Opening and T. Rowe Price Price Overview

Bill Stromberg
PRESIDENT AND CEO
Forward-looking statements

This presentation, and other statements that T. Rowe Price may make, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, with respect to T. Rowe Price’s future financial or business performance, strategies, or expectations.

Forward-looking statements are typically identified by (1) words or phrases such as “trend,” “potential,” “opportunity,” “pipeline,” “believe,” “comfortable,” “expect,” “anticipate,” “current,” “intention,” “estimate,” “position,” “assume,” “outlook,” “continue,” “remain,” “maintain,” “sustain,” “seek,” “achieve,” and similar expressions or (2) future or conditional verbs such as “will,” “would,” “should,” “could,” “may,” and similar expressions. Forward-looking statements in this presentation may include, without limitation, information concerning future results of our operations, expenses, earnings, liquidity, cash flow and capital expenditures, industry challenges, market conditions, amount or composition of AUM, regulatory developments, demand for and pricing of our products, potential product offerings, stock price, amount and timing of our stock dividends or repurchases, and other aspects of our business or general economic conditions. T. Rowe Price cautions that forward-looking statements are subject to numerous assumptions, risks, and uncertainties, which change over time. Actual results could differ materially from those anticipated in forward-looking statements, and future results could differ materially from historical performance. Forward-looking statements speak only as of the date they are made, and T. Rowe Price assumes no duty to and does not undertake to update forward-looking statements.

We caution investors not to rely unduly on any forward-looking statements and urge you to carefully consider the risks and other factors described in our most recent annual, quarterly, and current reports on Form 10-K, Form 10-Q, and Form 8-K, filed with the Securities and Exchange Commission.
# Agenda

<table>
<thead>
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<th>Presenter</th>
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<td>Closing and Questions</td>
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</table>
A global asset management firm focused on client success

Founded in 1937

1.2 trillion USD in assets under management¹

661 investment professionals worldwide

Local presence in 16 countries

7,365 associates worldwide

Independent Investment Organization
- Focused solely on investment management and related services

Alignment of Interests
- Publicly owned company with substantial employee ownership

Financial Strength
- No outstanding debt and maintains substantial cash reserves

Global Investment Platform
- Full range of equity, fixed income, and multi-asset solutions

Stable Investment Leadership
- Global equity and fixed income leaders average 20 years tenure at T. Rowe Price

¹Firmwide AUM includes assets managed by T. Rowe Price Associates, Inc., and its investment advisory affiliates.
Culture is central to our long-term success

- **Investment Excellence**: The heart of everything we do
- **Clients First**: We succeed if our clients succeed
- **Collegiality and Collaboration**: Leveraging our best ideas creates competitive advantage
- **Trust and Mutual Respect**: Essential for a strong community
- **Long-Term Time Horizon**: A true competitive advantage

Performance-driven and collaborative
Diversity & Inclusion are critical to our culture

Our long-held reputation for excellence and reliability is made possible by the diversity of backgrounds, perspectives, skills, and experiences of our associates.

To bring Diversity & Inclusion to life, we:

- Retain & attract diverse talent
- Include & engage our associates
- Develop our associates & leaders
- Hold ourselves accountable
- Act as an agent of change
Our vision is to be a premier global active asset manager

By executing on important multiyear strategic objectives

- More global and diversified asset manager
- Global partner for retirement investors and provider of integrated investment solutions
- Embedding ESG and sustainability principles across the firm
- Strong process orientation and effective internal controls, while becoming a more adaptive and agile company
- Destination of choice for top talent with diverse workforce and inclusive culture
- Strong financial results and balance sheet
Healthy AUM growth over time
Driven by Market Returns + Alpha + Net Cash Inflows

Assets Under Management 2009–2019 ($billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Multi-Asset</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$391</td>
<td>$68</td>
</tr>
<tr>
<td>2010</td>
<td>$482</td>
<td>$89</td>
</tr>
<tr>
<td>2011</td>
<td>$490</td>
<td>$97</td>
</tr>
<tr>
<td>2012</td>
<td>$577</td>
<td>$126</td>
</tr>
<tr>
<td>2013</td>
<td>$692</td>
<td>$165</td>
</tr>
<tr>
<td>2014</td>
<td>$747</td>
<td>$194</td>
</tr>
<tr>
<td>2015</td>
<td>$763</td>
<td>$213</td>
</tr>
<tr>
<td>2016</td>
<td>$811</td>
<td>$239</td>
</tr>
<tr>
<td>2017</td>
<td>$991</td>
<td>$293</td>
</tr>
<tr>
<td>2018</td>
<td>$962</td>
<td>$286</td>
</tr>
<tr>
<td>2019</td>
<td>$1,207</td>
<td>$360</td>
</tr>
</tbody>
</table>

AUM 10-YR CAGR
- Total AUM: 12%
- Multi-Asset: 18%
Consistent results and long-term orientation

Past performance cannot guarantee future results.
Left chart: Data since April 2, 1986, IPO through December 31, 2019.
Right chart: Compound annualized growth for periods ended December 31, 2019.
Better fundamental growth than the S&P 500

5-Year Revenue, Earnings, and Dividend Growth

<table>
<thead>
<tr>
<th></th>
<th>T. Rowe Price</th>
<th>S&amp;P 500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>7.1%</td>
<td>3.9%</td>
</tr>
<tr>
<td>Earnings per Share (GAAP)</td>
<td>13.8%</td>
<td>6.4%</td>
</tr>
<tr>
<td>Dividends per Share</td>
<td>11.6%</td>
<td>8.1%</td>
</tr>
</tbody>
</table>

Data as of December 31, 2019. Sources: T. Rowe Price Company Filings; S&P via FactSet (refer to page 72 for information about this S&P information).

Revenue and earnings growth percentages for the S&P 500 include actual results for companies that reported through January 31, 2020, and consensus estimates for those that have not yet reported. As of January 31, 2020, 45% of S&P 500 companies have reported comparable data that total 61% of the S&P 500 market value.
Industry challenges continue

**Market Context**

- Aging population around the globe
- Increasing focus (and transparency) on fees
- Evolving investor attitudes about ESG
- Low interest rate environment
- Technology and data advancements
- New regulatory requirements

**Impact on Asset Managers**

- Passive investments continue to take share from active
- Higher bar on investment performance for active managers
- Increased prevalence of alternatives
- Continued pressure on fees but, in active management, low fee ineffective without performance
- Faster growth occurring outside the U.S.
- Distributors are consolidating relationships, requiring more from partners and negotiating to maintain their economics
- Significant technology investment required to enhance investments, distribution, and client experience capabilities
- ESG capabilities increasingly table stakes
Scale positions us well to address industry challenges

But investment performance guides our strategic decision-making

Benefits of scale…


- Distribution reach – Broad distribution channels around the world with analytics and Web capabilities to deliver positive client experience.

- Operating platform – Building a global operating platform that is scalable, efficient, and secure—and can comply with complex regulations.

- Financial – Strong balance sheet and healthy operating model allows reinvestment through cycles.

