



T. Rowe Price Q4 2025 February 4, 2026

Corporate Speakers

- **Linsley Carruth**; T. Rowe Price; Director of Investor Relations
- **Rob Sharps**; T. Rowe Price; Chair, Chief Executive Officer, and President
- **Jen Dardis**; T. Rowe Price; Chief Financial Officer
- **Eric Veiel**; T. Rowe Price; Head of Global Investments

Participants

- **Alexander Blostein**; Goldman Sachs; Analyst
- **Michael Cyprys**; Morgan Stanley; Analyst
- **Craig Siegenthaler**; Bank of America; Analyst
- **Daniel Fannon**; Jefferies; Analyst
- **Benjamin Budish**; Barclays; Analyst
- **Kenneth Worthington**; JPMorgan; Analyst
- **Brennan Hawken**; BMO; Analyst
- **Patrick Davitt**; Autonomous Research; Analyst

Presentation

Operator: Good morning. Welcome to T. Rowe Price's Fourth Quarter 2025 Earnings Conference Call. (Operator Instructions) As a reminder, this call is being recorded and will be available for replay on T. Rowe Price's website shortly after the call concludes. I will now turn the call over to Linsley Carruth, T. Rowe Price's Director of Investor Relations.

Linsley Carruth: Hello and thank you for joining us today for our fourth quarter earnings call. The press release and a supplemental materials document can be found on our IR website at investors.troweprice.com.

Today's call will last approximately 45 minutes. Our Chair, CEO, and President Rob Sharps and CFO Jen Dardis will discuss the company's results for about 15 minutes. Then we'll open it up to your questions, at which time we'll be joined by head of Global Investments Eric Veiel. We ask that you limit it to one question per participant.

I'd like to remind you that during the course of this call we may make a number of forward-looking statements and reference certain non-GAAP financial measures. Please refer to the forward-looking statement language and the reconciliations to GAAP in the supplemental materials as well as in our press release. Discussion related to the funds is intended to demonstrate their contribution to the organization's results and are not recommendations.

All investment performance references to peer groups on today's call are using Morningstar peer groups and for the quarter that ended December 31, 2025.

Now I'll turn it over to Rob.

Rob Sharps: Thank you, Linsley. And thank you all for joining today's call.

2025 brought a third straight year of strong global market returns, though it remains a narrow market dominated by a handful of mega-cap stocks and with riskier names outperforming quality and value. While this market growth served as a tailwind for our asset under management and investment advisory revenue, it was not an environment that was highly conducive to fundamental research, active management, and long-term investing. But we did see some evidence of a market broadening in the fourth quarter which would be a positive for fundamental, research-driven active management.

We closed the year with 1.78 trillion dollars in asset under management, up over 10 percent from the start of the year, despite 56.9 billion dollars in net outflows. Net outflows were concentrated in our equity and mutual fund business, with 75 billion dollars of net outflows from equity and, on a vehicle basis, almost 64 billion dollars from mutual funds in 2025.

Importantly, we saw an increase in gross sales, which were higher than 2024 and up over 40 percent from 2023. Offsetting these higher gross sales were redemptions that were greater than anticipated and driven by performance shortfalls in certain strategies and from portfolio rebalancing due to elevated equity markets.

We generated over 2 billion dollars of free cash flow in 2025 and returned nearly 1.8 billion of cash to our stockholders. We also extended our long history of increasing our regular dividend, marking our 39th consecutive year of increases since our IPO in 1986.

We are building momentum across our strategic initiatives. I remain confident in our plan – and our people – and I look forward to what's ahead.

With that, I will turn to investment performance. We are seeing improvement in the performance of several key strategies and continue to have strong long-term performance across a range of strategies and asset classes. While we're headed in the right direction, there remains room for further improvement.

- About half of our funds beat their peer groups across the time periods, with 49, 56, 46, and 61 percent outperforming on the 1-, 3-, 5-, and 10-year time periods respectively.

