



2020 MARKET VOLATILITY

How retirement plan participants are responding

March 31, 2020

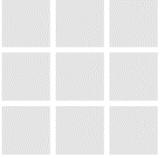
About T. Rowe Price Retirement Plan Services



5,400+
retirement plans



>2 million
retirement plan participants



Executive Summary

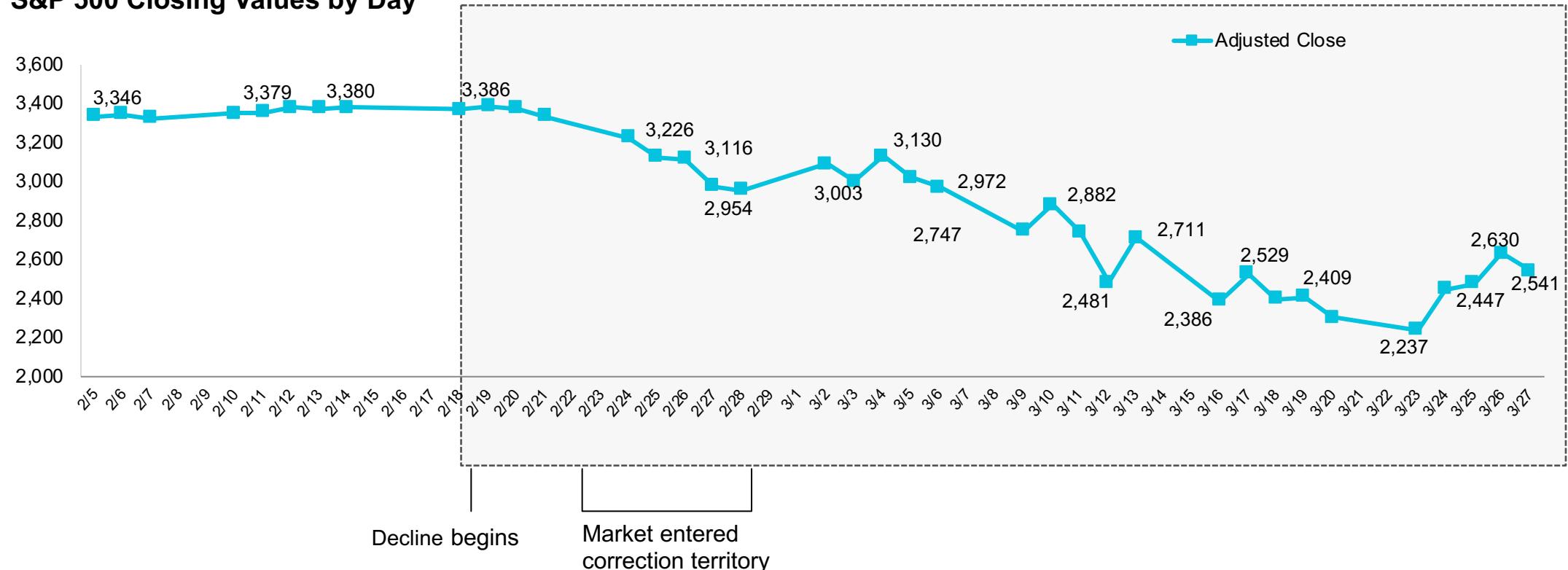
Since the current period of market volatility in the U.S. began on February 24, 2020, the vast majority of T. Rowe Price participants have stayed the course:

- 1** Market volatility has resulted in increased call volumes and web/mobile traffic, but volumes declined for the week ending March 27.
- 2** Requests for distributions, hardship withdrawals, and new loans have not increased over the last five weeks. However, we anticipate this may change as plan sponsors implement the CARES Act provisions.
- 3** Changes to average salary deferral rates remained flat through March 27. Over 98% of participants maintained their current deferral rates.
- 4** Participants have generally remained invested in the target date products.

The Coronavirus and Market Volatility

The coronavirus-related market volatility began on February 24 and continued for multiple weeks, reaching a low of 2,237 on March 23, down 34% from the February 19 peak. Markets began making some gains during the week ending March 27.