Scale advantages exist, but it is important to manage capacity to preserve alpha generation
# Good progress on our 2019 strategic priorities

## Investment Capabilities
- Maintained strong longer-term relative investment performance
- Increased investment professional headcount to 661 worldwide, with 32% outside the U.S.
- Launched six new strategies and 20 new products
- Received exemptive relief from the SEC on our application for semi-transparent active ETFs
- Continued to advance ESG capabilities; first sustainable SICAV launched in January 2020

## Distribution Capabilities
- Achieved $13.2 billion in net flows (1.4% organic growth)
- Continued to invest across U.S. broker-dealer and defined contribution investment only channels
- Further expanded APAC and EMEA intermediary and institutional presence, growing brand awareness
- Maintained high client satisfaction in Individual Investors and Retirement Plan Services businesses
- Enhanced digital capabilities to improve client experience and generate long-term efficiencies

## Technology, Finance, and Operations
- Continued to modernize tech platforms across investments, trading, middle office, and performance
- Progressed application decommissioning, execution of multi-tiered storage strategy, and reduction of physical and virtual servers, to help manage expenses
- Managed expense growth at lower end of guidance through continued emphasis on operational effectiveness
Our 2020 priorities

▪ Deliver excellent investment results
▪ Attract and retain talent while further advancing our Diversity & Inclusion strategy
▪ Build/launch new investment strategies and vehicles to meet client needs (e.g., ETFs) and diversify our business
▪ Enhance our standing as a retirement leader
▪ Further build our distribution teams/capabilities globally to strengthen brand rankings and diversify our business
▪ Execute on key operations and technology initiatives to improve efficiency, security, scalability, and agility
▪ Globalize shared services functions to support growth, improve governance, and meet regulatory needs
▪ Embed ESG/sustainability principles across the firm to be admirable stewards of client/stockholder capital

Achieve excellent investment results for clients + attractive returns for stockholders over long term
Investments, Performance, and Capabilities

Rob Sharps
HEAD OF INVESTMENTS AND GROUP CIO

T. ROWE PRICE GROUP, INC. INVESTOR DAY 2020
# Investment performance overview

Performance across asset classes is strong overall versus both active peers and benchmarks.

<table>
<thead>
<tr>
<th>U.S. mutual funds</th>
<th>Outperforming Morningstar median(^1)</th>
<th>Top Morningstar quartile(^1)</th>
<th>Outperforming benchmark(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3 years</td>
<td>5 years</td>
<td>10 years</td>
</tr>
<tr>
<td><strong>Asset Class</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Equity</td>
<td>87%</td>
<td>93%</td>
<td>86%</td>
</tr>
<tr>
<td>Global and International Equity</td>
<td>64%</td>
<td>68%</td>
<td>87%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>63%</td>
<td>65%</td>
<td>66%</td>
</tr>
<tr>
<td>Multi-Asset</td>
<td>85%</td>
<td>94%</td>
<td>95%</td>
</tr>
<tr>
<td><strong>Overall</strong></td>
<td>75%</td>
<td>80%</td>
<td>82%</td>
</tr>
</tbody>
</table>


\(^1\) Primary share class only. Excludes T. Rowe Price passive funds and fund categories not ranked by Morningstar. Source: Morningstar (refer to page 72 for information about this Morningstar information).

\(^2\) Primary share class only. Excludes T. Rowe Price passive funds and institutional funds that are a clone of a retail fund. Mutual funds measured against the most appropriate style benchmark used for portfolio manager evaluation, which may not always be the prospectus benchmark. Net=NAV. Source: Morningstar.
Overall performance—asset-weighted

Asset-weighted results exceed equal-weighted results\(^1\) over all time periods

Funds outperforming Morningstar median\(^2\)

<table>
<thead>
<tr>
<th>3 years</th>
<th>5 years</th>
<th>10 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>90%</td>
<td>94%</td>
<td>90%</td>
</tr>
</tbody>
</table>

Funds in top Morningstar quartile\(^2\)

<table>
<thead>
<tr>
<th>3 years</th>
<th>5 years</th>
<th>10 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>59%</td>
<td>77%</td>
<td>79%</td>
</tr>
</tbody>
</table>

Funds outperforming benchmark\(^3\)

<table>
<thead>
<tr>
<th>3 years</th>
<th>5 years</th>
<th>10 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>56%</td>
<td>57%</td>
<td>63%</td>
</tr>
</tbody>
</table>


Asset-weighted results based on end-of-period assets as of December 31, 2019.

\(^1\)Equal-weighted results refers to data on the previous slide.

\(^2\)Primary share class only. Excludes T. Rowe Price passive funds and fund categories not ranked by Morningstar. Source: Morningstar.

\(^3\)Primary share class only. Excludes T. Rowe Price passive funds and institutional funds that are a clone of a retail fund. Mutual funds measured against the most appropriate style benchmark used for portfolio manager evaluation, which may not always be the prospectus benchmark. Net=NAV. Source: Morningstar.
Long-term benefits of our approach to active management in U.S. equity

Percentage of U.S. equity funds with positive active success rates

- **3 years** (205 rolling time periods)
  - Large-cap: 89%
  - Mid-cap: 89%
  - Small-cap: 89%

- **5 years** (181 rolling time periods)
  - Large-cap: 89%
  - Mid-cap: 89%
  - Small-cap: 89%

- **10 years** (121 rolling time periods)
  - Large-cap: 89%
  - Mid-cap: 89%
  - Small-cap: 89%

Annualized, time-weighted excess returns, net of fees

- **3 years**
  - Large-cap: 0.98%
  - Mid-cap: 1.02%
  - Small-cap: 2.14%

- **5 years**
  - Large-cap: 0.84%
  - Mid-cap: 0.97%
  - Small-cap: 2.04%

- **10 years**
  - Large-cap: 0.83%
  - Mid-cap: 1.03%
  - Small-cap: 2.25%

Past performance cannot guarantee future results.
Rolling periods December 31, 1999, through December 31, 2019. Analysis of 18 T. Rowe Price diversified active U.S. equity mutual funds over 20 years or their lifetimes. The active success rate records the percentage of times a fund beat its designated benchmark, net of fees and trading costs, over a specified time period. We've defined a positive active success rate as a fund beating the performance of its designated benchmark in more than half of the periods measured.

Performance against peers and benchmarks is strong in Global and International equity

Morningstar\(^1\)

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Morningstar Outperformance</th>
<th>% Outperforming median</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-year</td>
<td>64%</td>
<td>48% in Top Quartile</td>
</tr>
<tr>
<td>5-year</td>
<td>68%</td>
<td>41% in Top Quartile</td>
</tr>
<tr>
<td>10-year</td>
<td>87%</td>
<td>60% in Top Quartile</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Morningstar Outperformance</th>
<th>AUM Outperforming median</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-year</td>
<td>55%</td>
<td>38% AUM Top Quartile</td>
</tr>
<tr>
<td>5-year</td>
<td>95%</td>
<td>50% AUM Top Quartile</td>
</tr>
<tr>
<td>10-year</td>
<td>90%</td>
<td>60% AUM Top Quartile</td>
</tr>
</tbody>
</table>

vs. Benchmark\(^2\)

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Benchmark Outperformance</th>
<th>% Outperforming benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-year</td>
<td>70%</td>
<td></td>
</tr>
<tr>
<td>5-year</td>
<td>70%</td>
<td></td>
</tr>
<tr>
<td>10-year</td>
<td>86%</td>
<td></td>
</tr>
</tbody>
</table>

Asset-weighted results based on end-of-period assets as of December 31, 2019.
\(^1\)Primary share class only. Excludes T. Rowe Price passive funds and fund categories not ranked by Morningstar. Source: Morningstar.
\(^2\)Primary share class only. Excludes T. Rowe Price passive funds and institutional funds that are a clone of a retail fund. Mutuals measured against the most appropriate style benchmark used for portfolio manager evaluation, which may not always be the prospectus benchmark. Net-NAV. Source: Morningstar.
Fixed income performance is stronger in composites

Fixed income funds outperforming benchmark

- 3-year
- 5-year
- 10-year


1Primary share class only. Excludes T. Rowe Price passive funds and institutional funds that are a clone of a retail fund. Mutual funds measured against the most appropriate style benchmark used for portfolio manager evaluation, which may not always be the prospectus benchmark. Net–NAV. Source: Morningstar.

