



GOLDMAN SACHS U.S. FINANCIAL SERVICES CONFERENCE

T. Rowe Price Group, Inc.
December 9, 2020

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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.

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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



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



Embedding ESG and sustainability principles across the firm



Strong financial results and balance sheet

Industry challenges continue

Market Context



Aging population around the globe



Low interest rate environment



Increasing focus (and transparency) on fees



Technology and data advancements



Evolving investor attitudes about ESG



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

Sustaining strong long-term investment performance

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

% of Funds/Composites	U.S. Mutual Funds Outperforming Morningstar Median ^{1,2}				U.S. Mutual Funds Outperforming Morningstar Passive Peer Median ^{1,3}				Composites Outperforming Benchmarks ⁴			
	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	60%	67%	70%	85%	63%	67%	59%	65%	56%	59%	70%	73%
Fixed Income	55%	61%	59%	62%	63%	60%	55%	40%	49%	50%	52%	68%
Multi-asset	83%	80%	88%	90%	76%	68%	61%	92%	NA	NA	NA	NA
All Funds	65%	69%	72%	79%	67%	65%	58%	65%	53%	56%	63%	71%

% of AUM	U.S. Mutual Funds Outperforming Morningstar Median ^{1,2}				U.S. Mutual Funds Outperforming Morningstar Passive Peer Median ^{1,3}				Composites Outperforming Benchmarks ⁴			
	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	74%	79%	83%	92%	77%	77%	73%	73%	59%	61%	67%	78%
Fixed Income	49%	55%	55%	62%	49%	46%	44%	34%	44%	47%	34%	73%
Multi-asset	91%	91%	97%	97%	87%	91%	94%	96%	NA	NA	NA	NA
All Funds	76%	80%	84%	90%	77%	78%	76%	76%	56%	58%	62%	77%

Past performance cannot guarantee future results. As of September 30, 2020.

¹Source: Morningstar.

²Primary 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. Mutual funds are measured against the most appropriate style benchmark used for portfolio manager evaluation, which may not always be the prospectus benchmark. The top chart reflects the percentage of T. Rowe Price funds with 1-year, 3-year, 5-year, and 10-year track record that outperformed the Morningstar category median. The bottom chart reflects the percentage of T. Rowe Price funds AUM that outperformed for the time periods indicated. Total Fund AUM included for this analysis includes \$456B for 1 year, \$456B for 3 years, \$456B for 5 years, and \$449B for 10 years. Figures in US dollars.

³Passive 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 top 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. The bottom chart reflects the percentage of T. Rowe Price funds AUM that outperformed for the time periods indicated. Total AUM included for this analysis includes \$436B for 1 year, \$396B for 3 years, \$394B for 5 years, and \$377B for 10 years. Figures in US dollars.

⁴Composite 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 top chart reflects the percentage of T. Rowe Price composites with 1-year, 3-year, 5-year, and 10-year track record that outperformed their benchmarks. The bottom chart reflects the percentage of T. Rowe Price composite AUM that has outperformed for the time periods indicated. Total AUM included for this analysis includes \$1,207B for 1 year, \$1,195B for 3 years, \$1,180B for 5 years, and \$1,146B for 10 years. Figures in US dollars.

Maintaining financial strength through Q3 2020

Data are year-to-date through September 30, 2020, unless otherwise noted

	Q3 2020	Q3 2019	YOY Growth
Adjusted Net Revenue ¹	\$4,481	\$4,156	8%
Adjusted Operating Expenses ¹	\$2,434	\$2,286	6%
Adjusted Operating Income ¹	\$2,047	\$1,869	10%
Adjusted Operating Margin	45.7%	45.0%	70bps
Adjusted EPS ¹	\$6.69	\$6.04	11%
AUM ² (in \$ billions)	\$1,300	\$1,145	14%
Net Flows (in \$ billions)	\$3.4	\$10.4	(67%)
Annualized Effective Fee Rate	45.6bps	46.2bps	(0.6bps)

	Q3 2020	Q3 2019	YOY Growth
Dividends per Share	\$2.70	\$2.28	18%
Dividend Payout Ratio ³	41%	35%	17%
Free Cash Flow ¹	\$2,110	\$1,879	12%
Share Repurchases	\$1,171	\$567	107%
Cash and Discretionary Investments	\$4,347	\$3,908	11%

Figures in U.S. \$ millions unless otherwise noted.