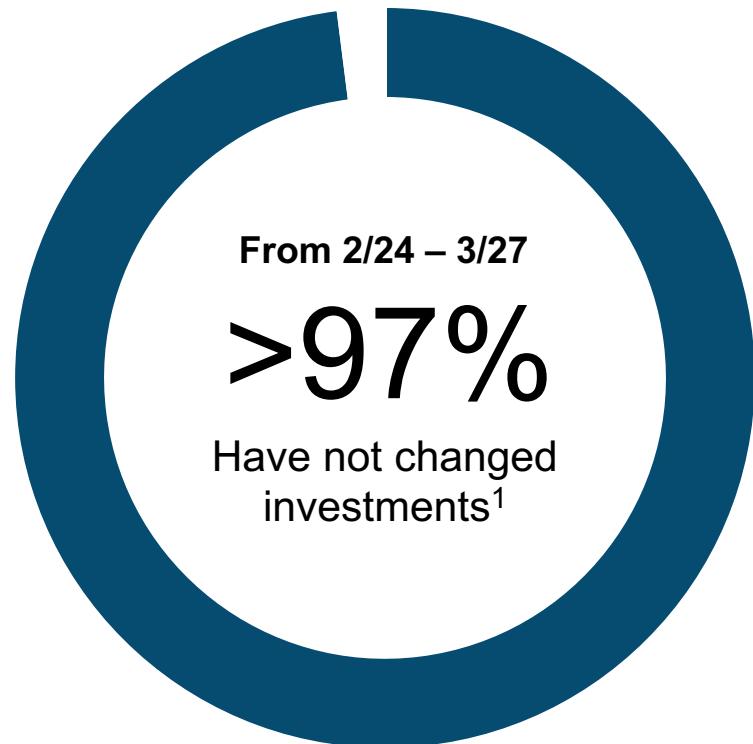
S&P 500 Closing Values by Day



Source: S&P Dow Jones Indices LLC.

How Participants Are Reacting

On average, retirement plan participants are **staying the course** and keeping a **long-term perspective**.



Call volumes and traffic to the web/mobile channels increased over the past five weeks an average of 13% over normal levels but recently have been trending downward. For the week ending March 27, call volumes further decreased while web and mobile traffic remained elevated but stable. Participant trends for week ending March 27 shifted to questions around CARES Act, as well as understanding distribution options if furloughed or terminated.

