T. Rowe Price
INVEST WITH CONFIDENCE

SUSTAINING YOUR SAVINGS TO FUND ALL—NOT JUST SOME—OF YOUR RETIREMENT

SPENDING—WITHOUT DRAINING—YOUR RETIREMENT SAVINGS

How much of your retirement savings can you spend to maintain your standard of living—without prematurely exhausting your assets? To estimate a sustainable withdrawal rate, take a look at the figures below. Based on the time horizons indicated, the tables predict the probability of various portfolios lasting the test of time, assuming different levels of initial withdrawal rates.*

For example, the third table suggests there is a 70% chance that a mix of 60% stocks and 40% bonds will sustain a 5% withdrawal rate all the way through a 30-year retirement.

20-Year Retirement

Withdrawal Rate*	Stock/Bond Mix 100/0	80/20	60/40	40/60	15/85	5/95
3%	99%	99%	99%	99%	99%	99%
4	96	98	99	99	99	99
5	90	92	95	97	99	98
6	78	81	82	81	69	48
7	64	63	57	44	12	1

25-Year Retirement

Withdrawal Rate*	Stock/Bond Mix 100/0	80/20	60/40	40/60	15/85	5/95
3%	99%	99%	99%	99%	99%	99%
4	92	94	97	98	99	99
5	81	83	83	80	69	42
6	66	65	61	43	14	1
7	48	43	33	12	0	0

30-Year Retirement

Withdrawal Rate*	Stock/Bond Mix 100/0	80/20	60/40	40/60	15/85	5/95
3%	96%	99%	99%	99%	99%	99%
4	87	88	89	90	86	71
5	73	74	70	60	25	4
6	56	53	42	25	1	0
7	38	31	20	5	0	0

More Likely — Less Likely

Based on these estimates, you may want to consider reviewing or revising your financial strategy to ensure that your retirement spending won't strain your retirement income.

*The withdrawal rate is the percentage of assets withdrawn during the first year of retirement and assumes that the amount is increased by 3% annually to account for inflation. The simulation success rate (or probability of success) is determined by running 500 market scenarios that account for a wide variety of market return possibilities. Investment scenarios are not based on historical performance but on hypothetical annual rates of return for seven sub-asset classes represented in the portfolio mixes. The returns were adjusted using statistical modeling (therefore, the returns are not constant) to account for the historical volatility of the asset classes in relation to each other. A 70% simulation success rate means that out of 500 simulations, the assets lasted for the retirement length 350 times. Actual returns and income generated from retirement assets will fluctuate depending on a number of factors such as the actual asset allocations and investments you choose, the fees and expenses associated with these investments, and future economic and market conditions.

Please see the reverse for important information about average and actual returns and how they can impact your withdrawal program.

Source: T. Rowe Price Associates

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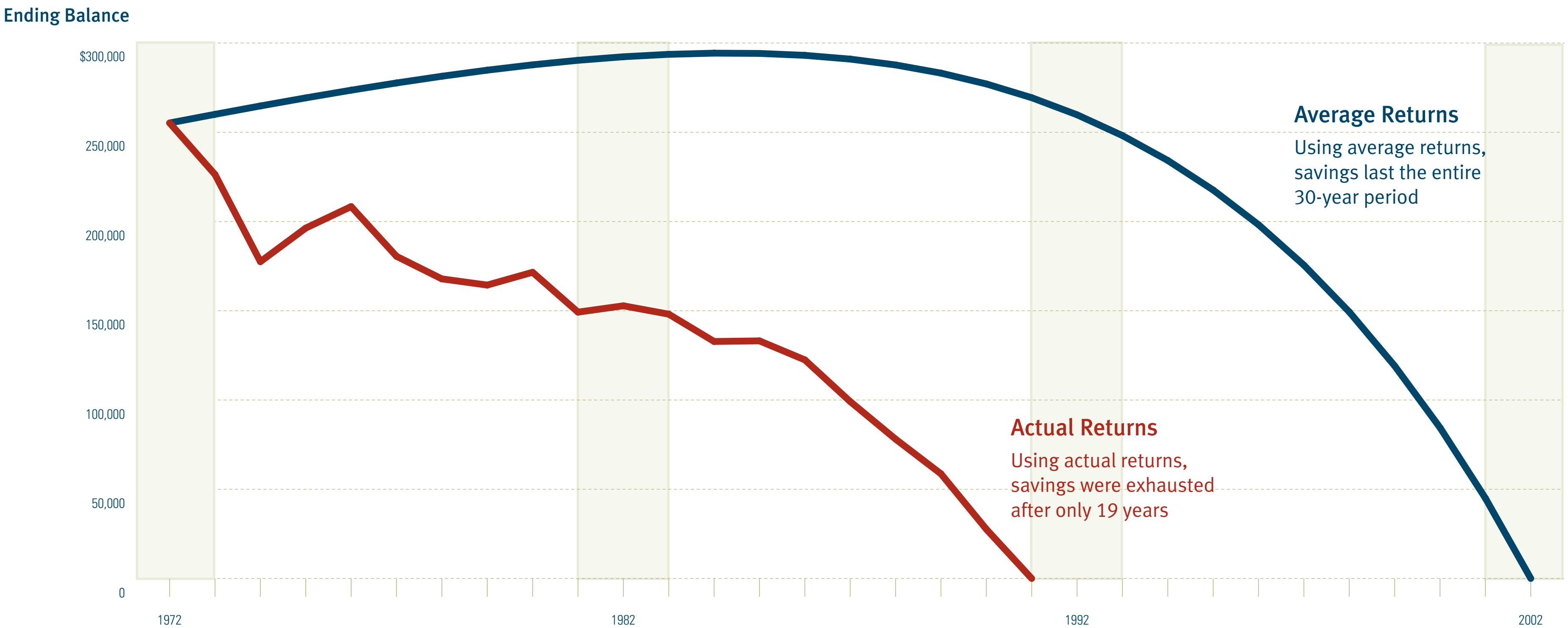
AVERAGE AND ACTUAL RETURNS TELL DIFFERENT STORIES

A common mistake investors make when determining a sustainable withdrawal rate is basing their estimate on the historical average return expected for a given portfolio. Yearly variations in return patterns can have a lasting impact on your portfolio.

The chart below shows the different drawdown patterns of a typical balanced portfolio under actual market conditions compared with using historical average returns over a retirement duration of 30 years.* As illustrated below, a declining market early in retirement can significantly reduce the longevity of your portfolio.



*Assumes $250,000 portfolio and initial 7.4% withdrawal rate increased by 3% each year for inflation. Withdrawals are made at the start of each year. Taxes on any investments and required minimum distributions for tax-deferred assets are not considered in this illustration. Portfolio performance is based on historical returns of a portfolio composed of 60% Standard & Poor's 500 Stock Index, 30% intermediate government bonds, and 10% 30-day Treasury bills. The S&P 500 Stock Index tracks the stocks of 500 U.S. companies.

Charts are shown for illustrative purposes only and are not intended to represent the performance of any specific security. Past performance cannot guarantee future results. Source: T. Rowe Price Associates. Data: Ibbotson Associates.

For more information, contact your financial professional or call T. Rowe Price at 1-877-804-2315.

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