

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): February 8, 2024

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 (Nasdaq Global Select Market)

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 2 - Financial Information.

Item 2.02. Results of Operations and Financial Condition.

On February 8, 2024 we issued an earnings release reporting our results of operations for the twelve months ended December 31, 2023. A copy of this earnings release is attached hereto as Exhibit 99.1 and is incorporated by reference.

The information in this Current Report on Form 8-K and the Exhibits 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, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

Section 7 Regulation FD

Item 7.01. Regulation FD Disclosure

On February 8, 2024, the Company will hold an investor conference call and webcast to discuss the Company's earnings results for the twelve months ended December 31, 2023. A copy of supplemental materials used during the earnings call is furnished as Exhibit 99.2 to this Form 8-K.

Section 9 - Financial Statements and Exhibits.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

[99.1 Earnings Release dated February 8, 2024](#)

[99.2 Earnings Release Supplement](#)

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/ Jennifer B. Dardis

Jennifer B. Dardis

Vice President, Chief Financial Officer and Treasurer

Date: February 8, 2024

NEWS RELEASE
T. ROWE PRICE GROUP REPORTS FOURTH QUARTER AND FULL YEAR 2023 RESULTS

BALTIMORE (February 8, 2024) - T. Rowe Price Group, Inc. (NASDAQ-GS: TROW) today reported its results for the fourth quarter and full year of 2023.

- Year-end assets under management of \$1.445 trillion
- Net client outflows of \$28.3 billion for Q4 2023 and \$81.8 billion for 2023
- Diluted earnings per common share (EPS) of \$1.90 for Q4 2023 and \$7.76 for 2023
- Adjusted diluted EPS of \$1.72 for Q4 2023 and \$7.59 for 2023
- Returned \$384 million in Q4 2023 and \$1,376 million in 2023 to stockholders from the recurring quarterly dividend and stock repurchases

Rob Sharps, chief executive officer and president, commented, "2023 was a challenging year for us with substantial net outflows. But 2023 also brought progress. Investment performance improved, as seen in our large cap growth funds which had a very strong year. We advanced important work to ensure our firm is positioned for future growth. We are seeing a number of early indicators that support our confidence that better days are ahead, and that we will deliver compelling value for our clients, our associates, and our stockholders."

Financial Highlights

(in millions, except per-share data)	Three months ended			Year ended				
	12/31/2023	12/31/2022	Change	9/30/2023	Change	12/31/2023	12/31/2022	Change
U.S. GAAP basis								
Investment advisory fees	\$ 1,461.2	\$ 1,368.3	6.8 %	\$ 1,463.9	(0.2)%	\$ 5,747.7	\$ 5,969.1	(3.7)%
Capital allocation-based income ⁽¹⁾ ⁽²⁾	\$ 40.2	\$ 26.5	n/m	\$ 66.1	n/m	\$ 161.9	\$ (54.3)	n/m
Net revenues	\$ 1,642.0	\$ 1,524.2	7.7 %	\$ 1,670.7	(1.7)%	\$ 6,460.5	\$ 6,488.4	(0.4)%
Operating expenses	\$ 1,254.8	\$ 1,271.1	(1.3)%	\$ 1,089.4	15.2 %	\$ 4,474.3	\$ 4,114.7	8.7 %
Net operating income	\$ 387.2	\$ 253.1	53.0 %	\$ 581.3	(33.4)%	\$ 1,986.2	\$ 2,373.7	(16.3)%
Non-operating income (loss) ⁽²⁾	\$ 259.7	\$ 135.7	n/m	\$ 2.8	n/m	\$ 504.1	\$ (425.5)	n/m
Net income attributable to T. Rowe Price	\$ 437.6	\$ 266.0	64.5 %	\$ 453.2	(3.4)%	\$ 1,788.7	\$ 1,557.9	14.8 %
Diluted earnings per common share	\$ 1.90	\$ 1.16	63.8 %	\$ 1.97	(3.6)%	\$ 7.76	\$ 6.70	15.8 %
Weighted average common shares outstanding assuming dilution	224.0	224.6	(0.3)%	224.8	(0.4)%	224.8	227.1	(1.0)%
Adjusted basis⁽³⁾								
Operating expenses	\$ 1,150.7	\$ 1,073.2	7.2 %	\$ 1,061.3	8.4 %	\$ 4,260.7	\$ 4,087.8	4.2 %
Operating expenses, excluding accrued carried interest related compensation	\$ 1,135.5	\$ 1,039.2	9.3 %	\$ 1,030.8	10.2 %	\$ 4,190.7	\$ 4,070.2	3.0 %
Net operating income	\$ 502.7	\$ 509.1	(1.3)%	\$ 635.9	(20.9)%	\$ 2,263.2	\$ 2,500.5	(9.5)%
Non-operating income (loss) ⁽²⁾	\$ 49.5	\$ 33.7	n/m	\$ 28.7	n/m	\$ 140.8	\$ (24.4)	n/m
Net income attributable to T. Rowe Price	\$ 394.7	\$ 399.6	(1.2)%	\$ 499.5	(21.0)%	\$ 1,750.1	\$ 1,864.8	(6.2)%
Diluted earnings per common share	\$ 1.72	\$ 1.74	(1.1)%	\$ 2.17	(20.7)%	\$ 7.59	\$ 8.02	(5.4)%
Assets under management (in billions)								
Average assets under management	\$ 1,374.3	\$ 1,283.8	7.0 %	\$ 1,393.6	(1.4)%	\$ 1,362.3	\$ 1,398.4	(2.6)%
Ending assets under management	\$ 1,444.5	\$ 1,274.7	13.3 %	\$ 1,346.5	7.3 %	\$ 1,444.5	\$ 1,274.7	13.3 %
Investment advisory effective fee rate (bps)	42.2	42.3	(0.1)	41.7	0.5	42.2	42.7	(0.5)

⁽¹⁾ Capital allocation-based income represents the change in accrued carried interest.

⁽²⁾ The percentage change is not meaningful (n/m).

⁽³⁾ See the reconciliation to the comparable U.S. GAAP measures at the end of this earnings release.

Assets Under Management

During Q4 2023, assets under management (AUM) increased \$98.0 billion to \$1.445 trillion. The components of the change in AUM, by asset class, are shown in the table below.

(in billions)	Three months ended 12/31/2023				Total
	Equity	Fixed income, including money market	Multi-asset ⁽¹⁾	Alternatives ⁽²⁾	
Assets under management at beginning of period	\$ 690.0	\$ 169.3	\$ 440.5	\$ 46.7	\$ 1,346.5
Net cash flows ⁽³⁾	(22.7)	(6.0)	—	0.4	(28.3)
Net market appreciation (depreciation) and gains (losses) ⁽⁴⁾	76.3	6.7	42.5	0.8	126.3
Change during the period	53.6	0.7	42.5	1.2	98.0
Assets under management at December 31, 2023	\$ 743.6	\$ 170.0	\$ 483.0	\$ 47.9	\$ 1,444.5

⁽¹⁾ The underlying AUM of the multi-asset portfolios have been aggregated and presented in this category and not reported in the equity and fixed income columns.

⁽²⁾ The alternatives asset class includes strategies authorized to invest more than 50% of its holdings in private credit, leveraged loans, mezzanine, real assets/CRE, structured products, stressed/distressed, non-investment grade CLOs, special situations, business development companies, or that have absolute return as its investment objective. Generally, only those strategies with longer than daily liquidity are included. Unfunded capital commitments as of December 31, 2023 were \$11.6 billion and are not reflected in fee basis AUM above.

⁽³⁾ Alternatives net cash flows include \$1.0 billion in outflows that represent investment manager-driven distributions.

⁽⁴⁾ Includes net distributions not reinvested of \$2.3 billion.

Investors domiciled outside the United States accounted for 8.6% of the firm's AUM at December 31, 2023, 9.2% at September 30, 2023 and 9.1% at December 31, 2022.

The firm provides participant accounting and plan administration for retirement plans that invest in the firm's U.S. mutual funds and collective investment trusts, as well as funds managed outside of the firm's complex. As of December 31, 2023, the firm's assets under administration were \$245 billion, of which \$146 billion were assets we manage.

In recent years, the firm began offering non-discretionary advisory services through model delivery and multi-asset solutions for providers to implement. The firm records the revenue earned on these services in administrative fees. The assets under advisement in these portfolios, predominantly in the United States, were \$11.6 billion at December 31, 2023.

Financial Results Highlights

Net Revenues

(in millions)	Three months ended			9/30/2023	
	12/31/2023	12/31/2022	Change		Change
Investment advisory fees					
Equity	\$ 864.3	\$ 835.7	3.4 %	\$ 885.0	(2.3)%
Fixed income, including money market	98.2	103.3	(4.9)%	100.9	(2.7)%
Multi-asset	400.6	359.6	11.4 %	405.5	(1.2)%
Alternatives	98.1	69.7	40.7 %	72.5	35.3 %
Total investment advisory fees	\$ 1,461.2	\$ 1,368.3	6.8 %	\$ 1,463.9	(0.2)%
Capital allocation-based income ⁽¹⁾	\$ 40.2	\$ 26.5	n/m	\$ 66.1	n/m
Administrative, distribution, and servicing fees	140.6	129.4	8.7 %	140.7	(0.1)%
Net revenues	\$ 1,642.0	\$ 1,524.2	7.7 %	\$ 1,670.7	(1.7)%
Average AUM (in billions):					
Equity	\$ 704.9	\$ 676.4	4.2 %	\$ 725.0	(2.8)%
Fixed income, including money market	168.4	168.8	(0.2)%	169.0	(0.4)%
Multi-asset	453.6	395.2	14.8 %	453.8	— %
Alternatives	47.4	43.4	9.2 %	45.8	3.5 %
Average AUM	\$ 1,374.3	\$ 1,283.8	7.0 %	\$ 1,393.6	(1.4)%
Effective Advisory Fee Rate (bps)	42.2	42.3	(0.1)	41.7	0.5

⁽¹⁾The Capital allocation-based income represents the change in accrued carried interest. The percentage change is not meaningful (n/m).

