



Asset Allocation Assumptions

Our asset allocation models correspond to a stated investment goal (retirement, college, or specific purchase), age or accumulation horizon, and assumed withdrawal horizon. The assumptions underlying each investment goal are as follows:

Goal	Accumulation Horizon	Withdrawal Horizon
Retirement	Until age 65	30 years
College	Until child reaches age 18	4 years
Specific purchase	Defined by investor	Immediate lump-sum withdrawal

For retirement, model asset allocations have been developed based on stock increments of 10% from 20% to 90% and are assigned to ages as follows:

Age/Allocation	44 and younger	45–54	55–64	65–74	75 and older
Stock	90–100%	80–100%	60–80%	50–65%	20–50%
Bond	0–10	0–20	20–30	25–35	35–50
Short-term	0	0	0–10	5–15	15–30

For College, model asset allocations have been developed based on the age of the student:

Age/Allocation	18 & older	16–17	14–15	11–13	8–10	5–7	4 & younger
Stock	10–20%	20–30%	30–40%	45–60%	60–75%	75–90%	90–100%
Bond	50–60	40–50	40–50	30–50	25–40	10–25	0–10
Short-term	30–40	20–30	10–20	0–10	0–10	0	0

For specific purchases, model asset allocations have been developed based on the time until the purchase:

Years to purchase/Allocation	16 & more	11–15	6–10	3–5	1–2
Stock	100%	80%	60%	20%	0%
Bond	0	20	30	50	0
Short-term	0	0	10	30	100

The model asset allocations are based upon analysis that seeks to balance long-term return potential with anticipated short-term volatility. The model reflects our view of appropriate levels of tradeoff between potential return and short-term volatility for investors of certain ages or timeframes. The longer the time frame for investing, the higher the allocation is to stocks (and the higher the volatility) versus bonds or cash.

LIMITATIONS

While the asset allocation models have been designed with reasonable assumptions and methods, the tool provides models based on the needs of hypothetical investors only and has certain limitations:

- The models do not take into account individual circumstances or preferences, and the model displayed for your investment goal and/or age may not align with your accumulation timeframe, withdrawal horizon, or view of the appropriate levels of tradeoff between potential return and short-term volatility.
- Investing consistent with a model allocation does not protect against losses or guarantee future results.

Please be sure to take other assets, income and investments into consideration in reviewing results that do not incorporate that information. Other T. Rowe Price educational tools or advice services use different assumptions and methods and may yield different outcomes.