Fixed income composites outperforming benchmark

- 3-year
- 5-year
- 10-year


2Composite net returns are calculated using the highest applicable separate account fee schedule. All composites compared with official GIPS composite primary benchmark.

Equal-weighted AUM-weighted

- 31% 40%
- 29% 39%
- 30% 48%

Equal-weighted AUM-weighted

- 58% 56%
- 62% 60%
- 65% 65%
Multiyear investment to grow our investment capabilities globally

Investment professional headcount
2004–2019

- Global Multi-Asset: 661
- Global Fixed Income: 452
- International Equity: 217
- U.S. Equity: 76

- Sydney
- Singapore
- Hong Kong
- Tokyo
- London/EMEA
- Baltimore/U.S.

661 Investment professionals worldwide
Investing in expanded capabilities

T. Rowe Price’s strength in scale

Corporate Access
- Dedicated in-house capabilities
- Supplemental to third-party access
- Structuring unique events

Equity Data Insights
- Improving investment outcomes through data-driven insights
- Quantitative research team dedicated to our fundamental equity effort
- Specializing in “big data” and “machine learning” to provide actionable investment ideas

ESG
- Proprietary quant model on 14,000+ securities
- Factor analysis applied to multiple data inputs to highlight risks
- In-house ESG expertise supporting investors
Embedding ESG considerations into our investment decisions

The Responsible Investing Indicator Model (RIIM)

<table>
<thead>
<tr>
<th>R.I. Risk Indicator</th>
<th>Environment</th>
<th>Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Supply chain (environment)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Raw materials</td>
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<tr>
<td></td>
<td></td>
<td>Energy and emissions</td>
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<tr>
<td></td>
<td></td>
<td>Land use</td>
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<td></td>
<td></td>
<td>Water use</td>
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<td></td>
<td></td>
<td>Waste</td>
</tr>
<tr>
<td></td>
<td></td>
<td>General operations</td>
</tr>
<tr>
<td>Environment</td>
<td>End Product</td>
<td>Product sustainability</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Products and services environmental incidents</td>
</tr>
<tr>
<td>Social</td>
<td>Human Capital</td>
<td>Supply chain (social)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employee safety and treatment</td>
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<tr>
<td></td>
<td></td>
<td>Evidence of meritocracy</td>
</tr>
<tr>
<td>Social</td>
<td>Society</td>
<td>Society and community relations</td>
</tr>
<tr>
<td></td>
<td>End Product</td>
<td>Product sustainability</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Product impact on human health and society</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Product quality and customer incidents</td>
</tr>
<tr>
<td>Ethics</td>
<td>Ethics</td>
<td>Business ethics</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bribery and corruption</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lobbying and public policy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Accounting and taxation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Board and management conduct</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ESG accountability</td>
</tr>
<tr>
<td>Data Incidents</td>
<td></td>
<td>Data privacy incidents</td>
</tr>
</tbody>
</table>

For illustrative purposes only. Note this is not an exhaustive list of ESG factors considered in our analysis.
ESG is integrated into our investment process

Focus of 650+ ESG Engagements in 2019

Top 5 Topics by Pillar:

**Environment**
1. Environmental disclosure
2. Product sustainability
3. GHG emissions
4. Responsible investing
5. Environmental management

**Ethics**
1. Bribery and corruption
2. Lobbying activities
3. Proxy voting ethics
4. Regulatory changes
5. Compliance programs

**Social**
1. Social disclosure
2. Employee safety and treatment
3. Proxy voting social
4. Diversity
5. Society and community relations

**Governance**
1. Executive compensation
2. Board composition
3. Governance structure
4. Shareholder rights
5. Succession

Percentages may not equal 100% due to rounding.
ESG is extending to products

**ESG Integration**
- Incorporating environmental, social, and governance factors into investment analysis for the purpose of maximizing investment performance
- Fiduciary duty remains top priority
- Can apply across all portfolios

**SRI Strategies**
- Imposing values-based investment parameters on a portfolio regardless of their potential impact on performance
- Client elects to have value-driven goals supersede financial goals

**Impact Strategies**
- Investment is meant to effect change either through the direction of investment dollars (e.g., not capitalizing coal companies) or using shareholder status to influence corporate/issuer outcomes (e.g., pressuring a company to divest coal assets)
- Portfolio performance also includes non-financial objectives

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SRI—Social Responsible Investing

**Capability**

**Products**
Delivering our investment capabilities through ETFs

**New Offering**
- Launching semi-transparent active ETFs presents an opportunity to help redefine the ETF industry
- Semi-transparent active ETFs provide an efficient way for investors to access our alpha generation capabilities

**Right at the Starting Line**
- As an early provider of semi-transparent active ETFs, we have demonstrated our commitment to providing innovative capabilities that meet investors’ evolving needs
- With the SEC’s approval of semi-transparent active ETFs, the timing is right to enter the ETF space to leverage our firm’s strengths in active management

**Client Expansion**
- ETFs are popular with financial advisors and individual investors because of their tax efficiency, low-cost structure, and convenience
- ETFs provide the ability to leverage existing relationships and to attract new clients

**Long-Term Growth**
- We plan to deliver a robust ETF product lineup across regions and asset classes in the years to come
- Active ETFs are in their infancy but represent a growth opportunity for active management
## Scaling outperforming, high-capacity strategies globally

