

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 26, 2021

**T. Rowe Price Group, Inc.**

(Exact name of registrant as specified in its charter)

**Maryland**

(State of  
incorporation)

**000-32191**

(Commission  
File Number)

**52-2264646**

(IRS Employer  
Identification No.)

**100 East Pratt Street, Baltimore, Maryland 21202**

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: **(410) 345-2000**

N/A

(Former Name of Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$0.20	TROW	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

## **Section 7 - REGULATION FD**

### **Item 7.01. Regulation FD Disclosure.**

As previously announced, T. Rowe Price Group, Inc. will host an Investor Day for analysts and investors on May 26, 2021, from 9:00 a.m. to 11:00 a.m. Eastern Standard Time during which senior executives will present an update on the firm's strategic initiatives and plans moving forward. A copy of the presentation materials to be distributed at the event and posted to the firm's investor relations website ([troweprice.gcs-web.com/investor-relations](http://troweprice.gcs-web.com/investor-relations)) is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference. Investor day will also be simultaneously webcast on the firm's investor relationship website and a replay of the webcast will be available shortly after the conclusion of the event. It will be archived online for one year.

The information furnished under Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1 attached hereto shall not be deemed to be "filed" for the purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section.

## **Section 9 - Financial Statements and Exhibits.**

### **Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

99.1 Investor Day materials presented on May 26, 2021.

## **SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**T. Rowe Price Group, Inc.**

By: /s/ Céline S. Dufétel

Céline S. Dufétel

Vice President, Chief Operating Officer, Chief Financial Officer and Treasurer

Date: May 26, 2021

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# INVESTOR DAY

T. Rowe Price Group, Inc.  
May 26, 2021

A copy of this presentation, which includes additional information, is available at [troweprice.gcs-web.com/investor-relations](https://troweprice.gcs-web.com/investor-relations).  
Data as of March 31, 2021, unless otherwise noted.  
All figures are USD, unless otherwise noted.



# Opening and T. Rowe Price Overview

**Bill Stromberg**  
CHIEF EXECUTIVE OFFICER

T. ROWE PRICE GROUP, INC. INVESTOR DAY 2021

## 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, with respect to T. Rowe Price's future financial or business performance, strategies, or expectations.

Forward-looking statements are typically identified by 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 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 or market conditions, amount or composition of assets under management, regulatory developments, demand for and pricing of our products, the impact of the coronavirus pandemic, stock repurchases, dividends, strategic transactions, 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 described in our most recent Form 10-K filed with the Securities and Exchange Commission.

# Agenda

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## Opening and T. Rowe Price Overview

Bill Stromberg  
CHIEF EXECUTIVE OFFICER

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## Investments, Performance, and Capabilities

Rob Sharps  
PRESIDENT, HEAD OF INVESTMENTS, GROUP CIO

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## Global Distribution

Robert Higginbotham  
HEAD OF GLOBAL DISTRIBUTION

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## Financial Overview

Céline Dufétel  
CHIEF OPERATING OFFICER, CHIEF FINANCIAL OFFICER  
AND TREASURER

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## Questions

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# A global asset management firm focused on client success

Founded in 1937	<b>Independent Investment Organization</b> <ul style="list-style-type: none"><li>We are focused solely on investment management and related services</li></ul>
1.52 trillion USD in assets under management <sup>1</sup>	<b>Alignment of Interests</b> <ul style="list-style-type: none"><li>We are a publicly owned company with substantial employee ownership</li></ul>
745 investment professionals worldwide	<b>Financial Strength</b> <ul style="list-style-type: none"><li>We carry no outstanding long-term debt and maintain substantial cash reserves</li></ul>
Local presence in 17 countries	<b>Global Investment Platform</b> <ul style="list-style-type: none"><li>We offer a full range of equity, fixed income, and multi-asset solutions</li></ul>
7,697 associates worldwide	<b>Stable Investment Leadership</b> <ul style="list-style-type: none"><li>Global investment leaders average 15 years of tenure at T. Rowe Price</li></ul>
	<b>Culture Is Central to Our Long-Term Success</b> <ul style="list-style-type: none"><li>Performance-driven and collaborative</li></ul>

<sup>1</sup>Firmwide AUM includes assets managed by T. Rowe Price Associates, Inc., and its investment advisory affiliates.

# Our vision is to be a premier global active asset manager

By executing on important multiyear strategic objectives



More global and diversified asset manager



Strong process orientation and effective internal controls, while becoming a more adaptive and agile company



Global partner for retirement investors and provider of integrated investment solutions



Strong financial results and balance sheet



Embedding ESG and sustainability principles across the firm



Destination of choice for top talent with diverse workforce and inclusive culture

# Diversity, Equity, and Inclusion— strategic enablers for our business

## 2020–2021 Progress

- Onboarded new global head of DEI and expanded the team under his leadership
- Executed strategy to improve representation of under-represented minorities and women
- Launched Diverse Connections mentoring program
- Expanded programming of our Business Resource Groups and Diversity Dialogues to support our associates
- Black Leadership Council and DEI Steering Committee guide and advise senior leadership

Figures as of December 31, 2020.  
Pensions & Investments, 2020 Best Places to Work in Money Management, published December 14, 2020.  
2021 BEST PLACE TO WORK FOR LGBTQ EQUALITY by Human Rights Campaign Foundation 100% Corporate Equality Index™

