

Not every financial account that goes down in value stays down. In fact, history shows that financial markets eventually recover with time.* Rather than making drastic moves at the first sign of trouble, here's some practical wisdom designed to help you recover well in the wake of challenging downturns.

Stay invested for the long haul

The chart below shows several decades' worth of stock and bond market performance. While markets saw some alarming dips, they also rallied periodically for strong gains and ultimately moved forward in an upward trajectory. We also see a potential benefit of diversification at work. The green line, which represents a portfolio composed of both stocks and bonds, generated higher returns than an all-bond or cash portfolio with less volatility than an all-stock portfolio.

GROWTH OF A HYPOTHETICAL \$10,000 INVESTMENT OVER TIME

As of December 31, 2022



Sources: T. Rowe Price, created with Zephyr StyleADVISOR; S&P; Bloomberg Index Services Ltd.; and FTSE. See Additional Disclosures.

***Past performance cannot guarantee future results.** It is not possible to invest directly in an index. Chart is shown for illustrative purposes only. Stocks: S&P 500 Index, Bonds: Bloomberg U.S. Aggregate Bond Index, and Cash: FTSE 3-Month U.S. Treasury Bill Index. As of December 31, 2022.

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Resisting Short-Term Bias

We believe that consistently achieving extraordinary investment results requires a long-term perspective. If you focus on the short term, it's tempting to let emotions influence your investment decisions.

Help mitigate portfolio volatility and unlock greater growth potential by holding stocks for the long term.

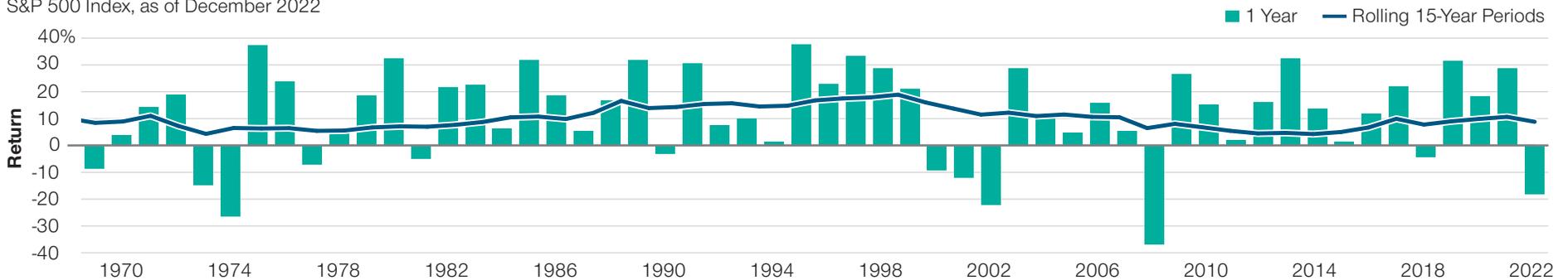
Don't let short-term upsets dampen your potential for long-term growth. While market downturns can lead to short-term losses, the picture changes with a long-term perspective. The chart below demonstrates the direct correlation between long holding periods and reduced portfolio volatility.

Bottom line: Remaining invested through downturns and corrections may allow you to take advantage of long-term growth potential.

The stock market has delivered positive returns for every rolling 15-year period covered in our analysis.

ROLLING 15-YEAR PERIODS DELIVER POSITIVE RETURNS, DESPITE YEARLY MARKET FLUCTUATIONS

S&P 500 Index, as of December 2022



Sources: T. Rowe Price, created with Zephyr StyleADVISOR, and S&P. See Additional Disclosures below. Price return calculations include dividends and capital gains. Annual returns beginning in calendar year 1970. Rolling 15-year data beginning in 1970. **Past performance cannot guarantee future results.** It is not possible to invest directly in an index. Chart is for illustrative purposes only.

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