<table>
<thead>
<tr>
<th>Investment strategy</th>
<th>AUM ($m)</th>
<th>AUM % change yr./yr.</th>
<th>3-year annualized excess returns (bps)&lt;sup&gt;1&lt;/sup&gt;</th>
<th>3-year eVestment percentile rank&lt;sup&gt;2&lt;/sup&gt;</th>
<th>5-year annualized excess returns (bps)&lt;sup&gt;1&lt;/sup&gt;</th>
<th>5-year eVestment percentile rank&lt;sup&gt;2&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Dividend Growth Equity</td>
<td>$16,893</td>
<td>69%</td>
<td>110</td>
<td>19</td>
<td>107</td>
<td>10</td>
</tr>
<tr>
<td><strong>International Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emerging Markets Discovery Equity</td>
<td>$280</td>
<td>390%</td>
<td>169</td>
<td>15</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Global Focused Growth Equity</td>
<td>$15,750</td>
<td>93%</td>
<td>731</td>
<td>17</td>
<td>595</td>
<td>13</td>
</tr>
<tr>
<td>Global Growth Equity</td>
<td>$7,375</td>
<td>25%</td>
<td>572</td>
<td>37</td>
<td>298</td>
<td>39</td>
</tr>
<tr>
<td>International Disciplined Equity</td>
<td>$461</td>
<td>35%</td>
<td>156</td>
<td>32</td>
<td>227</td>
<td>20</td>
</tr>
<tr>
<td>Japan Equity</td>
<td>$3,873</td>
<td>97%</td>
<td>569</td>
<td>23</td>
<td>603</td>
<td>17</td>
</tr>
<tr>
<td><strong>Global Fixed Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emerging Markets Corporate</td>
<td>$1,048</td>
<td>311%</td>
<td>143</td>
<td>23</td>
<td>122</td>
<td>20</td>
</tr>
<tr>
<td>Global Multi-Sector Bond</td>
<td>$1,843</td>
<td>26%</td>
<td>181</td>
<td>11</td>
<td>180</td>
<td>16</td>
</tr>
<tr>
<td>Global High Income Bond</td>
<td>$538</td>
<td>100%</td>
<td>107</td>
<td>11</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>U.S. High Yield</td>
<td>$1,158</td>
<td>43%</td>
<td>122</td>
<td>8</td>
<td>152</td>
<td>5</td>
</tr>
<tr>
<td>U.S. Ultra Short-Term Bond</td>
<td>$1,977</td>
<td>77%</td>
<td>94</td>
<td>6</td>
<td>97</td>
<td>7</td>
</tr>
<tr>
<td><strong>Multi-Asset</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global Allocation</td>
<td>$717</td>
<td>24%</td>
<td>48</td>
<td>14</td>
<td>95</td>
<td>8</td>
</tr>
<tr>
<td>Managed Volatility</td>
<td>$2,138</td>
<td>21%</td>
<td>189</td>
<td>N/A&lt;sup&gt;3&lt;/sup&gt;</td>
<td>65</td>
<td>N/A</td>
</tr>
</tbody>
</table>

*Past performance cannot guarantee future results.* As of December 31, 2019.

The strategies listed may not be available in all jurisdictions nor to all investors. International Disciplined Equity name changed from International Concentrated Equity effective March 1, 2019.

Source: eVestment Alliance, LLC.

<sup>1</sup>Excess returns results based on gross composite returns versus primary GIPS composite benchmark.

<sup>2</sup>Additional information on ranking available in the Appendix.

<sup>3</sup>eVestment ranking is not applicable as the strategy is only available via separate accounts.
# Investment capabilities

Expanding our product lineup globally

<table>
<thead>
<tr>
<th>Global Equity</th>
<th>Global Fixed Income</th>
<th>Global Multi-Asset</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2018</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global Equity Dividend</td>
<td>Asia Credit</td>
<td>Retirement Blend Trusts</td>
</tr>
<tr>
<td>SMAs: Large-Cap Core,</td>
<td></td>
<td>Multi-Strategy Total Return</td>
</tr>
<tr>
<td>Equity Income,</td>
<td></td>
<td>Custom Target Date Funds</td>
</tr>
<tr>
<td>International Core,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2019</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global Focused Growth</td>
<td>Dynamic Credit</td>
<td>Target Allocation Active Models</td>
</tr>
<tr>
<td>ITM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe Select Equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>China Evolution Equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Small/Mid)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2020+</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Semi-Transparent Active</td>
<td>Low Duration Credit</td>
<td>Multi-Asset Global Income</td>
</tr>
<tr>
<td>ETFs</td>
<td>Stable Value Multi-Manager</td>
<td>Income Models</td>
</tr>
<tr>
<td>U.S. Select Value</td>
<td>Dynamic Emerging Markets</td>
<td></td>
</tr>
<tr>
<td>Sustainable SICAV Range</td>
<td>Bond</td>
<td>Macro and Absolute Return Strategy</td>
</tr>
<tr>
<td>China Growth</td>
<td></td>
<td>(MARS)</td>
</tr>
<tr>
<td>Global Select (Core)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global Impact</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The strategies and capabilities listed are not available in all jurisdictions nor to all investors. There is no guarantee that the capabilities and strategies currently under evaluation will be launched.
Summary

Evolving capabilities

Culture

Investment excellence
Multi-Asset Overview

Sébastien Page
HEAD OF GLOBAL MULTI-ASSET

T. ROWE PRICE GROUP, INC. INVESTOR DAY 2020
Over 25 years of delivering multi-asset class solutions

$360b in Assets Under Management$^1,2$

1990
Asset Allocation Committee Created
1990
Spectrum and Spectrum Income Funds
1991
Balanced Fund
1994
Personal Strategy Funds
1996
Spectrum International Fund
2001
College Savings Plan
2002
Retirement Funds
2008
Retirement Hybrid Trusts
2010
Real Assets Fund
2012
Retirement Trusts
2013
Global Allocation Fund
2013
Target Funds
2013
Equity Index Option Overlay
2013
Derivatives-Based Multi-Asset Portfolios
2014
Managed Volatility Strategy
2015
Retirement I Funds
2016
Global Allocation Fund SICAV
2017
T. Rowe Price® ActivePlus
2017
Retirement Income 2020 Portfolio
2017
Global Allocation Fund SICAV Extended
2018
Multi-Strategy Total Return Fund
2018
Retirement Blend Trust
2019
U.S. Risk-Managed Dynamic Allocation


$^2$The total assets are adjusted for cases where a particular investment might be represented on a standalone basis as well as a component in a multi-fund portfolio.

The above timeline is intended to show the evolution of when multi-asset strategies and products were launched globally. The strategies and capabilities listed are not available in all jurisdictions nor to all investors.
**Strong performance and risk-adjusted outcomes**

**Versus Morningstar peers**

<table>
<thead>
<tr>
<th></th>
<th>3-year rolling</th>
<th>5-year rolling</th>
<th>10-year rolling</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Top quartile</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent of time Retirement Funds were in top quartile</td>
<td>84%</td>
<td>92%</td>
<td>98%</td>
</tr>
<tr>
<td><strong>Top half</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent of time Retirement Funds were in top half</td>
<td>98%</td>
<td>97%</td>
<td>99%</td>
</tr>
<tr>
<td><strong>Risk-adjusted outperformance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent of time Retirement Funds’ Sharpe ratios were in top half</td>
<td>91%</td>
<td>93%</td>
<td>98%</td>
</tr>
</tbody>
</table>

*Past performance cannot guarantee future results. Figures reflect the aggregate performance of the 11 Retirement Funds with a 10-year track record (Retirement 2005 through Retirement 2055 Funds). Of the 11 Retirement Funds with a 10-year track record (the Retirement 2005 through 2055 Funds), 10 of 11, 10 of 11, and 10 of 11 were in the top quartile for the 3-, 5-, and 10-year periods ended December 31, 2019. Source: Morningstar.*
Investment process and sources of value added
Sources of value add have been consistent over time

Strategic asset allocation\(^1\)
Percent of time added value

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>3 years</th>
<th>5 years</th>
<th>10 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>78%</td>
<td>74%</td>
<td>99%</td>
</tr>
</tbody>
</table>

Tactical asset allocation\(^2\)
Percent of time added value

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>3 years</th>
<th>5 years</th>
<th>10 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>70%</td>
<td>84%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Underlying active management\(^3\)
Percent of time added value

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>3 years</th>
<th>5 years</th>
<th>10 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>76%</td>
<td>86%</td>
<td>99%</td>
</tr>
</tbody>
</table>

Rolling periods (172 three-year periods, 148 five-year periods, 88 ten-year periods) from fund inceptions through December 31, 2019.