¹See the reconciliation to the comparable U.S. GAAP measures in the appendix.

²AUM as of October 31, 2020.

³Dividends paid year-to-date divided by U.S. GAAP earnings per share year-to-date.

Executing a consistent, opportunistic approach to share repurchases

Over the five years ended September 30, 2020

10%

decline in common
stock outstanding
from 252m to 226m

47.1m

shares repurchased at

\$90.21

weighted average
price per share

10x

average P/E over
12-month earnings
ended 9/30/20¹

3.8%

dividend yield of
repurchases²

¹Weighted average repurchase price per share for 5 years ended September 30, 2020, divided by 12-month GAAP diluted earnings per share ended September 30, 2020.

²Twelve-month rolling dividend per share over weighted average price per share of repurchases over the last 5 years.

Continuing to advance our strategic priorities

Investment Capabilities

- Announced the formation of T. Rowe Price Investment Management (TRPIM) and preparing for a Q2 2022 transition, including related hiring and technology development
- Executed on our product road map with the launch of new strategies, including Multi-Asset Global Income, Dynamic Emerging Markets Bond, and Short Duration Income, and new vehicles, including our first four U.S. Equity active ETFs
- Continued to advance ESG capabilities; launched our first sustainable funds range, and received an A+ rating from the Principles of Responsible Investment (PRI) across each of the modules we report on

Distribution Capabilities

- Progressed the buildout of our broker-dealer channel in the U.S.
- Further-expanded APAC and EMEA intermediary and institutional presence and seeing strong momentum with local vehicles, particularly with the Japanese Investment Trusts (ITMs)
- Maintained high client satisfaction despite remote environment and increased activity in some channels (e.g., increased call volumes in our U.S. Direct and Bundled DC businesses)

Technology and Operations

- Supported the technology needs of the ~97% of associates working from home globally, including trading, client-facing, and call center associates
- Continued to modernize the tech portfolio across investments, trading, middle office, and performance

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

T. Rowe Price Investment Management (TRPIM)

A fully independent investment capability being established 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.



U.S. \$167B AUM

- U.S. Capital Appreciation
- U.S. Mid-Cap Growth Equity
- U.S. Small-Cap Core Equity
- U.S. Small-Cap Value Equity
- U.S. Smaller Companies Equity
- U.S. High Yield Bond



100+ Associates

- Separate investment personnel
- Dedicated experienced leadership
- Leverage T. Rowe Price Associates' (TRPA's) shared functions (Distribution, Technology, Corporate)