- For the 3-, 5-, and 10-year time periods, asset-weighted performance is stronger with 72, 54, and 79 percent of fund assets beating their peer groups for the respective periods. For the 1-year time period, 42 percent of fund assets beat their peer groups.
- On an asset-weighted basis, over half of our equity funds beat their peer groups on a 3- and 5-year basis, and over 70 percent beat their peers for the 10-year time period.
- Fixed income continued to deliver strong performance, with over 75 percent of fund assets beating their peer groups across the 1-, 3-, 5-, and 10-year time periods.
- Longer-term performance in our target date franchise remains strong, with 81, 55, and 98 percent of fund assets outperforming the 3-, 5-, and 10-year time periods respectively. Several very strong quarters in 2020 that have been rolling off, have been a recent drag on the five year performance numbers. Returns for the one year time period were weaker, with 29 percent of fund assets outperforming peers. This was driven by a slightly lower weight to international equities than some peers and by security selection in some of the underlying portfolios, primarily in the second and third quarters of 2025.
- Across alternatives, performance for the quarter was generally strong amid a more discerning credit backdrop. Credit selection continued to be highly effective as it successfully avoided any exposure to widely publicized frauds or failures.

Beyond investment performance, in 2025, we continued to make progress on our strategic initiatives.

- We established a strategic collaboration with Goldman Sachs to pursue opportunities in wealth and retirement through co-developed public/private offerings and advice solutions, and in the fourth quarter, we launched the first co-branded model portfolios, including four portfolios that are now live on the GeoWealth platform and a fifth expected in the first half of 2026. In January we launched one of the model series – the Goldman Sachs T. Rowe Price Dynamic ETF Portfolio – on the Morgan Stanley platform.
- We extended our retirement leadership globally with a subadvised retirement date fund series in partnership with a Japanese asset manager and two new retirement allocation funds with a strategic partner in Asia – marking the first time a U.S. asset manager offered retirement-focused products to retail investors in Hong Kong and Singapore. Additionally, we saw growth in the Canadian target date series we launched in 2024.
- We maintained our position as an industry leader in active target date solutions, building on over 20 years of product innovation and surpassing 560 billion dollars in assets under management across a diverse suite of solutions. We also helped clients navigate change and achieve better outcomes with a breadth of retirement solutions, including the launch of our innovative Social Security Analyzer tool.
- We grew our active ETF business with the recent launch of two new active core equity ETFs: one focused on the US and one on international. These active core strategies combine quantitative and fundamental research for alpha generation, and we believe this approach will compete effectively with passive. We also expanded our fixed income ETF range with three new muni strategies and one multi-sector ETF. All told, we launched 13 ETFs in

2025, bringing our total to 30, and we grew assets under management to over 21 billion dollars at year end.

- We continued to expand our alternatives business. At the start of January 2026, we had the first close for a T. Rowe Price-managed private equity fund. This strategy is a closed-end drawdown fund and seeks to create a portfolio of approximately 25 category-leading private companies. T. Rowe Price has exceptional access to late-stage private companies given our successful 18-year track record of investing over 24 billion dollars across approximately 300 private companies; and our reputation for being thoughtful, long-term, and value-added shareholders well beyond the IPO.
- OHA enjoyed a second consecutive record fund raising year, with over 16 billion dollars of capital raising across the platform led by private lending strategies. Private credit deployment experienced a strong finish to the year, reflecting increased sponsor activity and, looking ahead, there continues to be an expectation of an acceleration in deal volume as the pipeline of pending private credit transactions remains robust.
- We made key organizational changes, including the creation of the Technology, Data and Operations function to focus on integrating digital capabilities, data strategy, and enterprise operations to accelerate execution, and the Global Strategy function to sharpen our strategic vision, integrate corporate development and product strategy, and support our growth agenda.
- We advanced our use of artificial intelligence across the firm – amplifying our investment professionals' capabilities without replacing their judgment, improving the speed and personalization of client service, and adopting new technologies with disciplined governance and thoughtful onboarding.

The momentum we built in 2025 carried into 2026, with our announcement in January of a new strategic partnership with First Abu Dhabi Bank.

Leveraging our collective strengths and capabilities, our partnership with F.A.B. aims to deliver world-class investment solutions across public and private markets, tailored to meet the needs of investors throughout the Middle East. While we have had an institutional business in the Middle East for some time, this is our first strategic partnership in the region, and it reflects our commitment to growing and diversifying our business through innovative global partnerships.

This partnership – and all of the progress we made in 2025 – is a reflection of our associates' steadfast commitment to our clients, and I want to thank each of them for their dedication.

And now Jen will share an update on our financial results.

Jen Dardis: Thank you, Rob, and hello everyone. I will review our financial results before opening the line for Q&A.

Our adjusted diluted earnings per share for Q4 2025 was two dollars and forty four cents (\$2.44), bringing full-year adjusted diluted EPS to nine dollars and seventy two cents (\$9.72), which is up 4.2 percent from 2024 on higher average AUM, investment advisory revenue, and lower average share count.