Change from week ending 3/27 over 3/20

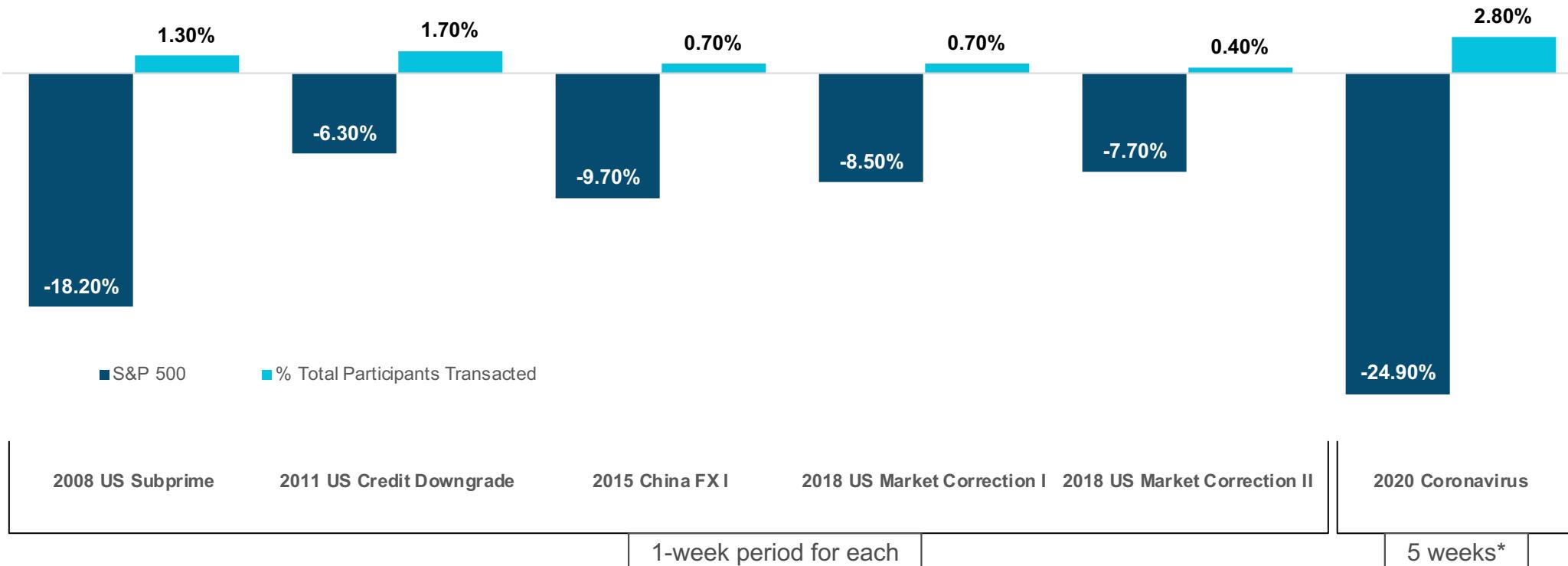


¹ Average participants in retirement plans at T. Rowe Price who did not complete an exchange transaction February 24–March 27, 2020. Source: T. Rowe Price Retirement Plan Services.

² Decrease in unique participant activity for the week ending March 27 over the prior week. Source: T. Rowe Price Retirement Plan Services. Call volumes are from the T. Rowe Price workplace investors contact center (WISE).

Market Volatility Comparison

Retirement plan participants have not traditionally reacted to market volatility by making investment transactions in large numbers. In the past week ending March 27, the rate of participants who made an exchange slowed over the previous weeks of market volatility. Overall, the vast majority of participants continue to stay the course.



S&P Market Performance for 4-5 day period for all non-2020 extraordinary market events. In addition, the 2008, 2011, and December 2018 market events also had sustained periods of prolonged volatility but are not included. China FX refers to Yuan currency devaluation, which took place in 2015 and 2016.

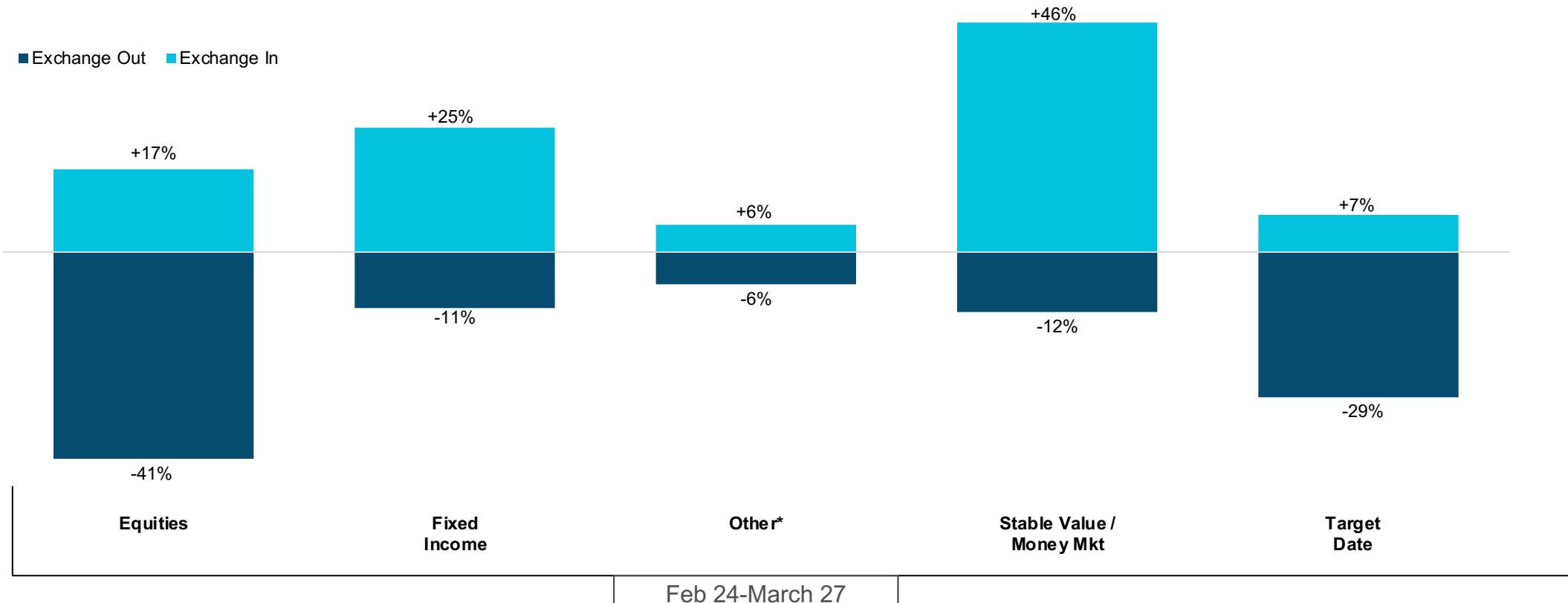
*From February 24 through March 27.



