Rowe Price affiliates and others. Details of mutual fund expenses, including the applicable investment management fee rate, can be found in each Price Fund's prospectus, copies of which are provided to clients prior to investment. These expenses are not separately itemized or billed to clients; rather, the prospectuses show the cost of investing in each Price Fund and the published returns of mutual funds are shown net of their expenses. All Price Fund fees are subject to change. To the extent that servicing fees change or investment management fees decline, the client will receive notice of those changes through Price Fund prospectuses and shareholder reports. TRP Advisory Services has no authority to make investment decisions for

the Price Funds and its revenue is not based upon assets under management or market performance but receives a servicing fee from Price Associates for attracting and retaining assets in the Price Funds.

The affiliation between TRP Advisory Services and Price Associates and its affiliates creates the potential for a conflict between the interests of clients and the interests of TRP Advisory Services and its affiliates. TRP Advisory Services addresses this conflict through disclosure in this brochure and by adopting internal policies and procedures that require TRP Advisory Services and its associates to provide investment advice that is appropriate for advisory clients based upon the information provided by such clients and the characteristics of the advisory service in which the client has enrolled.

Neither representatives of TRP Advisory Services, Price Associates nor any affiliated entity receive commission-based compensation for the sale of the Price Funds. Additional information regarding fees that clients pay indirectly to the Price Advisers through investment in their respective funds is provided under *Item 10 – Other Financial Industry Activities and Affiliations*.

The Price Advisers may seed or make an investment in Price Funds in which clients invest directly or through a discretionary account managed by the Price Advisers and the Price Advisers' ownership percentage of such Funds may be significant. The Price Advisers may remain a significant shareholder in such funds for an indeterminate period of time and the Price Advisers may elect to redeem all or a portion of their investment at any time. Senior management periodically reviews the Price Advisers' participation in the Price Funds, the possible inherent conflicts and the decisions to seed, invest in, or redeem from the Price Funds.

#### **Item 6 - Performance-Based Fees and Side-By-Side Management**

**Performance-Based Fees.** TRP Advisory Services does not currently offer or accept performance-based fee arrangements and does not engage in side-by-side management. However, certain affiliates of TRP Advisory Services may receive performance-based fees as further described in each affiliated adviser's respective Form ADV Part 2A.

**Side-by-Side Management.** Our affiliates often engage one another and/or their supervised persons to assist in managing client portfolios. For example, affiliated personnel of Price Associates provide portfolio management for the APP Program. The Price Advisers, other than TRP Advisory Services, manage multiple strategies involving most asset classes and types of securities; therefore, this section applies to the Price Advisers other than TRP Advisory Services and describes the broader capabilities and potential conflicts of interest of the Price Advisers and their supervised persons. Accordingly, the Price Advisers may make investment decisions across strategies and individual accounts that may vary based on specific strategy or client characteristics. The Price Advisers may take different actions regarding portfolio implementation and further may take differing positions on the same security across multiple client accounts, which may include simultaneous transactions in different directions, often across strategies with different benchmarks and market capitalization requirements. When the Price Advisers implement for one client a portfolio decision or strategy ahead of, or contemporaneously with, similar portfolio decisions or strategies of another client, market impact, liquidity constraints or other factors could result in one or more clients receiving less favorable trading results, the costs of implementing such portfolio decisions or strategies could be increased or such clients could otherwise be disadvantaged. These positions and actions may adversely impact, or in some instances may benefit, one or more affected advisory client. For example, the Price Advisers may buy a security for one client while establishing a short position in that same security for another client. The subsequent short sale may result in a decrease in the price of the security that the other client holds. On the other hand, potential conflicts may also arise because portfolio decisions regarding a client may benefit other clients. The Price Advisers may have a legitimate reason for engaging in such differing transactions. For example, the investment objectives for each new client may differ. Nonetheless, the Price Advisers' actions could be viewed as a benefit to the performance of the client with the short position and to the detriment of the client with the long position if the short sale causes the market value of the security to decrease. To mitigate such conflicts of interest, portfolio managers are generally prohibited from managing multiple strategies where they hold the same security long in one strategy and short in another. However, in certain circumstances, a portfolio manager may be able to hold the same security long and short where an



investment oversight committee has specifically reviewed and approved the holdings or strategy.

Under certain circumstances, a client may invest in a transaction in which one or more other clients are expected to participate, or already have made or will seek to make, an investment. Such clients may have conflicting interests and objectives in connection with such investments, including with respect to views on the operations or activities of the issuer involved, the targeted returns from the investment and the timeframe for, and method of, exiting the investment. When making such investments, the Price Advisers may do so in a way that favors one client over another client, even if both clients are investing in the same security at the same time. In addition, other clients may expect to invest in many of the same types of investments as another client. However, there may be investments in which one or more of such clients do not invest (or invest on different terms or on a non-pro rata basis) due to factors such as legal, tax, regulatory, business, contractual or other similar considerations or due to the provisions of a client's governing documents. Decisions as to the allocation of investment opportunities among such clients presents numerous conflicts of interest, which may not be resolved in a manner that is favorable to a client's interests. To the extent an investment is not allocated pro rata among such entities, a client could incur a disproportionate amount of income or loss related to such investment relative to such other client. The Price Advisers have adopted policies and procedures to address such conflicts of interest.

Additional potential conflicts may be inherent in the Price Advisers' use of multiple strategies. For example, conflicts will arise in cases where different clients invest in different parts of an issuer's capital structure, including circumstances in which one or more clients may own private securities or obligations of an issuer and other clients may own or seek to acquire securities of the same issuer. For example, a client may acquire a loan, loan participation or a loan assignment of a particular borrower in which one or more other clients have an equity investment or may invest in senior debt obligations of an issuer for one client and junior debt obligations or equity of the same issuer for another client. While it is appropriate for different clients to hold investments in different parts of the same issuer's capital structure under normal circumstances, the interests of stockholders and debt holders may conflict, for example when an issuer is in a distressed financial condition, involved in a merger or acquisition, or a going-private transaction, among other situations. In these situations, investment personnel are mindful of potentially conflicting interests of our clients with investments in different parts of an issuer's capital structure and take appropriate measures to ensure that the interests of all clients are fairly represented. To mitigate potential conflicts of interest, the Price Advisers have implemented policies and procedures that are reasonably designed to provide fair and equitable allocation of trades and to minimize the impact of such trading activity across client accounts.

The Price Advisers may also manage certain funds and accounts that are seeded with T. Rowe Price's corporate money. Most of these portfolios are created to establish a performance track record to market a new product. These portfolios may be similar to other portfolios currently managed by the Price Advisers and may be trading in securities in which the Price Advisers trade for other discretionary clients. These portfolios are traded and receive allocations pursuant to the same policies and procedures the Price Advisers have in place to ensure that all clients are treated fairly. Oversight is in place to ensure that trading and allocations for the T. Rowe Price corporate portfolios are not favored over accounts managed for discretionary clients.

## Item 7 - Types of Clients

### T. Rowe Price Advisory Planning Service

TRP Advisory Services provides the APS to individual investors and households and generally requires a minimum of \$250,000 in aggregate investable assets at or under consideration to move to T. Rowe Price. APS Recommendations are not intended to be implemented through assets held in estate and corporate accounts, irrevocable trusts, Section 529 College Savings Plans, or employer-sponsored retirement plans of clients who intend to leave those assets in place.

### T. Rowe Price ActivePlus Portfolios Program

The APP Program is designed for individual investors with at least \$50,000 in cash or securities available to invest through the APP Program, subject to change at TRP Advisory Services' sole discretion. The APP Program is generally available for individual retirement accounts to individual investors who reside in the U.S. The APP Program is designed for longer term investing. The APP Program is not designed for market timing, tactical or short-term investing or as a cash management vehicle.

### T. Rowe Price Investment Allocation Tool

The IA Tool is designed for individual investors. Clients are eligible for different Investment Allocation Recommendations depending on the client's stated investment amount: a multi-fund portfolio recommendation requires a stated investment amount of \$50,000 or more; a single fund recommendation requires a stated investment amount of \$2,500 or more for a general investment goal (investing for the purpose of accumulating assets and/or generating income to be used for a goal other than retirement) or \$1,000 or more for a retirement goal (investing for the purpose of accumulating assets to be used during retirement).

### T. Rowe Price Retirement Fund Recommendation Service

The RFR Service is designed for individual investors who have decided to establish an IRA with T. Rowe Price through the online new account set-up process with a stated investment amount of \$1,000 or more and indicated that they want a recommendation for a T. Rowe Price Retirement Fund.

The RFR Service is **NOT** appropriate for the following individuals:

- Investors who intend to retire significantly earlier or later than age 65;
- Investors with investment goals other than retirement for the assets identified as part of the online IRA new account set-up process;
- Investors who plan to withdraw their assets shortly after retirement; and
- Investors who want comprehensive financial planning advice.

## Item 8 - Methods of Analysis, Investment Strategies, and Risk of Loss

### T. Rowe Price Advisory Planning Service

**Model Portfolio.** Based on the Client Profile and the client consultation, the Advisory Associate will recommend a model portfolio that corresponds to the client's goals. APS offers multiple model portfolios to seek to satisfy a wide variety of client needs, ranging from the most aggressive portfolios (e.g., portfolios that include 100% in equity exposure) to more conservative portfolios (e.g., portfolios that include limited equity exposure).