As previously reported, we had 25.5 billion dollars in net outflows in Q4, bringing the full year to 56.9 billion.

As Rob noted, in 2025 we experienced elevated redemptions from our legacy equity and mutual fund business. Despite these redemptions, strong equity market returns more than offset the net outflows, and we ended the year with nearly 50 billion dollars in additional equity assets under management. This trend—where equity market appreciation has exceeded equity net outflows—has been consistent over the past three years.

We saw encouraging momentum and signs of strength this quarter, and in a few areas of our business, we ended the year with positive net flows.

Fixed income and alternatives had positive net flows for the quarter and, along with multi-asset, had positive net flows for the full year. Fixed income has now delivered 8 consecutive quarters of positive net flows. And our target date franchise ended the year with net inflows of 5.2 billion dollars.

Our ETF business remains strong, with 1.8 billion dollars in net inflows during the quarter. This brings 2025 net inflows to nearly 10.5 billion dollars. Within other investment vehicles, for the full year, Trusts continued to see strong net inflows in the DC channel, and we saw positive net flows to SMAs.

In 2025, strong equity markets lifted the growth of our average AUM, increasing our investment advisory fees, net revenues and diluted EPS over the prior year.

Our Q4 adjusted net revenue of 1.9 billion dollars raised our full-year adjusted net revenue to nearly 7.4 billion, an increase of 2.8 percent from 2024.

Our Q4 investment advisory revenue of 1.7 billion dollars increased 2.3 percent from the prior quarter and 4.2 percent from Q4 2024, driven by higher average AUM and partially offset by a lower effective fee rate. Our full-year investment advisory revenues of 6.6 billion dollars were up 3.1 percent from the prior year.

Our Q4 annualized effective fee rate, excluding performance based fees, was 38.8 basis points, which is down from 39.1 basis points in Q3 2025.

The decline in average effective fee rate continues to be driven by changes in our asset and vehicle mix. As client demand increasingly shifts toward lower-priced vehicles and strategies, we remain focused on delivering our investment strategies in our clients' vehicles of choice—while maintaining competitive fee rates. Slide 19 in the supplement illustrates the changes in our vehicle mix over the past five years.

Over time, we have seen a growing proportion of our gross sales going to fixed income and multi-asset, and to lower priced vehicles like ETFs, Trusts, and SMAs, while redemptions remain primarily concentrated in higher priced equity strategies and mutual funds. These sales and redemption patterns drive the change in our asset and vehicle mix.

Performance-based fees in Q4 of 14.2 million dollars were predominantly from alternatives strategies and were up from the prior quarter, but down from Q4 2024. Full-year performance-based fees of 37.4 million dollars were down from 2024's 59.3 million.

Turning to expenses, Q4 adjusted operating expenses were 1.2 billion dollars, bringing 2025 adjusted operating expenses, excluding carried interest expense, to 4.6 billion, which is up 3.4 percent from 2024's 4.46 billion dollars and within the previously provided guidance of 2-4 percent.

Based on normal market conditions and assets at the end of 2025, we anticipate 2026 adjusted operating expenses, excluding carried interest expense, will be up 3-6 percent over 2025's 4.6 billion dollars. This range includes our ongoing expense management program that allows us to continue investing in growth areas of the market.

We remain committed to maintaining a strong cash position and returning capital to our stockholders. During Q4, we bought back 141 million dollars' worth of shares, bringing buybacks for 2025 to 624.6 million, or 2.8 percent of our shares outstanding.

We closed the year with a strong balance sheet, holding 3.8 billion dollars of cash and discretionary investments, up 735 million dollars from the start of the year. This allows us to support our recurring dividend, while preserving the ability to pursue opportunistic acquisitions or partnerships, and execute share buybacks.

Our long-term approach to managing our business enables us to invest strategically in areas that strengthen our capabilities and drive meaningful results for our clients. Combined with our continued focus on prudent expense oversight, we remain well-positioned to navigate changing market cycles and evolving trends.

And now we will open the line for Q&A.

Questions and Answers

Operator: Our first question comes from Alexander Blostein with Goldman Sachs. Your line is open.

Alexander Blostein: Hi. Good morning. Thank you for the question. So maybe starting with a question around how you guys are planning from an operating perspective for 2026. Heard this expense guide, so maybe just remind us the ability to flex up or down in an event the environment for equities is maybe flattish for the year. Just want to understand the key assumptions there.

And then bigger picture when you guys zoom out, obviously the overall margins remain relatively healthy but below what you guys have been in the past, with prospects of organic base fee growth still somewhat challenged. How do you guys think about the margins for T. Rowe Price in totality kind of over the medium term over the next couple of years?

