T. Rowe Price

QUARTERLY REVIEW

Balanced Fund

As of March 31, 2024

PORTFOLIO HIGHLIGHTS

The portfolio slightly outperformed both its combined index portfolio and the Morningstar Moderate Target Risk Index for the three-month period ended March 31, 2024.

Relative performance drivers (versus the combined index portfolio):

- Strong stock selection among U.S. large-cap stocks contributed.
- An overweight allocation to stocks aided returns.
- Security selection among international equities detracted.

Additional highlights:

- We added to equities and are now overweight relative to bonds. Stocks are supported by firming growth and moderating inflation, positive earnings trends, and more reasonable valuations outside of large-cap growth. Within fixed income, we remain modestly overweight cash relative to bonds. Cash continued to provide attractive yields with Fed rate cuts pushed further out and the yield curve remaining inverted.
- Despite the prominence of macroeconomic factors in driving the sustained rally in stocks and the recent downturn in bonds, we believe that earnings expectations and corporate fundamentals will be a more significant driver of near-term market performance. Key risks to global markets include the impacts of geopolitical tensions, the central banks' policy divergence, a retrenchment in growth, a resurgence in inflation, and the trajectory of Chinese growth and policy.

FUND INFORMATION

Symbol	RPBAX
Inception Date of Fund	December 31, 1939
Benchmark	Morningstar Moderate Target Risk Index
Expense Information (as of most recent Prospectus)*	0.65% (Gross) 0.61% (Net)
Fiscal Year End	December 31
12B-1 Fee	–
Total Assets (all share classes)	$ 4,620,166,887
Percent of Portfolio in Cash	1.6%

*The fund's net expense ratio reflects a permanent waiver of a portion of the T. Rowe Price Associates, Inc. management fee charged to the fund. This waiver is an amount sufficient to fully offset any acquired fund fees and expenses related to investments in other T. Rowe Price mutual funds. T. Rowe Price funds would be required to seek regulatory approval in order to terminate this arrangement.

PERFORMANCE

(NAV, total return)

				Annualized			
	Three Months	Year-to-Date	One Year	Three Years	Five Years	Ten Years	Fifteen Years
Balanced Fund	6.02%	6.02%	18.23%	4.38%	8.18%	7.34%	10.19%
Morningstar Moderate Target Risk Index	3.91	3.91	12.77	2.64	6.42	5.91	8.50
Combined Index Portfolio[1]	5.59	5.59	16.69	5.37	8.57	7.52	9.86

CALENDAR YEAR PERFORMANCE

(NAV, total return)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Balanced Fund	19.25%	5.97%	0.65%	5.92%	18.01%	-4.92%	20.74%	14.57%	13.36%	-17.26%	17.99%
Morningstar Moderate Target Risk Index	14.29	4.89	-1.79	8.57	14.66	-4.76	19.03	12.82	10.19	-14.77	13.22
Combined Index Portfolio[1]	17.73	7.33	0.99	6.76	15.85	-4.42	21.54	13.21	14.13	-15.33	17.24

Performance data quoted represents past performance and is not a reliable indicator of future performance. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain the most recent month-end performance, visit troweprice.com.

The fund's total return figures reflect the reinvestment of dividends and capital gains, if any.

Stock prices can fall because of weakness in the broad market, a particular industry, or specific holdings. Bonds may decline in response to rising interest rates, a credit rating downgrade, or failure of the issuer to make timely payments of interest or principal.

[1]As of August 1, 2012 the Combined Index Portfolio consisted of 45.5% S&P 500 Index, 35% Bloomberg U.S. Aggregate Bond Index, and 19.5% MSCI EAFE Index Net. From May 1, 2011 until July 31, 2012 the Combined Index Portfolio contained a range of 51.35%-46.14% S&P 500 Index, 35% Bloomberg U.S. Aggregate Bond Index, and 13.65%-18.86% MSCI EAFE Index Net. From May 1, 2008 until April 30, 2011 the Combined Index Portfolio consisted of 52% S&P 500 Index, 35% Bloomberg U.S. Aggregate Bond Index, and 13% MSCI EAFE Index Net. From inception until April 30, 2008 the Combined Index Portfolio consisted of 50% S&P 500 Index, 40% Bloomberg U.S. Aggregate Bond Index, and 10% MSCI EAFE Index Net. The indices or percentages may vary over time. Historical benchmark representations were not restated to reflect the component benchmark changes.