Model portfolios are constructed from APS Funds to create a series of broadly diversified portfolios with distinct risk and return profiles depending on the ratio of equity to fixed income within the portfolio. For each model portfolio, the allocation to equity seeks diversification across market capitalizations (e.g., large-, mid-, small-cap), sectors, and geographical regions. The allocation to fixed income also seeks diversification across sectors and regions, such as U.S. investment-grade, high-yield, non-U.S. developed, and emerging market bonds. At its discretion, TRP Advisory Services may adjust the allocations of model portfolios, remove or add APS Funds to model portfolios, or substitute any current fund in a model portfolio with another APS Fund. Key considerations when developing target asset allocations for each model include but are not limited to investment style and process, returns-based style consistency, diversification, benchmark, investment universe, correlations, and risk-adjusted returns. Price Funds included in the model portfolios are selected to seek to provide a diversified portfolio with risk-adjusted performance and not to maximize return or predict the highest-performing fund or group of funds within each asset class. These portfolios are reviewed on an ongoing basis and updated based upon various factors including economic, market, and

political conditions and trends.

**Analysis and Recommendation Report.** The assigned TRP associate will review and discuss the information supplied by the client in the Client Profile and will develop and deliver the Analysis and Recommendation report to address the client's stated goals.

Each Analysis and Recommendation report provides an inventory of the client's current investments and asset allocation as provided by the client. In order to analyze a client's current portfolio allocation, we categorize current investments into three asset classes (stocks, bonds, short term securities) and sub-asset classes (for example, large-cap stocks, mid-cap stocks, and small-cap stocks). Price Funds are categorized into sub-asset classes based upon the primary objective of the mutual fund. Non-Price Funds and investments are generally categorized according to their Morningstar primary objective and classification. However, in some cases, when Morningstar categorizes the investment objectives of certain mutual funds as balanced or "hybrid," TRP Advisory Services may look through the non-Price Fund's holdings and categorize the fund by the percentage of holdings in each asset class or sub-asset class (for example, a fund with an allocation of 60% stocks and 40% bonds would be categorized as such). Any percentage of holdings classified by Morningstar as "Other" is assigned to stocks. If an investment does not have a Morningstar classification, the client and TRP associate may agree on a categorization or it may be excluded from the analysis.

TRP Advisory Services considers a client's existing holdings, including any non-TRP Funds, that the client discloses to us, solely for the purpose of determining a client's current asset allocation and as an indicator of the client's risk tolerance. TRP Advisory Services undertakes no obligation to otherwise evaluate or recommend investment in non-APS Funds, even if they have characteristics or performance that is similar or superior to, or fees that are lower than, the APS Funds. Implementing an APS Recommendation may result in a client selling some or all their existing holdings. It is the client's decision to sell existing holdings; TRP Advisory Services will not advise clients on these transactions. Clients may want to consult a tax advisor before making transactions in taxable accounts.

Based on the Client Profile and the client consultation, the TRP associate will recommend an asset allocation strategy and Price Funds to implement the allocation strategy. The asset allocation strategy aligns the client to a model portfolio—which may be applicable across multiple registrations—and provides target allocations to various asset classes and sub-asset classes. The fund recommendation corresponds to the target allocations and will consist of a portfolio of Price Funds or a T. Rowe Price Retirement Fund (a set of Price target date funds that are already allocated to underlying Price Funds). When recommending APS Funds, TRP Advisory Services will alert the client to the existence of lower cost share classes of such funds for which the client is eligible.

Although the overall composition of the model portfolios will generally not change, the target allocations for each model portfolio may be adjusted from time to time, consistent with a long-term asset allocation approach, by a committee of investment professionals. We generally do not adjust the allocations of model portfolios in response to market stress events. Any changes to the allocations of the model portfolios will be made on a prospective basis and will not be applied to recommendations already made; however, any applicable changes will be reflected through the ongoing Advisory Checkup service (described more fully below). The allocation in a Price Retirement Fund will change over time according to a predetermined glide path managed by the Price Retirement Funds' Investment Advisory Committee. (See the T. Rowe Price Retirement Fund Recommendation Service section, below, for more information about the Retirement Funds.)

**Retirement Income Projections.** If a client selects a retirement goal in their Client Profile, we will provide pre-tax retirement savings or income projections and withdrawal strategies focused on helping clients better understand their projected income needs in retirement based on information from the Client Profile and/or client consultations. The projections of the various income strategies do not include allocations to tax-sensitive investments. The Retirement Income Projections provide an educational component of the Analysis and Recommendation report, not advice. See the Advisory Planning Service Methodology document which is available on the [troweprice.com](http://troweprice.com) website, for the assumptions and methodology underlying these projections as well as their limitations.

**Advisory Checkup Service.** Upon completion and implementation of the Analysis and Recommendation report review, the client will be enrolled in the Advisory Checkup service (more fully described below under *Item 13 - Review of Accounts*).

The projections and simulations that form the basis of the Analysis and Recommendation report are not intended to be an indication of past or future investment results. Although TRP Advisory Services believes the projected or simulated results are reasonable, there can be no assurance the projected amounts and asset levels can be achieved for any one year or sustained for any period of time.

It is the sole responsibility and decision of the client to determine whether to implement an APS Recommendation (the asset allocation recommendation, fund recommendation, or both), and, if so, to monitor their portfolio as needed. It is also the client's decision to implement a recommended asset allocation strategy by purchasing shares of the Price Funds. TRP Advisory Services and its affiliates have no discretion with respect to the implementation of any APS recommendation, including a particular savings or withdrawal strategy.

T. Rowe Price does not provide any tax advice. Clients are responsible for any tax implications and/or tax obligations arising as a result of the APS Recommendation provided or the client's decision to implement the APS Recommendation. (See Risk of Loss for more information about the risks related to investments in Price Funds.)

### **T. Rowe Price ActivePlus Portfolios Program**

**Model Portfolios.** Model portfolios are recommended to APP Program clients that correspond to the time horizon and risk tolerance that each client provides as part of the APP Program's online account opening process. The APP Program offers multiple model portfolios to seek to satisfy a wide variety of client needs, ranging from the most aggressive portfolios (e.g., portfolios that include 100% in equity exposure) to more conservative portfolios (e.g., portfolios that include limited equity exposure).

Model portfolios are constructed from Program Funds to create a series of broadly diversified portfolios with distinct risk and return profiles depending on the ratio of equity to fixed income within the portfolio. For each model portfolio, the allocation to equity seeks diversification across market capitalizations (e.g., large-, mid-, small-cap), sectors, and geographical regions. The allocation to fixed income also seeks diversification across sectors and regions, such as U.S. investment-grade, high-yield, non-U.S. developed, and emerging market bonds. TRP Advisory Services assigns a neutral allocation to each model portfolio at the asset and sub-asset class levels (the asset and sub-asset allocations for the client's assigned model portfolio are provided during the account opening process), and within the framework of neutral allocations, we make tactical allocation decisions based on market outlook. At its discretion, TRP Advisory Services may adjust the neutral allocations of model portfolios, remove or add Program Funds to model portfolios, or substitute any current fund in a model portfolio with another Program Fund. The Program is not required to include any Price Fund and we undertake no obligation to evaluate non-Program Funds for inclusion in the APP Program. It is expected that Program Accounts will be invested in multiple Program Funds, although the actual number of funds in each model portfolio may change from time to time. TRP Advisory Services will buy and sell shares of the Price Funds in the client's Program Account to align with the allocation of the model portfolio to which the client has been assigned after their Program Account is opened, and we will continuously monitor and periodically rebalance it to maintain alignment with the recommended model portfolio's asset and sub-asset allocations, subject to dispersion limits we establish from time to time. This means that in periods of higher volatility, clients may see increased trading activity to maintain the allocation of the model portfolio. TRP Advisory Services can change its rebalancing methodology at its discretion without notice to the client.

There is no guarantee the model portfolios will meet their investment objectives or will result in positive returns. Not all model portfolios will be suitable for all clients. (See Risk of Loss for more information about the risks related to model portfolios.)

## T. Rowe Price Investment Allocation Tool

The IA Tool will generate the following Investment Allocation Recommendations based on the client's responses to the IA Tool Questionnaire including, if eligible, the client's choice of a multi-fund portfolio or a single fund:

1. A multi-fund portfolio with a static asset allocation consisting of several IA Tool Funds (**Multi-Fund Portfolio**);
2. A single IA Tool Fund with a diversified, static asset allocation or a money market fund (**Single IA Tool Fund**);  
or
3. A single T. Rowe Price Retirement Fund (**Retirement Fund**) whose asset allocation is adjusted over time along a predetermined glidepath (this option will be recommended for retirement goals only).

Each type of Investment Allocation Recommendation, and the availability of each, is described below.

**Multi-Fund Portfolio.** There are multiple Multi-Fund Portfolios that the IA Tool can recommend, depending on the client's responses to the IA Tool Questionnaire. The IA Tool offers multi-fund portfolios to seek to satisfy a wide variety of client needs, ranging from the most aggressive portfolios (e.g., portfolios that include 100% in equity exposure) to more conservative portfolios (e.g., portfolios that include limited equity exposure).

The Multi-Fund Portfolios are constructed from IA Tool Funds to create a series of portfolios with distinct risk and return profiles depending on the ratio of equity to fixed income within the portfolio. For each Multi-Fund Portfolio, the allocation to equity seeks diversification across market capitalizations (e.g., large-, mid-, small-cap), sectors, and geographical regions. The allocation to fixed income also seeks diversification across sectors and regions, such as U.S. investment-grade, high-yield, non-U.S. developed, and emerging market bonds. The Multi-Fund Portfolios represent a series of strategies based on the behavior of different asset classes over time and have been developed by a group of T. Rowe Price professionals, including portfolio managers with input from other investment professionals. Performance, volatility, and the correlation of returns are considered to provide target asset allocations for each model. IA Tool Funds included in the Multi-Fund Portfolios are selected to seek to provide a diversified portfolio with risk-adjusted performance and not to maximize return or predict the highest-performing fund or group of funds within each asset class. Risk-adjusted performance does not mean the investment has low risk or no risk, but instead may consider the investment's performance to the performance of the market as a whole or relative to securities or investments with similar levels of risk. The portfolios, including their target allocations, are reviewed and may be adjusted from time to time by a committee of investment professionals based upon various factors, including economic, market, and other conditions and trends to ensure they are still appropriate. We generally do not adjust the allocations of model portfolios in response to market stress events. Any changes to the model portfolios will be made on a prospective basis and will not be applied to recommendations already made. If clients choose to implement the Investment Allocation Recommendation, they are responsible for monitoring their asset allocation and adjusting it as their financial situation changes. Clients may retake the IA Tool Questionnaire at any time to receive another Investment Allocation Recommendation.