PARTICIPANT BEHAVIORS

Exchange Activity

We have observed more participants moving assets from equities to stable value and money market investments.

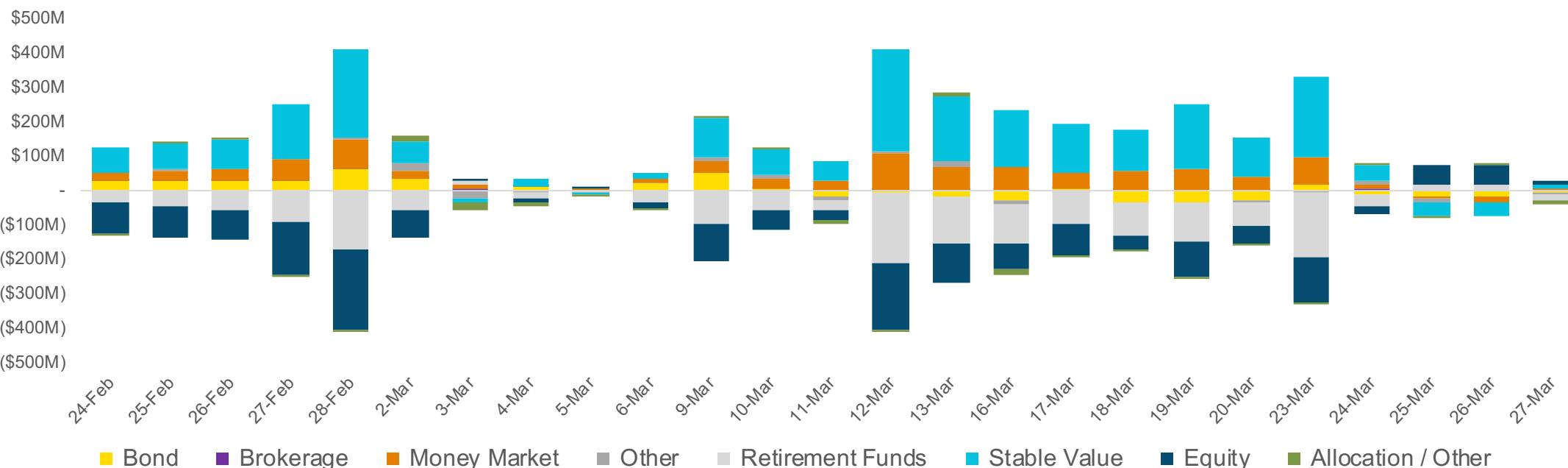


Includes all assets under administration (T. Rowe Price and non-T. Rowe Price investments). Asset allocation funds (which include equities and fixed income) are included in the Equities category. The Other category includes brokerage assets, company stock, and balanced funds.

Exchanges by Asset Class

Participants who made an investment change reacted to the biggest drops in the market by moving their assets into more stable products. However, we noticed an increase in exchanges back into equities on March 25 for the first time since March 5.