The fund(s) may have other share classes available that offer different investment minimums and fees. See the prospectus for details.

For Sourcing Information, please see Additional Disclosures.

PERFORMANCE REVIEW

AI Optimism Boosts Stocks While Bonds Slip

Global equity markets produced strong first-quarter gains that lifted several broad indexes to all-time highs. U.S. stocks climbed, driven by optimism about the corporate profit potential stemming from advances in artificial intelligence (AI), as well as the Federal Reserve's (Fed's) most recent monetary policy meeting that signaled three quarter-point interest rate cuts by the end of 2024. European equity markets were mostly positive in dollar terms, although oil and natural gas exporter Norway experienced losses during the period. Developed Asian markets were widely mixed in dollar terms, but Japanese shares led the region with strong gains. Stocks in Australia and Singapore rose very slightly while stocks in New Zealand and Hong Kong declined. Emerging equity markets rose but trailed stocks in developed markets. In Latin America, markets in Peru, Colombia, and Argentina advanced broadly. Turkish shares also jumped as investors were encouraged that the central bank raised interest rates to fight elevated inflation. On the other hand, Chinese stocks slipped slightly as the property market remained in distress and investors were somewhat discouraged that the government had not taken stronger measures to boost the economy.

Global fixed income markets mostly declined in the first quarter as U.S. Treasury interest rates retraced some of their late-2023 decline due to higher-than-expected inflation readings, which in turn led the Fed to keep short-term interest rates steady throughout the quarter. In the investment-grade bond universe, sector performance was mixed, with the worst performance from mortgage-backed and Treasury securities. High yield corporate bonds, which are less sensitive to interest rate movements and more sensitive to credit-related trends, produced gains and outperformed the broad investment-grade market. In U.S. dollar terms, bonds in developed non-U.S. markets declined. Switzerland's central bank surprised investors with a quarter-point rate cut on March 21. Official short-term interest rates in England and the eurozone were unchanged, but longer-term bond yields in Europe generally increased. Also, a stronger dollar versus European and British currencies reduced local returns in U.S. dollar terms. In Japan, long-term Japanese government bond yields increased while the yen fell versus the dollar, reaching 34-year lows even though the Bank of Japan decided on March 19 to lift its benchmark interest rate out of negative territory.

Security Selection

Selection Among U.S. Large-Cap Equities Contributed

U.S. stocks produced strong first-quarter gains that lifted several broad indexes to all-time highs, aided by tailwinds from enthusiasm linked to the potential for artificial intelligence to boost profits, which translated to strong returns from the information technology sector. Within the S&P 500 Index, the communications services and energy sectors fared best, while only the real estate sector posted losses.

- Selection among U.S. large-cap value equities aided relative performance, as this allocation outperformed its style-specific benchmark. Stock picks in the industrials and business services sector were a notable contributor to relative results, driven by holdings in industrial conglomerates. Selection within the health care and financials sectors aided results as well.
- Selection among U.S. large-cap growth stocks also added value. The information technology sector contributed to relative results due to stock selection. Stock choices in consumer discretionary also added value, driven by positioning in automobiles.

Selection Among International Equities Detracted

International equities rose during the first-quarter, as investors hoped that easing inflation pressures would enable central banks to reduce short-term interest rates. The MSCI EAFE Index produced strong positive returns during the period, led by the information technology and consumer discretionary sectors.

- Selection within international equities detracted during the quarter. Selection within the health care and financials sectors were the leading drivers of underperformance during the period. Selection within developed Europe also weighed on relative results.