Net revenues earned in Q4 2023 were \$1.6 billion, an increase of 7.7% from Q4 2022 and a decrease of 1.7% from Q3 2023. The Q4 2023 increase over Q4 2022 was driven primarily by increases in investment advisory fees on higher average assets under management and performance-based fees of \$25.3 million earned in Q4 2023 on certain of the firm's alternative products. In comparison to Q3 2023, the decrease was primarily driven by lower capital allocation based income.

- The investment advisory fee annualized effective fee rate of 42.2 basis points in Q4 2023 decreased from 42.3 basis points earned in Q4 2022, but increased from 41.7 basis points earned in Q3 2023. In comparison with Q4 2022, net equity outflows over the past year drove a mix shift in assets under management toward lower fee asset classes and vehicles leading to an unfavorable impact on the annualized effective fee rate, though this impact was nearly offset by higher performance-based fees earned on certain alternative products and higher market returns in the 2023 period. In comparison with Q3 2023, the increase was primarily driven by the performance-based fees earned in Q4 2023.
- Capital allocation-based income in Q4 2023 of \$40.2 million includes \$51.1 million in additional accrued carried interest, partially offset by \$10.9 million in acquisition-related non-cash amortization. Comparatively, the Q4 2022 amount of \$26.5 million includes \$84.8 million in additional accrued carried interest, offset by \$58.3 million in non-cash amortization and impairments. For the full-year 2023, the firm realized carry of \$109.8 million compared with \$87.7 million in the 2022 period.

A portion of the capital allocation-based income is passed through as compensation and recognized in compensation and related costs with the unpaid amount reported as non-controlling interest on the consolidated balance sheet. For detail of the quarterly change in accrued carried interest, which is reported as part of investments on the consolidated balance sheet, and related non-controlling interest, see the applicable tables at the end of this release.

- Administrative, distribution and servicing fees in Q4 2023 were \$140.6 million, an increase of \$11.2 million from Q4 2022 due to higher transfer agent related services provided to the T. Rowe Price mutual funds.

Operating Expenses

(in millions)	Three months ended				
	12/31/2023	12/31/2022	Change ⁽¹⁾	9/30/2023	Change ⁽¹⁾
Compensation, benefits, and related costs	\$ 649.4	\$ 624.5	4.0 %	\$ 617.0	5.3 %
Acquisition-related retention agreements	13.5	15.9	(15.1)%	13.7	(1.5)%
Capital allocation-based income compensation ⁽²⁾	10.6	10.4	n/m	19.9	n/m
Supplemental savings plan	61.9	36.9	n/m	(14.2)	n/m
Total compensation and related costs	735.4	687.7	6.9 %	636.4	15.6 %
Distribution and servicing	75.7	70.0	8.1 %	74.9	1.1 %
Advertising and promotion	44.4	28.2	57.4 %	21.1	110.4 %
Product and recordkeeping related costs	68.1	67.8	0.4 %	73.1	(6.8)%
Technology, occupancy, and facility costs	171.6	148.7	15.4 %	159.7	7.5 %
General, administrative, and other	128.1	102.1	25.5 %	85.7	49.5 %
Change in fair value of contingent consideration	(9.6)	(35.5)	n/m	—	n/m
Acquisition-related amortization and impairment costs	41.1	202.1	(79.7)%	38.5	6.8 %
Total operating expenses	\$ 1,254.8	\$ 1,271.1	(1.3)%	\$ 1,089.4	15.2 %
Total adjusted operating expenses⁽³⁾	\$ 1,150.7	\$ 1,073.2	7.2 %	\$ 1,061.3	8.4 %

⁽¹⁾ The percentage change is not meaningful (n/m).

⁽²⁾ Capital allocation-based income compensation represents the change in accrued carried interest compensation.

⁽³⁾ See the reconciliation to the comparable U.S. GAAP measures at the end of this earnings release.

Operating expenses were \$1,254.8 million, a decrease of 1.3% from Q4 2022 and an increase of 15.2% from Q3 2023. On a non-GAAP basis, **adjusted operating expenses** in Q4 2023 were \$1,150.7 million, a 7.2% increase from Q4 2022 and a 8.4% increase from Q3 2023. The increase in adjusted operating expenses from Q4 2022 and Q3 2023 were primarily driven by higher costs across compensation and benefits, technology, advertising, professional fees and other general and administrative activities. These increases were offset by lower accrued carried interest related compensation expense.

- Compensation, benefits, and related costs in Q4 2023 of \$649.4 million increased \$24.9 million from Q4 2022 and \$32.4 million from Q3 2023. The increase from Q4 2022 was due primarily to higher employee benefits as well as a higher interim bonus accrual. Each year, the level of the Q4 bonus accrual is driven by the total bonus pool awarded compared with the cumulative bonus expense accrued over the first three quarters of the year. In comparison to Q3 2023, the increase was due primarily to stock-based compensation related to the firm's annual equity grant awarded in December, higher employee benefit

costs, and lower capitalized labor. These increases were partly offset by decreases in the interim bonus accrual as well as the Q3 2023 period including costs related to the July workforce action. The firm employed 7,906 associates at December 31, 2023, an increase of 0.5% from the end of 2022, and an increase of 0.8% from September 30, 2023.

- Advertising and promotion expenses in Q4 2023 of \$44.4 million increased \$16.2 million from Q4 2022 and \$23.3 million from Q3 2023, due to higher media and agency costs.
- Technology, occupancy, and facility costs in Q4 2023 of \$171.6 million increased \$22.9 million from Q4 2022 and \$11.9 million from Q3 2023, primarily due to higher costs from the firm's ongoing investment in its technology capabilities, including depreciation and hosted solution licenses.
- General, administrative, and other costs in Q4 2023 of \$128.1 million increased \$26.0 million from Q4 2022 and \$42.4 million from Q3 2023. The increase from Q4 2022 was primarily due to higher professional fees and other general and administrative-related costs. The third quarter of 2023 also included a cost recovery benefit of about \$20 million that did not recur in Q4 2023.

Non-operating income (loss)

(in millions)	Three months ended		
	12/31/2023	12/31/2022	9/30/2023
Net gains (losses) from non-consolidated T. Rowe Price investment products			
Cash and discretionary investments			
Dividend income	\$ 33.1	\$ 19.6	\$ 30.3
Market-related gains (losses) and equity in earnings (losses)	5.4	14.1	2.2
Total net gains (losses) from cash and discretionary investments	38.5	33.7	32.5
Seed capital investments			
Dividend income	0.6	0.2	0.3
Market-related gains (losses) and equity in earnings (losses)	25.3	17.4	(4.5)
Net gains (losses) recognized upon deconsolidation	(0.7)	(3.8)	0.7
Investments used to hedge the supplemental savings plan liability	65.0	38.6	(19.7)
Total net gains (losses) from non-consolidated T. Rowe Price investment products	128.7	86.1	9.3
Other investment income	12.8	10.5	21.4
Net gains (losses) on investments	141.5	96.6	30.7
Net gains (losses) on consolidated sponsored investment portfolios	119.2	44.2	(24.4)
Other gains (losses), including foreign currency gains (losses)	(1.0)	(5.1)	(3.5)
Non-operating income (loss)	\$ 259.7	\$ 135.7	\$ 2.8

On a non-GAAP basis, non-operating income (loss) comprises the investment gains/losses generated from the firm's cash and discretionary investment portfolio.

Income taxes

The following reconciles the statutory federal income tax rate to the firm's effective tax rate for the year ended 2023 and 2022:

	Year ended	
	12/31/2023	12/31/2022
Statutory U.S. federal income tax rate	21.0 %	21.0 %
State income taxes for current year, net of federal income tax benefits ⁽¹⁾	2.3	3.4
Net (income) losses attributable to redeemable non-controlling interests ⁽²⁾	(0.5)	1.3
Net excess tax losses (benefits) from stock-based compensation plans activity	0.1	(0.4)
Valuation allowance	3.4	—
Other items, including valuation allowances	—	0.3
Effective income tax rate	26.3 %	25.6 %

⁽¹⁾ State income tax benefits are reflected in the total benefits for net income attributable to redeemable non-controlling interests and stock-based compensation plans activity.

⁽²⁾ Net income attributable to redeemable non-controlling interest represents the portion of earnings held in the firm's consolidated investment products, which are not taxable to the firm despite being included in pre-tax income.