Past performance cannot guarantee future results. \(^1\)Value added (net of fees and other costs) is calculated by comparing the returns of the Retirement 2005–2060 Fund’s sector-weighted benchmarks versus the respective S&P Target Date Index. Returns were then aggregated to show the total excess returns for each Retirement Fund sector-weighted benchmark. Excess returns were calculated for each rolling period and then averaged across all the periods in each time frame.

\(^2\)Value added is calculated by comparing the returns of the 11 Retirement Funds with a 10-year track record using each fund’s fixed strategic asset allocation versus the returns based on the actual allocation weights.

\(^3\)Value added—net of fees and other costs—is calculated for the underlying funds in the 11 Retirement Funds with a 10-year track record. Returns were calculated relative to each underlying fund’s style-specific benchmark. Returns were then aggregated to show the total excess returns for each Retirement Fund. Excess returns were calculated for each rolling period and then averaged across all the periods in each time frame.

\(^1\)\(^2\)\(^3\)For each of the 3 design components, to provide a high-level summary, a time-weighted performance average was calculated to determine the percentage of the total rolling periods in each time frame in which the design component made a positive contribution to fund returns. Value added is the return contribution made by each design component. Excess returns were calculated for each rolling period and then averaged across all the periods in each time frame.
What it means for investors

Retirement 2030 Strategy vs. S&P Target Date 2030 Index

Cumulative growth of $100,000

As of December 31, 2019. For illustrative purposes only and is not intended to be an endorsement, offer or solicitation for the sale of any product or service. Past performance cannot guarantee future results. Performance shown is of a representative investment portfolio in the retirement 2030 suite of products. Performance shown is net of fees; it includes changes in the principle value, reinvested dividends, and capital gain distributions. Investors cannot invest directly in an index.
Continued focus on three key initiatives

- Maintain Retirement Leadership
- Expand Global Presence
- Broaden Solutions Capabilities
Retirement: Expanding our product set

The strategies and vehicles listed are not available in all jurisdictions nor to all investors.
Target date innovation continues

As announced in our February 13 press release

Adjusting our glide paths

Adding investment components

Launching top-level pricing
Globalization: A growing opportunity

Established local Solutions teams in three countries

Top 1%
Global Allocation Fund SICAV 3-yr. peer group percentile¹

We are planting seeds for growth across a wide range of markets outside the U.S.

Launched first T. Rowe Price multi-asset strategy in China

+50%
Growth in Korea TDF AUM in 2019 (to $324m)

Launching Multi-Asset Global Income SICAV (2020)

Solutions: Focusing on client needs

1,500+
Consultative client engagements

Increased flows in off-the-shelf strategies

We are engaging with clients as a trusted advisor across channels and markets

450+
Asset allocation studies delivered

35
New customized multi-asset strategies

Revitalizing our Target Allocation franchise (2020)

Our platform is our competitive advantage

### Global Equities

**Fundamental**
- **Global Equity**
  - Growth and Value
- **Inflation-Sensitive**
  - Natural Resources
  - Real Estate
- **U.S. Size and Style**
  - Large-, Mid-, and Small-Cap Growth, Core, and Value
- **Sector**
  - Financial Services
  - Global Industrials
  - Media and Telecom
  - Global Real Estate
  - Global Natural Resources
  - Global Technology
  - Health Sciences
  - Science and Technology
- **International Size and Style**
  - Large- and Small-Cap Growth, Core, and Value
- **Emerging Markets**
  - Diversified Emerging Markets
  - Europe
  - Asia
  - Latin America
  - Frontier Markets
  - Middle East and Africa

### Quantitative
- **Global Size and Style**
  - Global Equity Core
- **U.S. Size and Style**
  - Small-Cap Growth
  - Small-Cap and Mid-Cap Core

### Global Fixed Income
- **Corporate**
  - Global Investment-Grade Credit
  - U.S. Investment-Grade Credit
  - Euro Investment-Grade Credit
- **Municipal**
  - National
  - State
  - High Yield
- **Core**
  - U.S.
  - Global
  - International
- **Short Duration**
  - Short Term
  - Ultra-Short Term
  - Stable Value
  - Money Market
- **High Yield**
  - U.S. High Yield
  - European High Yield
  - Floating Rate Loans
- **Emerging Markets**
  - Hard Currency Bonds
  - Local Currency Bonds
  - Corporate Bonds

### Risk Mitigation
- Managed Volatility
- Equity Index-Option Strategies

### Alternative Strategies
- Multi-Strategy Total Return
- Unconstrained Fixed Income
- Investments in Externally Managed Hedge Funds
- Long/Short Equity
- Macro and Absolute Return (MARS)

The strategies and capabilities listed are not available in all jurisdictions nor to all investors.
Summary

Demonstration of leadership

Dedication to performance

Pursuit of innovation
Global Distribution

Robert Higginbotham
HEAD OF GLOBAL DISTRIBUTION AND PRODUCT

T. ROWE PRICE GROUP, INC. INVESTOR DAY 2020
## We continue to position ourselves against key client trends

<table>
<thead>
<tr>
<th>Key client trends</th>
<th>Our positioning</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Passive investments</strong> continuing to take share from active, leading to higher bar on investment performance for active managers</td>
<td>Continuing focus on excellent, active investment management supporting flow momentum</td>
</tr>
<tr>
<td>Institutional and intermediary clients demanding new vehicle types and fee structures</td>
<td>Continuing build of new vehicle types (e.g., CIT, SMA, Model Delivery, SICAV, ITM, ETF)</td>
</tr>
<tr>
<td>Growing retiree population shifting demand from equities to income-oriented solutions</td>
<td>Investing in a range of income-oriented investment capabilities, products, and client solution approaches</td>
</tr>
<tr>
<td>Faster growth occurring outside the U.S.</td>
<td>Investing in EMEA and APAC client coverage, brand, and operating model buildout</td>
</tr>
<tr>
<td>Significant technology investment required to enhance investments, distribution, and client experience capabilities</td>
<td>Developing digital, automation, data, and analytics capabilities supporting global growth</td>
</tr>
<tr>
<td>Distributors are consolidating relationships, requiring more from partners and negotiating to maintain their economics</td>
<td>Focusing on strategic partnerships</td>
</tr>
</tbody>
</table>
How we access clients

T. Rowe Price Global Distribution

U.S. Direct
U.S. Bundled DC
U.S. Intermediaries
Americas Institutional
EMEA Intermediaries & Institutional
APAC Intermediaries & Institutional

Individual Investors
Our diversified access to clients is shown in our AUM

Global AUM

Source: T. Rowe Price. Other includes T. Rowe Price investments in proprietary products, assets of the T. Rowe Price employee benefit plans, and Private Asset Management accounts.