T. ROWE PRICE GROUP, INC. INVESTOR DAY 2021

**29%** of our U.S. associates  
are ethnically diverse

**44%** of our associates in  
our global workforce  
are female

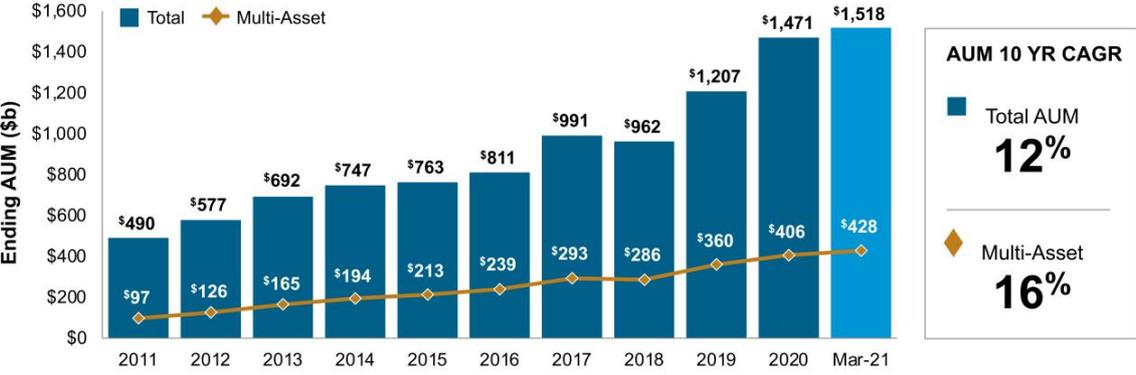
**63%** of 2020 hires  
were diverse



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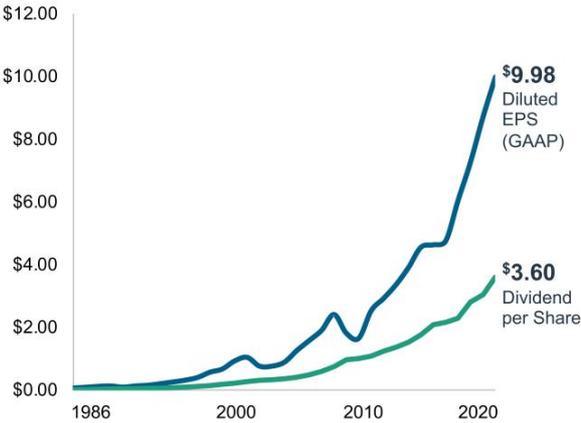
# Consistent AUM growth over time, particularly in Multi-Asset

Driven by market returns + alpha + net cash inflows



# Consistent results and long-term orientation

As of December 31, 2020



	5 years	10 years	20 years	30 years
Net revenues	8%	10%	9%	13%
Diluted EPS (GAAP)	17%	15%	12%	17%
Dividends	12%	13%	14%	16%
Annualized total stock return	19%	12%	13%	19%

Past performance is not a reliable indicator of future performance.  
 Left chart: Data are since April 2, 1986, IPO through December 31, 2020.  
 Right chart: Compound annualized growth for periods ended December 31, 2020.

## Several trends continue to drive disruption

### Investment Capabilities

- Target date competition
- Growing demand for ESG
- Accelerating interest in alternatives

### Product Delivery

- Passive and pricing pressure
- Personalization – segment of one
- Demand for vehicles beyond mutual funds

### Distribution Channels

- Consolidating buying power and pressure from intermediaries
- Increased need for scale, and unbundling, in recordkeeping
- Faster growth occurring in APAC and EMEA

## Good progress on our 2020 strategic priorities

### Investments

- Strong investment results
- Announced plans to launch TRPIM in Q2 2022
- Launched first four Active Equity ETFs
- Introduced new strategies across all asset classes – including alternatives
- Advanced corporate access, ESG, and Investment Data Insights capabilities

### Distribution

- Net flows of \$5.6b; continued momentum in EMEA and APAC helped diversification
- Continued investment in U.S. wealth management
- Invested behind Individual Investor and RPS to improve efficiency and client experiences
- Strengthened our Target Date franchise

### Corporate

- Revenue grew 11% and adjusted EPS increased 19%\*
- Raised dividend 18% and repurchased 10.9m shares for \$1.2b (\$109.30)
- Further modernized our technology platform
- Advanced our DEI and talent initiatives
- Selected new green HQs for Baltimore and London

Data as of December 31, 2020.

\*See the reconciliation to the comparable U.S. GAAP measures in the appendix (page 52).

## Our 2021 priorities

### Investments

- Enhance target date offerings through reduced fees and new Retirement Blend products
- Advance TRPIM preparations ahead of Q2 2022 formation
- Launch initial Fixed Income ETF lineup
- Launch first Impact strategy and expand Responsible range
- Expand retirement capabilities including planning the launch of a managed account platform

### Distribution

- Deliver 1%–3% organic growth
- Begin transformation of RPS technology and operations through new partnership with FIS
- Expand wealth management relationships including use of new vehicles (retail SMAs, ETFs)
- Continue EMEA and APAC buildout
- Roll out new holistic target date marketing campaign across channels

### Corporate

- Plan for associate return to office
- Deliver on expanded DEI goals
- Expand M&A evaluation capabilities
- Modernize front office tech tools, and continue middle office transformation
- Globalize corporate functional support
- Plan new downtown Baltimore office space

**Achieve excellent investment results for clients + attractive returns for stockholders over long term**



# Investments, Performance, and Capabilities

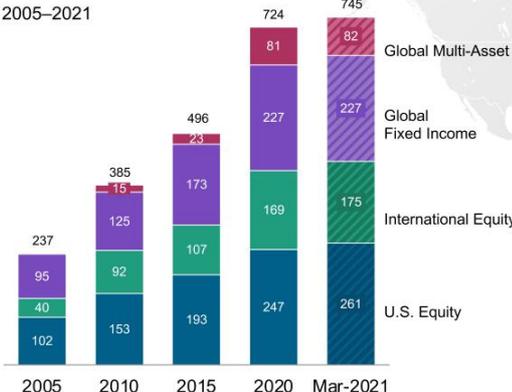
**Rob Sharps**

PRESIDENT, HEAD OF INVESTMENTS, GROUP CIO

T. ROWE PRICE GROUP, INC. INVESTOR DAY 2021

# Multiyear investment to grow our investment capabilities globally

## Investment professional headcount 2005–2021



**745** Investment professionals worldwide

# Investment performance overview

Performance across global equity remains strong with global fixed income performance improving in the near term

Asset Class	U.S. Mutual Funds Outperforming Morningstar Median <sup>1</sup>				U.S. Mutual Funds Outperforming Passive Peer Median <sup>2</sup>				Composites Outperforming Benchmark <sup>3</sup>			
	1 year	3 years	5 years	10 years	1 year	3 years	5 years	10 years	1 year	3 years	5 years	10 years
Equity	65%	68%	67%	87%	57%	58%	62%	72%	55%	60%	73%	78%
Fixed Income	71%	60%	55%	57%	91%	59%	57%	60%	87%	69%	80%	72%
Multi-Asset	94%	94%	91%	90%	94%	91%	87%	86%				
<b>Overall</b>	<b>75%</b>	<b>73%</b>	<b>70%</b>	<b>78%</b>	<b>78%</b>	<b>68%</b>	<b>68%</b>	<b>72%</b>	<b>68%</b>	<b>63%</b>	<b>76%</b>	<b>76%</b>

Past performance is not a reliable indicator of future performance.

