



NEWS RELEASE

T. ROWE PRICE LAUNCHES MULTI-STRATEGY TOTAL RETURN FUND

Innovative new fund taps range of internally managed liquid alternatives strategies to offer a broadly diversified, actively managed global portfolio designed to deliver attractive returns in all market environments over the long term

Baltimore: March 13, 2018

NEWS

T. Rowe Price Group, Inc. (NASDAQ-GS: TROW) today announced the launch of the T. Rowe Price Multi-Strategy Total Return Fund (Ticker: TMSRX for Investor Class shares and TMSSX for I Class shares). The fund seeks to diversify investment risk for clients by combining six internally managed liquid alternative strategies to provide different sources of alpha in one multi-strategy approach whose returns are expected to have low correlation to the equity and fixed income markets. In addition to offering risk diversification, the fund also aims to provide capital preservation and consistent returns over time, which can be especially beneficial during periods of heightened market volatility.

The Multi-Strategy Total Return Fund is considered an absolute return fund designed to complement a traditional portfolio of stocks and bonds by virtue of low correlation to the capital markets. The goal of an absolute return fund is to achieve generally positive returns over time, regardless of market conditions, by employing long and short positions across multiple asset classes.

The six underlying strategies used by the fund take advantage of T. Rowe Price's broad investment capabilities, including its fundamental and quantitative analysis and its extensive global research platform.

T. ROWE PRICE MULTI-STRATEGY TOTAL RETURN FUND DETAILS

- The fund is co-managed by Stefan Hubrich, Ph.D., CFA, portfolio manager and director of multi-asset research, and Rick de los Reyes, portfolio manager. Both are in the firm's Multi-Asset division.
- The underlying component portfolios are:
 - Macro and absolute return: Flexible "best ideas" portfolio that leverages all of T. Rowe Price's capabilities across equity, fixed income, and multi-asset research, identifying both macro themes and company-specific investments using both long (most attractive) and short (least attractive) positions.
 - Fixed income absolute return: Absolute return-oriented fixed income portfolio that seeks to generate consistent positive returns without constraints to particular benchmarks or fixed income classes. The strategy uses a flexible approach to invest across the global fixed income spectrum and it employs defensive hedges, such as exchange-traded derivatives.
 - Equity research long/short: Concentrated, fundamental research-driven global large-cap strategy that focuses exclusively on security selection as the source of return, using the highest conviction investments of T. Rowe Price analysts in a dynamically traded portfolio. The strategy looks to generate attractive returns over time with reduced volatility and low correlation to the overall equity market through long and short equity exposure.
 - Quantitative equity long/short: Highly diversified U.S. small- and mid-cap equity strategy driven by quantitatively based security selection combined with fundamental oversight. The strategy ranks stocks based on valuation, profitability, capital allocation, earnings quality, and price momentum. These factors are weighted and scored to determine long and short positions.

- Volatility relative value: A strategy that looks at volatility as an asset class, designed to capture over time any mispricing between the implied (expected) volatility in the options market and the actual volatility experienced by investors.
 - Style premia: A strategy designed systematically to capture excess return sources at the asset class and country levels; it takes both long and short positions in equities, rates, and currencies in developed markets. It provides country-level exposure to risk premium or behaviorally motivated factors such as value, carry, and momentum¹.
- The overall portfolio assembly emphasizes risk considerations and risk budgeting, owing to the varying volatility levels and risk profiles of the individual component strategies. The portfolio managers regularly assess and rebalance the portfolio weights among the strategies to ensure diversification and achieve risk targets in light of changing market conditions.
 - The net expense ratios of the fund's Investor Class shares and I Class shares are 1.37% and 1.07%, respectively. Fee waivers of 0.13% and 0.61%, respectively, are in place through February 29, 2020.

QUOTES

Stefan Hubrich, co-portfolio manager, director of research, Multi-Asset division:

“Our mission with the Multi-Strategy Total Return Fund is to provide attractive returns that are generally independent from broad market moves, making this fund an effective diversifier within multi-asset portfolios. We expect each of the fund's underlying components to contribute meaningfully to its performance, so no one component should drive all of the returns. We believe that over time, this diversification will allow us to generate a high level of risk-adjusted performance above the cash benchmark.”

Rick de los Reyes, co-portfolio manager, Multi-Asset division:

“T. Rowe Price has world-class research platforms in equity, fixed income, and multi-asset investing. The Multi-Strategy Total Return Fund harnesses the collective wisdom and insights of the firm's investment professionals around the globe, giving our team access to a full tool kit of resources to help navigate markets for investors who want some level of diversification from traditional market risk.”

Sebastien Page, head, Multi-Asset division:

“This fund provides a solution for investors who are concerned about volatility, security valuations, a rising interest rate environment, or other risks. T. Rowe Price has a long history of success in multi-asset investing. Under Stefan's and Rick's leadership, the Multi-Strategy Total Return Fund offers investors absolute return type of management, but with the cost, liquidity, and accessibility of a mutual fund.”

[Download a prospectus](#) or obtain one by calling 1-800-541-8803. The prospectus includes investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing.

All funds are subject to market risk, including the possible loss of principal. There is risk that the fund's investments will correlate with stocks and bonds to a greater degree than anticipated, and that the risk models used to construct the portfolio may not achieve the desired results. The fund may underperform during up markets and be negatively affected in down markets. Diversification does not assure a profit or eliminate the risk of loss.

¹ Value aims to take advantage of the tendency for relatively cheap assets to outperform relatively expensive ones.

Carry refers to buying higher yielding assets and selling lower yielding assets.

Momentum aims to take advantage of the tendency for an asset's relative performance to continue in the near future.



International investments can be riskier than U.S. investments due to the effects of currency exchange rates, differences in market structure and liquidity, as well as specific country, regional, and economic developments. These risks are generally greater for emerging markets. Fixed income securities are subject to interest rate, inflation, credit, and default risk. As interest rates rise, bond prices usually fall, and vice versa.

Derivatives may be more volatile than other types of investments because they can be more sensitive to changes in market or economic conditions; risks include currency, leverage, liquidity, index, pricing, and counterparty. Short sales are speculative transactions with potentially unlimited losses; use of leverage can magnify the effect of losses.

T. Rowe Price Investment Services, Inc., distributor, T. Rowe Price mutual funds

ABOUT T. ROWE PRICE

Founded in 1937, Baltimore-based T. Rowe Price Group, Inc. is a global investment management organization with \$1.02 trillion in assets under management as of February 28, 2018. The organization provides a broad array of mutual funds, subadvisory services, and separate account management for individual and institutional investors, retirement plans, and financial intermediaries. The company also offers sophisticated investment planning and guidance tools. T. Rowe Price's disciplined, risk-aware investment approach focuses on diversification, style consistency, and fundamental research. For more information, visit troweprice.com or our [Twitter](#), [YouTube](#), [LinkedIn](#), and [Facebook](#) sites.

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