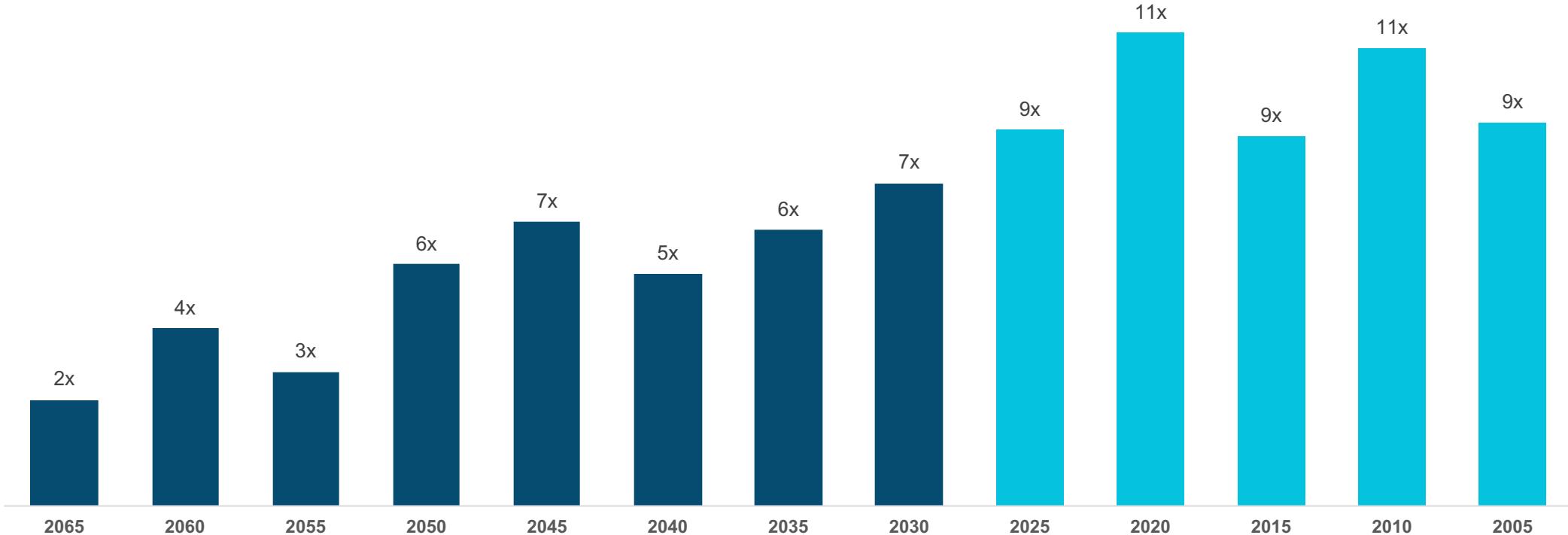
Net Exchanges by Day – Feb 24 through Mar 27



Includes all assets under administration (T. Rowe Price and non-T. Rowe Price investments). Asset allocation funds (which include equities and fixed income) are included in the Equities category. The Other category includes brokerage assets, company stock, and balanced funds.