**Single IA Tool Fund.** If a client selects the Single Fund option and does not want a recommendation for a fund with a dynamically adjusting asset allocation, TRP Advisory Services will recommend one IA Tool Fund with a diversified, static asset allocation that corresponds to the client's risk tolerance and time horizon as reported in their IA Tool Questionnaire.

**Retirement Fund.** If a client has a retirement goal and requests a recommendation for a mutual fund with an asset allocation that automatically adjusts to be more conservative over time, TRP Advisory Services will recommend a Retirement Fund (all such funds are IA Tool Funds) based on the client's age. The asset allocation in these funds will change over time according to a predetermined glide path managed by the funds' Investment Advisory Committee. See the T. Rowe Price Retirement Fund Recommendation Service section, below, for more information about the Retirement Funds.

There is no guarantee that an Investment Allocation Recommendation will meet the client's investment objectives or will result in positive returns. (See Risk of Loss for more information about the risks related to the portfolios and Price

Funds.)

## T. Rowe Price Retirement Fund Recommendation Service

The Retirement Funds are designed as prepackaged, age-based investment solutions for investors saving for and in retirement. The funds are managed based on a specific target date included in their names and assume a retirement age of 65. The target date refers to the approximate year an investor in the fund would plan to retire and likely stop making new investments in the fund. The funds are primarily designed for an investor who anticipates retiring at or about the target date and who plans to withdraw the value of the account in the fund gradually after retirement. However, if an investor retires significantly earlier or later than age 65, the funds may not be an appropriate investment even if the investor retires on or near a specific fund's target date.

The Retirement Funds consist of a diversified long-term asset allocation strategy combined with a simplified financial plan for adjusting the investor's exposure to risk over time. This is accomplished through the use of a predetermined "glide path" in which the allocation between equities and fixed income securities is adjusted to become more conservative – both prior to and after retirement – as time elapses. Although the glide path is meant to dampen the fund's potential volatility as retirement approaches, the fund is not designed for lump sum redemption at the retirement date.

In constructing the glide path for the Retirement Funds, T. Rowe Price accounted for risk tolerance at different ages. In the early years of investing for retirement, the glide path allocates a higher proportion of assets to stocks to primarily address longevity risk (the risk of not having sufficient assets to last throughout retirement). This focus gradually changes over time. As investors near retirement, the glide path increases the allocation to bonds in an effort to reduce market risk and increase the stability of the portfolio. During retirement, the glide path allocates assets among stocks and bonds to address both longevity risk and market risk and increase the sustainability of a desired income stream.

The Retirement Funds are intended to serve as a post-retirement investment vehicle with allocations designed to support an income stream made up of regular withdrawals throughout retirement along with some portfolio growth that exceeds inflation. The Funds do not guarantee a particular level of income.

The Retirement Funds implement their asset allocation strategy by investing in a diversified portfolio of T. Rowe Price stock funds and bond funds. Stock fund allocations include U.S., international, and real assets. The bond component includes a broadly diversified allocation to funds that invest in domestic investment-grade bonds, high-yield bonds, emerging market bonds, and non-U.S. dollar bonds. This diversification seeks to dampen overall portfolio volatility and utilize sources of potential return that can help offset inflation. (See Risk of Loss for more information about the risks related to the Retirement Funds' underlying investments.)

Below is a summary of the primary risks related to the significant investment strategies and methods of analysis used by TRP Advisory Services.

**Risk of Loss.** TRP Advisory Services does not guarantee positive investment results, or that the objectives of the underlying Price Funds or the model portfolios will be met for any of its offerings. All investment strategies employed by TRP Advisory Services involve risk of loss; clients should be prepared to bear such losses in connection with investments in these strategies. The advisory services offered by TRP Advisory Services use Price Funds for their investment strategies and these funds are ultimately affected by impacts to the individual issuers of underlying holdings, such as changes in an issuer's profitability and credit quality, or changes in tax, regulatory, market, or economic developments. Investment in individual securities by the Price Funds (including, without limitation, commodities, derivatives, investment contracts, and bank loans) involves risk of loss of the principal of such investments; however, clients should be aware that not all of the risks listed below will apply to every investment strategy as certain risks may only apply to certain investment strategies or investments in different types of securities. Multiple factors contribute to investment risk for all Price Fund strategies and additional factors contribute to

investment risk for specific Price Fund strategies. Furthermore, the risks listed below are not intended to be a complete description or enumeration of the risks associated with the methods of analysis and investment strategies used by TRP Advisory Services. Risks associated with investment in any of the Price Funds are described in the prospectus for each fund (a copy of which is provided to each client prior to investment of a client's assets in a Price Fund) and the Statement of Additional Information (**SAI**), which is incorporated by reference into the prospectus. A copy of the SAI is available upon request. A mutual fund's actual investment returns and income will fluctuate and will result from a number of factors, including the actual asset allocation, the investments chosen, the fees and expenses associated with those investments, and future economic and market conditions. A mutual fund's past performance is not a guarantee of future performance and there is no guarantee that a client's account will perform in a particular manner.

**Active management risk.** Actively managed funds are subject to the risk that the portfolio manager's judgments about the attractiveness, value, or potential appreciation of the fund's investments may prove to be incorrect. If the selection of securities or strategies fails to produce the intended results, these funds could underperform other funds with similar objectives and investment strategies.

**Risks associated with the use of algorithms.** All of our advisory services utilize algorithms, which contribute to operational risks. For example, algorithms are used as part of the process whereby TRP Advisory Services recommends appropriate asset allocation models that correspond to a level of risk consistent with a client's responses to a Client Profile or RTQ. There is a risk that the algorithms and data input into the algorithms could have errors, omissions, imperfections and malfunctions. While we have standards governing the development, testing and monitoring of algorithms, there is a risk that the algorithms and associated software may not perform as intended for various reasons, including unintended consequences due to modifying the algorithms or underlying software code. Any decisions made in reliance upon incorrect data expose clients to potential risks. Issues in the algorithm are often extremely difficult to detect and may go undetected for long periods of time; some may never be detected. These risks are mitigated by testing and human oversight of the algorithms and their output. We believe that the oversight and testing performed on the algorithms we use and their output will enable us to identify and address issues that a prudent person managing a similar service would identify and address. However, there is no assurance that the algorithms will always work as intended. The SEC has provided further information for investors to consider when engaging digital advice work services. The guidance can be found at [investor.gov/additional-resources/news-alerts/alerts-bulletins/investor-bulletin-robo-advisers](https://www.investor.gov/additional-resources/news-alerts/alerts-bulletins/investor-bulletin-robo-advisers).

**Asset allocation risk.** A portfolio's risks directly correspond to the risks of the asset classes in which it invests. Investing in multiple asset classes (either directly or indirectly, such as through pooled investment vehicles) can facilitate diversification, but also create exposure to the risks of many different areas of the market. The direct or indirect allocation of a portfolio's assets among various asset classes and market sectors could cause the portfolio to underperform other portfolios with a similar investment objective.

**Bond investments.** In general, the bond market is volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) The ability of an issuer of a bond to repay principal prior to a security's maturity can cause greater price volatility if interest rates change, and, if a bond is prepaid, a bond fund may have to invest the proceeds in securities with lower yields. Fixed income securities also carry inflation risk and credit and default risks for both issuers and counterparties. Unlike individual bonds, most bond funds do not have a maturity date, so holding them until maturity to avoid losses caused by price volatility is not possible. In addition, investments in certain bond structures may be less liquid than other investments, and therefore may be more difficult to trade effectively.

Certain Price Funds invest in bonds that are rated below investment grade, commonly referred to as junk bonds, exposing the fund to greater volatility and credit risk than investments in bonds that are rated investment-grade. Issuers of junk bonds are usually not as strong financially and are more likely to suffer an adverse change in financial condition that would result in the inability to meet a financial obligation. As a result, bonds rated below investment

grade carry a higher risk of default and erratic price swings due to real or perceived changes in the credit quality of the issuer.

**Credit risk.** Changes in the financial condition of an issuer or counterparty, and changes in specific economic or political conditions that affect a particular type of security or issuer, can increase the risk of default by an issuer or counterparty, which can affect a security's or instrument's credit quality or value. Lower-quality debt securities and certain types of other securities involve greater risk of default or price changes due to changes in the credit quality of the issuer.

**Cyber security risk.** With the increased use of technologies such as the Internet to conduct business, T. Rowe Price is susceptible to operational, information security, and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events and may arise from external or internal sources. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information; corrupting data, equipment, or systems; or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting T. Rowe Price, or any other service providers (including, but not limited to, accountants, custodians, transfer agents, and financial intermediaries used by a fund or an account) have the ability to cause disruptions and affect business operations, potentially resulting in financial losses, interference with the ability to calculate NAV, impediments to trading, the inability to transact business, destruction to equipment and systems, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting issuers of securities in which a fund or account invests, counterparties with which a fund or account engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and service providers), and other parties.