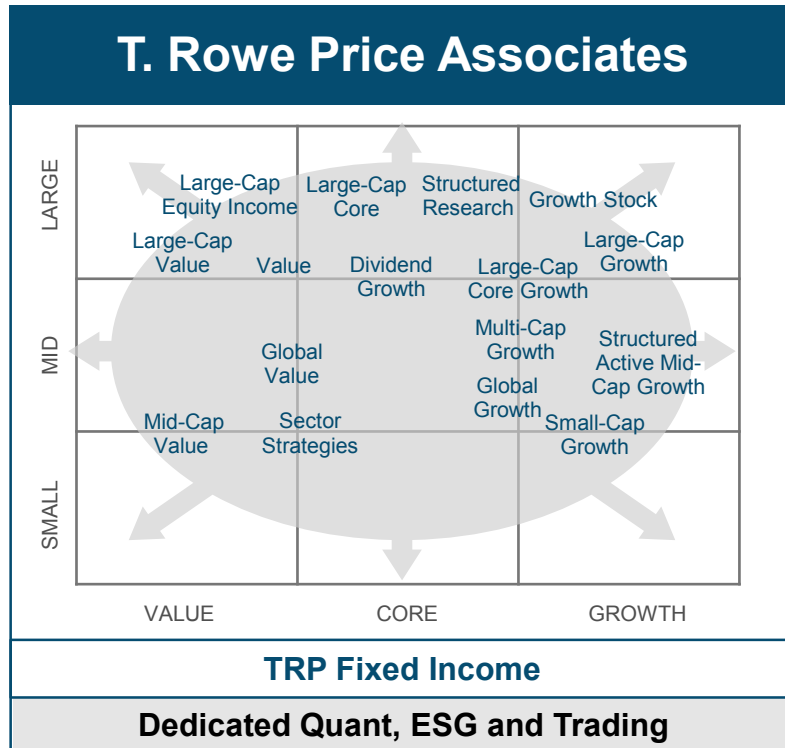


5 Locations

- Baltimore
- New York City
- Philadelphia
- San Francisco
- Washington, D.C.

Figures shown are as of September 30, 2020, and are subject to change. AUM includes assets managed by T. Rowe Price Associates, Inc., and its investment advisory affiliates. Not all strategies shown have a corresponding mutual fund available in the U.S. See appendix for full list of U.S. mutual funds included in the proposed transition.

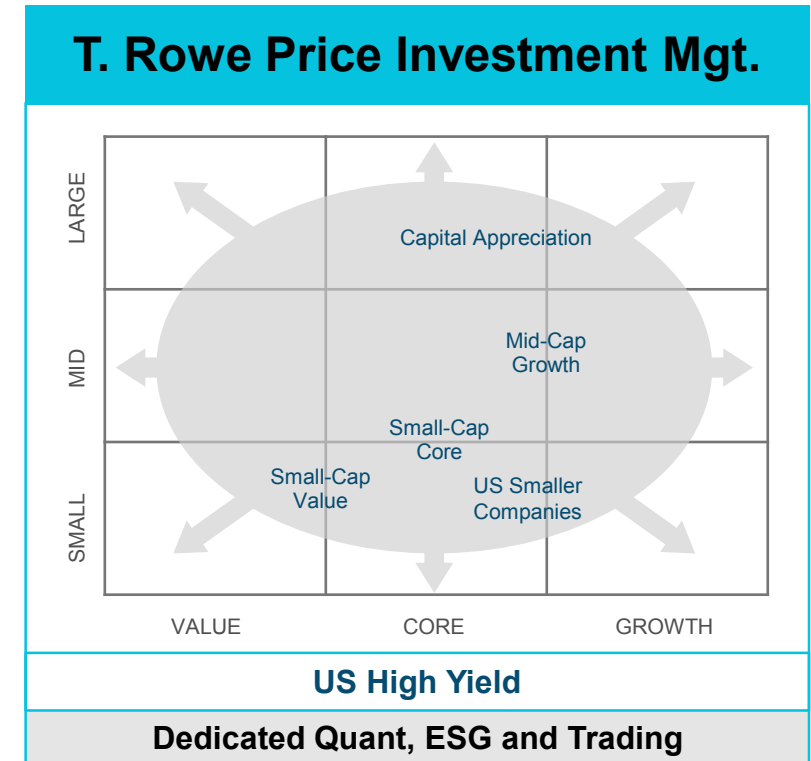
Replicating our core investment capability



Independent Functions

based on common criteria:

- Equity portfolios that cross market cap and style for increased idea generation and knowledge transfer
- Centralized research teams within each entity, built on our tradition of deep sector expertise
- Fixed income collaboration to drive capital structure insight



Shared Functions

Equity Data Insights (partial)
Corporate outreach support
Product Development
Talent Acquisition and Development (HR)

Client Service/Distribution
Technology and Operations support
Legal
Finance

The chart above is a high-level overview and is presented for illustrative purposes only. Not all strategies shown have a corresponding mutual fund available in the U.S. See appendix for full list of US mutual funds included in the proposed transition.

2021 Priorities – Furthering our investment capabilities



Product Development

- Expand our APAC and EMEA product ranges with SICAV and OEIC launches, including Responsible Global SRS and a new Responsible UK Equity Strategy¹
- Develop thematic investment strategies, including a Health Care Innovation Strategy



ETFs

- Expand our suite of active ETFs including the development and launch of Fixed Income ETFs
- Continue to scale and provide education on our existing U.S. Equity active ETF lineup



ESG

- Launch Global Impact Equity, the firm's first dedicated impact strategy
- Expand ESG integration tools and resources for analysts and portfolio managers to leverage across more asset classes



Equity Data Insights

- Generate investment insights by leveraging alternative data sources and quantitative factors into the fundamental research process
- Create Machine Learning and Natural Language Processing-based solutions

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.