<sup>1</sup>Primary share class only. Excludes T. Rowe Price passive funds and fund categories not ranked by Morningstar. Source: Morningstar (see inserted disclosure on page 53 for information about this Morningstar information).

<sup>2</sup>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.

<sup>3</sup>Net returns for composites are calculated using the highest applicable separate account fee schedule and compared to official GIPS composite primary benchmark. Excludes money market composites.

## Rotation underway...long heritage of value investing

<b>US Large-Cap Value Equity Income</b> 1985	<b>US Small-Cap Value Equity</b> 1988	<b>US Value Equity</b> 1994	<b>US Mid-Cap Value Equity</b> 1996	<b>International Value Equity</b> 1999
<b>US Large-Cap Value Equity</b> 2000	<b>Global Value Equity</b> 2012	<b>Emerging Markets Discovery Equity</b> 2015	<b>QM US Value Equity</b> 2016	<b>US Select Value Equity</b> 2017

### Value equity Morningstar peer rankings<sup>1</sup>

Percent of Value Mutual Funds Percentile Rankings Above Median



**Past performance is not a reliable indicator of future performance.**  
Strategies/structures shown are not available in all jurisdictions from T. Rowe Price.  
<sup>1</sup>Longest share class, US Select Value is not available as a mutual fund and was excluded. Source: Morningstar (see inserted disclosure on page 53 for information about this Morningstar information).  
<sup>2</sup>Excludes one strategy that is not marketed with AUM <\$1 billion.

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Our value franchise is broad, is at scale, and has generated strong results.

**\$202<sub>b</sub>**

Value equity AUM<sup>2</sup>

**9.3%**

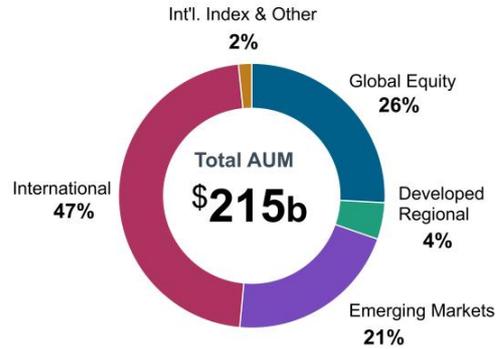
AUM CAGR since 2010

# Global/International Equity performance and capabilities— ready for any rotation away from U.S. Equities

% of funds and composites

	1 Year	3 Year	5 Year	10 Year
U.S. Mutual Funds Outperforming Peers <sup>1</sup>	71%	75%	61%	86%
U.S. Mutual Funds Outperforming Passive Peers <sup>2</sup>	65%	63%	56%	85%
Composites Outperforming Benchmarks <sup>3</sup>	82%	68%	81%	95%

% total AUM by investment strategy



Past performance is not a reliable indicator of future performance.

<sup>1</sup>Primary share class only. Excludes T. Rowe Price passive funds and fund categories not ranked by Morningstar. Source: Morningstar (see inserted disclosure on page 53 for information about this Morningstar information).

<sup>2</sup>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.

<sup>3</sup>Net returns for composites are calculated using the highest applicable separate account fee schedule and compared to official GIPS composite primary benchmark. Excludes money market composites.

# Fixed Income efforts underway

## Improved near term performance (% outperforming – trailing 12 months)



## AUM and fixed income net flows



## Product offerings

### High performing, with capacity and strong commercial potential

- Global Multi-Sector Bond
- US Total Return Bond
- Global High Income Bond
- Emerging Markets Corporate Bond and Local Currency Bond
- US Ultra-Short Term Bond
- QM US Aggregate Bond Index
- US High Yield Bond
- Global Aggregate Bond

### Recent or planned launches and conversions

- 9 existing SICAV funds converted to ESG "Responsible" funds
- Launching three transparent active fixed income ETFs
- Short Duration Income

Past performance is not a reliable indicator of future performance.

<sup>1</sup>Net returns for composites are calculated using the highest applicable separate account fee schedule and compared to official GIPS composite primary benchmark. Excludes money market composites.

<sup>2</sup>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 (see inserted disclosure on page 53 for information about this Morningstar information). 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.

## Target date fund performance remained strong

	1 Year	3 Year	5 Year	10 Year
ROLLING TIME PERIODS				
<b>TDF Performance vs. Passive Peers</b>				
Average Excess Return <sup>1</sup> (%):	<b>+1.49</b>	<b>+1.17</b>	<b>+1.12</b>	<b>+1.38</b>
ROLLING TIME PERIODS				
<b>Percentage of time TDFs outperform passive peers</b>				
Hit Rate <sup>2</sup> :				
<b>Performance vs. Peers<sup>3</sup>:</b>	<b>23%</b>	<b>11%</b>	<b>8%</b>	<b>4%</b>
	Avg. Morningstar Rank	Avg. Morningstar Rank	Avg. Morningstar Rank	Avg. Morningstar Rank

**Past performance is not a reliable indicator of future performance.**

Figures reflect the aggregate performance of the Retirement Funds with a sufficient track record (Retirement 2005 through Retirement 2060 Funds) for the rolling 1-, 3-, 5-, and 10-year periods; calculated using monthly data and net of fees. The Retirement 2060 Fund was excluded from the 10-year period due to limited history. The passive peer group consisted of passively managed target date funds, with the same target date as the T. Rowe Price fund, as identified by Morningstar.

<sup>1</sup>Fund return minus the passive peer group average return, calculated monthly, net of fees and trading costs.

<sup>2</sup>Percent of rolling time periods the Retirement Fund beats the passive peer average return, calculated monthly, net of fees and trading costs.

<sup>3</sup>Average of monthly percentile rankings for all Retirement Funds, with a sufficient track record, over the time periods shown. Source: Morningstar. Source: Morningstar (see inserted disclosure on page 53 for information about the Morningstar information).

