

**Conference Title: T. Rowe Price Annual Meeting**

**Date: Tuesday 9th May 2023**

Bill Stromberg: Good morning, ladies and gentlemen, and welcome to the T. Rowe Price Group 2023 Annual Meeting of Stockholders. I'm Bill Stromberg, non-executive chair of the board, and I'll preside over today's meeting. In an effort to support the health and well-being of our stakeholders and based on the success of our prior virtual annual meetings, the Board determined to hold this meeting in a virtual format again. I'd like to call the meeting to order. The agenda and rules of conduct are available on the virtual meeting site. The rules of conduct will govern how we run the meeting, and as stated in the Rules of Conduct, please limit your remarks to the proposals set forth in the proxy statement. Please note we've allotted an hour for the meeting. At the start of the meeting, though, I'd like to take a moment to recognize the service of Mary Bush, who is retiring from our board after more than ten years of service on behalf of the company's stockholders. During that time, she has provided wise counsel, governance acumen and exceptional leadership, in addition to bringing unique insights to our boardroom. Thank you, Mary, and very best wishes for continued success and happiness in the future. Moving to the business of the meeting, there are 11 directors who've been nominated for election, all of whom are attending this meeting. The nominees are Glenn August, Mark Bartlett, Dina Dublon, Freeman Hrabowski, Rob MacLellan, Eileen Rominger, Rob Sharps, Bob Stevens, Bill Stromberg, Sandra Wijnberg, Alan Wilson. Thank you. David Oestreicher will act as Secretary of the meeting, representatives of Broadridge Financial Solutions have acted as the tabulator for this annual meeting. Jim Raitt of American Election Services will act as the independent inspector of election, and he has taken his oath as the Inspector of Election, which will be filed with the company's records. Christopher Semesky of KPMG, our public accounting firm, is also with us and will be available to answer any questions you might have related to their engagement. The record date for voting at this meeting was the close of business on March 1st, 2023. The Secretary has delivered an affidavit of mailing to show that notice of the meeting was given. A copy of both the notice and the affidavit will be incorporated into the minutes of the meeting. This morning, we're asking stockholders to do five things. One, elect 11 directors to our board. Two, approve by a non-binding advisory vote the compensation

paid to our named executive officers. Three, approve the restated 1986 employee stock purchase plan, which includes 3 million shares of the share pool available for purchase by employees. Number four, recommend by a non-binding advisory vote the frequency of voting by the stockholders on compensation paid by the company to its named executive officers. And five, ratify the appointment of KPMG to serve as our public accounting firm for 2023.

After we complete our official business, Rob Sharps, our CEO and President, will provide more detail on our 2022 results and this year's first quarter results, after which there will be a question and answer session. In order to begin, our bylaws require that a majority of all votes entitled to be cast at the meeting be represented in person or by proxy for us to have a quorum. The stockholders list shows that holders of 224,513,705 shares of common stock of the company are entitled to vote at this meeting, with each share having one vote. We are informed by the Inspector of election that there are represented in person or by proxy 187,000,302 shares of common stock or approximately 83% of all shares entitled to vote at the meeting. Based upon the percentage of the total shares of the company held by holders of record now present at the meeting, either in person or by proxy, a quorum is present. The report of a quorum and all proxies received at this meeting will be filed in the company's records. The meeting is now duly convened.

We'll now consider today's proposals. Please note that we'll give stockholders an opportunity to comment on the proposals themselves after all five proposals have been presented. If any stockholder would like to ask a question or comment on any of the proposals, please submit your questions through the web portal beginning at this time.

Proposal number one is the election of directors. The first proposal is the election of 11 directors to hold office until the 2024 annual meeting of stockholders. The nominees have been introduced and are listed in your proxy materials. The board recommends a vote for all director nominees presented for election in the proxy statement at this meeting. Proposal two, Say on Pay. The second proposal, commonly known as, Say on Pay, is a non-binding advisory vote to approve the

compensation paid to our named executive officers, as disclosed in our proxy statement. The board recommends approval of the compensation of the named executive officers. Proposal three, restated employee stock purchase plan. The third proposal before us today is the approval of the restated 1986 employee stock purchase plan. The board recommends a vote for the approval of the restated 1986 employee stock purchase plan. Say on frequency. The fourth proposal before us today concerns the frequency of voting by the stockholders on compensation paid by the company to its named executive officers. The board recommends a vote for the one-year option. And proposal five ratification of KPMG's appointment. The fifth proposal before us today is the ratification of the appointment of KPMG as our accounting firm for 2023. The Board recommends the ratification of the appointment of KPMG. We'll now address any questions. Questions and comments again may be made through the web portal at this time. We'll pause.

Okay. Because no further business is on the agenda to come before this meeting, we'll move on to voting. The polls are now open for each matter to be voted on today. Any stockholders who haven't yet voted or who wish to change their vote may do so by clicking on the voting button on the web portal and following the instructions there. Stockholders who have sent in proxies or voted via telephone or internet and do not want to change their vote do not need to take any further action. Allow for a minute to complete and submit the ballots. Okay. I declare the polls now closed and ask that the inspector of election collect and tabulate the ballots.

