



GOLDMAN SACHS US FINANCIAL SERVICES CONFERENCE

T. Rowe Price Group, Inc.
December 10, 2019

A copy of this presentation is available at troweprice.gcs-web.com/investor-relations.
Data as of September 30, 2019, unless otherwise noted.

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Culture is central to our long-term success



Investment Excellence

The heart of everything we do



Clients First

We succeed if our clients succeed



Collegiality and Collaboration

Leveraging our best ideas creates competitive advantage



Trust and Mutual Respect

Essential for a strong community



Long-Term Time Horizon

A true competitive advantage

Performance-driven and collaborative

Our vision—we are executing on a longer-term plan



Premier active asset manager



Integrated investment solutions provider



More global and diversified asset manager



Global partner for retirement-oriented investors



Strong process orientation and system of internal controls



Destination of choice for top talent



More adaptive and agile company



Strong financial results and balance sheet

Investment performance remains strong

U.S. mutual funds	Outperforming Morningstar median ¹			Top Morningstar quartile ¹			Outperforming benchmark ²		
	3 years	5 years	10 years	3 years	5 years	10 years	3 years	5 years	10 years
U.S. Equity	81%	87%	83%	53%	70%	70%	68%	77%	50%
Global and International Equity	70%	71%	94%	41%	46%	59%	57%	80%	79%
Fixed Income	51%	59%	69%	33%	32%	28%	26%	27%	32%
Multi-Asset	74%	85%	84%	56%	62%	79%	18%	18%	95%
Overall	68%	75%	81%	45%	52%	57%	38%	43%	56%

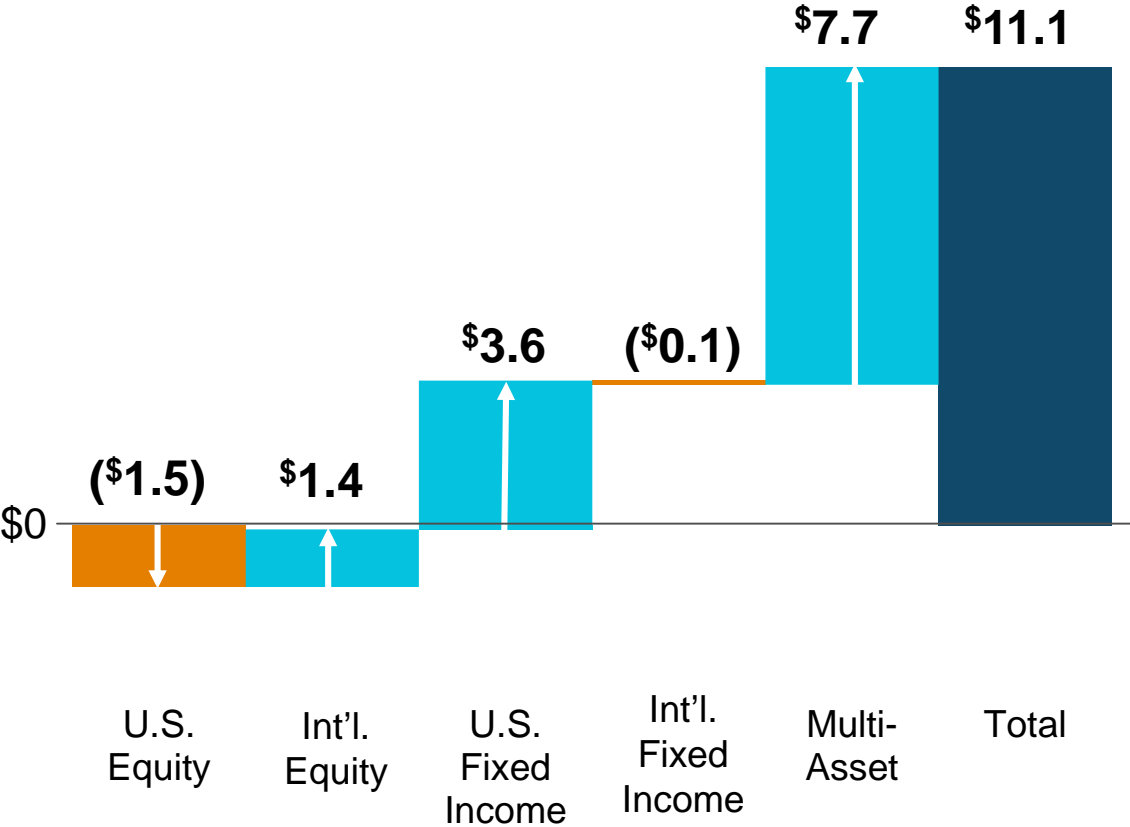
Past performance cannot guarantee future results. As of September 30, 2019.