**Derivatives.** Certain Price Funds contain derivatives. Generally speaking, a derivative is a financial contract whose value is based on the value of a financial asset (such as a stock, bond, or currency); a physical asset (such as gold, oil, or wheat); or a market index (such as the S&P 500® Index). Investments in derivatives may subject these funds to risks different from, and possibly greater than, those of the underlying securities, assets, or market indexes. Some forms of derivatives, such as exchange-traded futures and options on securities, commodities, or indexes, have been trading on regulated exchanges for decades. These types of derivatives are standardized contracts that can easily be bought and/or sold, the market values of which are determined and published daily. Nonstandardized derivatives (such as swap agreements), on the other hand, tend to be more specialized or complex, and may be more difficult to value. Derivatives may involve leverage because they can provide investment exposure in an amount exceeding the initial investment. As a result, the use of derivatives may cause these funds to be more volatile, because leverage tends to exaggerate the effect of any increase or decrease in the value of a fund's portfolio securities. Changes in regulations could significantly impact a fund's ability to invest in specific types of derivatives, which could limit the fund's ability to employ certain strategies that use derivatives.

**Emerging markets risk.** The risks of foreign investing are heightened for securities of companies in emerging market countries. The economic and political structures of emerging market countries, in most cases, do not compare favorably with the U.S. or other developed countries in terms of wealth and stability, and their financial markets often lack liquidity. In addition to all of the risks of investing in foreign developed markets, emerging market securities are susceptible to governmental interference, political and economic uncertainty, local taxes on investments, restrictions on gaining access to sales proceeds and less efficient trading markets with lower overall liquidity, and more volatile currency exchange rates.

**Foreign investing risk.** Investing in the securities of non-U.S. issuers involves special risks not typically associated with investing in U.S. issuers. Foreign securities may be more volatile and less liquid than investments in the U.S. and



may lose value because of adverse local, political, social, or economic developments overseas, greater volatility, reduced liquidity, or decreases in foreign currency values relative to the U.S. dollar. In addition, foreign investments may be subject to uncertain tax laws, regulatory standards for accounting, reporting, trading, and settlement that differ from those of the U.S. Some jurisdictions may impose unique obligations on clients as a result of their investment in non-U.S. issuers. Enforcing legal rights can be difficult, costly, and slow in certain foreign countries, and can be particularly difficult against foreign governments. Further, in certain foreign countries, investments are only permitted indirectly through participatory notes which have certain restrictions on transferability and may be more illiquid than direct investments.

**Interest rate risk.** Interest rate risk is the risk that fixed income securities will decline in value because of changes in interest rates. Bond prices and interest rates usually move in opposite directions. Prices fall because the bonds and notes in the account's portfolio become less attractive to other investors when securities with higher yields become available. Interest rate changes can be sudden and unpredictable. Fixed income securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. Generally, the longer the maturity of a security, the greater its interest rate risk. In addition, short-term and long-term interest rates and interest rates in different countries do not necessarily move in the same direction or by the same amount.

**Investment style risk.** Different investment styles tend to shift in and out of favor, depending on market conditions and investor opinion. For example, a stock with growth characteristics can decline sharply due to decreases in current or expected earnings and may lack dividends to help cushion its share price.

**Market capitalization risk.** Investing primarily in issuers within the same market capitalization category carries the risk that the category may be out of favor due to current market conditions or investor opinion. For example, securities issued by large-cap companies tend to be less volatile than securities issued by smaller companies. However, larger companies may not be able to attain the high growth rates of successful smaller companies, especially during strong economic periods. Also, these larger companies may be unable to respond as quickly to industry changes and competitive challenges and may suffer sharper price declines as a result of earnings disappointments.

#### **Money Market Funds:**

**Retail Funds:** Clients could lose money by investing in the Fund. Although the Fund seeks to preserve the value of a client's investment at \$1.00 per share, it cannot guarantee it will do so. The Fund may impose a fee upon the sale of a client's shares or may temporarily suspend a client's ability to sell shares if the Fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and clients should not expect that the sponsor will provide financial support to the Fund at any time.

**Government Funds:** Clients could lose money by investing in the Fund. Although the Fund seeks to preserve the value of a client's investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and clients should not expect that the sponsor will provide financial support to the Fund at any time.

**Municipal securities risk.** Municipal securities are issued by or on behalf of states, territories, possessions and local governments and their agencies and other instrumentalities. Municipal securities can be significantly impacted by unfavorable legislative or political developments and adverse changes in the financial conditions of municipal securities issuers. Municipal securities backed by current or anticipated revenues from a specific project or specific

assets can be negatively affected by the inability to collect revenues for the project or from the assets. Income from municipal securities could be declared taxable because of changes in tax laws or interpretations by taxing authorities, or non-compliant conduct of a municipal security issuer. The secondary market for certain municipal securities tends to be less developed, transparent, and liquid than many other securities markets.

**Stock investments.** Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Different parts of the market can react differently to these developments. Value and growth stocks can perform differently from other types of stocks. Growth stocks can be more volatile. Value stocks can continue to be undervalued by the market for long periods of time. In addition, stock investments may be subject to risk related to market capitalization as well as company-specific risk.

**Unforeseen market events.** Unpredictable events such as environmental or natural disasters, war, terrorism, pandemics, outbreaks of infectious diseases, and similar public health threats may significantly affect the economy and the markets and issuers in which the Price Funds invest. Certain events may cause instability across global markets, including reduced liquidity and disruptions in trading markets, while some events may affect certain geographic regions, countries, sectors, and industries more significantly than others, and exacerbate other pre-existing political, social, and economic risks.

These types of events may also cause widespread fear and uncertainty, and result in, among other things: quarantines and travel restrictions, including border closings; disruptions to business operations and supply chains; exchange trading suspensions and closures, and overall reduced liquidity of securities, derivatives, and commodities trading markets; reductions in consumer demand and economic output; and significant challenges in healthcare service preparation and delivery. The Price Funds could be negatively impacted if the value of a portfolio holding were harmed by such political or economic conditions or events. In addition, the operations of the Price Funds, the Price Advisers, and the funds' service providers may be significantly impacted, or even temporarily halted, as a result of extensive employee illnesses or unavailability, government quarantine measures, and restrictions on travel or meetings and other factors related to public emergencies. Recently, a novel strain of coronavirus (COVID-19) has resulted in disruptions to global business activity and caused significant volatility and declines in global financial markets.

Governmental and quasi-governmental authorities and regulators have in the past responded to major economic disruptions with a variety of significant fiscal and monetary policy changes, including but not limited to, direct capital infusions into companies, new monetary programs, and dramatically lower interest rates. An unexpected or quick reversal of these policies, or the ineffectiveness of these policies, could negatively impact overall investor sentiment and further increase volatility in securities markets.

**Chief Risk Officer.** T. Rowe Price has a comprehensive risk management program in place to ensure adequate controls and independent risk oversight throughout the organization. The Chief Risk Officer (**CRO**) provides leadership and oversight of business (including cyber security and business continuity) and investment risk management activities across all business units. The Enterprise Risk Management Group, on behalf of the CRO, partners with investment and business units to identify risks, understand how these risks are managed, and implement enterprise-level solutions that seek to mitigate exposure to significant risks.

The CRO also chairs the Risk Management Oversight Committee, which is made up of senior business leaders from across the firm, and together they set the firm's risk management strategy and oversee risk efforts on behalf of the Price Group Board of Directors, CEO, and Management Committee.

**Business Continuity Management.** T. Rowe Price has established an internal Business Continuity organization which includes an executive charged with implementation and coordination of all Business Continuity activities as well as a Business Continuity Governance Committee (**BCGC**). The BCGC serves as the final decision-making body for all activities related to business continuity, subject to the oversight of T. Rowe Price's Management Committee.

T. Rowe Price has an established global business continuity strategy which is supported by appropriate policies and procedures. An enterprise-wide Business Continuity organizational structure has been established to ensure execution of the strategy.

The major objectives of T. Rowe Price's Business Continuity organization are to:

- provide a framework for global crisis management and business continuity planning;
- provide for the safety and welfare of personnel during an interruption or crisis;
- oversee the proper maintenance of business and technology recovery plans for the recovery of essential activities and vital services;
- establish external recovery options when internal resources are not available or feasible; and
- ascertain compliance with regulatory obligations and guidelines.

## Item 9 - Disciplinary Information

Neither TRP Advisory Services nor its management persons have been the subject of legal or regulatory findings or are the subject of any pending criminal proceedings that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our firm. (Additional information regarding any pending litigation is provided in Part 1A of Form ADV, which is available to clients upon request.)

From time to time, our firm is involved in regulatory examinations or litigation that arise in the ordinary course of our business.

In the event that we become aware of any regulatory matters or litigation that we believe would be material to an evaluation of our advisory business, we promptly notify all clients or prospects affected by those events, subject to applicable law and regulation. It is conceivable that we could choose to disclose a regulatory matter or litigation to one client but not another based on the materiality of the matter relative to the services we provide to a particular client.

## Item 10 - Other Financial Industry Activities and Affiliations

**Registration of Management Persons as Registered Representatives of a Broker-Dealer.** Certain of the Price Advisers' management persons are registered, or have an application pending to register, as registered representatives of Investment Services.

**Registration as Commodity Pool Operator.** TRP Advisory Services is registered with the Commodity Futures Trading Commission (**CFTC**) as a commodity pool operator (**CPO**). TRP Advisory Services is exempt from the obligations of a registered CPO with respect to certain funds.

**Investment Advisers.** TRP Advisory Services is registered as an investment adviser under the Advisers Act and notice files in multiple states as required. TRP Advisory Services provides non-discretionary and discretionary advice regarding the Price Funds for which an affiliated investment adviser may serve as adviser or subadviser. Such affiliated investment advisers and their local regulators are as follows:

Price Associates is an investment adviser registered under the Advisers Act and a wholly owned subsidiary of Price Group. Price Associates provides investment management services for individual and institutional investors and sponsors and serves as the investment adviser to the Price Funds. Price Associates also may delegate investment management to one or more of its affiliated advisers when appropriate: Price International Ltd, Price Hong Kong, Price Singapore, Price Japan, or Price Australia. Because of the special nature of the respective investment portfolios, one or more of the Price Funds are frequently included in portfolios recommended to clients through TRP Advisory Services. Price Associates or one of its affiliated advisers receives a fee from each Price Fund based upon the value of the assets in a particular Price Fund.