Structural Effect

Exposure to Real Assets Equities Detracted

The fund has a dedicated allocation to real assets equities, including global real estate investment trusts, metals and mining, and natural resources sectors. This allocation is intended to help improve the long-term risk/return profile of the portfolio by dampening the sensitivity to material changes in the prevailing inflation regime. The inclusion of real assets equities detracted from relative returns for the quarter, although favorable selection within our allocation to the sector partly offset this impact. Although the sector produced slight gains, it trailed the broader equity market. Within energy, oil prices climbed throughout the quarter and reached four-month highs in March. Natural gas prices in the U.S. fell to their lowest levels since the early 1990s as mild weather depressed demand and supply levels remained elevated. Global and U.S. real estate markets also edged lower during the period amid expectations for higher-for-longer interest rates.

Tactical Allocation

Overall, tactical allocation decisions had a modest positive impact on relative results. An overweight allocation to equities initiated during the period bolstered relative performance as equities strongly outperformed bonds. However, this impact was partially offset by an unfavorable overweight allocation to real assets equities. An overweight to cash relative to bonds was also favorable.

PORTFOLIO POSITIONING AND ACTIVITY

We added to risk assets during the period, most notably with respect to our overall allocation to stocks relative to bonds. As positive sentiment sustained the risk-on rally that has marked markets over recent periods, this decision was a source of added value over the short term. However, we continue to evaluate long-term valuations along with the durability of current economic growth as we assess compelling opportunities and potential risks through the remainder of the year.

Favor Stocks Over Bonds

We added to equities and are now overweight relative to bonds. Stocks are supported by firming growth and moderating inflation, positive earnings trends, and more reasonable valuations outside of large-cap growth. Within fixed income, we remain modestly overweight cash relative to bonds. Cash continued to provide attractive yields with Fed rate cuts pushed further out and the yield curve remaining inverted.

Favor U.S. Value Over Growth

We are underweight to growth equities relative to value equities. An improving economic outlook and better financial conditions could be supportive for value, and higher-for-longer rates and improving prospects for energy demand should also be positive for value-oriented sectors.

Neutral Between U.S. and International Equities

We are neutral between U.S. and international equities. Within the U.S., earnings expectations are improving as economic activity remains resilient and financial conditions are loosening. Technology and pharmaceutical innovations are a key differentiator. However, valuations may have limited upside. Valuations for international equities appear attractive on a relative basis, but European equities remain challenged with most economic indicators bottoming. Chinese economic growth appears to have stabilized.

Favor Real Assets Over Global Equities

We are overweight to inflation-sensitive real assets equities as their valuations are attractive and offer an effective potential hedge to stickier inflation. Additionally, oil prices may be set for structural increases due to peaking productivity over the intermediate term, and due to rising geopolitical tensions over the near term.

High Yield Bonds

We remain overweight to high yield bonds on still-attractive absolute yield levels and reasonably supportive fundamentals.