# Investment capabilities

Introducing strategies that form the intersection of what we believe we can do well as a capability and meeting our clients' needs

 <p><b>Vehicle extensions to help EMEA and APAC business</b></p> <p>ITMs in Japan, OEICs in the UK, additional SICAV offerings, and AUTs in Australia</p>	 <p><b>Introducing additional vehicles in the U.S.</b></p> <p>Semi-transparent equity active ETFs, transparent active fixed income ETFs, additional I-share classes and expanding our SMA offerings</p>	 <p><b>Growing our alternatives lineup</b></p> <p>Dynamic global bond, multi-strategy total return, and introduced our first private fund</p>	 <p><b>ESG-specific products</b></p> <p>From integrating ESG into our existing vehicles to launching specific Responsible and Impact portfolios</p>	 <p><b>More concentrated portfolios targeted toward institutional buyers</b></p> <p>U.S. equity value, global, European equity, to name a few, with more planned</p>
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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.

## T. Rowe Price Investment Management (TRPIM)

We announced<sup>1</sup> our intent to create a fully independent investment capability with the T. Rowe Price cultural tenets of investment excellence, placing clients first, collaboration, and a long-term time horizon to deliver superior investment client outcomes.

 <b>\$198b AUM</b> <ul style="list-style-type: none"><li>US Capital Appreciation</li><li>US Mid-Cap Growth Equity</li><li>US Small-Cap Core Equity</li><li>US Small-Cap Value Equity</li><li>US Smaller Companies Equity</li><li>US High Yield Bond</li></ul>	 <b>100+ Associates</b> <ul style="list-style-type: none"><li>Separate investment personnel</li><li>Dedicated experienced leadership</li><li>Leverage T. Rowe Price Associates' (TRPA) shared functions (Distribution, Technology, Corporate)</li></ul>	 <b>Update on Progress</b> <ul style="list-style-type: none"><li>Hiring for both TRPA and TRPIM remains on schedule</li><li>Analysts sharing investment process best practices as they ramp research coverage</li><li>Deploying and testing new systems</li><li>Anticipated transition in Q2 2022</li></ul>
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<sup>1</sup>For more information, read November 19, 2020 press release regarding a proposal to launch a new investment adviser: <https://troweprice.com/web.com/press-releases>  
Strategies/structures shown are not available in all jurisdictions from T. Rowe Price. This is not intended to be an offer or solicitation for any of these products.

# Balance of experienced portfolio managers and analysts at each adviser



\*Equity Research Platform includes analysts and sector PMs; all figures are averages. Expected analyst headcount after transition. Tenure is based on experience as of March 31, 2021.

# We have made significant progress on our ESG journey, with more planned

<b>2007</b> <b>Governance</b> Donna Anderson hired to head governance expertise	<b>2008</b> <b>Corporate Responsibility</b> Responsible Investment Policy established	<b>2010</b> <b>PRI<sup>1</sup></b> T. Rowe Price becomes signatory to the Principles for Responsible Investment (PRI)	<b>2012</b> <b>CSR Report</b> First Corporate Social Responsibility (CSR) Report issued	<b>2013</b> <b>"E" and "S" Research</b> Sustainalytics appointed as specialized ESG research provider	<b>2014</b> <b>Sustainalytics</b> Sustainalytics ESG ratings are embedded in company notes
<b>2017</b> <b>Responsible Investing</b> Maria Elena Drew hired as director of research to establish in-house responsible investing expertise (environmental and social)	<b>2018</b> <b>RIIM<sup>2</sup> Corporates</b> Proprietary ESG rating system for equity and credit rolled out	<b>2019</b> <b>RIIM Sovereigns</b> The firm rolls out proprietary ESG rating system for sovereigns	<b>2020</b> <b>Responsible Products and Corporate ESG</b> T. Rowe Price launches its first Responsible products in Europe  Hired Gabriela Infante as director of corporate ESG	<b>2021</b> <b>Impact Strategies</b> T. Rowe Price launches Global Impact Equity	Additional Responsible products and Impact strategies for U.S. Equity and Fixed Income under consideration for 2021 and 2022

<sup>1</sup>The PRI is an independent investor initiative supported by, but not part of, the United Nations.

<sup>2</sup>RIIM = Responsible Investing Indicator Model.

Not all products are available to all investors in all jurisdictions. There is no guarantee that the capabilities and strategies currently under evaluation will be launched.

# Expanding our ETF offering



**Launched first suite of semi-transparent active equity ETFs in August 2020**



**Semi-transparent active ETFs are still in their infancy but have significant room for growth**



**Our proprietary model is producing industry-leading spreads**

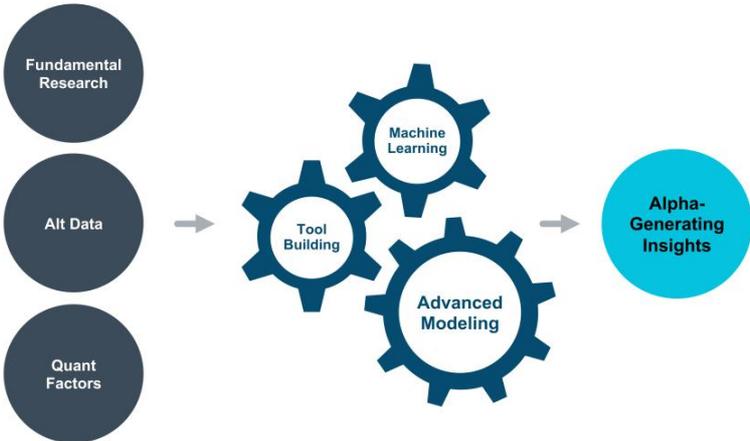


**We have plans to broaden our lineup in 2021 and beyond**

ETFs are not available in all jurisdictions from T. Rowe Price. There is no guarantee that the capabilities and strategies currently under evaluation will be launched.

# Investment Data Insights team

Improving our client's investment outcomes through data-driven insights



## People

Our cross-functional team is comprised of fundamental analysts, quantitative analysts, data scientists, data engineers, application developers, and UX designers.