¹Responsible strategies avoid sectors or companies by the application of the T. Rowe Price Socially Responsible Exclusion List. Product launches are subject to regulatory approval.

2021 Priorities – Expanding our distribution footprint



APAC

Continue to build local relationships with Institutional and Intermediary clients and raise brand familiarity



EMEA

Sustain growth momentum with continued focus on UK, Germany and Italy Intermediary build-out; Continue to raise profile of ESG efforts



U.S. Intermediaries and Institutional

Sustain efforts of Broker-Dealer buildout including focus on advisor tools; Continue to defend and grow sub-advisory and defined contribution investment only (DCIO) businesses



U.S. Direct and Bundled DC

Sustain strong client satisfaction by continuing to improve the client experience while driving efficiencies

2021 Priorities – Strengthening our operating platform



Modernizing infrastructure

- Continue modernization road map for key platforms and applications, including middle office
- Progress cloud migration and application decommissioning



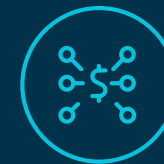
Enhancing client experience

- Enhance digital capabilities related to financial wellness and retirement income
- Build and deliver integrated participant experiences



Enabling distribution

- Modernize marketing and data (i.e., segmentation activation and search optimization) to enable growth



Supporting alpha generation

- Support the separation of T. Rowe Price Investment Management in Q2 2022
- Enable Equity Data Insights initiatives
- Progress Fixed Income modernization



Appendix

T. ROWE PRICE GROUP, INC.
GOLDMAN SACHS U.S. FINANCIAL SERVICES CONFERENCE 2020

Reconciliation between GAAP and adjusted (non-GAAP) figures

September 30, 2020

	Net Revenues	Operating Expenses	Operating Income	Earnings per Share
U.S. GAAP Basis	\$4,473.8	\$2,484.0	\$1,989.8	\$6.66
Non-GAAP adjustments:				
Consolidated T. Rowe Price investment products	7.3	(44.0)	117.0	0.02
Supplemental savings plan liability		(45.4)	454.0	0.04
Other non-operating income		0	0	(0.03)
Adjusted Non-GAAP Basis	\$4,481.1	\$2,434.2	\$2,046.9	\$6.69

Reconciliation between GAAP and adjusted (non-GAAP) figures

September 30, 2019

	Net Revenues	Operating Expenses	Operating Income	Earnings per Share
U.S. GAAP Basis	\$4,149.2	\$2,342.5	\$1,806.7	\$6.47
Non-GAAP adjustments:				
Consolidated T. Rowe Price investment products	6.3	(4.3)	10.6	(0.30)
Supplemental savings plan liability		(51.9)	51.9	0.03
Other non-operating income		0	0	(0.16)
Adjusted Non-GAAP Basis	\$4,155.5	\$2,286.3	\$1,869.2	\$6.04

Free cash flow reconciliation

September 30, 2020

	YTD 2020	YTD 2019
Cash flow from operating activities	\$1,916.9	\$1,500.7
Non-GAAP adjustments:		
Consolidated T. Rowe Price investment products	348.1	527.4
Capital Expenditures	(155.4)	(148.9)
Free cash flow	\$2,109.6	\$1,879.2

Mutual funds transitioning to TRPIM

- T. Rowe Price Capital Appreciation Fund
- T. Rowe Price Institutional Mid-Cap Equity Growth Fund
- T. Rowe Price Institutional Small-Cap Stock Fund
- T. Rowe Price Mid-Cap Growth Fund
- T. Rowe Price Small-Cap Stock Fund
- T. Rowe Price Small-Cap Value Fund
- T. Rowe Price U.S. High Yield Fund

The list contains the funds included in the proposed transition. The fund(s) may have other share classes available that offer different investment minimums and fees. See the prospectus for details. Not all funds are available to retail investors.

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