Price International Ltd is an investment adviser registered under the Advisers Act and a wholly owned subsidiary of Price Associates. Price International Ltd is also authorized and regulated by the U.K. Financial Conduct Authority (**FCA**) and various international financial services regulators. Price International Ltd provides investment management services to institutional investors and commingled products and may delegate investment management to one of its affiliated investment advisers when appropriate.

Price Hong Kong is an investment adviser registered under the Advisers Act and a wholly owned subsidiary of Price International Ltd. Price Hong Kong is a Hong Kong limited company licensed by the Securities and Futures Commission (**SFC**). Price Hong Kong provides investment management services to institutional investors and commingled products and may delegate investment management to one of its affiliated investment advisers when appropriate.

Price Singapore is an investment adviser registered under the Advisers Act and a wholly owned subsidiary of Price International Ltd. Price Singapore is a Singapore limited private company licensed by the Monetary Authority of Singapore (**MAS**). Price Singapore provides investment management services to institutional investors and commingled products and may delegate investment management to one of its affiliated investment advisers when appropriate.

Price Japan is an investment adviser registered under the Advisers Act and a wholly owned subsidiary of Price International Ltd. Price Japan is a Japan private company authorized by the Japan Financial Services Authority (**FSA**). Price Japan provides investment management services to institutional investors and commingled products; it also sponsors and manages Japanese investment trust funds. Price Japan may delegate investment management to one of its affiliated investment advisers when appropriate.

Price Australia is an investment adviser registered under the Advisers Act and a wholly owned subsidiary of Price International Ltd. Price Australia is an Australian public company limited by shares and holds an Australian Financial Services Licence issued by the Australian Securities & Investments Commission (**ASIC**). Price Australia provides investment management services to institutional investors and commingled products and may delegate investment management to one of its affiliated investment advisers when appropriate.

Other investment advisers affiliated with TRP Advisory Services include:

Price Canada is an investment adviser registered under the Advisers Act and a wholly owned subsidiary of Price Associates. Price Canada is also registered with the Ontario, Manitoba, British Columbia, Alberta, Nova Scotia, New Brunswick, Newfoundland and Labrador, and Prince Edward Island Securities Commissions, the Saskatchewan Financial and Consumer Affairs Authority, and the Autorité des Marchés Financiers in Quebec. Price Canada offers Canadian domiciled pooled vehicles and provides advisory services to institutional clients residing in Canada and delegates investment management to one of its affiliated investment advisers when appropriate.

T. Rowe Price (Luxembourg) Management S.à r.l. (**Price Sarl**) is a wholly owned subsidiary of Price International Ltd and an investment adviser exempt under the Advisers Act. Price Sarl is registered with the Luxembourg Commission de Surveillance du Secteur Financier (**CSSF**). Price Sarl is authorized to provide collective portfolio management, discretionary portfolio management and investment advisory services to clients residing in the European Union and delegates such services, to one of its affiliated investment advisers when and to the extent it is appropriate. Price Sarl provides management company services to investment funds domiciled in Luxembourg. It is authorized as a Chapter 15 management company by the CSSF. Price Sarl also acts as an alternative investment fund manager (**AIFM**) in accordance with the law dated July 12, 2013 relating to Alternative Investment Funds Managers.

**Broker-Dealer.** TRP Advisory Services is not registered as a broker-dealer under federal or state securities laws that govern the operations of broker-dealers. Investment Services, a Maryland corporation, is a wholly owned subsidiary

of Price Associates, originally organized for the purpose of acting as principal underwriter and distributor for the Price Funds. Investment Services also provides introducing brokerage services to complement the other services provided to shareholders of the Price Funds. Investment Services also serves as distributor for certain Section 529 College Savings Plans. It does not charge commissions for the purchase, sale, or exchange of Price Fund shares. Clients must establish a brokerage account with Investment Services in order to participate in the APP Program and all transactions for the APP Program will be executed through Investment Services.

Investment Services is registered as a broker-dealer under the Securities Exchange Act of 1934 and is a member of FINRA. TRP Advisory Services clients either place orders for the execution of their portfolio transactions directly with Investment Services, or they have specifically instructed TRP Advisory Services to do so. All transactions initiated through Investment Services are executed and cleared by Pershing. Investment Services and Pershing have entered into a clearing agreement, pursuant to which securities of all brokerage customers of Investment Services, including a number of advisory clients of TRP Advisory Services, are held by Pershing. TRP Advisory Services has disclosed and all advisory clients who have directed Investment Services to execute their portfolio transactions have acknowledged the relationship between TRP Advisory Services and Investment Services.

**Trust Company.** Trust Company, a wholly owned subsidiary of Price Associates, is a Maryland-chartered limited-purpose trust company. Under its charter, it is not permitted to accept deposits or make commercial loans. Trust Company serves as directed trustee and/or custodian for certain qualified employee benefit plans, including prototype IRA, Education Savings Accounts, Roth IRA, Keogh, 401(k), 403(b), and other retirement plans. The Trust Company sponsors common trust funds (also known as collective investment funds) for investment in securities of global issuers.

**Affiliates.** Because the Price Advisers' clients and personnel are located around the world, the Price Advisers conduct business through a number of affiliated entities licensed to offer services in various jurisdictions and to perform particular business functions. Though legally distinct, TRP Advisory Services and affiliates function as a unified, global business. Our affiliates often engage one another and/or their supervised persons to assist in managing client mandates. For example, affiliated personnel often provide research, portfolio management or trading services to a client account. From time to time, investment management, client liaison, account administration and investment monitoring services are delegated to an affiliated entity. When we delegate portfolio management responsibilities to an affiliate, we will notify you and take steps to ensure that the delegation complies with all applicable laws.

**Other.** T. Rowe Price Retirement Plan Services, Inc. (**Retirement Plan Services**), a wholly owned subsidiary of Price Associates, is registered as a transfer agent under Section 17A of the Securities Exchange Act of 1934. It provides recordkeeping, subtransfer agent, and administrative services to administrators of qualified retirement plans, certain governmental retirement plans, and other retirement plans.

## Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Price Group maintains a Code of Ethics and Conduct (**Code**) applicable to all T. Rowe Price affiliates, including TRP Advisory Services. The Code complies with Rule 204A-1 under the Advisers Act and Rule 17j-1 under the Investment Company Act of 1940 and outlines appropriate standards of conduct for personnel and certain other individuals associated with Price Group. The Code sets forth certain restrictions on activities, such as personal trading and gifts and entertainment. Compliance with the Code is a condition of employment for all personnel. Key provisions of the Code are summarized below. The Legal Department provides the Code to all personnel via the T. Rowe Price Intranet site and requires all personnel to complete an annual verification that certifies their understanding of, and adherence to, the Code. Price Group has a policy that all personnel must participate annually in continuing education training relating to the Code. The Legal Department provides notices of all material amendments to the Code to personnel.

The Code addresses many areas of conduct, such as Price Group's policy regarding conflicts of interest, personal securities transactions, the acceptance and provision of gifts and entertainment, political contributions, material non-

public information, confidentiality, privacy, and the reporting of Code violations. A copy of the Code is available to any client or prospective client upon request.

**Personal Trading.** The Code contains a detailed description of the firm's requirements and its monitoring of personal securities transactions, including pre-clearance and reporting requirements applicable to securities transactions based on a person's classification as investment personnel, access person (as defined by the SEC), or non-access person; and filing by access persons of an annual personal securities report, certifying personal securities holdings and securities accounts.

The Code requires access persons to obtain prior clearance before engaging in most personal securities transactions. Requests for prior clearance are submitted via the firm's pre-trade approval system. Certain securities are exempt from prior clearance, such as open-end mutual funds and variable annuities, U.S. government securities, systematic investment plans, employee spouse stock option exercises, and a limited number of ETFs.

The Code also requires prior clearance of initial public offerings (**IPOs**) and private placements, participation in the APP Program by employees, and initial and continuous reporting of reportable securities holdings by investment personnel and other access persons. Price Group has adopted procedures designed to prevent its investment personnel and other access persons from violating the Code.

**Gifts and Entertainment.** The Code places restrictions on the receipt of gifts, travel and entertainment opportunities by our personnel. Our personnel occasionally participate in entertainment opportunities that are for legitimate business purposes, subject to limitations set forth in the Code.

**Political Contributions.** Additionally, for compliance with SEC Rule 206(4)-5 of the Advisers Act (**Pay to Play Rule**), Price Group has established prior clearance and reporting obligations for political contributions by personnel.

State lobbying laws require disclosure as to the identities, activities, and expenditures of individuals attempting to influence the governmental decision-making process regarding the appointment of investment managers. TRP Advisory Services and its affiliated advisers will register with various jurisdictions where we believe our activities fall under such requirements.

**Investment of Client Assets in Price Securities.** Information regarding investment of client assets in the Price Funds is provided in *Item 5 – Fees and Compensation*, and *Item 10 – Other Financial Industry Activities and Affiliations*. The Price Advisers do not purchase shares of their publicly traded parent company, Price Group, for their clients with active investment strategies.

**Investment by T. Rowe Price and Its Personnel.** Our personnel, including portfolio managers and other investment personnel, invest in the Price Funds, including the Funds they manage. These investments are made directly by our personnel or through the T. Rowe Price Retirement Plan, which offers the Price Funds among its investment options. While personnel who invest in Price Funds have an incentive to favor those accounts in order to obtain a personal benefit, these investments also help to align those individuals' interests with those of our clients.