## Business Value

Our proprietary technology ecosystem has accelerated our ability to insource new alternative data, perform analysis, and supply insights to our analysts and portfolio managers

# Summary

The graphic features a dark teal background with a light teal geometric pattern of interconnected lines. Four white rectangular boxes are arranged horizontally, each containing an icon and a text label. The icons are: a star in a circle with a ribbon, two overlapping circles with dollar signs, a gear with four arrows pointing outwards, and a stylized 'A' shape with dashed lines.

- Investment excellence**
- Investing in talent**
- Expanding capabilities**
- Positioning for the future**

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# Global Distribution

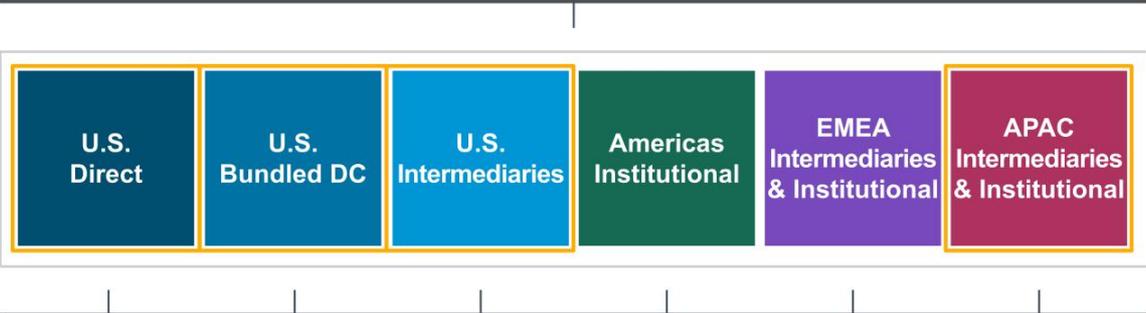
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**Robert Higginbotham**  
HEAD OF GLOBAL DISTRIBUTION

T. ROWE PRICE GROUP, INC. INVESTOR DAY 2021

# T. Rowe Price has one of the broadest distribution franchises in global asset management

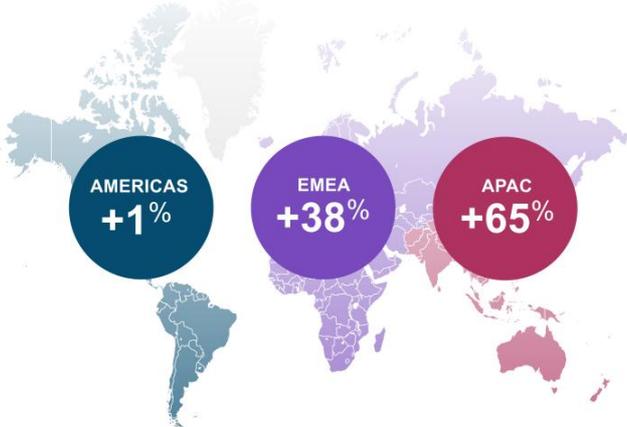
## Client Access



## T. Rowe Price Global Distribution

# Transforming the distribution workforce—more global, more enabled, more expertise in key areas

Associate growth by region (past 3 years)



### Propelled by technology investments

**\$330m<sup>1</sup>** overall spend

- Operating scale
- Digital acceleration
- Opportunity management
- Marketing enablement
- Client experience
- Data & analytics

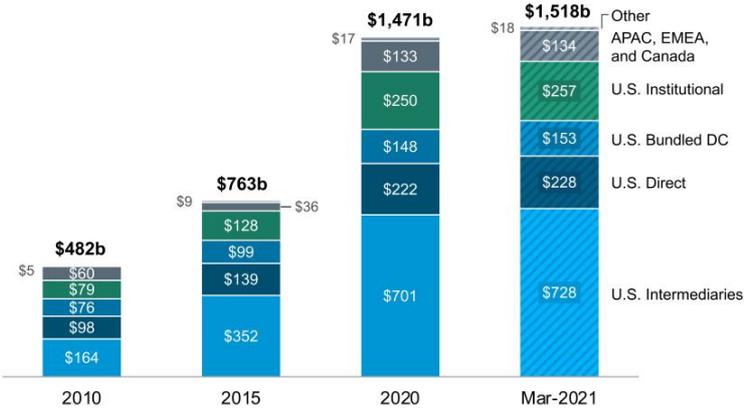
<sup>1</sup> 2020 technology investment

### Yielding progress against key priorities

- Build a diversified business
- Outstanding client service
- Improved efficiency
- Build brand globally

# Our diversified access to clients is shown in our AUM

## Global AUM



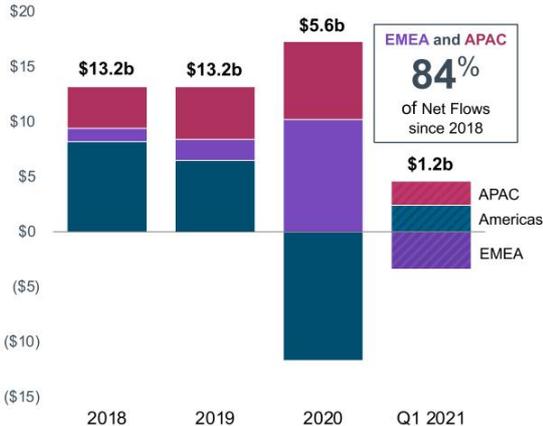
Other includes T. Rowe Price investments in proprietary products, Private Asset Management accounts, assets of the T. Rowe Price employee benefit plans, and Distribution Management Services accounts.

T. ROWE PRICE GROUP, INC. INVESTOR DAY 2021

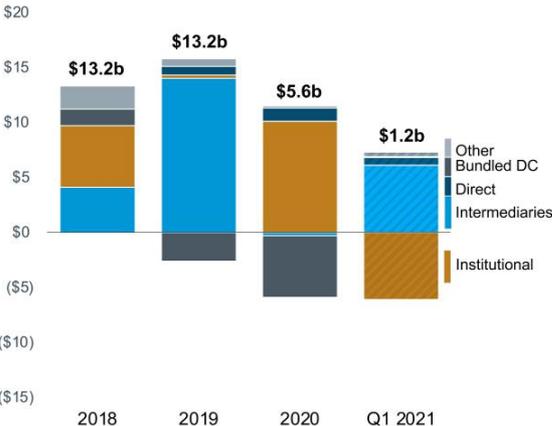
**+11.8%**  
**AUM CAGR**  
**2010–2020**

# Our 2020 results show continued diversified organic growth

Net flows by client geography



Net flows by channel



Other includes T. Rowe Price investments in proprietary products, Private Asset Management accounts, assets of the T. Rowe Price employee benefit plans, and Distribution Management Services accounts. APAC, EMEA, and Canada are reflected in the appropriate Institutional and Intermediary channels.