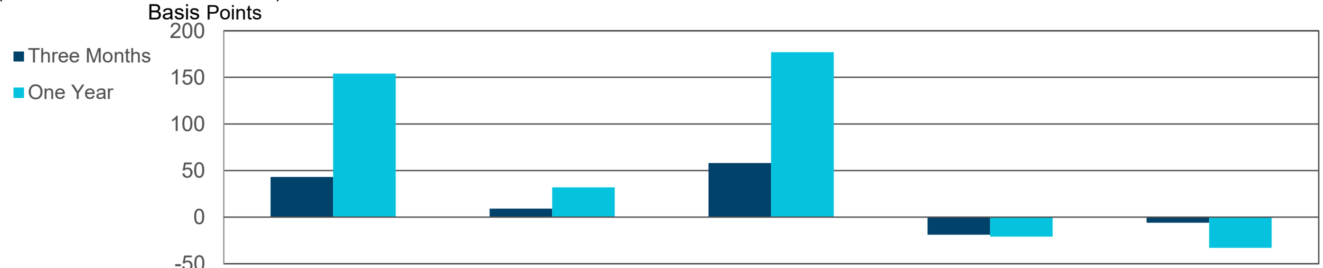
MANAGER’S OUTLOOK

The rising tide in global equities continued its advance in the year’s first quarter, while fixed income markets experienced losses. Market sentiment has been lifted by positive corporate profits and enthusiasm surrounding artificial intelligence. However, the Federal Reserve has signaled that it will delay interest rate cuts further into the future after higher-than-expected inflation data in February gave the central bank cause for caution. Japan’s more accommodative monetary policy, which has been notably out of step with other major central banks, pivoted when it raised interest rates in March for the first time since 2007. Meanwhile, the European Central Bank may begin cutting interest rates earlier than expected due to decelerating inflation and fragile growth in the eurozone. Although uncertainty remains surrounding the timing of interest rate cuts, we do see positive indicators in the fight to tame inflation, such as stabilizing energy costs as well as an uptick in unemployment and slowing wage growth without signs of deterioration in economic conditions. The path ahead for China is also uncertain, especially with the country’s ongoing property crisis, but we are seeing incremental economic improvement that may bolster consumer confidence and be further supported by policy changes aimed at stabilizing the country’s economy.

Despite the prominence of macroeconomic factors in driving the sustained rally in stocks and the recent downturn in bonds, we believe that earnings expectations and corporate fundamentals will be a more significant driver of near-term market performance. We also think volatility may increase with the coming U.S. presidential election, and a resilient labor market along with wage growth, which could cause the Fed to keep rates high if it significantly increases, could pose economic headwinds as financial conditions tighten. Against this backdrop, we are mindful of maintaining liquidity given both attractive higher-quality, short-term yields, and for the potential to add to risk assets should volatility create attractive opportunities. Key risks to global markets include the impacts of geopolitical tensions, the central banks’ policy divergence, a retrenchment in growth, a resurgence in inflation, and the trajectory of Chinese growth and policy. While we increased allocations to risk assets during the recent period given the potential upward inflection in earnings, we continue to evaluate long-term valuations along with the durability of current economic growth as we seek to assess compelling opportunities and potential risks through the remainder of the year.

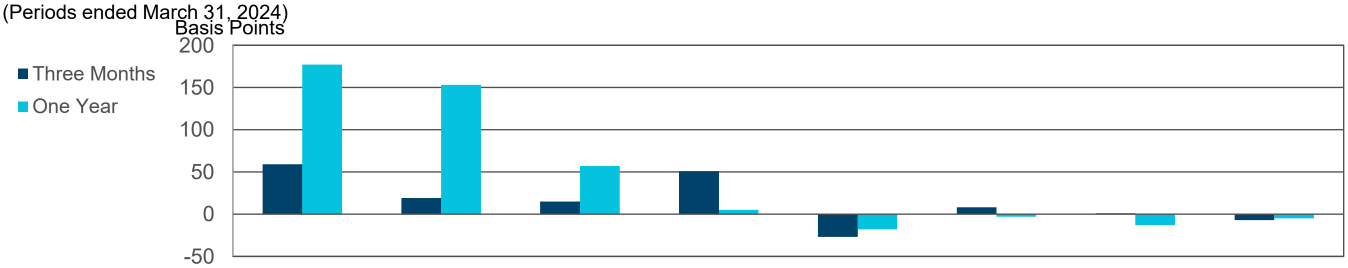
ATTRIBUTION

RETURN ATTRIBUTION: Balanced Fund vs. Combined Index Portfolio
(Periods ended March 31, 2024)



	Value Added[1]	Allocation Effect[2]	Security Selection Effect[3]	Structural Effect[4]	Other[5]
Three Months (bps)	43	9	58	-19	-6
One Year (bps)	154	32	177	-21	-33

RETURN ATTRIBUTION: Security Selection Effect Details - Balanced Fund and Underlying Allocations vs. Style Benchmarks
(Periods ended March 31, 2024)



Security Selection Effect[3] (bps)	Balanced Fund	Large Cap Growth	Large Cap Core	Large Cap Value	Non-U.S. Equity	Real Assets	Investment Grade Bonds	High Yield
Three Months	59	19	15	51	-27	8	1	-7
One Year	177	153	57	5	-18	-3	-13	-5

			Security Selection Effect[3] Three Months (bps)	Security Selection Effect[3] One Year (bps)
Balanced Fund	vs.	Combined Index Portfolio	59	177
Underlying Allocations				
Large-Cap Growth	vs.	S&P 500 Growth Index	19	153
Large-Cap Core	vs.	S&P 500 Index	15	57
Large-Cap Value	vs.	S&P 500 Value Index	51	5
Non-U.S. Equity	vs.	MSCI EAFE Index Net	-27	-18
Real Assets	vs.	Real Assets Weighted Benchmark[6]	8	-3
Investment Grade	vs.	Bloomberg U.S. Aggregate Bond Index	1	-13
High Yield	vs.	JPMorgan Global High Yield Index	-7	-5

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Underlying allocation figures are shown gross of fees. Returns would be lower as a result of the deduction of such fees.