The firm's non-GAAP effective tax rate for the full year was 27.2% compared to 24.7%. The higher effective tax rate in 2023 is primarily driven by an increase in the valuation allowance recognized in 2023 against UK-based deferred tax assets and a reduction in discrete tax benefits associated with option exercises and restricted stock vests. The 2023 rates was also favorably impacted by state tax liability settlements.

The firm estimates that its effective tax rate for the full year 2024 will be in the range of 23% to 27% on a U.S. GAAP basis, and 23% to 26% on a non-GAAP basis. This range reflects lower expected valuation allowances related to our UK-based deferred tax assets and a lower state tax rate associated with changes in income apportionment rules in certain jurisdictions.

Other Matters

The financial results presented in this release are unaudited. KPMG LLP is currently completing its audits of the firm's 2023 consolidated financial statements and internal controls over financial reporting at December 31, 2023. The firm expects that KPMG will complete its work in mid-February and that the firm will then file its Form 10-K Annual Report for 2023 with the U.S. Securities and Exchange Commission. The Form 10-K will include additional information, including the firm's audited consolidated financial statements, management's report on internal controls over financial reporting at December 31, 2023, and the reports of KPMG.

Certain statements in this earnings release may represent "forward-looking information," including information relating to anticipated changes in revenues, our operations, expenses, earnings, liquidity, cash flows and capital expenditures, industry or market conditions, amount or composition of assets under management, regulatory developments, changes in our effective fee rate, demand for and pricing of our products, new products and services, effective tax rates, net income and earnings per common share, future transactions, our strategic initiatives, general economic conditions, dividends, stock repurchases, and other market conditions. For a discussion concerning risks and other factors that could affect future results, see the firm's 2022 Annual Report on Form 10-K.

Founded in 1937, T. Rowe Price (NASDAQ - GS: TROW) helps people around the world achieve their long-term investment goals. As a large global asset management company known for investment excellence, retirement leadership, and independent proprietary research, the firm is built on a culture of integrity that puts client interest first. Investors rely on the award-winning firm for its retirement expertise and active management approach of equity, fixed income, alternatives, and multi-asset investment capabilities. T. Rowe Price manages \$1.445 trillion in assets under management as of December 31, 2023, and serves millions of client globally. News and other updates can be found on Facebook, Instagram, LinkedIn, X, YouTube, and [troweprice.com/newsroom](https://www.troweprice.com/newsroom).

Webcast Information

Chief Executive Officer and President, Rob Sharps, Chief Financial Officer, Jen Dardis, and Head of Global Investments, Eric Veiel, will provide an update on business performance, review financial results, and answer questions on a webcast to be held on Thursday, February 8, 2024 from 8:00 - 8:45 AM (Eastern Time). To access the webcast or to obtain dial in instructions to ask a question, please visit investors.troweprice.com.

Supplemental materials will be available on the company's investor relations website shortly before the start of the call. A replay of the webcast will be available on the company's investor relations website shortly after the event.

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Unaudited Consolidated Statements of Income
(in millions, except per-share amounts)

	Three months ended			Year ended	
	12/31/2023	12/31/2022	9/30/2023	12/31/2023	12/31/2022
Revenues					
Investment advisory fees	\$ 1,461.2	\$ 1,368.3	\$ 1,463.9	\$ 5,747.7	\$ 5,969.1
Capital allocation-based income	40.2	26.5	66.1	161.9	(54.3)
Administrative, distribution, and servicing fees	140.6	129.4	140.7	550.9	573.6
Net revenues	1,642.0	1,524.2	1,670.7	6,460.5	6,488.4
Operating expenses					
Compensation, benefits, and related costs	649.4	624.5	617.0	2,450.7	2,405.8
Acquisition-related retention agreements	13.5	15.9	13.7	55.0	70.2
Capital allocation-based income compensation	10.6	10.4	19.9	44.6	(22.9)
Supplemental savings plan	61.9	36.9	(14.2)	123.2	(132.3)
Total compensation and related costs	735.4	687.7	636.4	2,673.5	2,320.8
Distribution and servicing	75.7	70.0	74.9	289.9	301.5
Advertising and promotion	44.4	28.2	21.1	114.2	97.3
Product and recordkeeping related costs	68.1	67.8	73.1	291.0	300.1
Technology, occupancy, and facility costs	171.6	148.7	159.7	632.6	560.5
General, administrative, and other	128.1	102.1	85.7	421.3	412.2
Contingent consideration fair value adjustments	(9.6)	(35.5)	—	(82.4)	(161.2)
Acquisition-related amortization and impairment costs	41.1	202.1	38.5	134.2	283.5
Total operating expenses	1,254.8	1,271.1	1,089.4	4,474.3	4,114.7
Net operating income	387.2	253.1	581.3	1,986.2	2,373.7
Non-operating income (loss)					
Net gains (losses) on investments	141.5	96.6	30.7	355.2	(204.7)
Net gains (losses) on consolidated investment products	119.2	44.2	(24.4)	164.6	(203.5)
Other gains (losses)	(1.0)	(5.1)	(3.5)	(15.7)	(17.3)
Total non-operating income (loss)	259.7	135.7	2.8	504.1	(425.5)
Income before income taxes	646.9	388.8	584.1	2,490.3	1,948.2
Provision for income taxes	173.3	99.2	144.9	654.6	498.6
Net income	473.6	289.6	439.2	1,835.7	1,449.6
Less: net income (loss) attributable to redeemable non-controlling interests	36.0	23.6	(14.0)	47.0	(108.3)
Net income attributable to T. Rowe Price	437.6	266.0	453.2	1,788.7	1,557.9
Less: net income allocated to outstanding restricted stock and stock unit holders	11.7	6.5	10.6	44.4	36.1
Net income allocated to T. Rowe Price common stockholders	\$ 425.9	\$ 259.5	\$ 442.6	\$ 1,744.3	\$ 1,521.8
Earnings per share					
Basic	\$ 1.91	\$ 1.16	\$ 1.98	\$ 7.78	\$ 6.73
Diluted	\$ 1.90	\$ 1.16	\$ 1.97	\$ 7.76	\$ 6.70
Weighted-average common shares					
Outstanding	223.5	223.7	224.1	224.1	226.0
Outstanding assuming dilution	224.0	224.6	224.8	224.8	227.1

	Three months ended			Year ended	
	12/31/2023	12/31/2022	9/30/2023	12/31/2023	12/31/2022
Summary of Adjusted Basis⁽¹⁾					
(in millions, except per-share data)					
Operating expenses	\$ 1,150.7	\$ 1,073.2	\$ 1,061.3	\$ 4,260.7	\$ 4,087.8
Operating expenses, excluding accrued carried interest related compensation	\$ 1,135.5	\$ 1,039.2	\$ 1,030.8	\$ 4,190.7	\$ 4,070.2
Net operating income	\$ 502.7	\$ 509.1	\$ 635.9	\$ 2,263.2	\$ 2,500.5
Non-operating income (loss)	\$ 49.5	\$ 33.7	\$ 28.7	\$ 140.8	\$ (24.4)
Net income attributable to T. Rowe Price	\$ 394.7	\$ 399.6	\$ 499.5	\$ 1,750.1	\$ 1,864.8
Diluted earnings per common share	\$ 1.72	\$ 1.74	\$ 2.17	\$ 7.59	\$ 8.02

⁽¹⁾ See the reconciliation to the comparable U.S. GAAP measures at the end of this earnings release.

Assets Under Management

(in billions)	Year ended 12/31/2023				
	Equity	Fixed income, including money market	Multi-asset ⁽¹⁾	Alternatives ⁽²⁾	Total
Assets under management at beginning of period	\$ 664.2	\$ 167.0	\$ 400.1	\$ 43.4	\$ 1,274.7
Net cash flows ⁽³⁾	(85.4)	(6.8)	9.1	1.3	(81.8)
Net market appreciation and gains ⁽⁴⁾	164.8	9.8	73.8	3.2	251.6
Change during the period	79.4	3.0	82.9	4.5	169.8
Assets under management at December 31, 2023	\$ 743.6	\$ 170.0	\$ 483.0	\$ 47.9	\$ 1,444.5

⁽¹⁾ The underlying AUM of the multi-asset portfolios have been aggregated and presented in this category and not reported in the equity and fixed income columns.

⁽²⁾ The alternatives asset class includes strategies authorized to invest more than 50% of its holdings in private credit, leveraged loans, mezzanine, real assets/CRE, structured products, stressed/distressed, non-investment grade CLOs, special situations, business development companies, or that have absolute return as its investment objective. Generally, only those strategies with longer than daily liquidity are included.

⁽³⁾ Alternatives net cash flows include \$2.6 billion in outflows that represent investment manager-driven distributions.

⁽⁴⁾ Includes net distributions not reinvested of \$2.9 billion.

Net Revenues (in millions)	Year ended		
	12/31/2023	12/31/2022	% Change
Investment advisory fees			
Equity	\$ 3,445.5	\$ 3,759.7	(8.4)%
Fixed income, including money market	401.5	427.4	(6.1)%
Multi-asset	1,583.4	1,508.9	4.9 %
Alternatives	317.3	273.1	16.2 %
Total investment advisory fees	\$ 5,747.7	\$ 5,969.1	(3.7)%
Average AUM (in billions):			
Equity	\$ 705.2	\$ 763.6	(7.6)%
Fixed income, including money market	169.3	173.4	(2.4)%
Multi-asset	442.3	418.7	5.6 %
Alternatives	45.5	42.7	6.6 %
Average AUM	\$ 1,362.3	\$ 1,398.4	(2.6)%

⁽¹⁾ The percentage change is not meaningful (n/m).