# Strengthening target date solutions franchise for growth



## New initiatives designed to help our clients achieve desired retirement outcomes

**\$351.6b**  
Franchise  
AUM

### Competitive Fees

- Reducing fees on both fund and trust products
- Enhanced positioning relative to peers
- Continued investment excellence with greater value for our clients

### Breadth of Capabilities

- Vehicle, strategy extension to meet investors' unique goals
- Launch of Retirement Blend Fund series
- Proactive strategy for custom solutions

**\$4.5b**  
Franchise  
Q1 2021  
Net Flows

### Fortified Marketing

- Investing to increase awareness, consideration in a competitive market
- New "Retirement. Meet Your Match." campaign highlights breadth of solutions

### Continued Innovation

- Managed account/QDIA solution to engage participants preretirement, attract new clients
- Retirement income product and solutions

Registration Statements for the T. Rowe Price Retirement Blend 2005-2065 Funds have been filed with the Securities and Exchange Commission but are not yet effective. The information in the prospectuses is not complete and may be changed. We may not sell these funds until their registration statements are effective with the Securities and Exchange Commission. This is not an offer to sell these funds and is not soliciting an offer to buy these funds in any state where the offer or sale is not permitted.

Includes all target date products (higher- and lower-equity glide paths), including U.S. mutual funds, collective investment trusts, and separately managed accounts. Not all products are available to all investors in all jurisdictions. There is no guarantee that the capabilities and strategies currently under evaluation will be launched.

# Investing to sustain the strength of U.S. Direct business

Activating three-year strategy with an enhanced, growth-oriented value proposition



<sup>1</sup>Redemption rate is based on a 12-month rolling average ended March 31, 2021.

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

**\$228b**  
AUM

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**8.5%**  
Sustained Low Redemption Rates<sup>1</sup>

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**~1.4m**  
Personal Investors

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**\$0.7b**  
Q1 2021 Net Flows

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# Reaffirming commitment to U.S. Bundled DC via accelerated transformation



**\$153b**  
AUM

**6,386**  
Retirement Plans

**2.3m**  
Plan Participants

**80**  
Net Promoter Score  
(2020 Plan Sponsor Survey)

**Strategic partnership with FIS will grow business in a stable, scalable, and efficient manner...**

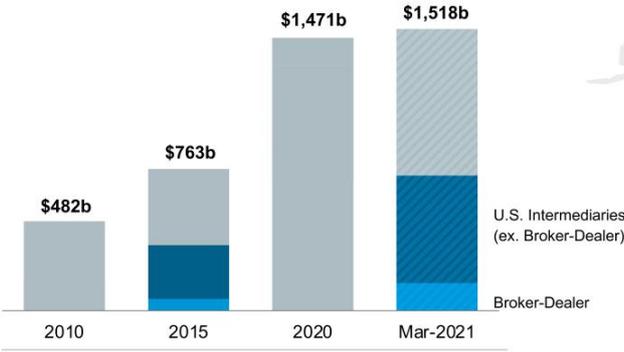
- Optimization of select technology, operational functions
- Builds on 30-year relationship with global leader in financial technology, services, and solutions
- Sole accountability for all recordkeeping services retained by T. Rowe Price

**...enhancing plan sponsor and participant experiences without conversion disruption.**

- Improved delivery of products and services
- Operational efficiency and risk mitigation
- More flexible and intuitive client functionality
- Digital payments, dark Web monitoring
- Platform continuity, client service teams unchanged

# Expansion of Broker-Dealer business drives results

## Growth of Broker-Dealer channel



**Investment in Field Resources**

**49** Territories filled<sup>1</sup>

**Home Office/Gatekeeper Satisfaction**

**78%** Extremely satisfied<sup>2</sup>

**Organic Growth<sup>3</sup>**

**9.4%**

<sup>1</sup>Count represents regional investment consultants in place or with agreed-upon start dates in place through Q3 2021.  
<sup>2</sup>Source: T. Rowe Price Proprietary Client Satisfaction Study (Q3 2019, Q4 2020); \*Extreme Satisfaction = 9 and 10 responses on a scale of 0-10  
<sup>3</sup>Trailing 12-month net new flows over beginning of period AUM. See page 30 for detailed channel AUM information.

# APAC: A large, heterogeneous region of growth

<p><b>Presence</b></p> <p><b>65%</b></p> <p>3-year increase in headcount</p>	<ul style="list-style-type: none"> <li>Deepening relationships, local incorporation enhance outcomes</li> <li>Shanghai research office opened in March 2021</li> </ul>
<p><b>Perception</b></p> <p><b>32%</b></p> <p>3-year improvement in brand ranking<sup>1</sup></p>	<ul style="list-style-type: none"> <li>Reputation increasing across key growth markets and client segments</li> <li>Enhancing brand uplift through advertising and promotion</li> </ul>
<p><b>Results</b></p> <p><b>28%</b></p> <p>Q1 2021 organic growth<sup>2</sup></p>	<ul style="list-style-type: none"> <li>Region has achieved net inflows in every quarter since Q3 2016</li> <li>Extension of ITM product range in Japan continues to drive momentum</li> </ul>



<sup>1</sup>NMG Consulting's annual Global Asset Manager Study; data reflect combined brand ranking (unprompted) within APAC institutional, gatekeeper, and advisor channels between 2017 and 2020 studies. Most recent data available and used with permission. © NMG Group 2021.  
<sup>2</sup>Trailing 12-month net new flows over beginning of period AUM.