[1] Value Added: The performance difference between the fund and its Combined Index Portfolio.

[2] Allocation Effect: The allocation effect identifies value added as a result of asset class variances away from neutral allocations. The primary sources of the value added measured by this effect are the tactical allocation decisions made by the Asset Allocation Committee.

[3] Security Selection Effect: This measures the value added by underlying investment sectors relative to their respective benchmark.

[4] Structural Effect: The impact of any differences between the fund's strategic neutral design and its benchmark, including the use of investment sectors that are not represented in the benchmark, and the performance differences between an asset class and the underlying investment sectors chosen to represent it.

[5] Other: If applicable, reflects the impact of intra-month cash flows and rebalancing transactions. Figures are shown gross of fees. Past performance is not a reliable indicator of future performance.

[6] As of May 1, 2022, the Real Assets Combined Index Portfolio is comprised of 30% MSCI World Select Natural Resources Net, 25% MSCI ACWI Metals and Mining Net, 20% FTSE NAREIT All Equity REITs Index, 20% EPRA/NAREIT Dev Real Estate Index Net, 4% MSCI ACI IMI Gold Net, 1% ACWI IMI Precious Metals Net. Prior to this date, the Real Assets Combined Index Portfolio was comprised of 30% MSCI World Select Natural Resources Net, 25% MSCI ACWI Metals and Mining Net, 20% Wilshire RESI, 20% EPRA/NAREIT Dev Real Estate Index Net, 4% MSCI ACI IMI Gold Net, 1% ACWI IMI Precious Metals Net. Prior to January 1, 2018 ,the Real Assets Combined Index Portfolio was comprised of 25%MSCI ACWI Metals & Mining Net, 20% Wilshire RESI, 20% FTSE EPRA/NAREIT Dev Real Estate Index Net, 19.5% MSCI ACWI Energy Net, 10.5% MSCI ACWI Materials Net, 4% MSCI ACWI IMI Gold Net, 1.00% MSCI ACWI IMI Precious Metals and Minerals Net. Prior December 1, 2013, the Real Assets Combined Index Portfolio was comprised of 25% MSCI ACWI Metals & Mining Net, 20% Wilshire RESI, 20% FTSE EPRA/NAREIT Dev Real Estate Index Net, 16.25% MSCI ACWI Energy Net, 8.75% MSCI ACWI Materials Net, 5% UBS World Infrastructure and Utilities Index, 4% MSCI ACWI IMI Gold Net, 1.00% MSCI ACWI IMI Precious Metals and Minerals Net. The indices or percentages may vary over time. Historical benchmark representations were not restated to reflect the component benchmark changes.

Please refer to the Performance table on page 1 for the definition of the Combined Index Portfolio. For Sourcing Information, please see Additional Disclosures.

ASSET DIVERSIFICATION

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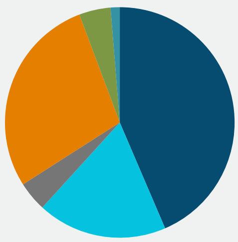
Fund



Stocks	66.0%
U.S. Equities	43.5%
International Equities	18.3%
Real Assets	4.2%
Bonds	34.0%
Investment Grade	28.3%
High Yield	4.4%
Inflation Protected	0.0%
Inflation Focused	0.0%
Reserves	1.3%

*Based on a name-on-strategy allocation.

MARKET VALUE (USD)

Total Allocation	4,620,044,043
Reserves	59,496,970
Underlying Allocations	
Investment Grade	1,297,044,585
Inflation Protected Bond	14,903
Inflation Focused Bond	10,680,130
High Yield	204,906,341
Large-Cap Growth	643,588,441
Large-Cap Value	681,234,686
Large-Cap Core	686,576,409
Non-U.S. Equity	843,762,189
Real Assets	192,739,387

Total allocation may not fully reflect derivative exposures.
Cash reserves includes cash underlying equity and fixed income futures positions.