Non-Operating Income (Loss)

(in millions)	Year ended	
	12/31/2023	12/31/2022
Net gains (losses) from non-consolidated T. Rowe Price investment products		
Cash and discretionary investments		
Dividend income	\$ 109.1	\$ 34.7
Market-related gains (losses) and equity in earnings (losses)	24.5	(59.1)
Total net gains (losses) from cash and discretionary investments	133.6	(24.4)
Seed capital investments		
Dividend income	1.8	0.8
Market-related gains (losses) and equity in earnings (losses)	50.3	(60.1)
Net gains recognized upon deconsolidation	—	3.0
Investments used to hedge the supplemental savings plan liability	123.6	(139.4)
Total net gains (losses) from non-consolidated T. Rowe Price investment products	309.3	(220.1)
Other investment income	45.9	15.4
Net gains (losses) on investments	355.2	(204.7)
Net gains (losses) on consolidated sponsored investment portfolios	164.6	(203.5)
Other losses, including foreign currency losses	(15.7)	(17.3)
Non-operating income (loss)	\$ 504.1	\$ (425.5)

The following table summarizes the cash flows for the year ended 2023 that are attributable to T. Rowe Price Group, our consolidated sponsored investment products, and the related eliminations required.

(in millions)	Year ended			
	12/31/2023			
	Cash flow attributable to T. Rowe Price	Cash flow attributable to consolidated T. Rowe Price investment products	Elims	As reported
Cash flows from operating activities				
Net income (loss)	\$ 1,788.7	\$ 153.5	\$ (106.5)	\$ 1,835.7
Adjustments to reconcile net income (loss) to net cash provided by operating activities				
Depreciation, amortization and impairments of property, equipment and software	254.8	—	—	254.8
Amortization and impairment of acquisition-related assets and retention agreements	226.8	—	—	226.8
Fair value remeasurement of contingent liability	(82.4)	—	—	(82.4)
Stock-based compensation expense	265.6	—	—	265.6
Net (gains) losses recognized on investments	(567.3)	—	106.5	(460.8)
Net redemptions in sponsored investment products used to economically hedge supplemental savings plan liability	(10.3)	—	66.4	56.1
Net change in trading securities held by consolidated sponsored investment products	—	(1,070.3)	—	(1,070.3)
Other changes	182.7	27.9	(17.0)	193.6
Net cash provided by (used in) operating activities	2,058.6	(888.9)	49.4	1,219.1
Net cash provided by (used in) investing activities	(310.2)	(56.8)	495.2	128.2
Net cash provided by (used in) financing activities	(1,437.4)	903.4	(544.6)	(1,078.6)
Effect of exchange rate changes on cash and cash equivalents of consolidated sponsored investment products	—	0.4	—	0.4
Net change in cash and cash equivalents during period	311.0	(41.9)	—	269.1
Cash and cash equivalents at beginning of year	1,755.6	119.1	—	1,874.7
Cash and cash equivalents at end of period	\$ 2,066.6	\$ 77.2	\$ —	\$ 2,143.8

Unaudited Condensed Consolidated Balance Sheet Information (in millions)

	As of	
	12/31/2023	12/31/2022
Cash and cash equivalents	\$ 2,066.6	\$ 1,755.6
Accounts receivable and accrued revenue	807.9	748.7
Investments	2,554.7	2,539.2
Assets of consolidated sponsored investment products	1,959.3	1,603.4
Operating lease assets	241.1	279.4
Property, equipment and software, net	806.6	755.7
Goodwill and intangible assets	3,150.1	3,272.6
Other assets	692.5	688.7
Total assets	12,278.8	11,643.3
Supplemental savings plan liability	895.0	761.2
Total other liabilities, includes \$54.2 at December 31, 2023, and \$89.1 at December 31, 2022, from consolidated sponsored investment products	1,092.6	1,195.2
Non-controlling interests*	786.1	847.4
Stockholders' equity attributable to T. Rowe Price Group, Inc., 223.9 common shares outstanding at December 31, 2023 and 224.3 common shares outstanding at December 31, 2022	\$ 9,505.1	\$ 8,839.5

* This includes both redeemable and non-redeemable non-controlling interest in consolidated entities.

The following tables detail changes in our investments in affiliated private investment funds - carried interest and non-controlling interest in consolidated entities.

Investments in affiliated private investment funds - carried interest	Three months ended		Year ended	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Balance at beginning of period	\$ 578.2	\$ 508.3	\$ 467.8	\$ 609.8
Capital allocation-based income:				
Change in accrued carried interest	51.1	84.8	223.2	43.7
Acquisition-related amortization and impairments	(10.9)	(58.3)	(61.3)	(98.0)
Net distributions	(98.5)	(67.0)	(109.8)	(87.7)
Balance at end of period	\$ 519.9	\$ 467.8	\$ 519.9	\$ 467.8

Non-controlling interests (NCI) in consolidated entities	Three months ended		Year ended	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Balance at beginning of period	\$ 221.5	\$ 207.0	\$ 190.7	\$ 248.7
Capital allocation-based income compensation:				
Change in accrued carried interest compensation	15.2	34.0	70.0	17.6
Acquisition-related amortization and impairments	(4.6)	(23.6)	(25.4)	(40.5)
Net distributions	(40.1)	(26.7)	(43.3)	(35.1)
Balance at end of period	\$ 192.0	\$ 190.7	\$ 192.0	\$ 190.7

Non-GAAP Information and Reconciliation

The firm believes the non-GAAP financial measures below provide relevant and meaningful information to investors about its core operating results. These measures have been established in order to increase transparency for the purpose of evaluating the firm's core business, for comparing current results with prior period results, and to enable more appropriate comparison with industry peers. However, non-GAAP financial measures should not be considered as a substitute for financial measures calculated in accordance with U.S. GAAP and may be calculated differently by other companies.

The following schedules reconcile U.S. GAAP financial measures to non-GAAP financial measures for the three months ended December 31, 2023 and 2022 and September 30, 2023.

U.S. GAAP Basis (FS line item)	Three months ended 12/31/2023					
	Operating expenses	Net operating income	Non-operating income (loss)	Provision (benefit) for income taxes ⁽⁶⁾	Net income attributable to T. Rowe Price	Diluted earnings per share ⁽⁷⁾
U.S. GAAP Basis (FS line item)	\$ 1,254.8	\$ 387.2	\$ 259.7	\$ 173.3	\$ 437.6	\$ 1.90
Non-GAAP adjustments:						
Acquisition-related:						
Investment and NCI amortization and impairments ⁽¹⁾ (Capital allocation-based income and Compensation and related costs)	4.6	6.3	—	1.7	4.6	0.02
Acquisition-related retention arrangements ⁽¹⁾ (Compensation and related costs)	(13.5)	13.5	—	3.6	9.9	0.04
Contingent consideration ⁽¹⁾	9.6	(9.6)	—	(2.6)	(7.0)	(0.03)
Intangible assets amortization and impairments ⁽¹⁾	(41.1)	41.1	—	11.1	30.0	0.14
Total acquisition-related	(40.4)	51.3	—	13.8	37.5	0.17
Supplemental savings plan liability ⁽³⁾ (Compensation and related costs)	(61.9)	61.9	(65.0)	(0.8)	(2.3)	(0.01)
Consolidated T. Rowe Price investment products ⁽⁴⁾	(1.8)	2.3	(119.2)	(21.8)	(59.1)	(0.26)
Other non-operating income ⁽⁵⁾	—	—	(26.0)	(7.0)	(19.0)	(0.08)
Adjusted Non-GAAP Basis	\$ 1,150.7	\$ 502.7	\$ 49.5	\$ 157.5	\$ 394.7	\$ 1.72

U.S. GAAP Basis (FS line item)	Three months ended 12/31/2022					
	Operating expenses	Net operating income	Non-operating income (loss)	Provision (benefit) for income taxes ⁽⁶⁾	Net income attributable to T. Rowe Price	Diluted earnings per share ⁽⁷⁾
U.S. GAAP Basis (FS line item)	\$ 1,271.1	\$ 253.1	\$ 135.7	\$ 99.2	\$ 266.0	\$ 1.16
Non-GAAP adjustments:						
Acquisition-related:						
Investment and NCI amortization and impairments ⁽¹⁾ (Capital allocation-based income and Compensation and related costs)	23.6	34.7	—	9.0	25.7	0.11
Acquisition-related retention arrangements ⁽¹⁾ (Compensation and related costs)	(15.9)	15.9	—	3.4	12.5	0.05
Contingent consideration ⁽¹⁾	35.5	(35.5)	—	(7.6)	(27.9)	(0.12)
Intangible assets amortization and impairments ⁽¹⁾	(202.1)	202.1	—	53.1	149.0	0.65
Transaction costs ⁽²⁾ (General, admin and other)	—	—	—	—	—	—
Total acquisition-related	(158.9)	217.2	—	57.9	159.3	0.69
Supplemental savings plan liability ⁽³⁾ (Compensation and related costs)	(36.9)	36.9	(38.6)	(0.6)	(1.1)	(0.01)
Consolidated T. Rowe Price investment products ⁽⁴⁾	(2.1)	1.9	(44.2)	(6.9)	(11.8)	(0.05)
Other non-operating income ⁽⁵⁾	—	—	(19.2)	(6.4)	(12.6)	(0.05)
Adjusted Non-GAAP Basis	\$ 1,073.2	\$ 509.1	\$ 33.7	\$ 143.2	\$ 399.6	\$ 1.74