# Global Equities suite: A meaningful driver of flows with room to scale



	Global Focused Growth	Global Growth	Global Value	Global Select	Global SRS	QM Global Equity	Global Equity Dividend	Global Impact
<b>Strategy/ Manager Inception</b>	Dec 1995/ Oct 2012	Oct 2008	July 2012	Dec 2020	Jul 2021 (estimated)	Apr 2016	Apr 2018	Mar 2021
<b>Vehicles Available</b>	<ul style="list-style-type: none"> <li>▪ AUT</li> <li>▪ Canadian Pool</li> <li>▪ ITM</li> <li>▪ Mutual Fund</li> <li>▪ OEIC</li> <li>▪ SICAV</li> <li>▪ Responsible SICAV</li> </ul>	<ul style="list-style-type: none"> <li>▪ AUT</li> <li>▪ Canadian Pool</li> <li>▪ Collective Trust</li> <li>▪ Mutual Fund</li> <li>▪ SICAV</li> <li>▪ Responsible SICAV</li> </ul>	<ul style="list-style-type: none"> <li>▪ Mutual Fund</li> <li>▪ SICAV</li> </ul>	<ul style="list-style-type: none"> <li>▪ Australia SMA</li> <li>▪ SICAV</li> </ul>	<ul style="list-style-type: none"> <li>▪ Responsible SICAV<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>▪ Mutual Fund</li> </ul>	<ul style="list-style-type: none"> <li>▪ SICAV</li> </ul>	<ul style="list-style-type: none"> <li>▪ AUT</li> <li>▪ Mutual Fund</li> <li>▪ SICAV<sup>1</sup></li> <li>▪ OEIC<sup>2</sup></li> </ul>

Newly launched, differentiated portfolios complement the more mature strategies with strong track records

Global Impact meets demand for investors looking for ways to direct capital to companies creating positive social or environmental impact while generating alpha

■ Growth ■ Value ■ Core ■ Income ■ Impact

Strategies/structures shown are not available in all jurisdictions from T. Rowe Price. There is no guarantee that the capabilities and strategies currently under evaluation will be launched.  
<sup>1</sup>SICAV 1 prospectus filed with the CSSF, inception date (July 2021 estimated) is subject to receipt and timing of regulatory approval.  
<sup>2</sup>Launch expected in Q4 2021, subject to FCA approval and Day 1 market opening.

# Summary

The graphic features a dark teal background with a light teal geometric pattern. Four white rectangular boxes are arranged horizontally, each containing an icon and a text block. The icons are: two people silhouettes, a palm tree, a molecular structure, and a bar chart with an upward arrow.

- Principled pursuit of our clients' success**
- Extensive range of retirement solutions**
- Scale continues to be a competitive advantage**
- Strong, sustainable, diversified growth**

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# Financial Overview

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Céline Dufétel

CHIEF OPERATING OFFICER, CHIEF FINANCIAL OFFICER AND TREASURER

T. ROWE PRICE GROUP, INC. INVESTOR DAY 2021



# Creating value for stockholders over time

As of March 31, 2021



<sup>1</sup>See the reconciliation to the comparable U.S. GAAP measures in the appendix (page 51).  
<sup>2</sup>Figures represent percent of U.S. non-GAAP net income attributable to T. Rowe Price Group, Inc., returned to stockholders.

# Continued positive organic growth— institutional flows lessening seasonality

T. Rowe Price quarterly net flows



Annual organic growth rate

2016	2017	2018	2019	2020
(0.4)%	1.7%	1.3%	1.4%	0.5%

Long-term organic growth target of 1%–3%

Lower seasonality due to growing institutional and EMEA/APAC businesses

Within retirement, plan wins and losses often overshadow more seasonal participant flows

# Positioning our target date franchise for continued growth

As of March 31, 2021

- Fee reductions of ~5.5 bps across the \$351.6b target date franchise
  - 6.3 bps on funds
  - 4.8 bps on trusts
- Fee changes and expansion of blend capabilities will position our products competitively against both active and passive
- Changes we are making will support growth of our target date franchise, with the goal to remain a market leader, in a growing market

<sup>1</sup>Data through December 2019 to illustrate normalized markets. Data in 2020 are skewed by unprecedented fiscal stimulus packages and regulations specific to the global pandemic. Not all companies were included due to limited data availability. Source: Morningstar (see inserted disclosure on page 53 for information about this Morningstar information).

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Target Date Industry  
Growth Rate

Overall Target  
Date Market

**8.2%**

Active and Blend  
Products

**4.5%**

12/31/2017 – 12/31/2019  
(Morningstar Funds and Trusts)<sup>1</sup>

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# Making investments across the firm in 2021



## Investments

- Final year of TRPIM hiring ramp up
- Talent to support product expansions including research, trading, and product specialists
- Buildout of ESG, ETF, and IDI teams
- Shanghai office opening



## Distribution

- ~25% planned expansion in broker-dealer coverage team and support
- TDF, ETF, and brand building marketing campaigns
- Continued EMEA and APAC distribution and brand buildout
- RPS transformation transition costs
- Individual Investor strategic refresh



## Technology, Operations, and Corporate

- Front and middle office modernization including enabling TRPIM and product expansions
- Augmented Intelligence and data analytics for investments and technology infrastructure
- Digital capabilities and client experience
- Globalization of corporate functions and regulatory impact

## Areas of investment over next two to three years



### Investments

- Talent to support product expansions
- ESG and Impact capabilities across asset classes
- ETF road map
- Liquid alternatives
- Global multi-asset expansion



### Distribution

- Continued expansion of wealth management coverage
- Expansion of digital marketing capabilities and brand investments
- Continued development of client partnerships in all regions
- RPS transition costs (2022)
- Vehicle expansion (SMA, model delivery)



### Technology, Operations, and Corporate

- Continued front and middle office modernization including trading systems
- Digital capabilities and client experience
- Responding to increasing complexity and regulation
- New Baltimore headquarters and London office
- Normalized travel

# Driving efficiencies for reinvestment



## Strategic Partnership with FIS

- Increased efficiency across operations and technology, leveraging scale and automation
- Enhanced delivery of innovative retirement solutions



## Technology Cost Optimization

- Software demand management
- Application decommissioning
- Consolidation of data center footprint



## Client Digitization and Automation

- Customer transaction processing automation
- Statement processing modernization
- Robotics process automation