The Price Advisers may also manage certain funds and accounts that are seeded with T. Rowe Price's corporate money. Most of these portfolios are created to establish a performance track record to market a new product. The Price Advisers' ownership percentage may be significant for an unspecified period and the Price Advisers may elect to redeem all or a portion of their investment at any time. Additionally, the Price Advisers may invest corporate assets in a fund for investment purposes on behalf of our corporate holding company Price Group. These investments may be withdrawn over a period of time or remain as a percentage of the assets of these products for indeterminate periods. The corporate assets may be the largest investment in the fund or product for significant periods of time. These portfolios may be similar to other portfolios currently managed by the Price Advisers and may be trading in securities in which the Price Advisers trade for other discretionary clients. These portfolios are traded and receive allocations pursuant to the same policies and procedures the Price Advisers have in place to ensure that all clients are

treated fairly. Oversight is in place to ensure that trading and allocations for the T. Rowe Price corporate portfolios are in no way favored over accounts managed for discretionary clients.

From time to time, T. Rowe Price and/or its personnel may hold an interest in unaffiliated funds or limited partnerships that is a selling stockholder in a public offering of securities which may be purchased by the Price Advisers for their clients. Any purchases by the Price Advisers in such public offering are permitted subject to policies and procedures in place to ensure that all clients are treated fairly.

The Price Advisers generally do not actively trade or manage assets on their own behalf. However, the Price Advisers manage corporate assets of their affiliates. This relationship may give rise to a potential conflict of interest in the allocation of investment opportunities as between the Price Advisers' affiliates and their discretionary clients. The Price Advisers have adopted trade allocation policies and procedures that seek to ensure that all clients are treated fairly and equitably over time.

**Valuation of Private Securities.** The Price Advisers have a valuation committee that oversees the pricing of private securities. This committee is comprised of multiple departments including Treasury, Equity, Fixed Income, and Global trading personnel. The committee conducts proactive periodic reviews of private security investments; event specific reviews; and market event reviews to ensure the Price Advisers are properly valuing such investments. The valuation reviews are made more difficult by private issuer's sensitivity around disclosing nonpublic financial and operational information. Further such information may be released at irregular intervals as opposed to publicly held companies subject to accounting and disclosure standards as well as information release rules tied to their public listing on a recognized market. The Price Advisers acknowledge that differences can occur in how one party values private securities as opposed to another party. The Price Advisers note that many large institutional clients hold the same private security across multiple managers, all of whom may value the security differently.

**Other Potential Interests.** From time to time, the Price Advisers may manage assets for or invest client assets in the securities of companies that have appointed one of the Price Advisers or an affiliate to serve as investment adviser, trustee, or recordkeeper or which act as service providers or vendors to the Price Advisers or an affiliate. Additionally, directors serving on the boards of the Price Funds or Price Group may also serve on boards of publicly traded entities in which the Price Advisers invest client assets. Personnel of the Price Advisers may serve on creditor committees for issuers in which client assets may be invested and which are filing for bankruptcy. Additionally, personnel of the Price Advisers or their family members may have certain relationships with entities the firm does business with, including clients, broker-dealers, non-profit organizations, and vendors. The annual compliance certification completed by persons subject to the Code includes various questions regarding such relationships. Where deemed relevant, these relationships are reported to the T. Rowe Price Ethics Committee for further discussion. While the situations described in this paragraph present potential conflicts of interest, the Price Advisers must manage a client's assets in accordance with its fiduciary obligations.

The Price Advisers provide customary marketing and training support payments to certain clients, primarily subadvisory clients.

From time to time, the Price Advisers may donate to charitable organizations that are clients or are supported by clients, prospects, consultants, or their employees. In general, donations are made in response to requests from one of those parties. The Price Advisers take into consideration the importance of the business relationship as one factor in determining whether to approve a charitable contribution. All such donations are reviewed and approved by appropriate Legal and Compliance personnel, up to and including the Chief Compliance Officer. Personnel of the Price Advisers may hold positions with industry groups or committees which deal with advocacy issues applicable to the Price Advisers.

**Services for Other Clients.** The Price Advisers may give advice and take action for clients, including registered investment companies and other pooled investment vehicles, which differs from advice given or the timing or nature of action taken for other clients. The Price Advisers are not obligated to initiate transactions for clients in any security

which its principals, affiliates, or employees may purchase or sell for their own accounts or for other clients.

Purchase and sale transactions may be effected directly among and between non-ERISA client accounts which permit crossing (including the Price Funds) consistent with the requirements of Rule 17a-7 of the Investment Company Act of 1940 (**Rule 17a-7**). Rule 17a-7 provides that no commission is paid to any broker-dealer, the security traded has readily available market quotations, and the transaction is effected at the independent current market price and may also require that Price Associates disclose a client's identity to the party on the other side of the trade. In certain markets, as required by applicable law, a cross trade may be routed through a broker-dealer to facilitate processing and a customary transfer fee may be incurred. These transactions are reviewed by the appropriate Legal and Compliance personnel and the GTC, which is responsible for the oversight of the Price Advisers' trading policies and procedures. Certain accounts in which T. Rowe Price has an ownership interest are restricted from engaging in cross trades in order to address considerations under Rule 17a-7 and Section 206(3) of the Advisers Act.

## Item 12 - Brokerage Practices

TRP Advisory Services does not select or recommend broker-dealers for client transactions, nor does TRP Advisory Services determine the reasonableness of broker-dealer compensation for client transactions. However, in order to participate in the APP Program, clients must establish a brokerage account with Investment Services. A third-party broker has custody of the APP Program client's assets and will perform certain services for the benefit of the client's Program Account, including the implementation of discretionary management instructions, as well as custodial and related services. TRP Advisory Services and Investment Services personnel may share premises and may have common supervision. Clients should carefully review all statements and other communications received from Investment Services, the Price Funds' transfer agent and/or other service providers, and the client's external broker (if any).

Any client account statements prepared will not follow generally accepted accounting principles and will not be audited. Accordingly, they should not be relied upon by third parties to evaluate a client's creditworthiness and should not be used for any purpose other than to assist the client in developing their investment strategy.

**Research Benefits.** TRP Advisory Services does not perform any client securities transactions and, therefore, does not receive research or other products or services from any broker-dealers or research providers.

Broker-dealers provide a wide range of research services to Price Associates and its affiliated advisers in their capacity as discretionary advisers and subadvisers to the Price Funds. Information regarding research benefits provided to Price Associates and its affiliated advisers is located in each adviser's respective Form ADV Part 2A, a copy of which is available upon request.

**Directed Brokerage.** As noted above, clients must establish a brokerage account with Investment Services in order to participate in the APP Program and all transactions for the APP Program will be executed through Investment Services and a third-party broker unaffiliated with T. Rowe Price will provide clearing services of the securities positions for the Program Account.

## Item 13 - Review of Accounts

### T. Rowe Price Advisory Planning Service

TRP Advisory Services does not provide ongoing monitoring or reviews of accounts through the APS. If the client chooses to implement the APS Recommendation, it is the client's responsibility to monitor the investment to determine if it continues to be appropriate for them. TRP Advisory Services bears no responsibility to monitor the investment or provide other advisory services. Upon implementation of an APS Recommendation, the client will be enrolled in the T. Rowe Price Advisory Checkup service, which allows the client to monitor their progress toward their goals and compare their current asset allocation with a recommended model portfolio. TRP associates will also be



available to assist clients.

If a client's circumstances have changed since the receipt of their most recent APS Recommendation, the client may contact a TRP associate at any time to determine whether a new APS Recommendation is needed. TRP Advisory Services will not issue an updated APS Recommendation to a client unless the client requests one based on changed circumstances.

### **T. Rowe Price ActivePlus Portfolios Program**

On at least a quarterly basis, TRP Advisory Services will remind clients to review and update the Client RTQ Information previously provided. TRP Advisory Services will also ask clients to reconfirm the same information on an annual basis. These notifications and confirmations will require clients to access their Program Account online in order to view their current Client RTQ Information and contact information. If a client does not make any changes to their risk tolerance and time horizon, TRP Advisory Services will continue to manage the client's Program Account according to the most recent information provided by the client. For example, if a client indicates in their most recent RTQ responses that their time horizon for the Program Account is 20 years and the client does not update that information the following year, we will maintain the client's Program Account in the model portfolio recommended to the client consistent with a 20-year time horizon. Even though the client's time horizon may change with the ordinary passage of time, we will not adjust a client's time horizon or the associated model portfolio used to manage the client's Program Account year-over-year, unless the client updates their time horizon.

TRP Advisory Services' investment management is based on the completeness and accuracy of the information clients provide regarding their time horizon and risk tolerance. Clients should contact the APP Program by logging into their Program Account on the TRP website with any changes to their time horizon or risk tolerance to ensure that TRP Advisory Services is managing their Program Account based on the most accurate information available. Clients should update and monitor their Program Account online by logging into their Program Account on the TRP website; clients may also contact the APP Program with any questions about their Program Account through this website. A dedicated Client Specialist is not assigned to each client, but Client Specialists are available weekdays between 8 a.m. and 8 p.m. ET to answer questions.

TRP Advisory Services provides certain client information to unaffiliated third parties where such information is requested by a regulatory authority or is otherwise required by law. TRP Advisory Services in certain instances provides trade data and/or other client information to third party service providers in order to facilitate compliance with such regulatory requirements. In accordance with its vendor management policies, standards and processes, TRP Advisory Services performs initial and ongoing due diligence of all third-party service providers.

TRP Advisory Services has a fiduciary obligation to ensure that clients are not disadvantaged by trading errors in any way. TRP Advisory Services has established transaction error correction guidelines and procedures designed to identify and correct errors. In the event a trading error occurs, we will work with all relevant parties to resolve the error in an appropriate manner that is consistent with established transaction error correction guidelines and procedures.