Target Date Investment Activity

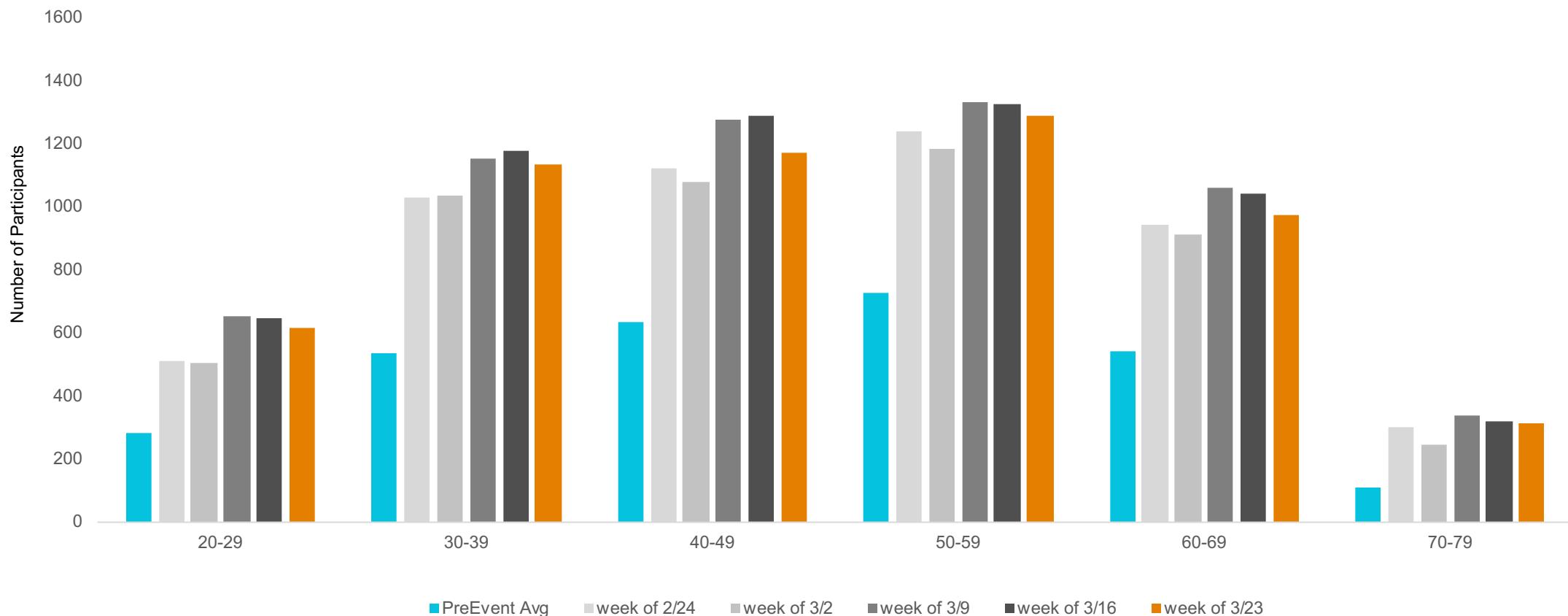
Since the market volatility began on February 24, target date investments have experienced an increase in exchange activity with those between 2005 and 2025 experiencing the greatest increases. This increased activity for participants in or near retirement during a volatile market is consistent with prior market events. However, only 3.2% of all assets in target date investments have experienced activity during this volatile period.



*Assets include all target date investments including T. Rowe Price and outside funds and trusts.

Exchange Activity by Age Cohorts

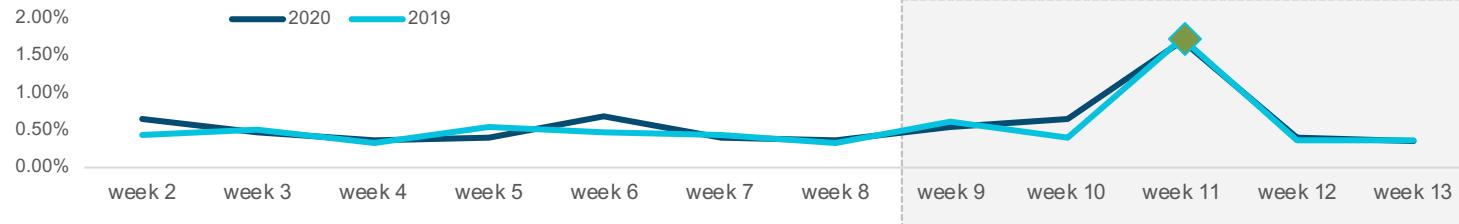
Across all age groups, exchange activity was higher since the market volatility began on February 24, although data from the week ending March 27 shows a slight easing of activity. It is important to note that these counts are against a base of more than 2 million participants. Therefore, even an increase in exchange activity affects less than 3% of all participants.



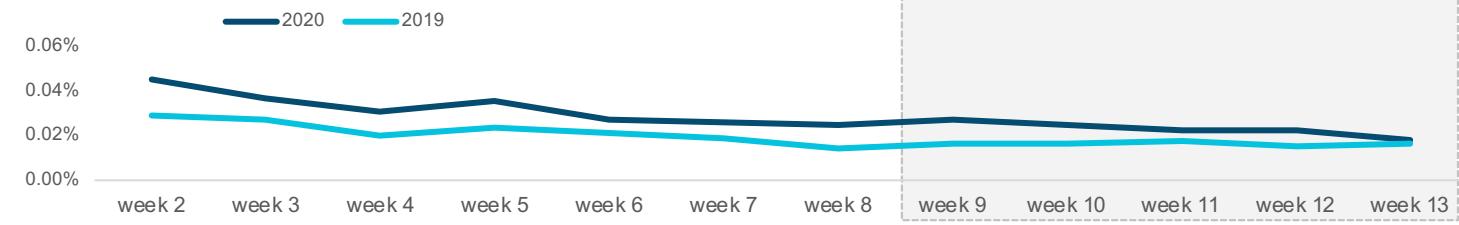
Participant Transaction Activity

Participant transactions have remained relatively flat, in some cases falling below pre-market volatility levels. Please note that the increase in distributions during the week of March 9 was the result of seasonal end of quarter cashouts and de minimis distributions. We will also monitor any increase in activity resulting from the implementation of the CARES Act provisions.