+12.0% AUM CAGR 2009–2019
Our 2019 results show continued diversified organic growth

### Percentage of Net Flows by Client Geography

<table>
<thead>
<tr>
<th>Year</th>
<th>Americas</th>
<th>EMEA</th>
<th>APAC</th>
<th>Net Flows</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>[Graph]</td>
<td>[Graph]</td>
<td>[Graph]</td>
<td>$14.0b</td>
</tr>
<tr>
<td>2018</td>
<td>[Graph]</td>
<td>[Graph]</td>
<td>[Graph]</td>
<td>$13.2b</td>
</tr>
<tr>
<td>2019</td>
<td>[Graph]</td>
<td>[Graph]</td>
<td>[Graph]</td>
<td>$13.2b</td>
</tr>
</tbody>
</table>

### Percentage of Net Flows by Channel

<table>
<thead>
<tr>
<th>Year</th>
<th>Global Intermediaries</th>
<th>Global Institutional</th>
<th>U.S. Direct</th>
<th>U.S. Bundled DC</th>
<th>Other</th>
<th>Net Flows</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>[Graph]</td>
<td>[Graph]</td>
<td>[Graph]</td>
<td>[Graph]</td>
<td>[Graph]</td>
<td>$14.0b</td>
</tr>
<tr>
<td>2018</td>
<td>[Graph]</td>
<td>[Graph]</td>
<td>[Graph]</td>
<td>[Graph]</td>
<td>[Graph]</td>
<td>$13.2b</td>
</tr>
<tr>
<td>2019</td>
<td>[Graph]</td>
<td>[Graph]</td>
<td>[Graph]</td>
<td>[Graph]</td>
<td>[Graph]</td>
<td>$13.2b</td>
</tr>
</tbody>
</table>

Source: T. Rowe Price. Other includes T. Rowe Price investments in proprietary products, assets of the T. Rowe Price employee benefit plans, and Private Asset Management accounts.
Key distribution highlights

**Benefit of diversification within U.S. Intermediaries**
Diversified growth across subadvisory, broker-dealer, other wealth platforms including direct, and advised defined contribution investment only (DCIO)

**Balanced retention**
Driven by multiple lower churn channels including U.S. Direct, subadvisory in U.S. Intermediaries, and U.S. Institutional

**Strong retirement franchise led by DCIO**
Across retail and institutional and complemented by bundled DC franchise

**Diversified asset class growth in EMEA and APAC**
With no single product driving growth

**Continued strong market share in active target dates**
With some interest in custom with larger clients
A retirement leader in the U.S.

Comprehensive U.S. retirement offering with complementary retirement channels and vehicles

<table>
<thead>
<tr>
<th>U.S. Intermediaries</th>
<th>Americas Institutional</th>
<th>U.S. Direct</th>
<th>U.S. Bundled DC</th>
<th>Multiple Vehicles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broker-dealer</td>
<td>DB</td>
<td>Mega</td>
<td>U.S. mutual fund</td>
<td></td>
</tr>
<tr>
<td>RIA</td>
<td>Corporate</td>
<td>Medium</td>
<td>Collective investment trust</td>
<td></td>
</tr>
<tr>
<td>DCIO</td>
<td>Public</td>
<td>Small</td>
<td>Subadvised account</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Separate account</td>
<td></td>
</tr>
</tbody>
</table>

#3 U.S. DC investment only provider¹

932k Direct retail retirement clients

2.25m Retirement participants

#1 U.S. active target date provider²

Note: Pensions & Investments rankings include total AUM active and passive.

¹Pension & Investments. Ranking based on AUM. Data as of December 31, 2018. Most recent data available.
²Ranking based on actively managed TDF AUM. Investment News, 10 things to know about TDFs, March 9, 2019 edition.
U.S. Intermediaries drives growth and is diversified

Broker-Dealer
- #10 U.S. active broker-dealer market provider\(^1\)
- Continued investment in field territory expansion (+80% increase since 2016)

Banks
- #5 U.S. active bank & trust provider\(^2\)
- Launched 10 managed account strategies (Retail SMA, Model Delivery SMA) since 2016

RIA
- #5 U.S. active RIA provider\(^3\)
- Focusing sales coverage to address mega-RIAs while advancing digital marketing capabilities to address long tail of smaller RIAs

Platform
- #4 U.S. active platform direct provider\(^4\)
- Significant placement on recommended lists and strong flows from NTF platforms

DCIO
- #3 U.S. active retirement provider\(^5\)
- Investment in strategic partnerships focused on top-tier recordkeepers and DC aggregators

VA
- #4 U.S. active subadvisory provider\(^6\)
- Evaluating retirement income opportunities

Enhanced and focused value-added services, supporting Portfolio Construction, Client Loyalty, and Retirement Wellness

Creating customized and relevant digital experiences for targeted audiences with the intent to drive increased engagement and identify sales leads

Data as of December 31, 2019.
Note: Strategic Insight Simfund rankings include brokerage and advisory active mutual fund AUM, which excludes passive/index/affiliated fund of funds AUM.
Source for rankings: Strategic Insight Simfund. Ranking based on AUM.
\(^1\)Ranked 10 of 614. \(^2\)Ranked 5 of 613. \(^3\)Ranked 5 of 639. \(^4\)Ranked 4 of 626. \(^5\)Ranked 3 of 475. \(^6\)Ranked 4 of 832.
U.S. Direct and U.S. Bundled DC both provide access to individual investor clients

<table>
<thead>
<tr>
<th>U.S. Direct</th>
<th>U.S. Bundled DC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$191b</strong> AUM</td>
<td><strong>$128b</strong> AUM</td>
</tr>
<tr>
<td><strong>1.38m</strong> Individual Investors</td>
<td><strong>2.25m</strong> Plan Participants</td>
</tr>
<tr>
<td><strong>60</strong> Net Promoter Score</td>
<td><strong>79</strong> Net Promoter Score</td>
</tr>
</tbody>
</table>

- Return to positive organic growth, which we believe can be sustained
- Maintain strong levels of client satisfaction
- Continue to invest in new services, including advice, and improve digital tools and engagement
- Inflows with high proprietary share in the small to mid-market
- Outflows in the large and mega market
- Maintain strong levels of client satisfaction
- Continue to drive for improved operating efficiency and scale, which are critical for this business

2019 Net Promoter Score, Chatham Partners Analysis. The Chatham Partners' Net Promoter Score (NPS) measures clients' likelihood of recommending T. Rowe Price. Respondents are categorized as Promoters, Passives, or Detractors. The NPS is the percentage of Promoters minus the percentage of Detractors. Net Promoter, Net Promoter Score, and NPS are trademarks of Satmetrix Systems, Inc.
We are seeing returns on our investment in EMEA and APAC

**EMEA**

- **7.1%** Organic growth
- **12.1%** Increase in headcount
- **40%** Improvement in brand ranking

- Regrown a more diversified business with our new markets all making strong contributions
- Defined a more focused strategy in UK, Italy, and Germany
- Broad local product range with strong seed capital support
- Increasing brand penetration

**APAC**

- **21.3%** Organic growth
- **13.5%** Increase in headcount
- **20%** Improvement in brand ranking

- Saw strong sales and flows momentum, largely driven by the Japanese ITMs
- Expanded global consultant relations team with further dedicated APAC coverage
- Continue build of marketing team and further invest in brand

---

1. Organic growth is calculated as 2019 net new flows divided by December 31, 2018 AUM.
2. Increase in headcount from 2018 to 2019.
Our product range continues to be critical for success