	Three months ended 9/30/2023					
U.S. GAAP Basis (FS line item)	Operating expenses	Net operating income	Non-operating income (loss)	Provision (benefit) for income taxes ⁽⁶⁾	Net income attributable to T. Rowe Price	Diluted earnings per share ⁽⁷⁾
Non-GAAP adjustments:	\$ 1,089.4	\$ 581.3	\$ 2.8	\$ 144.9	\$ 453.2	\$ 1.97
Acquisition-related:						
Investment and NCI amortization and impairments ⁽¹⁾ (Capital allocation-based income and Compensation and related costs)	10.6	15.2	—	4.6	10.6	0.04
Acquisition-related retention arrangements ⁽¹⁾ (Compensation and related costs)	(13.7)	13.7	—	4.2	9.5	0.04
Contingent consideration ⁽¹⁾	—	—	—	—	—	—
Intangible assets amortization and impairments ⁽¹⁾	(38.5)	38.5	—	11.7	26.8	0.12
Total acquisition-related	(41.6)	67.4	—	20.5	46.9	0.20
Supplemental savings plan liability ⁽³⁾ (Compensation and related costs)	14.2	(14.2)	19.7	1.7	3.8	0.02
Consolidated T. Rowe Price investment products ⁽⁴⁾	(0.7)	1.4	24.4	3.6	8.2	0.03
Other non-operating income ⁽⁵⁾	—	—	(18.2)	(5.6)	(12.6)	(0.05)
Adjusted Non-GAAP Basis	\$ 1,061.3	\$ 635.9	\$ 28.7	\$ 165.1	\$ 499.5	\$ 2.17

The following schedules reconcile certain U.S. GAAP financial measures for the year ended December 31, 2023 and 2022.

	Year ended 12/31/2023					
U.S. GAAP Basis (FS line item)	Operating expenses	Net operating income	Non-operating income (loss)	Provision (benefit) for income taxes ⁽⁶⁾	Net income attributable to T. Rowe Price	Diluted earnings per share ⁽⁷⁾
Non-GAAP adjustments:	\$ 4,474.3	\$ 1,986.2	\$ 504.1	\$ 654.6	\$ 1,788.7	\$ 7.76
Acquisition-related:						
Investment and NCI amortization and impairments ⁽¹⁾ (Capital allocation-based income and Compensation and related costs)	25.4	35.9	—	7.9	28.0	0.12
Acquisition-related retention arrangements ⁽¹⁾ (Compensation and related costs)	(55.0)	55.0	—	10.8	44.2	0.19
Contingent consideration ⁽¹⁾	82.4	(82.4)	—	(10.6)	(71.8)	(0.31)
Intangible assets amortization and impairments ⁽¹⁾	(134.2)	134.2	—	28.8	105.4	0.46
Total acquisition-related	(81.4)	142.7	—	36.9	105.8	0.46
Supplemental savings plan liability ⁽³⁾ (Compensation and related costs)	(123.2)	123.2	(123.6)	0.5	(.9)	—
Consolidated T. Rowe Price investment products ⁽⁴⁾	(9.0)	11.1	(164.6)	(22.3)	(84.2)	(0.37)
Other non-operating income ⁽⁵⁾	—	—	(75.1)	(15.8)	(59.3)	(0.26)
Adjusted Non-GAAP Basis	\$ 4,260.7	\$ 2,263.2	\$ 140.8	\$ 653.9	\$ 1,750.1	\$ 7.59

	Year ended 12/31/2022					
U.S. GAAP Basis (FS line item)	Operating expenses	Net operating income	Non-operating income (loss)	Provision (benefit) for income taxes ⁽⁶⁾	Net income attributable to T. Rowe Price	Diluted earnings per share ⁽⁷⁾
Non-GAAP adjustments:	\$ 4,114.7	\$ 2,373.7	\$ (425.5)	\$ 498.6	\$ 1,557.9	\$ 6.70
Acquisition-related:						
Investment and NCI amortization and impairments ⁽¹⁾ (Capital allocation-based income and Compensation and related costs)	40.5	57.5	—	15.5	42.0	0.18
Acquisition-related retention arrangements ⁽¹⁾ (Compensation and related costs)	(70.2)	70.2	—	18.9	51.3	0.22
Contingent consideration ⁽¹⁾	161.2	(161.2)	—	(43.3)	(117.9)	(0.52)
Intangible assets amortization and impairments ⁽¹⁾	(283.5)	283.5	—	76.2	207.3	0.89
Transaction costs ⁽²⁾ (General, admin and other)	(0.9)	0.9	—	0.2	0.7	0.01
Total acquisition-related	(152.9)	250.9	—	67.5	183.4	0.78
Supplemental savings plan liability ⁽³⁾ (Compensation and related costs)	132.3	(132.3)	139.4	1.9	5.2	0.02
Consolidated T. Rowe Price investment products ⁽⁴⁾	(6.3)	8.3	203.5	27.8	75.7	0.33
Other non-operating income ⁽⁵⁾	—	—	58.2	15.5	42.7	0.19
Adjusted Non-GAAP Basis	\$ 4,087.8	\$ 2,500.6	\$ (24.4)	\$ 611.3	\$ 1,864.9	\$ 8.02

⁽¹⁾ These non-GAAP adjustments remove the impact of acquisition-related amortization and costs including intangible assets and acquired assets amortization, contingent consideration liability fair value remeasurements, acquired investments and non-controlling interest basis differences amortization, and amortization of compensation-related arrangements. Management believes adjusting for these charges helps the reader's ability to understand the firm's core operating results and to increase comparability period to period.

⁽²⁾ This non-GAAP adjustment removes acquisition-related transaction costs. Management believes adjusting for these charges helps the reader's ability to understand the firm's core operating results and to increase comparability period to period.

⁽³⁾ This non-GAAP adjustment removes the compensation expense impact from market valuation changes in the supplemental savings plan liability and the related net gains (losses) on investments designated as economic hedges against the related liability. Amounts deferred under the supplemental savings plan are adjusted for appreciation (depreciation) of hypothetical investments chosen by participants. The firm uses T. Rowe Price investment products to economically hedge the exposure to these market movements. Management believes it is useful to offset the non-operating investment income (loss) recognized on the economic hedges against the related compensation expense and remove the net impact to help the reader's ability to understand the firm's core operating results and to increase comparability period to period.

⁽⁴⁾ These non-GAAP adjustments remove the impact the consolidated sponsored investment products have on the firm's U.S. GAAP consolidated statements of income. Specifically, the firm adds back the operating expenses and subtracts the investment income of the consolidated sponsored investment products. The adjustment to operating expenses represents the operating expenses of the consolidated products, net of the elimination of related management and administrative fees. The adjustment to net income attributable to T. Rowe Price represents the net income of the consolidated products, net of redeemable non-controlling interests. Management believes the consolidated sponsored investment products may impact the reader's ability to understand the firm's core operating results.

⁽⁵⁾ This non-GAAP adjustment represents the other non-operating income (loss) and the net gains (losses) earned on the firm's investment portfolio that are not designated as economic hedges of the supplemental savings plan liability and that are not part of the cash and discretionary investment portfolio. Management retains in its non-GAAP measures the investment gains recognized on the cash and discretionary investments as these assets and related income (loss) are considered part of the firm's core operations. Management believes adjusting for the remaining non-operating income (loss) helps the reader's ability to understand the firm's core operating results and increases comparability to prior years. Additionally, management does not emphasize the impact of this portion of non-operating income (loss) when managing and evaluating the firm's performance.

⁽⁶⁾ The income tax impacts were calculated in order to achieve an overall year-to-date non-GAAP effective tax rate of 27.2% in 2023 and 24.7% in 2022. As such, the non-GAAP effective tax rate for the three months ended December 31, 2023 and 2022 was 28.5% and 26.4%, respectively.

⁽⁷⁾ This non-GAAP measure was calculated by applying the two-class method to adjusted net income attributable to T. Rowe Price Group and dividing by the weighted-average common shares outstanding assuming dilution. The calculation of adjusted net income allocated to common stockholders is as follows:

	Three months ended			Year ended	
	12/31/2023	12/31/2022	9/30/2023	12/31/2023	12/31/2022
Adjusted net income attributable to T. Rowe Price	\$ 394.7	\$ 399.6	\$ 499.5	\$ 1,750.1	\$ 1,864.8
Less: adjusted net income allocated to outstanding restricted stock and stock unit holders	10.6	9.6	11.7	43.4	43.3
Adjusted net income allocated to common stockholders	<u>\$ 384.1</u>	<u>\$ 390.0</u>	<u>\$ 487.8</u>	<u>\$ 1,706.7</u>	<u>\$ 1,821.5</u>



T.RowePrice

Q4 2023

Earnings Release Supplement

T. Rowe Price Group, Inc.
February 8, 2024

A copy of this presentation, which includes additional information, is available at investors.troweprice.com.
Data as of December 31, 2023, unless otherwise noted.
All figures are USD, unless otherwise noted.