Okay. We've been informed by the inspector of election that the preliminary vote report shows that the nominees for election to the board have been duly elected. The compensation of the named executive officers has been approved by advisory vote. The restated 1986 employee stock purchase plan has been approved. The one year Say on Pay advisory vote has been approved. And the appointment of KPMG has been ratified. We will be reporting the final vote results in a Form 8-K to be filed with the SEC within four business days. If there is no further official business to come before this meeting, the 2023 annual meeting of stockholders of T. Rowe Price Group is now adjourned. We'll now proceed with the informal portion of the meeting. At this time, I'd like to

introduce Rob Sharps, our CEO and president, who will provide a review of our 2022 and first quarter 2023 results. Please note that the web portal is now available for any questions to be submitted, which will be answered after Rob's presentation. Rob.

Robert Sharps: Thank you, Bill. Thank you for the opportunity to provide an update on the company. But before I do that, let me remind you that this presentation may contain forward looking statements, which include future estimates or opinions about our potential business results. Our actual results could be different from the forward-looking statements, and we ask all investors to carefully consider the risks described in our 10-K before investing. With that, I'll turn to my update. T. Rowe Price is committed to being a premier global active investment management firm. Our clients have entrusted us with \$1.3 trillion of assets and we are deeply focused on helping them meet their long-term financial objectives. We believe that what we do matters. As a fundamental research driven investment organization, our deep sector expertise and long standing engagement with corporate management teams is pivotal to understanding the long-term strategy and goals of the companies we invest in. We are proud that among the more than 330 asset management firms nominated, T. Rowe Price came in a very close second in Institutional Investors Inaugural 2023 Ranking of America's top asset management firms.

While 2022 was an undeniably challenging year, our firm is built to last. Throughout T. Rowe Price's 85-year history, we've been through countless corrections in bear markets and navigated many investment cycles. We have a legacy of successfully adapting to changing landscapes, which today are influenced by the secular and transitory factors described on the next slide. In 2022, we advanced important work to deepen our partnerships, expand our capabilities and broaden our global reach. We achieved a significant milestone in expanding our investment capabilities with the final disaggregation of T. Rowe Price Investment Management's, or TRPIM, holdings. Now operating as a separate entity, TRPIM allows us to drive durable investment capabilities at scale by deploying greater capacity in our highest conviction investment opportunities. We completed the integration of OHA and are pleased with the progress the

distribution and product teams have made toward developing new products and client relationships. We broadened our range of ETF products with the addition of the US High Yield ETF and the Floating Rate ETF, with five more to come later this year. And we stood up a new team, ESG enablement, to drive cross-functional consistency and coordination of our ESG strategy in alignment with the business strategies and ESG investment capabilities. Finally, we celebrated the 20th anniversary of the launch of our first retirement funds. The start of what is now our \$361 billion target date retirement franchise. The long-term performance of our flagship retirement products remains strong.

During the first quarter, a stronger equity market provided a boost to our series, and we've benefited from our strategic design over the long term. Over the trailing three- and five-year time periods, which includes two bear markets, our retirement funds rank in the top half of peers with those vintages around retirement ranking in the top decile. And for the ten-year time period, our 2020 retirement vintage is the top performing strategy in its Morningstar category. That said, last year, returns in too many of our investment strategies, meaningfully lagged benchmarks and peers, particularly in the areas of growth equity and core fixed income. There were, however, bright spots. We delivered strong relative performance in many of our core and value oriented and certain non-investment grade fixed income strategies. On this slide, we provide a view of our long-term performance versus benchmarks and peers. While 2022 was undeniably soft, results are solid over three and five years and strong over ten years. In recognition of our long-term investment performance, T. Rowe Price was named Refinitiv Lipper's 2022 Best overall large US Fund Management group.

During the year of 2022, we saw a 24.5% decline in assets under management to just under \$1.3 trillion at year end. This decline was driven by \$348 billion of market depreciation and \$61.7 billion of net outflows. Outflows from our equity strategies, driven by several of our growth strategies, accounted for 100% of the total outflows, while our fixed income, multi-asset and recently added alternatives asset class all produced positive net flows in 2022. Our target date franchise, a subset

of the multi-asset category, had a strong year with \$11.3 billion in positive net flows. Looking back over ten years, our assets under management compound annual growth rate is 8%. Our leadership team expects that we will return the firm to positive organic growth over time, with a combination of more constructive markets, sustained improved performance in key strategies, traction with a broader range of vehicles, including SMA and ETFs, and continued progress with our strategic initiatives.

On this slide, we've provided the compound annual growth rates over multiple periods for revenue, generally accepted accounting principles, earnings per share, dividends per share and total shareholder return. Recently, our financial strength has allowed us to continue to return capital to our stockholders despite the more difficult market environment. AUM reductions brought revenue declines as investment advisory fees fell to \$5.9 billion, a 15.9% drop from 2021. Net revenues totaled just under \$6.5 billion in 2022, a 15.4% decline from 2021. With asset valuations and revenues down sharply, adjusted earnings fell in 2022.