## Technology Modernization

- Infrastructure automation
- Software developer services
- Desktop environment (VDI)

Disciplined strategic and financial planning

Leveraging partnerships to drive efficiencies

Modernizing technology to drive long-term efficiencies

# Effectively deploying capital



## Grow dividend annually

- Continued year-on-year dividend increase since IPO
- 38% payout ratio over past five years<sup>1</sup>



## Buy back stock opportunistically and offset dilution

- 8% decline in shares outstanding over past five years
- Repurchased \$4.2b over past five years at an average share price of \$95.71
  - 8x average P/E<sup>2</sup>
  - 3.9% dividend yield<sup>2</sup>



## Remain debt-free and strategically deploy seed capital

- \$4.8b in cash and discretionary investments
- \$1.2b in seed capital deployed against ~70 strategies
  - \$100m–\$500m deployed annually<sup>3</sup>

<sup>1</sup>Based on U.S. GAAP. Includes recurring dividends only.

<sup>2</sup>Last Twelve Months (LTM) U.S. GAAP earnings; LTM dividends paid.

<sup>3</sup>Reflects seed capital deployed annually since 2016 including redeployment of previous seed capital commitment.

## Our perspective on evaluating inorganic opportunities

### Advance our strategy

- New capabilities
- Scale for capabilities not yet scaled
- Diversification

### Align with best-in-class investors

- Repeatable source of alpha
- Strong investment performance and culture

### Minimize existing business disruption

- Similar culture and business practices
- Minimal overlap with scaled capabilities

### Add value to stockholders

- Value creation through distribution and new product development and seeding
- Fair valuation

# Summary: Clear objectives to measure our success



The image features three white rectangular boxes arranged horizontally on a teal background with a geometric pattern. Each box contains an icon and a text objective. The first box on the left has a bar chart icon with an upward arrow and the text 'Striving for 1%–3% long-term organic growth'. The middle box has an icon of two coins, one with a dollar sign, and the text 'Investing in strategic initiatives to support long-term growth'. The third box on the right has a circular arrow icon and the text 'Consistently returning capital to stockholders over time'. At the bottom left of the teal area, it says 'T. ROWE PRICE GROUP, INC. INVESTOR DAY 2021'. At the bottom right, it says 'INVEST WITH CONFIDENCE' followed by the number '48'.

**Striving for 1%–3% long-term organic growth**

**Investing in strategic initiatives to support long-term growth**

**Consistently returning capital to stockholders over time**

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# Questions

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# Appendix

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## Non-GAAP operating income and net revenues reconciliation

	2021	2020	2019	2018	2017
Net Revenues, GAAP basis	\$6,570.9	\$5,753.2	\$5,371.9	\$5,050.3	\$4,342.4
Non-GAAP adjustments:					
Consolidated Investment Products	8.7	7.8	6.0	6.5	6.0
Net Revenues, Non-GAAP basis	\$6,579.6	\$5,761.0	\$5,377.9	\$5,056.8	\$4,348.4
Operating Expenses, GAAP basis	\$3,639.2	\$3,191.5	\$3,061.8	\$2,879.4	\$2,498.2
Non-GAAP adjustments:					
Consolidated Investment Products	(7.5)	(7.5)	(7.3)	(5.7)	(7.0)
Supplemental Savings Plan Liability	(197.7)	27.1	(28.6)	(14.1)	
Nonrecurring Dell			15.2		(16.2)
Operating Expenses, Non-GAAP basis	\$3,434.0	\$3,211.1	\$3,041.1	\$2,859.6	\$2,475.0
Operating Income, GAAP basis	\$2,931.7	\$2,561.7	\$2,310.1	\$2,170.9	\$1,844.2
Non-GAAP adjustments:					
Consolidated Investment Products	16.2	15.3	13.3	12.2	13.0
Supplemental Savings Plan Liability	197.7	(27.1)	28.6	14.1	
Nonrecurring Dell			(15.2)		16.2
Operating Income, Non-GAAP basis	\$3,145.6	\$2,549.9	\$2,336.8	\$2,197.2	\$1,873.4
Operating Margin, GAAP basis <sup>1</sup>	44.6%	44.5%	43.0%	43.0%	42.5%
Operating Margin, as adjusted <sup>1</sup>	47.8%	44.3%	43.5%	43.5%	43.1%

<sup>1</sup>Operating margin is equal to operating income divided by net revenues. Last 12 months ended March 31.

# Reconciliation between GAAP and adjusted (non-GAAP) EPS

As of December 31, 2020

	2020	2019
Diluted Earnings per Common Share, GAAP Basis	\$9.98	\$8.70
Non-GAAP adjustments:		
Consolidated T. Rowe Price Investment Products	(.27)	(.42)
Other non-operating income	(.19)	(.23)
Non-operating income of investments designated as an economic hedge of the SSP Plan less compensation expense	.06	.02
Adjusted diluted earnings per common share	<u>\$9.58</u>	<u>\$8.07</u>

# Additional information

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## Investment performance overview (slide 15)

<sup>1</sup>Source: Morningstar. Primary share class only. Excludes money market mutual funds, funds with an operating history of less than one year, T. Rowe Price passive funds, and T. Rowe Price funds that are clones of other funds. The chart reflects the percentage of T. Rowe Price funds with 1 year, 3 year, 5 year, and 10 year track record that are outperforming the Morningstar category median.

<sup>2</sup>Passive Peer Median was created by T. Rowe Price using data from Morningstar. Primary share class only. Excludes money market mutual funds, funds with an operating history of less than one year, funds with fewer than three peers, T. Rowe Price passive funds, and T. Rowe Price funds that are clones of other funds. This analysis compares T. Rowe Price active funds to the applicable universe of passive/index open-end funds and ETFs of peer firms. The chart reflects the percentage of T. Rowe Price funds with 1 year, 3 year, 5 year, and 10 year track record that are outperforming the passive peer universe.

<sup>3</sup>Composite net returns are calculated using the highest applicable separate account fee schedule. Excludes money market composites. All composites compared to official GIPS composite primary benchmark. The chart reflects the percentage of T. Rowe Price composites with 1 year, 3 year, 5 year, and 10 year track record that are outperforming their benchmarks.

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