Forward-Looking Statement

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, revenues, expenses, earnings, liquidity, cash flows and capital expenditures, industry or market conditions, amount or composition of assets under management, regulatory developments, changes in our effective fee rate, demand for and pricing of our products, new products and services, future transactions, our strategic initiatives, general economic conditions, dividends, stock repurchases, and other aspects of our business. 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.

Q4 and Full Year Financial Highlights

Key Metric	Q4 2022	Q3 2023	Q4 2023	2022	2023
AUM AND FLOWS					
Net Flows	(\$17.1B)	(\$17.4B)	(\$28.3B)	(\$61.7B)	(\$81.8B)
Assets Under Management (AUM) ¹	\$1.27T	\$1.35T	\$1.45T	\$1.27T	\$1.45T
Average AUM	\$1.28T	\$1.39T	\$1.37T	\$1.40T	\$1.36T
Effective Fee Rate	42.3bps	41.7bps	42.2bps	42.7bps	42.2bps
GAAP BASIS					
Net Revenues	\$1,524.2M	\$1,670.7M	\$1,642.0M	\$6,488.4M	\$6,460.5M
Operating Expenses	\$1,271.1M	\$1,089.4M	\$1,254.8M	\$4,114.7M	\$4,474.3M
Diluted GAAP Earnings per Share (EPS)	\$1.16	\$1.97	\$1.90	\$6.70	\$7.76
NON-GAAP BASIS					
Adjusted Operating Expenses ²	\$1,073.2M	\$1,061.3M	\$1,150.7M	\$4,087.8M	\$4,260.7M
Adjusted EPS ²	\$1.74	\$2.17	\$1.72	\$8.02	\$7.59
DIVIDENDS					
Dividend per share	\$1.20	\$1.22	\$1.22	\$4.80	\$4.88

The financial results presented in this earnings release supplement are unaudited except for 2022 annual figures.
¹ Firmwide AUM includes assets managed by T. Rowe Price Associates, Inc., and its investment advisory affiliates.
² For the reconciliation between GAAP and adjusted (non-GAAP) expenses and EPS, see the current earnings release.

Investment Performance Overview

% 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	53%	50%	53%	71%	58%	45%	51%	51%	50%	30%	51%	62%
Fixed Income	63%	58%	50%	62%	59%	53%	58%	57%	55%	35%	48%	73%
Multi-Asset	76%	47%	67%	81%	73%	45%	61%	54%	NA	NA	NA	NA
All Funds	64%	52%	56%	71%	64%	48%	56%	53%	52%	32%	50%	66%

% 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	66%	46%	42%	83%	69%	34%	31%	51%	56%	33%	44%	51%
Fixed Income	68%	69%	66%	76%	60%	68%	68%	63%	56%	31%	44%	52%
Multi-Asset	94%	72%	91%	96%	94%	63%	95%	95%	NA	NA	NA	NA
All Funds	74%	55%	57%	86%	75%	45%	52%	64%	56%	33%	44%	51%

Past performance is not a reliable indicator of future performance.

The investment performance reflects that of the T. Rowe Price-sponsored mutual funds and composites.

¹Source: © 2024 Morningstar, Inc. All rights reserved. Please see page 22 for more information.

²Primary share class only. Excludes T. Rowe Price passive funds and fund categories not ranked by Morningstar.

³Primary share class only. Excludes T. Rowe Price passive funds and institutional funds that are a clone of a retail fund. Mutual funds are measured against the most appropriate style benchmark used for portfolio manager evaluation, which may not always be the prospectus benchmark.

⁴Net 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.

Assets Under Management

U.S. \$ billions



Firmwide AUM includes assets managed by T. Rowe Price Associates, Inc., and its investment advisory affiliates. OHA's fee-basis AUM of \$46.9B acquired on December 29, 2021, is reflected in 2021 ending AUM. All periods after 2021 reflect the related activity. Other acquisitions of AUM are detailed in our quarterly releases and 10Qs. Distributions, net of reinvestments, are included in the market change figure. 2023 net outflows reflect \$2.6B in manager-driven distributions related to our alternative products.

Assets Under Management and Net Flows

U.S. \$ billions

Asset Class

ASSETS UNDER MANAGEMENT



Client Type

ASSETS UNDER MANAGEMENT



Geography

ASSETS UNDER MANAGEMENT



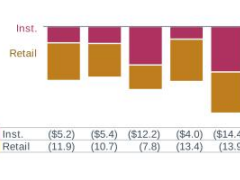
NET FLOWS

Q4'22 Q1'23 Q2'23 Q3'23 Q4'23



NET FLOWS

Q4'22 Q1'23 Q2'23 Q3'23 Q4'23



NET FLOWS

Q4'22 Q1'23 Q2'23 Q3'23 Q4'23



Firmwide fee-basis AUM includes assets managed by T. Rowe Price Associates, Inc., and its investment advisory affiliates. Numbers may not add up due to rounding. Institutional includes defined contribution assets, including those through intermediaries and our full-service recordkeeping business. Retail includes our direct-marketed business and financial intermediaries.

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ASSETS UNDER MANAGEMENT

As of December 31, 2023

- Target date retirement AUM of \$408B
- U.S. defined contribution AUM of \$627B
- Alternative AUM includes private markets (\$19B), CLOs (\$18B), and liquid strategies (\$11B)
- \$11.6B in unfunded capital commitments compared to \$10.5B at December 31, 2022

NET FLOWS

Q4 2023

- Outflows largely concentrated in US equity strategies
- Alternative flows are net of \$1.0B in manager-driven distributions
- Target date retirement inflows of \$0.3B in Q4 2023, and \$13.1 billion in 2023

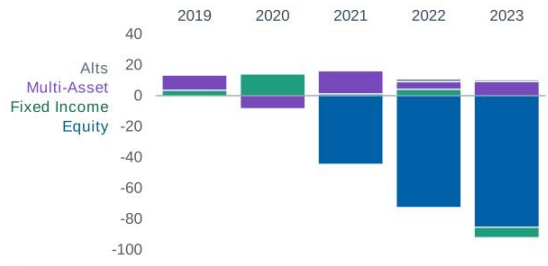
Firmwide flows by quarter (\$B)

	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23
U.S.	(17.1)	(16.1)	(20.0)	(17.4)	(28.3)
APAC, EMEA, Canada	0.2	(5.4)	(1.1)	2.2	(10.5)

Annual Net Flows

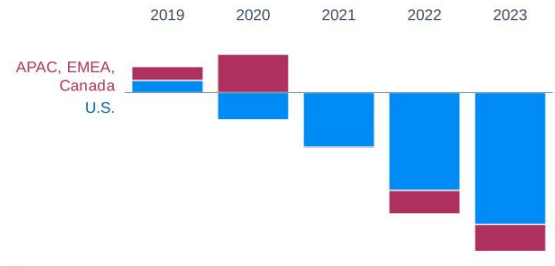
In billions

Asset Class



Equity	(\$0.2)	\$--	(\$44.6)	(\$72.7)	(\$85.4)
FI	3.5	14.1	1.2	4.1	(6.8)
MA	9.9	(8.5)	14.9	4.9	9.1
Alts	--	--	--	2.0	1.3
Totals	\$13.2	\$5.6	(\$28.5)	(\$61.7)	(\$81.8)

Geography

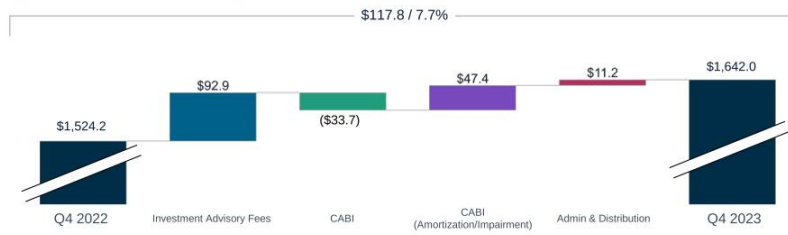


U.S.	\$6.2	(\$13.9)	(\$27.7)	(\$49.7)	(\$67.0)
APAC, EMEA, Canada	7.0	19.5	(0.8)	(12.0)	(14.8)
Totals	\$13.2	\$5.6	(\$28.5)	(\$61.7)	(\$81.8)

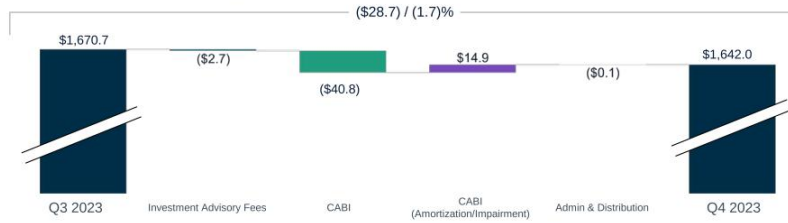
Quarterly Net Revenues

U.S. \$ millions

Q4 2023 compared to Q4 2022



Q4 2023 compared to Q3 2023



Capital allocation-based income (CABI)

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- Investment advisory fees represent about 90% of net revenue in the periods presented
- Q4 2023 investment advisory revenue was \$1,461.2M
- CABI, excluding amortization and impairment, was \$51M in Q4 2023 compared to \$85M in Q4 2022

Quarterly Adjusted Operating Expenses

U.S. \$ millions

Q4 2023 compared to Q4 2022



Q4 2023 compared to Q3 2023

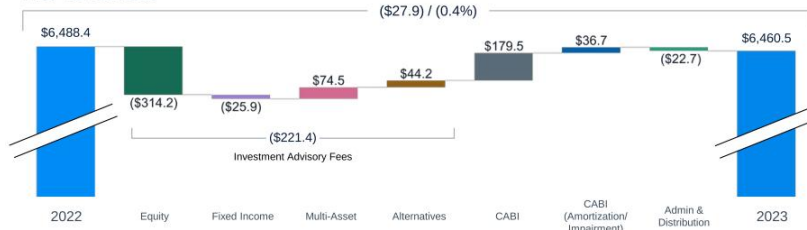


For the reconciliation between GAAP and adjusted (non-GAAP) expenses, see the current earnings release.
Capital allocation-based income (CABI) compensation represents the portion of CABI (carried interest) that is passed through as compensation to non-controlling interest holders who are also associates.