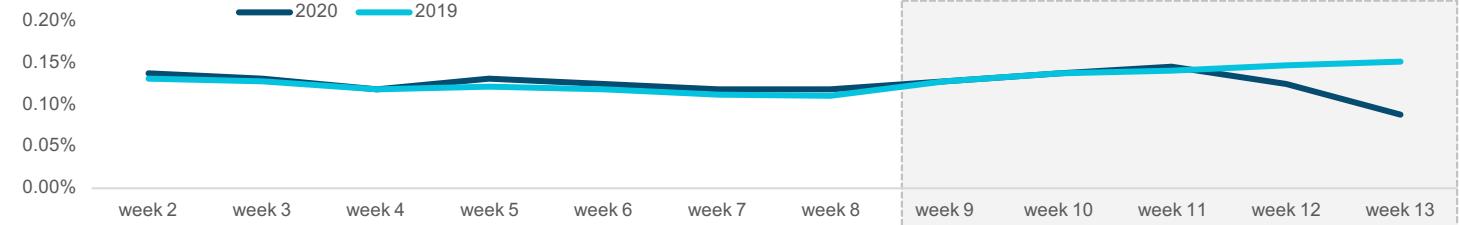
DISTRIBUTIONS



HARDSHIP WITHDRAWALS



NEW LOANS



All stats are based on the number of participants taking action with the specified transaction type.

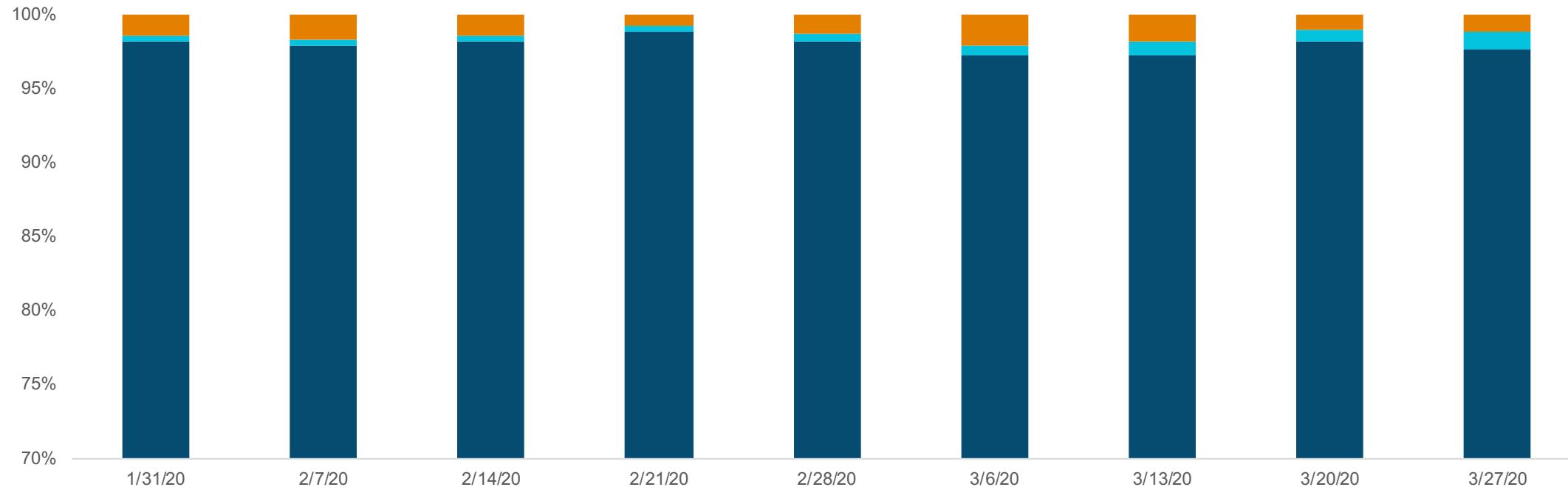
◆ Seasonal end of quarter forced cash out/de minimis distributions

Salary Deferral Changes

Over 98% of participants have not changed their salary deferral rate, an indication that participants continue to save for retirement. For our total book of business, the salary deferral rate remains unchanged at 7.9%.