In circumstances where an error is identified, TRP Advisory Services will utilize one of the following correction mechanisms to rectify the trading error: correction through the client account; correction through the original executing broker error account; or, in certain circumstances, correction through an error account established by TRP Advisory Services. In the event an error is corrected through a Price Adviser's error account (and the error was caused by the action or inaction of the Price Adviser), the Price Adviser would incur any related losses as well as may keep any gains.

### **T. Rowe Price Investment Allocation Tool**

IAT is a point-in-time service and therefore TRP Advisory Services does not provide ongoing monitoring or reviews of

accounts through the IA Tool. If the client chooses to implement the Investment Allocation Recommendation, it is the client's responsibility to monitor the investment to determine if it continues to be appropriate for them. TRP Advisory Services bears no responsibility to monitor the investment or provide other advisory services.

#### T. Rowe Price Retirement Fund Recommendation Service

The RFR Service is a point-in-time service and therefore TRP Advisory Services does not provide ongoing monitoring or account reviews through the RFR Service. If the client chooses to implement the Retirement Fund Recommendation, it is the client's responsibility to monitor the investment to determine if it continues to be appropriate for them. TRP Advisory Services bears no responsibility to monitor the investment or provide other advisory services.

#### Item 14 - Client Referrals and Other Compensation

The Price Advisers rely primarily on the business development and marketing activities of our personnel to solicit new business.

From time to time, the Price Advisers enter into written referral agreements that involve the payment of a fee for introductions to prospective clients that lead to formal investment management mandates. In the event the Price Advisers enter into such agreements, the terms of the arrangement, including the fee structure, will be disclosed to all such affected prospective clients prior to their execution of the investment management agreement and in accordance with applicable law. A Price Adviser may have other business relationships with entities with which another Price Adviser may have referral fee arrangements.

#### Item 15 - Custody

TRP Advisory Services does not act as a custodian for client assets and does not have physical custody of client funds or securities at any time. However, TRP Advisory Services may be deemed to have custody of client funds or securities as defined in Rule 206(4)-2 of the Advisers Act (**Custody Rule**), and accordingly is subject to an annual surprise examination by an independent public accountant as further detailed below.

TRP Advisory Services has or may be deemed to have custody of certain clients' assets under certain circumstances. The accounts for which TRP Advisory Services may be deemed to have custody are included in the pool of accounts eligible for the annual surprise examination unless an applicable exemption from the audit is available. A sample of the audit eligible accounts is selected from the pool and subjected to the audit process. TRP Advisory Services has retained an independent public accountant to conduct the Custody Rule audit and report to the SEC regarding such audit on Form ADV-E, as required.

The independent public accountant is responsible for selecting the audit sample from the pool of eligible accounts and for confirming the adviser is in compliance with the procedural requirements of the Custody Rule. This includes, among other things, confirming TRP Advisory Services has a reasonable basis for believing the qualified custodians are sending account statements at least quarterly, where applicable, and confirming account statements sent to clients by TRP Advisory Services are accurate.

The Price Advisers annually request confirmation that each client's qualified custodian sends required periodic account statements. The Price Advisers strongly urge all of their clients to carefully review and reconcile account statements from their qualified custodians, the Price Funds' transfer agent and/or other service providers, as applicable, with account statements received from the Price Advisers. If there are discrepancies between a client's custodian statement and their Price Advisers' account statement, the client should contact their custodian or the Price Advisers for more information.

From time to time, the Price Advisers may inadvertently receive client assets from third parties. The Price Advisers have appropriate policies and procedures which provide for prompt forwarding of such assets to the client (or the

former client), the client's qualified custodian, or returning such assets to the appropriate third party.

## Item 16 - Investment Discretion

Different advisory services offered by TRP Advisory Services may use different Price Funds and recommend different asset allocations depending on the unique characteristics of the specific service.

From time to time, the Price Advisers may inadvertently receive or affirmatively agree to receive material non-public information concerning an issuer of securities which may cause the Price Advisers, in accordance with applicable laws and regulations, to restrict or limit their ability to trade securities of such issuer for client accounts.

Clients are responsible for the management of their tax affairs, including, without limitation, the payment of all taxes due and the making of all claims in relation thereto. Clients are encouraged to consult their own financial, tax and legal advisors regarding any investment decision regarding our advisory services.

### T. Rowe Price Advisory Planning Service

TRP Advisory Services is a non-discretionary adviser as it relates to APS and does not manage any client assets.

### T. Rowe Price ActivePlus Portfolios Program

TRP Advisory Services provides discretionary investment management services for clients enrolled in the APP Program. Clients complete the APP Program's online account application and agree to the terms of the Client Agreement. By entering into the Client Agreement, clients authorize TRP Advisory Services to provide services that include determining the appropriate asset, sub-asset, and fund allocations for a client's Program Account based on the client's most recent response to the RTQ and investing the client's Program Account solely in Price Funds. Clients have the opportunity to impose certain allowable restrictions on the management of their Program Account, and to change such restrictions, subject to TRP Advisory Services' acceptance of any such restriction or change. Specifically, clients may request prohibitions with respect to the purchase of a particular Price Fund or Price Funds, provided such restriction is not inconsistent with TRP Advisory Services' stated investment strategy or philosophy, or is not fundamentally inconsistent with the nature or operation of the APP Program, in TRP Advisory Services' sole discretion. Investment restrictions should be requested by logging into their Program Account and following the instructions provided. If TRP Advisory Services accepts a client's requested restriction, it will continue to manage the Program Account, but will take no responsibility for any deviation in performance between the client's Program Account as restricted and a Program Account invested in the same model portfolio without the restriction. The performance of a Program Account with restrictions may differ from the performance of Program Accounts without restrictions, possibly producing lower overall results. Evaluation of the reasonableness of a restriction request may result in delays in the acceptance or management of a client's Program Account. TRP Advisory Services reserves the right to conclude that the requested restriction is unreasonable or cannot be accommodated within the APP Program. If a client's Program Account cannot be managed with the requested investment restriction(s), the client will be notified. TRP Advisory Services will reevaluate restrictions on an as-needed basis, including, but not limited to, as a result of changes in the underlying funds or models, which could result in the denial of a restriction that was previously accepted. Please note that changing a restriction could result in buy or sell activity in a client's Program Account.

TRP Advisory Services will invest a client's Program Account solely in Price Funds. T. Rowe Price will not consider any investments maintained in any other accounts a client may have at T. Rowe Price or elsewhere when providing discretionary advice for the Program Account. In addition, we will not offer any management or advisory services with respect to, or be responsible for, any client assets not being managed by us as part of the Program. TRP Advisory Services will not evaluate other asset classes or non-Price Funds for inclusion in the APP Program even if other non-Price Funds have characteristics similar or superior to the Price Funds. At its discretion, TRP Advisory Services may adjust the neutral allocations of model portfolios, remove or add Program Funds to model portfolios, or substitute any current fund in a model portfolio with another Program Fund.

### **T. Rowe Price Investment Allocation Tool**

TRP Advisory Services does not provide discretionary advice as part of the IA Tool and does not manage any client assets.

### **T. Rowe Price Retirement Fund Recommendation Service**

TRP Advisory Services does not provide discretionary advice as part of the RFR Service and does not manage any client assets.

### **Item 17 - Voting Client Securities**

TRP Advisory Services does not acquire authority for or exercise proxy voting or other shareholder rights on behalf of any of its clients. Clients retain full ownership of their Price Fund shares with the authority to vote their shares and transact as the shareholder or contract holder of record. Clients invested in the Price Funds receive proxy voting solicitations or other matters related to shareholder rights directly from Price Services or another third party. All client questions related to any Price Fund proxy solicitation or similar shareholder rights should be directed to Price Services using the contact information provided in the relevant materials.

### **Item 18 - Financial Information**

TRP Advisory Services is not subject to any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients. A copy of the current annual consolidated audited financial statements of Price Group and its subsidiaries (including TRP Advisory Services) is available upon request.

TRP Advisory Services is registered as an investment adviser with the SEC. TRP Advisory Services is not registered with any state securities authorities.

T. Rowe Price ActivePlus Portfolios Program



T. ROWE PRICE ADVISORY SERVICES, INC. (TRP Advisory Services)  
4515 PAINTERS MILL ROAD, OWINGS MILLS, MARYLAND 21117  
[troweprice.com](http://troweprice.com)

PART 2B OF FORM ADV BROCHURE SUPPLEMENT  
APRIL 24, 2020

**T. ROWE PRICE ACTIVEPLUS PORTFOLIOS PROGRAM**

Supervised Persons:  
ROBERT A. PANARIELLO  
TOBY M. THOMPSON  
GUIDO F. STUBENRAUCH

This Brochure Supplement provides information about the Supervised Persons listed above that supplements TRP Advisory Services' Part 2A of Form ADV: Firm Brochure. You should have received a copy of that Firm Brochure; however, please contact us at [TRP\\_ADV\\_Inquiries@troweprice.com](mailto:TRP_ADV_Inquiries@troweprice.com) if you did not receive TRP Advisory Services' Firm Brochure or if you have any questions about the contents of this Brochure Supplement.

T. Rowe Price ActivePlus Portfolios Program

**I. Robert Panariello**

**Item 2: Educational Background and Business Experience**

Robert Panariello, born in 1983, is Co-Portfolio Manager of the T. Rowe Price ActivePlus Portfolios, Portfolio Manager and Quantitative Investment Analyst in the Multi-Asset Division, and Vice President of T. Rowe Price Group, Inc. and T. Rowe Price Associates, Inc.