Annual Net Revenues and Adjusted Operating Expenses

U.S. \$ millions

Net Revenues



Adjusted Operating Expenses



For the reconciliation between GAAP and adjusted (non-GAAP) expenses, see the current earnings release.
Capital allocation-based income (CABI) compensation represents the portion of CABI (carried interest) that is passed through to certain associates as compensation.

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Basis for Operating Expense Guidance

U.S. \$ millions

	Year ended		Change (%)
	12/31/2023	12/31/2022	
Adjusted Operating Expenses	\$ 4,260.7	\$ 4,087.8	4.2%
Adjusted CABI Compensation	(70.0)	(17.6)	n/m
Adjusted Operating Expenses, ex CABI Compensation	\$ 4,190.7	\$ 4,070.2	3.0%

Quarterly Operating Income and Net Income

U.S. \$ millions, (except EPS)

Operating Income

U.S. GAAP	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Operating Income	\$253.1	\$484.2	\$533.5	\$581.3	\$387.2
Operating Margin ¹	16.6%	31.5%	33.1%	34.8%	23.6%

Net Income

U.S. GAAP	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Net Income	\$266.0	\$421.5	\$476.4	\$453.2	\$437.6
Diluted EPS	\$1.16	\$1.83	\$2.06	\$1.97	\$1.90



¹Operating margin is equal to operating income divided by net revenues; adjusted operating margin is equal to adjusted operating income divided by adjusted net revenues. For the reconciliation between GAAP and adjusted (non-GAAP) operating income and operating margin, see page 17 within these materials. For the reconciliation between GAAP and adjusted (non-GAAP) net income and EPS, see the Q4 2023 and full year 2023 earnings release.

Annual Operating Income and Net Income

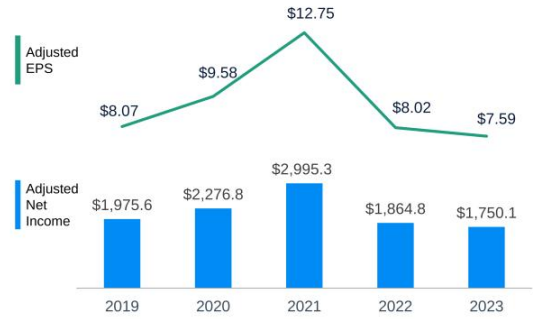
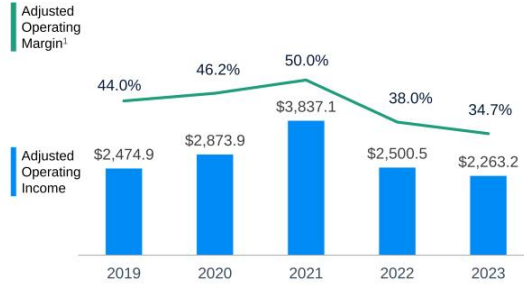
U.S. \$ millions, (except EPS)

Operating Income

U.S. GAAP	2019	2020	2021	2022	2023
Operating Income	\$2,387.0	\$2,745.7	\$3,710	\$2,373.7	\$1,986.2
Operating Margin ¹	42.5%	44.2%	48.4%	36.6%	30.7%

Net Income

U.S. GAAP	2019	2020	2021	2022	2023
Net Income	\$2,131.3	\$2,372.7	\$3,082.9	\$1,557.9	\$1,788.7
Diluted EPS	\$8.70	\$9.98	\$13.12	\$6.70	\$7.76



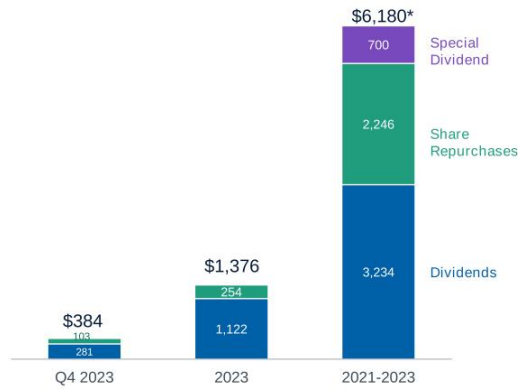
¹Operating margin is equal to operating income divided by net revenues; adjusted operating margin is equal to adjusted operating income divided by adjusted net revenues. For the reconciliation between GAAP and adjusted (non-GAAP) operating income and operating margin, see page 17 within these materials. For the reconciliation between GAAP and adjusted (non-GAAP) net income and EPS, see the Q4 2023 and full year 2023 earnings release and/or prior 10ks filed with the SEC.

Capital Management

U.S. \$ millions

Capital Returned to Stockholders

Data through 12/31/23



*Returned 93% of adjusted net income over last 3-years

Cash and Investments¹

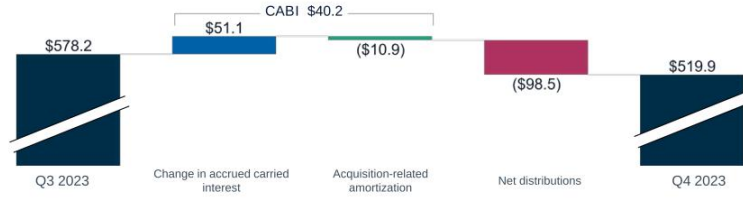
	Q4 2022	Q3 2023	Q4 2023
Cash and Cash Equivalents	\$1,755.6	\$2,578.7	\$2,066.6
Discretionary Investments	449.7	486.3	463.7
Cash and Discretionary Investments	\$2,205.3	\$3,065.0	\$2,530.3
Redeemable Seed Capital	\$1,120.3	\$1,167.4	\$1,370.9
Investments Used to Hedge the Supplemental Savings Plan Liability	\$760.7	\$783.9	\$894.6

¹Cash and investments includes cash and investments in T. Rowe Price products. This display does not include the non-controllable interest of certain seed investments, which we normally consolidate due to our ownership.

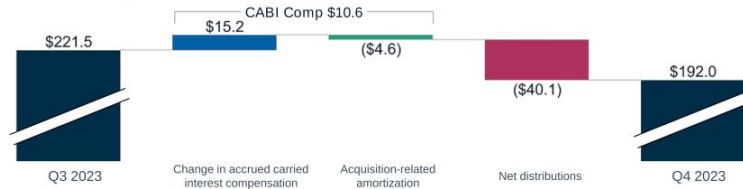
Quarterly Capital Allocation-Based Income (carried interest)

U.S. \$ millions, unless otherwise noted

Investments in Affiliated Private Investment Funds—Carried Interest



Non-controlling Interests (NCI) in Consolidated Entities



At the end of each reporting period, accrued carried interest reflects what would be due from each investment fund as if the fair value of the underlying investments were realized as of such date. The change in accrued carried interest reflects amounts that are (1) realized and distributed by the fund, (2) market-related adjustments that are recognized as capital allocation-based income in the income statement, and (3) acquisition-related amortization. The change in accrued carried interest will fluctuate quarter to quarter. Approximately \$7M of the 40%-50% of accrued carried interest recognized in compensation expense was not allocated to non-controlling interest holders and therefore not categorized as accrued carried interest-related compensation.