Rob Sharps: Yeah, Alex. Thank you for the question. The biggest factor in any single year on our operating margin is equity market return. As we've discussed in the past, there's a portion of our expense base, about a third of it, that's variable. But the biggest driver of our revenue is equity market returns.

That said, we understand the dynamic of the revenue outlook with regard to flow and fee pressure, and we're going to need to balance going forward investing to position ourselves for success long term and ensuring that we have world-class talent with a commitment to being a highly efficient organization with an ongoing focus on productivity. So, we have a number of initiatives to drive cost savings to fund those investments. But I'm really not going to comment on what I think the margin profile will look like over time because as I said, the market return has such a significant influence on that.

Jen Dardis: And maybe if I can talk specifically about expenses and the guide for 2026. We had talked last time about the two-thirds of our controllable expenses that we were managing toward low-single-digit growth that's included in this plan. And as Rob mentioned, that's a balance of cost savings efforts and also

earmarking funds to be able to invest in some of our growth areas. New vehicles such as ETFs, SMAs, models in alternatives and in our partnerships where we're introducing new products, and also in things like advice.

And then if you look at our market-driven expenses, that's what's driving it slightly higher into the range. And it's really two big drivers there. One is on what we call distribution expenses. That's things like 12b-1, trailer fees, or revenue share. Those increase with assets under management as opposed to revenue. And we saw tailwinds in growth in AUM at the end of the year. And we have our normal market growth assumptions, kind of moderate equity market growth in 2026, as well as modest fixed income growth.

The second thing that's within there is our year-end compensation. And again, that generally runs with revenue. But there are some accounting implications from our LTI program that are driving that a little higher this year.

Operator: Our next question comes from Michael Cyprys with Morgan Stanley. Your line is open.

Michael Cyprys: Hey. Good morning. Thanks for taking the question. More of a longer-term question for you just on on tokenization. Just curious if you could just talk a little bit about how you're experimenting with tokenization and blockchain. Where do you see some of the most compelling use cases and value to be unlocked? And curious how you see this all playing out over the next 12 to 24 months versus longer term? And where might there be scope for differentiation?

Eric Veiel: Hi, Michael, it's Eric. I'll take that one. First of all, we've been investing in our digitization capabilities going back to 2022 when we first brought on a team and have built it out internally to develop expertise in this area.

We think about it along three different vectors. First, there's an efficiency opportunity within tokenization for middle and back office savings that I think could be consequential in time. There's a product opportunity. As you move more traditional finance assets on chain, you open up opportunity to accelerate some of the trends that we're seeing, whether that's the convergence of public and private, whether it's fractionalization or mass customization. And then there's a distribution opportunity. It opens up a new generation of investors who are native to mobile and crypto.

We're working on all three of those. I would say on the efficiency front within investments, we're doing a lot of work on end-to-end processes that we think will really impact over time from a cost savings perspective, our middle and back office and potentially even some front office opportunity.

On the product side, we've already talked about how we've registered with the SEC our active crypto ETF that we hope to have in market in 2026, that will use a blend of fundamental and quantitative analysis to bring a multi-token ETF to the market.

And then on the distribution side, I think that's a more open opportunity for us. And we'll explore everything from partnerships to de novo builds.

Operator: Our next question comes from Craig Siegenthaler with Bank of America. Your line is open.

Craig Siegenthaler: Good morning, everyone. My question is on the update on the potential migration of privates into the 401(k) channel. So, we should be getting the DOL update shortly. Maybe not this month as planned due to the government shutdown, but how do you think this plays out across the industry with single

partnerships or multi-partner models? And where is T. Rowe Price now on the product launch front with your new Goldman Sachs partnership, which will also include some OHA and credit?

Rob Sharps: Yeah, Craig, thank you for the question. So not a lot new since we've commented on this in the last few calls. Our multi-asset team has really researched the investment case for including private market alternatives in defined contribution solutions, including target date funds. And they believe that the investment case is strong.

That said, there is a mixed view among plan sponsors based on lack of clarity with regard to fiduciary risk and change just kind of not only around fee but also around liquidity. And it's a dynamic ultimately that we're going to need to navigate. As you said, the DOL comments are due to come back from the OMB. There'll be a public comment period. We may not get real clarity on what the ultimate guidance looks like for several months. What we want to do is have a flexible approach that's responsive to our clients' interests.