UNDERLYING PERFORMANCE

	Three Months	One Year	Three Years (Annualized)	Five Years (Annualized)	Ten Years (Annualized)
Balanced Fund (Net of Fees)	6.02	18.23	4.38	8.18	7.34
Combined Index Portfolio	5.59	16.69	5.37	8.57	7.52
U.S. Equity Allocation (Gross of Fees)	12.73	36.28	10.59	15.03	13.56
S&P 500 Index	10.56	29.88	11.49	15.05	12.96
Large-Cap Core Allocation (Gross of Fees)	11.70	34.49	13.16	16.58	14.24
S&P 500 Index	10.56	29.88	11.49	15.05	12.96
Large-Cap Growth Allocation (Gross of Fees)	14.32	47.67	8.11	14.27	15.01
S&P 500 Growth Index	12.75	33.73	10.19	15.78	14.56
Large-Cap Value Allocation (Gross of Fees)	12.04	26.86	9.13	12.89	10.65
S&P 500 Value Index	8.05	25.58	12.17	13.26	10.62
Non-U.S. Equity Allocation (Gross of Fees)	4.54	14.77	3.46	7.86	5.61
MSCI EAFE Index Net	5.78	15.32	4.78	7.33	4.80
Real Assets Allocation (Gross of Fees)	3.03	7.98	5.55	7.91	5.36
Real Assets Weighted Benchmark[1]	0.88	8.01	6.79	7.50	5.63
Investment Grade Allocation (Gross of Fees)	-0.62	1.80	-2.51	0.50	1.79
Bloomberg U.S. Aggregate Bond Index	-0.78	1.70	-2.46	0.36	1.54
High Yield Allocation (Gross of Fees)	0.98	11.33	2.69	4.50	4.61
J.P. Morgan Global High Yield Index	2.24	11.89	2.53	4.25	4.53

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PORTFOLIO MANAGEMENT

Portfolio Manager:	Managed Fund Since:	Joined Firm:
Charles Shriver	2011	1991
Toby Thompson	2020	2007

The Balanced Fund is managed by Charles Shriver and Toby Thompson. The portfolio managers are responsible for the strategic design and day-to-day management of the Fund. This includes portfolio design, positioning, performance, and risk-management oversight. The Fund's tactical asset allocation decisions are made by the firm's Asset Allocation Committee. The Committee is co-chaired by Dave Eiswert and Charles Shriver, and includes some of the firm's most senior investment management professionals across major asset classes. Individual security selection is made by portfolio managers of the Fund's component strategies drawing on the fundamental insights of T. Rowe Price's team of around 200 global research analysts.

ADDITIONAL DISCLOSURES

Consider the investment objectives, risks, and charges and expenses carefully before investing. For a prospectus or, if available, a summary prospectus containing this and other information, call 1-800-638-7890 or visit troweprice.com. Read it carefully.

The manager's views and portfolio holdings are historical and subject to change. This material should not be deemed a recommendation to buy or sell any of the securities mentioned. The specific securities identified and described do not represent all of the securities purchased, sold, or recommended for the Fund and no assumptions should be made that the securities identified and discussed were or will be profitable.

Fund Assets, holdings-based analytics (excluding portfolio turnover), and portfolio attribution are calculated using T. Rowe Price's internal Investment Book of Records (IBOR). Due to timing and accounting methodology differences, IBOR data may differ from the Accounting Book of Records (ABOR) data provided by the Fund's accountant.

For any equity benchmarks shown, returns are shown with gross dividends reinvested, unless otherwise noted.

T. Rowe Price uses a custom structure for diversification reporting for this product.

Equities include common stocks as well as convertible securities.

Diversification exhibits may not add to 100% due to exclusion or inclusion of cash.

Certain numbers in this report may not equal stated totals due to rounding. Unless otherwise stated, data is as of the report date.

Unless indicated otherwise the source of all data is T. Rowe Price.

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