T. ROWE PRICE

- As of 12/31/2023, about \$18B of alternative fee-basis assets under management are eligible to earn carried interest
- In general, 50%-60% of accrued carried interest is expected to be retained in operating income with the remainder recognized as compensation expense
- Absolute performance of the following indices are an indicator of changes in accrued carried interest

Q4 2023 returns

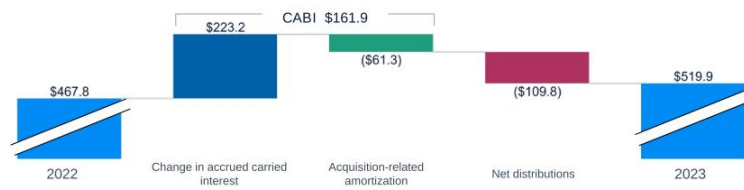
ICE Bank of America U.S. High Yield Index:	7.1%
Credit Suisse Leveraged Loan Index:	2.9%

Past performance is not a reliable indicator of future performance. Sources: ICE Data Indices, LLC, and CREDIT SUISSE GROUP AG and/or its affiliates

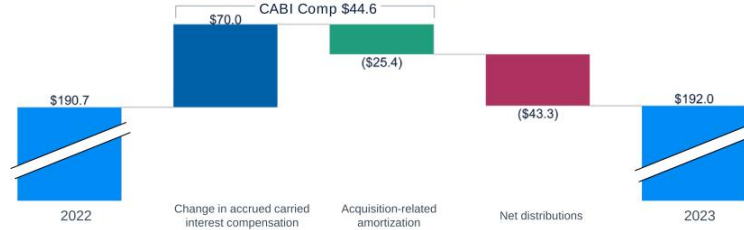
Annual Capital Allocation-Based Income (carried interest)

U.S. \$ millions, unless otherwise noted

Investments in Affiliated Private Investment Funds—Carried Interest



Non-controlling Interests (NCI) in Consolidated Entities



At the end of each reporting period, accrued carried interest reflects what would be due from each investment fund as if the fair value of the underlying investments were realized as of such date. The change in accrued carried interest reflects amounts that are (1) realized and distributed by the fund, (2) market-related adjustments that are recognized as capital allocation-based income in the income statement, and (3) acquisition-related amortization. The change in accrued carried interest will fluctuate quarter to quarter. Approximately \$2M of the 40%-50% of accrued carried interest recognized in compensation expense was not allocated to non-controlling interest holders and therefore not categorized as accrued carried interest-related compensation.

T. ROWE PRICE

- As of 12/31/2023, about \$18B of alternative fee-basis assets under management are eligible to earn carried interest
- In general, 50%-60% of accrued carried interest is expected to be retained in operating income with the remainder recognized as compensation expense.
- Absolute performance of the following indices are an indicator of changes in accrued carried interest

2023 returns

ICE Bank of America U.S. High Yield Index:	13.5%
Credit Suisse Leveraged Loan Index:	13.0%

Past performance is not a reliable indicator of future performance. Sources: ICE Data Indices, LLC, and CREDIT SUISSE GROUP AG and/or its affiliates.



Non-GAAP Reconciliation

Non-GAAP Net Revenues and Operating Income Reconciliation

U.S. \$ millions

Last Five Quarters

	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2019	2020	2021	2022	2023
Net Revenues, GAAP Basis	\$1,524.2	\$1,537.6	\$1,610.2	\$1,670.7	\$1,642.0	\$5,617.9	\$6,206.7	\$7,671.9	\$6,488.4	\$6,460.5
Non-GAAP Adjustments ¹ :										
Consolidated Investment Products	(0.2)	0.6	0.3	0.7	0.5	6.8	9.9	5.5	1.9	2.1
Investment and NCI Amortization and Impairments	58.3	12.3	12.3	25.8	10.9	0.0	0.0	0.0	98.0	61.3
Net Revenues, Non-GAAP Basis	\$1,582.3	\$1,550.5	\$1,622.8	\$1,697.2	\$1,653.4	\$5,624.7	\$6,216.6	\$7,677.4	\$6,588.3	\$6,523.9
Operating Income, GAAP Basis	\$253.1	\$484.2	\$533.5	\$581.3	\$387.2	\$2,387.0	\$2,745.7	\$3,710.0	\$2,373.7	\$1,986.2
Non-GAAP Adjustments ¹ :										
Acquisition-Related Adjustments	217.2	(2.2)	26.2	67.4	51.3	0.0	0.0	31.9	250.9	142.7
Consolidated Investment Products	1.9	3.5	3.9	1.4	2.3	14.7	16.4	12.2	8.2	11.1
Supplemental Savings Plan Liability	36.9	42.5	33.0	(14.2)	61.9	73.2	111.8	83.0	(132.3)	123.2
Operating Income, Non-GAAP Basis	\$509.1	\$528.0	\$596.6	\$635.9	\$502.7	\$2,474.9	\$2,873.9	\$3,837.1	\$2,500.5	\$2,263.2
Operating Margin, GAAP Basis ²	16.6%	31.5%	33.1%	34.8%	23.6%	42.5%	44.2%	48.4%	36.6%	30.7%
Operating Margin, as Adjusted ²	32.2%	34.1%	36.8%	37.5%	30.4%	44.0%	46.2%	50.0%	38.0%	34.7%

¹For a description of the non-GAAP adjustments, see the related earnings releases and/or prior 10Q or 10Ks filed with the SEC.
²Operating margin is equal to operating income divided by net revenues.



Appendix

Assets Under Management – by Account Type

U.S. \$ billions

	2021	2022	2023
U.S. Defined Contribution – Investment only	\$533.0	\$410.2	\$486.2
U.S. Retirement Plan Sponsors - Full-service recordkeeping ¹	162.4	132.4	141.2
Total U.S. Defined Contribution AUM	695.4	542.6	627.4
Other Retirement Accounts ¹	406.5	304.3	341.4
Total Retirement AUM	1,101.9	846.9	968.8
Other Accounts	585.9	427.8	475.7
Total AUM at December 31st	\$1,687.8	\$1,274.7	\$1,444.5

Firmwide AUM includes assets managed by T. Rowe Price Associates, Inc., and its investment advisory affiliates.

¹ There is approximately ~\$5B in defined benefit plan-related assets under management reflected in "Other Retirement Accounts" that we provide full-service recordkeeping services to.

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Full-service recordkeeping and plan administration services provided to:

- \$245 billion in assets under administration as of December 31, 2023
- Over 8,000 U.S. retirement plans
- Over 2.3 million plan participants

Alternatives - Fee-basis AUM and Unfunded Commitments

U.S. \$ billions

Fee-Basis AUM	Private Markets	CLOs	Liquid	Total
At December 31, 2022	\$16.9	\$16.5	\$10.0	\$43.4
Net Capital Deployments ¹	2.4	1.4	0.1	3.9
Manager-driven Distributions	(2.6)	-	-	(2.6)
Net Flows, as Reported	(0.2)	1.4	0.1	1.3
Market Appreciation	1.8	0.1	1.3	3.2
At December 31, 2023	\$18.5	\$18.0	\$11.4	\$47.9

¹Net Capital Deployments represents the total of capital deployments and new client subscriptions, net of client redemptions.

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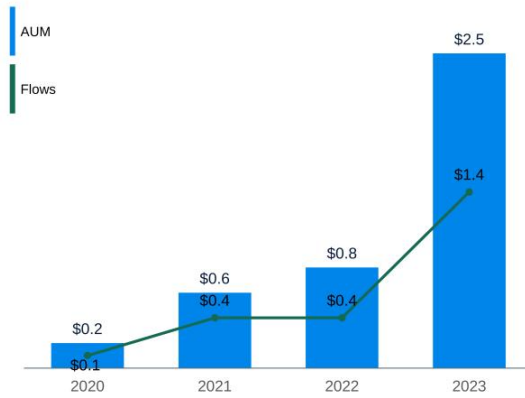
Unfunded Commitments	Total
At December 31, 2022	\$10.5
New Capital Raised	4.7
Capital Deployed	(3.7)
Net Recalable Distributions	0.1
At December 31, 2023	\$11.6

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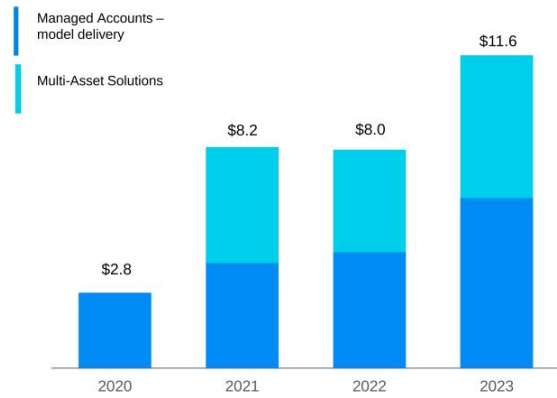
ETFs and Assets under Advisement

In billions

ETF AUM and Flows



Assets Under Advisement (AUA)



About 50% of AUA in each of the last 3 years is related to our managed account – model delivery offering

Assets under advisement represent non-discretionary advisory services offered through model delivery and multi-asset solutions for providers to implement. Certain providers implement the model using T. Rowe Price proprietary products, which would be included in our reported assets under management.

Additional Information

Investment performance overview (slide 4)

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² Source: Morningstar. Primary share class only. Based on NAV returns. 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 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 has outperformed for the time periods indicated. Total AUM included for this analysis includes \$323B for 1 year, \$323B for 3 years, \$323B for 5 years, and \$320B for 10 years.

³ Passive Peer Median was created by T. Rowe Price using data from Morningstar. Primary share class only. Based on NAV returns. 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 with 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 outperformed the passive peer universe. The bottom chart reflects the percentage of T. Rowe Price funds AUM that has outperformed for the time periods indicated. Total AUM included for this analysis includes \$307B for 1 year, \$272B for 3 years, \$271B for 5 years, and \$263B for 10 years.

⁴ 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 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 \$1,280B for 1 year, \$1,264B for 3 years, \$1,255B for 5 years, and \$1,222B for 10 years.

Capital Allocation Based Income (slide 14 & 15)

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The following entities may be referenced in the earnings supplement or the earnings call:

- TRPA – T. Rowe Price Associates, Inc.
- TRPIM – T. Rowe Price Investment Management, Inc.

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