So, with regard to the specific question about the Goldman Sachs T. Rowe Price retirement date offering, we continue to work on product design and plan to have the offering in market in around mid-year this year. We think there's a segment of the market that will be early adopters and kind of ultimately kind of feel that interest could grow. But my sense is that penetration of the overall opportunity set will evolve relatively slowly and won't be substantial for some period of time.

Operator: Our next question comes from Dan Fannon with Jefferies. Your line is open.

Dan Fannon: Thanks. Good morning. So wanted to talk about the target date business. You showed some outflows in the fourth quarter, something we haven't seen in a few years. So wanted to get a little bit more context around the momentum and/or outlook for that business. As we think about 2026, whether that's the kind of backlog, kind of new win opportunities and/or losses that might be within the periphery as of now.

Rob Sharps: Yeah, Dan, thanks for the question. And if I may, maybe I'll take the opportunity to zoom out and talk about flows more broadly and then drill down on the target date business. Flows in the fourth quarter were meaningfully softer than we anticipated, especially in the month of December. The weakness was largely driven by equities, with particular pressure in growth equity portfolios, driven by a handful of institutional losses and some rebalancing, given the robust equity market returns in 2025.

But as you cite, outflows in the retirement date funds, which are not necessarily unusual for the month of December but are unusual for the full fourth quarter, were also a factor. About one-third of the Q4 retirement date outflows were driven by M&A activity where our client was acquired and the plans were consolidated, and we ended up losing the mandate. We also lost a handful of lumpy or larger mandates that weren't M&A related.

But if you look at the broader trend, I think what you see is that fully active target date funds are losing share to passive and blend. Given our position as the largest fully active target date fund manager, that's going to be a headwind for us.

On the positive side, I think we're really well positioned to mitigate or offset that headwind with our very strong blend and hybrid offerings, which incorporate a component of passive. The blend area is the fastest-growing category within target date. It's actually growing faster than passive, and T. Rowe Price is gaining market share in the blend category. So, we believe that we'll continue to grow our retirement date franchise going forward. Whether or not that growth is consistent with the levels that it's been in the past, I think to some extent will depend on the intensity of the shift away from active and our ability to capture a portion of

that with our blend and hybrid offering, but also to grow and gain market share from a new dollar perspective within that category. Just as a more current data point, we did have \$1.7 billion of target date inflows in the month of January.

I'll also kind of take the opportunity to share some perspective on the 2026 flow outlook. Flows have been volatile and difficult for us to predict, but our base case reflects continued pressure in equities, partially offset by inflows in retirement date fund and consistent with the previous comment with a continued shift towards blend, steady growth in fixed income, and accelerating growth in alternatives.

The intensity of equity outflows is the biggest factor for our overall flows. To get back to positive flows, we need equity outflows to moderate. We're confident that that will happen over time with strong performance. In January, we did have just under \$6 billion of outflows. But the pipeline suggests that the rest of the quarter, being February and March, has the potential to improve from those levels.

Operator: Our next question comes from Ben Budish with Barclays. Your line is open.

Ben Budish: Hi. Good morning and thank you for taking the question. Maybe, Rob, just following up on that last point, I know the market had a bit of a shock just yesterday. And I would expect your comments or sort of higher level taking over the course of the year. But just curious, how would you expect that sort of impact to translate to near-term equity flows? How do advisors and retail customers tend to respond to that sort of disruption?

And could you maybe talk about the sort of mix across the equity franchise? How exposed is the business to software and services and the areas which the market is sort of worrying maybe under some kind of near-term threat from AI developments. Thank you.

Rob Sharps: Yeah. I'll start and welcome input from Eric and Jen, who I'm sure have a perspective on the topic. With regard to how equity market returns impact flows, it depends by client type. I think there are certain client types that tend to react more quickly, and other client types that have a commitment to the asset class and allocation framework that, in some instance with the drawdown in the market, may actually be inclined to rebalance and add to equities.

I would say the net effect to us over a period longer than days or weeks really isn't that substantial. I think in the very short term, you may see a knee-jerk reaction to a sharp drawdown in the market in certain segments. But ultimately there are a number of puts and takes. And as I'd said in my earlier comment, despite robust market returns last year, that actually caused a bit of a drag as some of our clients rebalanced away from strategies that had significant absolute returns. I'd say that's not something that is a meaningful factor in our outlook from a flow perspective.

In terms of our exposure to software and services, I'll ask Eric to offer his perspective. I think a lot of the consternation in the market is over some of the private equity sponsors having significant deals and exposure to PE firms. As an active, largely liquid public manager, we have the ability to adapt and adjust to changing market environments, so our positioning can obviously be very fluid.