<table>
<thead>
<tr>
<th>Our primary vehicle types</th>
<th>Number of products(^1)</th>
<th>Target country/region(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. mutual fund(^3,4,5)</td>
<td>181</td>
<td>U.S.</td>
</tr>
<tr>
<td>Société d'investissement à capital variable (SICAV(^6))</td>
<td>50</td>
<td>EMEA/APAC</td>
</tr>
<tr>
<td>Collective investment trust(^4,5)</td>
<td>46</td>
<td>U.S.</td>
</tr>
<tr>
<td>Open-ended investment company (OEIC)</td>
<td>12</td>
<td>UK</td>
</tr>
<tr>
<td>Managed accounts and model delivery(^5)</td>
<td>11</td>
<td>Americas/EMEA/APAC</td>
</tr>
<tr>
<td>Canadian pooled fund</td>
<td>8</td>
<td>Canada</td>
</tr>
<tr>
<td>Australia unit trust (AUT)</td>
<td>5</td>
<td>Australia</td>
</tr>
<tr>
<td>Japan investment trust (ITM)</td>
<td>4</td>
<td>Japan</td>
</tr>
<tr>
<td>Fonds commun de placement (FCP)</td>
<td>2</td>
<td>EMEA/APAC</td>
</tr>
<tr>
<td>Separate/subadvised account(^4,5,7)</td>
<td>270</td>
<td>Americas/EMEA/APAC</td>
</tr>
<tr>
<td><strong>Total external products</strong></td>
<td><strong>589</strong></td>
<td></td>
</tr>
</tbody>
</table>

\(^1\)Includes products that are operationally ready but not yet funded. \(^2\)Products may not be registered for sale in every country within each region. \(^3\)Includes VIP, Charitable Giving, and CSP/529 funds. \(^4\)Excludes internal portfolios. \(^5\)Retirement/Target Date/Target Allocation Active Series count as 1 product. \(^6\)Represents total SICAV sub-fund count for SICAV I (46), II (2), and III (2) products. \(^7\)Represented by active composites. The strategies and capabilities listed are not available in all jurisdictions nor to all investors.

**Firmwide product statistics**

- **589** Products offered externally
- **$1.3b** Seed capital investments
Summary

- Continued focus on putting clients first
- Well positioned against key global demand pools
- Strong, sustainable, diversified growth
- Scale is a competitive advantage
Creating value for stockholders over time

<table>
<thead>
<tr>
<th>Organic AUM Growth</th>
<th>Operating Margin¹</th>
<th>Return of Capital²</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 year</td>
<td>1 year</td>
<td>1 year</td>
</tr>
<tr>
<td>1.4%</td>
<td>44.0%</td>
<td>68%</td>
</tr>
<tr>
<td>5 year (average)</td>
<td>5 year (average)</td>
<td>5 years (cumulative)</td>
</tr>
<tr>
<td>0.9%</td>
<td>43.6%</td>
<td>95%</td>
</tr>
</tbody>
</table>

Driving sustainable, diversified, and profitable organic growth
Maintaining a strong operating margin while investing for the long term
Consistently returning capital to stockholders over time

¹Non-GAAP. See the reconciliation between GAAP operating margin and non-GAAP operating margin in the Appendix. See the firm’s 2019 Annual Report on Form 10-K for further information.
²Figures represent percent of U.S. GAAP net income attributable to T. Rowe Price Group, Inc., returned to stockholders.
Driving organic AUM growth

Net flows as a percent of prior year’s ending AUM

<table>
<thead>
<tr>
<th>Year</th>
<th>Net flows as a percent of prior year’s ending AUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>0.2%</td>
</tr>
<tr>
<td>2016</td>
<td>(0.4)%</td>
</tr>
<tr>
<td>2017</td>
<td>1.7%</td>
</tr>
<tr>
<td>2018</td>
<td>1.3%</td>
</tr>
<tr>
<td>2019</td>
<td>1.4%</td>
</tr>
</tbody>
</table>

Targeting sustainable, diversified, and profitable organic growth of 1%–3% per year

Net flows:

- 2015: $1.6b
- 2016: ($2.8b)
- 2017: $14.0b
- 2018: $13.2b
- 2019: $13.2b

Source: T. Rowe Price.
Maintaining a strategic pricing approach

Active U.S. Mutual Funds: Morningstar Fee Level

% of T. Rowe Price US Mutual Fund AUM

- 1st Quintile 33%
- 2nd Quintile 47%
- 3rd Quintile 18%
- 4th Quintile 3%

Our pricing approach

- Maintain reasonable pricing for alpha generation
- Remain competitive in our positioning
- Treat all clients fairly
- Stay ahead of industry shifts
- Adapt to client preferences across vehicles and pricing structures

Past performance cannot guarantee future results. Excludes index funds. Morningstar ranks a fund’s fees against its peers within each comparison group using a fund share class’ most recent prospectus net expense ratio. Percentages may not equal 100% due to rounding. Above Source: Morningstar.
Offering vehicles and pricing structures that are mutually beneficial to our clients and us

**CITs**
- Tiered pricing based on client scale
- No AFP or 12b-1

**ETFs**
- Similar advisory fee as equivalent mutual fund
- Lower operating expenses leading to a lower total expense ratio
- Increased tax efficiency

**TDF Restructure**
- 2-7 bps lower total expense ratio for the Retirement Date Fund I series
- A more predictable fixed fee, independent of building blocks or asset allocation changes

---

1The TDF restructure also included the lowering of total expense ratios for some of the I Class, Investor Class and Advisor Class of the Target Date Funds and the Investor Class of the Retirement Income 2020 Fund. Pricing comparison versus total expense ratio noted in the 2019 semi-annual report.

---

Evolving with client needs and preferences
Investing for the long term

Non-GAAP operating expense growth\(^1\)

\[\begin{array}{c|c|c|c}
\text{Year} & 2018 & 2019 & 2020 \\
\hline
\text{Non-GAAP operating expenses growth} & 8.9\% & 4.1\% & 6\%-9\% \\
\end{array}\]

\(^1\)See the reconciliation between 2019 and 2018 GAAP operating expenses and non-GAAP operating expenses in the Appendix. See the firm’s 2019 Annual Report on Form 10-K for further information.
Making investments across the firm in 2020

**Investments**
Building out investment teams globally to sustain and improve the competitiveness of our strategies

**Distribution**
Expanding our global footprint to strengthen our regional relationships and brand

**Technology and operations**
Modernizing infrastructure, enhancing client experience, enabling distribution, and supporting alpha generation

**Globalized shared services**
Strengthening our shared services to support growth, governance, and regulatory needs globally

**Research**
Paying for all third-party research globally driving lower client transaction costs and greater transparency

**Compliance with new regulation**
Adapting to the ever-changing regulatory landscape
Modernizing our technology over multiple years

<table>
<thead>
<tr>
<th>2016–2018</th>
<th>2019–2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Front and Middle Office</strong></td>
<td><strong>Distribution and Client Facing</strong></td>
</tr>
<tr>
<td>▪ Fund accounting and trade management outsourcing</td>
<td>▪ Digital enablement and client journeys</td>
</tr>
<tr>
<td>▪ Core data distribution architecture</td>
<td>▪ Transaction systems simplification</td>
</tr>
<tr>
<td>▪ Equity data insights support</td>
<td>▪ Marketing life-cycle and analytics integration</td>
</tr>
<tr>
<td>▪ Middle office outsourcing</td>
<td>▪ Deeper client analytics</td>
</tr>
<tr>
<td>▪ Derivatives enablement</td>
<td>▪ Client experience personalization</td>
</tr>
<tr>
<td>▪ Fixed income modernization</td>
<td>▪ Automation of client processes</td>
</tr>
</tbody>
</table>
Driving efficiencies for reinvestment

- **Procured services management**
  - Renegotiations with top vendors
  - Vendor consolidation
  - Demand management

- **Client digitization and automation**
  - Digitization of client interactions
  - Transaction processing automation
  - Capacity management

- **Technology cost optimization**
  - Storage optimization
  - Application decommissioning
  - Hyper-converged infrastructure