**Prior Roles at T. Rowe Price**

Co-Portfolio Manager, T. Rowe Price ActivePlus Portfolios 2016-present  
Portfolio Manager, Multi-Asset Division 2016-present  
Quantitative Investment Analyst 2005-present

**Education**

The Johns Hopkins University  
The Johns Hopkins University

**Degree Obtained**

B.S. in Applied Mathematics and Statistics  
M.S.E. in Applied Mathematics and Statistics  
M.S.E. in Financial Mathematics

**Professional Designations**

Chartered Financial Analyst<sup>1</sup>

**Item 3: Disciplinary Information**

The above referenced person has not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of a portfolio manager.

**Item 4: Other Business Activities**

As a supervised person, Mr. Panariello is required to comply with the T. Rowe Price Code of Ethics and Conduct (**Code**) applicable to all T. Rowe Price affiliates. The Code outlines appropriate standards of conduct for employees and certain other individuals associated with T. Rowe Price. The Code prohibits outside business activities that place employees' interests in conflict with those of T. Rowe Price or its clients.

**Item 5: Additional Compensation**

Compensation is viewed with a long-term time horizon; meaning the more consistent a manager's performance over time, the higher the compensation opportunity. Mr. Panariello is compensated based on a base salary, a cash bonus, and an equity incentive that may be provided in the form of a stock option grant. Compensation of portfolio managers is viewed with a long-term horizon – the more consistent their investment performance is, the higher the compensation opportunity. TRP Advisory Services does not compensate investment professionals by assets under management.

All permanent employees of T. Rowe Price, including portfolio managers, are eligible to participate in a retirement plan sponsored by T. Rowe Price Group, Inc. (**Price Group**) that features a limited corporate matching contribution. In addition, all permanent employees are eligible to purchase Price Group common stock through an employee stock purchase plan that also features a limited corporate matching contribution. Eligibility for and participation in these plans is on the same basis as for all employees. Finally, vice presidents of Price Group, including all portfolio managers, generally, receive supplemental medical/hospital reimbursement benefits and some may receive additional executive benefits.

This compensation structure is used for all portfolios managed by the portfolio manager.

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<sup>1</sup> The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute-the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

T. Rowe Price ActivePlus Portfolios Program

**Item 6: Supervision**

All personnel providing advisory services are appropriately skilled and qualified for the positions held at T. Rowe Price. The firm has multiple controls in place designed to prevent inappropriate risk taking by portfolio managers, including a decentralized compliance structure (a significant part of which is an automated compliance system), oversight through various steering and risk monitoring committees, periodic internal and external audits, and a wide range of policies and procedures designed to assure that advice is consistent with our clients' agreed upon investment objectives and guidelines and the firm's fiduciary obligations.

Our portfolio managers exercise discretion over their portfolios and have autonomy over stock selection, sector allocation, cash allocation, and trading, consistent with the client's Investment Guidelines. However, as described above, discretionary activities of our portfolio managers are subject to ongoing oversight.

The person ultimately responsible for supervising the advisory activities of Mr. Panariello on behalf of the firm is Sebastian Page, Vice President of T. Rowe Price Group, Inc. and T. Rowe Price Associates, Inc. Mr. Page can be reached at 410-345-2424.

**II. Toby Thompson**

**Item 2: Educational Background and Business Experience**

Toby Thompson, born in 1971, is Co-Portfolio Manager of the T. Rowe Price ActivePlus Portfolios, Portfolio Manager in the Multi-Asset Division, a member of the Multi-Asset Steering Committee, and a Vice President for T. Rowe Price Group, Inc. and T. Rowe Price Associates, Inc.

**Prior Roles at T. Rowe Price**

Co-Portfolio Manager, T. Rowe Price ActivePlus Portfolios 2016-present  
Portfolio Manager, Multi-Asset Division 2013-present  
Investment Analyst 2012-2013  
Defined Contribution Investment Specialist 2010-2012

**Education**

Towson University  
Loyola University Maryland

**Degree Obtained**

B.S. in Business and Economics  
M.B.A. in Finance

**Professional Designations**

Chartered Financial Analyst

**Item 3: Disciplinary Information**

The above referenced person has not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of a portfolio manager.

**Item 4: Other Business Activities**

As a supervised person, Mr. Thompson is required to comply with the T. Rowe Price Code of Ethics and Conduct (**Code**) applicable to all T. Rowe Price affiliates. The Code outlines appropriate standards of conduct for employees and certain other individuals associated with T. Rowe Price. The Code prohibits outside business activities that place employees' interests in conflict with those of T. Rowe Price or its clients.

**Item 5: Additional Compensation**

Compensation is viewed with a long-term time horizon; meaning the more consistent a manager's performance over time, the higher the compensation opportunity. Mr. Thompson is compensated based on a base salary, a cash bonus, and an equity incentive that may be provided in the form of a stock option grant. Compensation of portfolio managers is viewed with a long-term horizon – the more consistent their investment performance is, the higher the

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compensation opportunity. TRP Advisory Services does not compensate investment professionals by assets under management.

All permanent employees of T. Rowe Price, including portfolio managers, are eligible to participate in a retirement plan sponsored by T. Rowe Price Group, Inc. (**Price Group**) that features a limited corporate matching contribution. In addition, all permanent employees are eligible to purchase Price Group common stock through an employee stock purchase plan that also features a limited corporate matching contribution. Eligibility for and participation in these plans is on the same basis as for all employees. Finally, vice presidents of Price Group, including all portfolio managers, generally, receive supplemental medical/hospital reimbursement benefits and some may receive additional executive benefits.

This compensation structure is used for all portfolios managed by the portfolio manager.

**Item 6: Supervision**

All personnel providing advisory services are appropriately skilled and qualified for the positions held at T. Rowe Price. The firm has multiple controls in place designed to prevent inappropriate risk taking by portfolio managers, including a decentralized compliance structure (a significant part of which is an automated compliance system), oversight through various steering and risk monitoring committees, periodic internal and external audits, and a wide range of policies and procedures designed to assure that advice is consistent with our clients' agreed upon investment objectives and guidelines and the firm's fiduciary obligations.

Our portfolio managers exercise discretion over their portfolios and have autonomy over stock selection, sector allocation, cash allocation, and trading, consistent with the client's Investment Guidelines. However, as described above, discretionary activities of our portfolio managers are subject to ongoing oversight.

The person ultimately responsible for supervising the advisory activities of Mr. Thompson on behalf of the firm is Sebastian Page, Vice President of T. Rowe Price Group, Inc. and T. Rowe Price Associates, Inc. Mr. Page can be reached at 410-345-2424.

**III. Guido F. Stubenrauch**

**Item 2: Educational Background and Business Experience**

Guido F. Stubenrauch, born in 1970, is Co-Portfolio Manager of the T. Rowe Price ActivePlus Portfolios, Manager of the Investment Allocation Analyst Team in the Multi-Asset Division, and a Vice President for T. Rowe Price Group, Inc. and T. Rowe Price Associates, Inc.

**Prior Roles at T. Rowe Price**

Co-Portfolio Manager, T. Rowe Price ActivePlus Portfolios 2016-present  
Manager of Investment Allocation Analyst Team, Multi-Asset Division 2015-present  
Investment Analyst 2003-2014

**Education**

McDaniel College  
Loyola University Maryland

**Degree Obtained**

B.A. in Business Administration and Economics  
M.S. in Finance

**Professional Designations**

Chartered Financial Analyst

**Item 3: Disciplinary Information**

The above referenced person has not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of a portfolio manager.



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**Item 4: Other Business Activities**

As a supervised person, Mr. Stubenrauch is required to comply with the T. Rowe Price Code of Ethics and Conduct (**Code**) applicable to all T. Rowe Price affiliates. The Code outlines appropriate standards of conduct for employees and certain other individuals associated with T. Rowe Price. The Code prohibits outside business activities that place employees' interests in conflict with those of T. Rowe Price or its clients.

**Item 5: Additional Compensation**

Compensation is viewed with a long-term time horizon; meaning the more consistent a manager's performance over time, the higher the compensation opportunity. Mr. Stubenrauch is compensated based on a base salary, a cash bonus, and an equity incentive that may be provided in the form of a stock option grant. Compensation of portfolio managers is viewed with a long-term horizon – the more consistent their investment performance is, the higher the compensation opportunity. TRP Advisory Services does not compensate investment professionals by assets under management.

All permanent employees of T. Rowe Price, including portfolio managers, are eligible to participate in a retirement plan sponsored by T. Rowe Price Group, Inc. (**Price Group**) that features a limited corporate matching contribution. In addition, all permanent employees are eligible to purchase Price Group common stock through an employee stock purchase plan that also features a limited corporate matching contribution. Eligibility for and participation in these plans is on the same basis as for all employees. Finally, vice presidents of Price Group, including all portfolio managers, generally, receive supplemental medical/hospital reimbursement benefits and some may receive additional executive benefits.

This compensation structure is used for all portfolios managed by the portfolio manager.

**Item 6: Supervision**

All personnel providing advisory services are appropriately skilled and qualified for the positions held at T. Rowe Price. The firm has multiple controls in place designed to prevent inappropriate risk taking by portfolio managers, including a decentralized compliance structure (a significant part of which is an automated compliance system), oversight through various steering and risk monitoring committees, periodic internal and external audits, and a wide range of policies and procedures designed to assure that advice is consistent with our clients' agreed upon investment objectives and guidelines and the firm's fiduciary obligations.

Our portfolio managers exercise discretion over their portfolios and have autonomy over stock selection, sector allocation, cash allocation, and trading, consistent with the client's Investment Guidelines. However, as described above, discretionary activities of our portfolio managers are subject to ongoing oversight.

The person ultimately responsible for supervising the advisory activities of Mr. Stubenrauch on behalf of the firm is Sebastian Page, Vice President of T. Rowe Price Group, Inc. and T. Rowe Price Associates, Inc. Mr. Page can be reached at 410-345-2424.