Deferral Activity Summary (Including No Changes)

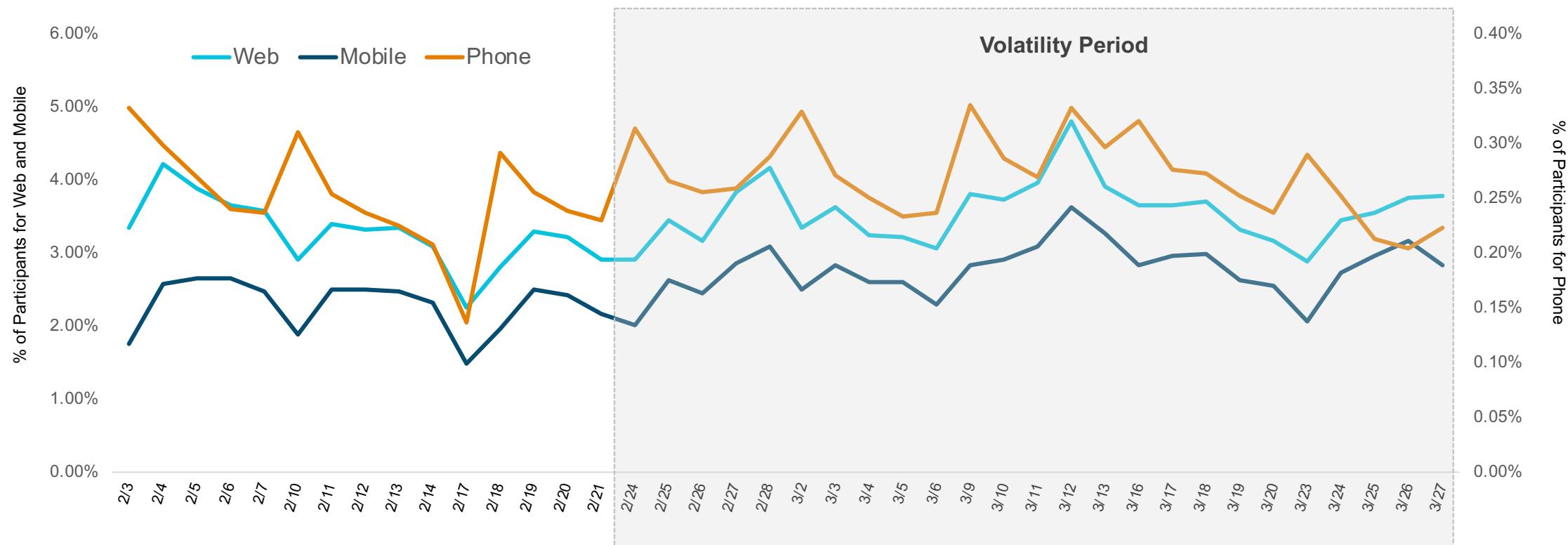
■ Percent No change ■ Percent Stopped / Decrease ■ Percent New / Increase



Note: This data is based on all T. Rowe Price recordkeeping platform plans that provide contribution deferral rate data. The data only includes changes made to Pre-tax and Roth sources. The data does not include changes made as a result of any Auto Increase triggers. The data only includes changes made to a deferral percentage and not to deferral dollar amounts. The data only includes changes for participants with an active status code. The data only includes deferrals that were processed, not pending.

Participant Channels Traffic

Participant call volumes and web/mobile traffic have been higher than normal throughout this period of market volatility, with generally higher rates for the website and mobile apps. The largest increases in digital traffic are in the Change Investments transaction, with slight increases in the Change Contributions transaction.



Definitions: Visitor = Unique Participant ID upon login. Source: T. Rowe Price Retirement Plan Services

T. Rowe Price Retirement Plan Services will continue to keep retirement plan sponsors and their consultants or advisors informed of participant activity during this period of uncertainty.

For more information, please contact your T. Rowe Price representative.