- **Middle and back office modernization**
  - Fund accounting and middle office outsourcing
  - Modernization of performance systems, investment compliance, and client reporting processes

Disciplined three-year strategic and financial planning

Strong budget discipline and accountability

Mindset of reassessment and redeployment
Effectively deploying capital

Grow dividend annually and maintain strong payout ratio

- Continued year-on-year dividend increase since IPO
- Strong payout ratio—40% over past five years\(^1\)

Buy back stock opportunistically and offset dilution

- 10% decline in shares outstanding over past five years
- Repurchased $3.9b over past five years at an average share price of $82.72
  - 10x average P/E\(^2\)
  - 3.7% dividend yield over 2019 dividend

Remain debt-free and strategically deploy seed capital

- $3.7b in cash and discretionary investments
- $1.3b in seed capital deployed against ~70 strategies
  - $100–$500m deployed annually\(^3\)

---

\(^1\) Based on U.S. GAAP. Includes recurring dividends only.
\(^2\) 2019 U.S. GAAP earnings.
\(^3\) Reflects seed capital deployed annually since 2016 net of recycling.
Our perspective on evaluating inorganic opportunities

<table>
<thead>
<tr>
<th>Advance our strategy</th>
<th>Align with best-in-class investors</th>
<th>Minimize existing business disruption</th>
<th>Add value to stockholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ New capabilities</td>
<td>▪ Repeatable source of alpha</td>
<td>▪ Similar culture and business practices</td>
<td>▪ Value creation through distribution and new product development and seeding</td>
</tr>
<tr>
<td>▪ Scale for capabilities not yet scaled</td>
<td>▪ Strong investment performance and culture</td>
<td>▪ Minimal overlap with scaled capabilities</td>
<td>▪ Fair valuation</td>
</tr>
<tr>
<td>▪ Diversification</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Summary: Clear objectives to measure our success

- Driving 1%–3% organic growth across diversified, profitable, and sustainable sources
- Maintaining a strong operating margin while investing for long-term growth
- Consistently returning capital to stockholders over time
Closing thoughts

- Pleased with 2019 progress
- Strong Board and senior leaders with focused business plans
- Investing to grow and diversify over the long term
- Attractive, resilient business model with talented, engaged associates
- Consistent, disciplined capital return
Appendix
## Non-GAAP operating income and net revenues reconciliation

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenues, GAAP basis</td>
<td>$5,617.9</td>
<td>$5,372.6</td>
<td>$4,854.9</td>
<td>$4,284.8</td>
<td>$4,200.6</td>
</tr>
<tr>
<td>Non-GAAP adjustments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consolidated Investment Products</td>
<td>6.8</td>
<td>6.2</td>
<td>5.6</td>
<td>6.5</td>
<td>-</td>
</tr>
<tr>
<td>Net Revenues, Non-GAAP basis</td>
<td>$5,624.7</td>
<td>$5,378.8</td>
<td>$4,860.5</td>
<td>$4,291.3</td>
<td>$4,200.6</td>
</tr>
<tr>
<td>Operating Expenses, GAAP basis</td>
<td>$3,230.9</td>
<td>$3,011.2</td>
<td>$2,746.1</td>
<td>$2,551.4</td>
<td>$2,301.7</td>
</tr>
<tr>
<td>Non-GAAP adjustments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consolidated Investment Products</td>
<td>(7.9)</td>
<td>(6.5)</td>
<td>(6.7)</td>
<td>(6.5)</td>
<td>-</td>
</tr>
<tr>
<td>Supplemental Savings Plan Liability</td>
<td>(73.2)</td>
<td>5.6</td>
<td>(11.7)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Nonrecurring Dell</td>
<td>15.2</td>
<td>50.0</td>
<td>(66.2)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Operating Expenses, Non-GAAP basis</td>
<td>$3,149.8</td>
<td>$3,025.5</td>
<td>$2,777.7</td>
<td>$2,478.7</td>
<td>$2,301.7</td>
</tr>
<tr>
<td>Operating Income, GAAP basis</td>
<td>$2,387.0</td>
<td>$2,361.4</td>
<td>$2,108.8</td>
<td>$1,733.4</td>
<td>$1,898.9</td>
</tr>
<tr>
<td>Non-GAAP adjustments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consolidated Investment Products</td>
<td>14.7</td>
<td>12.7</td>
<td>12.3</td>
<td>13.0</td>
<td>-</td>
</tr>
<tr>
<td>Supplemental Savings Plan Liability</td>
<td>73.2</td>
<td>(5.6)</td>
<td>11.7</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Nonrecurring Dell</td>
<td>(15.2)</td>
<td>(50.0)</td>
<td>66.2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Operating Income, Non-GAAP basis</td>
<td>$2,474.9</td>
<td>$2,353.3</td>
<td>$2,082.8</td>
<td>$1,812.6</td>
<td>$1,898.9</td>
</tr>
<tr>
<td>Operating Margin, GAAP basis</td>
<td>42.5%</td>
<td>44.0%</td>
<td>43.4%</td>
<td>40.5%</td>
<td>45.2%</td>
</tr>
<tr>
<td>Operating Margin, as adjusted</td>
<td>44.0%</td>
<td>43.8%</td>
<td>42.9%</td>
<td>42.2%</td>
<td>45.2%</td>
</tr>
</tbody>
</table>

1Operating margin is equal to operating income divided by net revenues.
### Additional Information

**Scaling outperforming, high-capacity strategies globally (p. 28)**

<table>
<thead>
<tr>
<th>Investment strategy</th>
<th>eVestment Universe</th>
<th># of Peers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US Dividend Growth Equity</td>
<td>US Large Cap Core Equity</td>
<td>913</td>
</tr>
<tr>
<td><strong>International Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emerging Markets Discovery Equity</td>
<td>Global Emerging Mkts All Cap Value Equity</td>
<td>78</td>
</tr>
<tr>
<td>Global Focused Growth Equity</td>
<td>Global All Cap Growth Equity</td>
<td>163</td>
</tr>
<tr>
<td>Global Growth Equity</td>
<td>Global Large Cap Growth Equity</td>
<td>187</td>
</tr>
<tr>
<td>International Disciplined Equity</td>
<td>EAFE All Cap Core Equity</td>
<td>119</td>
</tr>
<tr>
<td>Japan Equity</td>
<td>Japan All Cap Growth Equity</td>
<td>85</td>
</tr>
<tr>
<td><strong>Global Fixed Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emerging Markets Corporate Bond</td>
<td>Global Emerging Mkts Fixed Income - Corporate Debt</td>
<td>118</td>
</tr>
<tr>
<td>Global Multi-Sector Bond</td>
<td>Global Multi-Sector Fixed Income</td>
<td>62</td>
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<tr>
<td>Global High Income Bond</td>
<td>Global High Yield Fixed Income</td>
<td>142</td>
</tr>
<tr>
<td>U.S. High Yield</td>
<td>US High Yield Fixed Income</td>
<td>418</td>
</tr>
<tr>
<td>U.S. Ultra Short-Term Bond</td>
<td>US Enhanced Cash Management</td>
<td>166</td>
</tr>
<tr>
<td><strong>Multi-Asset</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global Allocation Strategy</td>
<td>Global Tactical Asset Allocation</td>
<td>433</td>
</tr>
</tbody>
</table>

Source: eVestment Alliance, LLC. As of December 31, 2019.
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