After the declines in 2022, markets increased in Q1 and our assets under management increased in Q1 of 2023 versus Q4 of 2022. As you will see on the next slide, despite the decline in profitability last year, our balance sheet remains strong. We closed 2022 with \$2.2 billion in cash and discretionary investments on hand. We've been modestly rebuilding our cash position since the close of the purchase of OHA in late 2021. We added roughly \$233 million in cash reserves in 2022, a 6.2% increase. In 2022, we raised our quarterly dividend to \$1.20 per share, which was an 11.1% increase over 2021. In the first quarter, we raised it again to \$1.22 per share, marking our 37th consecutive year of dividend increases. Over five years, dividend growth is 16%. We bought back 6.8 million shares, reducing shares outstanding to 224.3 million, the lowest year end share count since the firm's initial public offering in 1986. Cash returned to stockholders via dividends and buybacks totaled almost \$2 billion in 2022, more than \$6.8 billion over the past three years and over \$10 billion since 2017, including a special dividend in 2021.

I'll now turn to our corporate strategy. We're committed to delivering investment excellence and to investing in the areas where we have the scale businesses such as our leading retirement franchise. At the same time, anticipating and adapting to changing dynamics is critical and informed our work to re-envision our corporate strategy. We see an opportunity to elevate our focus on areas where we've already invested resources over many years and where we believe we have the greatest opportunity for growth and long-term success. These include, bolstering our US intermediary wealth channel and emerging as a top partner for the largest distributors in the United States. Accelerating growth in international markets with a focus on unlocking growth in select countries where we have existing businesses that offer the greatest opportunity. Improving our individual investor client experience through an improved digital experience and differentiated service offering, and expanding our private markets and alternatives capabilities by leveraging our distribution channels and OHA's investment capabilities. We understand that in rapidly evolving market conditions, what we deliver for our clients matters more than ever. I'm confident that we have a strong path forward.

As noted in the previous slide, the OHA acquisition is integral to our corporate strategy. I'm pleased to share that we made important progress toward accelerating our expansion into alternative investments. Teams in distribution and product began collaborating on product development and discussing opportunities to expand client relationships. Our first joint co-branded product, T. Rowe Price OHA Select Private Credit Fund, or OCRED is advancing. This business development company is a retail product developed to leverage OHA's private credit investment expertise with T. Rowe Price's distribution capabilities. We expect to close the seed round in the second quarter of this year and launch OCRED more broadly later this year.

Before I conclude my remarks, I'd like to underscore our commitment to investing in our communities. In 2022, we gave \$24.4 million to our communities, and our associates volunteered more than 28,000 hours to support causes they are passionate about. We were pleased to be recognized among the top two most giving companies by the Baltimore Business Journal for our

collective corporate responsibility and philanthropic efforts. Despite the headwinds of 2022, our commitment to community remains steadfast. I want to close by saying that our dedicated associates, collaborative culture, solid investment and research processes and financial strength position us to deliver value for our clients and our stockholders in the years to come. I would like to thank you, our investors, for the confidence you place in us and for joining us today. I'd now like to open the line for questions.

Bill Stromberg: Okay. This concludes the management presentation. As Rob said, let's open the floor to questions. And as stated in the rules of conduct, we're going to impose a limit of one question per stockholder, which should be no more than three minutes in length. And after all the stockholders wishing to ask questions have had the opportunity to do so, additional questions up to a total of three will be allowed if time permits. Please note we'll attempt to answer as many questions as time allows.

Jean-Marc Corredor: Thank you, Bill. The first question is from a stockholder named Barry Brown. He asks, Which is more important, stockholders or ESG principles?

Robert Sharps: Yeah, I'll take that one. Our leadership team is very focused on generating shareholder value by delivering great investment results for our clients. We prioritize our fiduciary responsibilities and are deeply focused on performance for our clients and our shareholders. I don't think of it as necessarily an either or. ESG considerations are one factor among many factors that we consider as an issuer, as an employer, and as an investor. But the direct response to the question is that we're most focused on our fiduciary responsibilities and delivering results for our shareholders and our clients.

Jean-Marc Corredor: Thank you, Rob. Our next question is from a shareholder named Quang Nguyen, who asks, I see T. Rowe's stock on a downtrend. Will the company be affected by the collapse of two medium sized banks, Silicon Valley and First Republic Bank? And to what extent?

Robert Sharps: I'll take that one as well. We will not be affected by the collapse of Silicon Valley and First Republic. We had no direct exposures as a company and very limited exposures within our client portfolios. So it should not have a direct impact on us as a company or on the performance of our underlying client portfolios.

Bill Stromberg: Are there any more questions?

Jean-Marc Corredor: Bill, at this time, there are no other questions.

Bill Stromberg: With no further matters to come before the meeting, the meeting is now adjourned. Thank you very much for joining us today.