I would say that our overall mix is no more exposed than the market as a whole. But I'll ask for Eric to give a little bit more specific commentary in terms of software exposure.

Eric Veiel: Sure. So, with almost roughly \$1 trillion in equity assets across a wide variety of different types of portfolios, we're obviously going to have a lot of different types of mandates with different types of exposure to software.

As you think about what happened yesterday in the disruption risk of AI, specifically, some very unique opportunities that were brought forward by Anthropic, we have been studying these opportunities and risks for a long time, and have very deep research on them, and have been positioned for events like this in many of our portfolios. That doesn't mean that in every portfolio, we're perfectly positioned for what happened in a single day of market action. But what happened yesterday in terms of the potential disruption of AI across different parts of the software industry, is not a surprise to us.

Operator: Our next question comes from Ken Worthington with JPMorgan. Your line is open.

Ken Worthington: Hi. Good morning. Along those same lines on the AI disruption, what is Oak Hill's exposure to investments potentially disrupted by AI? And ultimately, do you think the problems could be big enough in private credit to drive market share shifts? And where might T. Rowe fit into those share shifts if they're big enough to discuss here today?

Rob Sharps: Yeah. Look, I'm not going to comment on OHA's underlying exposures, but what I will say is that they have an extraordinarily rigorous credit process. And to the extent that we go into a credit environment where defaults are more prevalent, we think that OHA's process and performance will be a differentiating factor relative to the rest of the industry.

And I might just take the opportunity to comment on OHA more broadly. OHA is doing well. They had a second consecutive year of record capital raising with particular strength in private lending. The T. Rowe Price and OHA teams are working very well together on opportunities across wealth, insurance, and the broader institutional market. As a matter of fact, the T. Rowe Price client-facing teams helped OHA bring in over \$3 billion in new institutional commitments, with much of that in 2025.

As we'd referenced earlier, OHA is deeply involved in our collaboration with Goldman Sachs. Their private credit capabilities are designed into several of the investment strategies, including the co-branded retirement date funds and multi-alts offering for wealth.

We do plan to do a spotlight on OHA and our efforts in alternatives on one of the earnings calls later this year and anticipate having Glenn August join us for that call.

Operator: Our next question comes from Brennan Hawken with BMO Capital Markets. Your line is open.

Brennan Hawken: Good morning. Thank you for taking my question. You were speaking earlier to M&A and the sort of noise created in the target date DC plan sales process, plus maybe a few misses on some plans. A couple questions on that, a couple of follow ups. Were there any particular factors that caused the misses, and how are you adjusting your offering in order to enhance your competitive positioning? And can you speak to the pipeline? I know those sales cycles are likely pretty long, so how are we looking as we move forward on that front? Thanks.

Rob Sharps: Yeah. In terms of the Q4 activity, I think it's relatively straightforward. When one of our plan sponsors get acquired, eventually the acquirer consolidates the plans. In certain instances, we're given the opportunity to compete for the combined plan. And in certain instances, the acquirer makes the decision that

they automatically want to consolidate with their incumbent target date fund provider. So, at the end of the day, that kind of really is all the color on that that I have.

I don't really have any more color on the dynamic in the marketplace outside of saying that we're seeing less interest in new opportunities for fully active target date fund and a significant increase in opportunities in blend and hybrid. I think to some extent that's a reflection of where the market's been, where the the power of the returns in the market-cap-weighted benchmarks, particularly in US large cap equity.

Ultimately, if that market dynamic changes and you have a backdrop that is more conducive to alpha generation from active management, then I think the fully active proposition will have more of an opportunity to stand out and be differentiated.

In terms of the pipeline for target date funds, it would again be consistent with the comment. The overall activity is robust, but we have more interest and more opportunity in blend and hybrid than we do in fully active.

Operator: Our next question comes from Patrick Davitt with Autonomous Research. Your line is open.

Patrick Davitt: Good morning. Thank you. Most of mine have been asked, just a quick follow-up on that again. On the target date, can you remind on the cadence each year on when those lumpier plan losses can occur? I know mostly December, but I seem to remember there are a couple of other months where they can come through in the past as well. Thank you.

Rob Sharps: Yeah, outside of elevated activity around year end, I would say that there really is no specific seasonality to plan activity. And it really can happen throughout the course of the year.

Operator: Thank you. I'm showing no further questions at this time. This concludes today's conference call. Thank you for participating. You may now disconnect.