¹Primary share class only. Excludes passive and fund categories not ranked by Morningstar. Source: Morningstar.

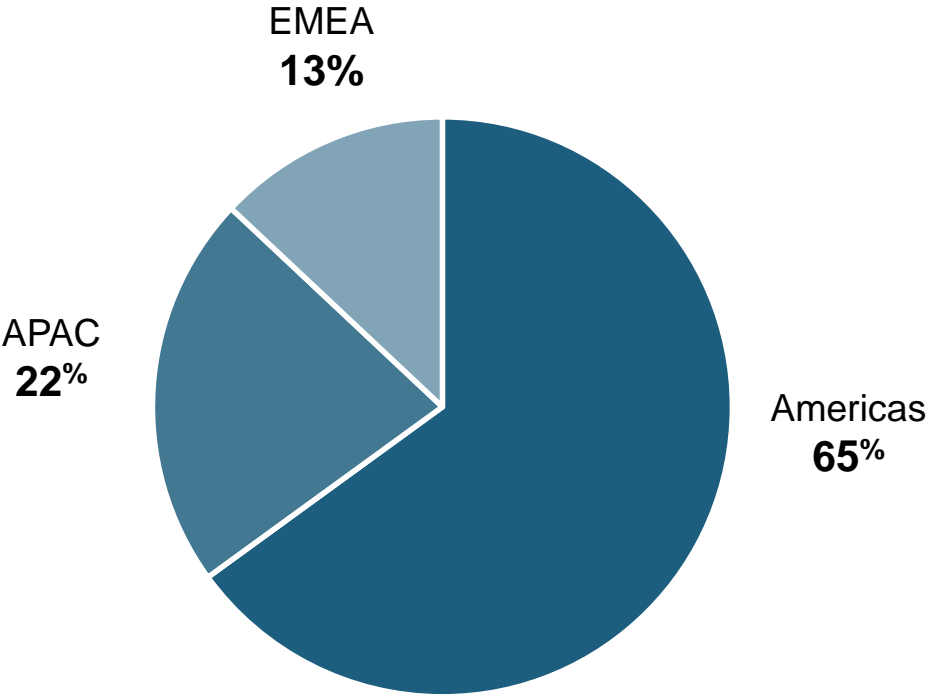
²Primary share class only. Excludes passive and institutional funds that are clones of retail funds. Mutual funds are measured against the most appropriate style benchmark used for portfolio manager evaluation, which may not always be the prospectus benchmark. Source: Morningstar.

Diversified organic growth of \$11.1b YTD through October

Net flows by asset class (\$b)



Net flows by client geography



Data are as of October 31, 2019.
 Figures represent net flows for the firm. The assets for the firm's global strategies are included in their respective international asset classes.
 Assets under management ended November at \$1.181T.

We continue to execute on our strategic priorities

1 Investment Capabilities

- Increased investment professional headcount to 645¹ worldwide to further strengthen our research platform and continue to develop investment capabilities
- Executed on our product roadmap with the launch of new strategies, including Dynamic Credit, Europe Select Equity, and Global Government Bond, and new vehicles, including the Global Focused Growth ITM; additional products are under evaluation or in the pipeline for launch, including China Equity
- Received preliminary exemptive relief from the SEC on the application for our semi-transparent active ETF
- Continued to advance ESG capabilities internally; first sustainable SICAV funds² launch expected in 2020

2 Distribution Capabilities

- Continued to invest across defined contribution investment-only and broker-dealer channels in U.S.
- Further expanded APAC and EMEA intermediary and institutional presence, growing brand awareness
- Maintained high client satisfaction in Individual Investors and Retirement Plan Services businesses
- Enhanced digital offering to both enhance client experience and generate long-term efficiencies

3 Technology and Operations

- Continued to modernize tech platforms across investments, trading, middle office, and performance
- Furthered progress with application decommissioning, execution of multitiered storage strategy, and reduction of physical and virtual servers to manage expenses

¹Investment professional headcount as of September 30, 2019.

²These funds will be registered for marketing in the targeted countries for distribution in Europe initially.

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1 Investment capabilities

Expanding our product lineup globally

	Global Equity	Global Fixed Income	Multi-Asset
2018	<ul style="list-style-type: none"> Global Equity Dividend SMAs: Large-Cap Core, Equity Income, International Core, Australia 	<ul style="list-style-type: none"> Asia Credit 	<ul style="list-style-type: none"> Retirement Blend Trusts Multi-Strategy Total Return Custom Target Date Funds
2019	<ul style="list-style-type: none"> Global Focused Growth ITM Europe Select Equity China Evolution Equity (Small/Mid) 	<ul style="list-style-type: none"> Dynamic Credit Global Government Bond 	<ul style="list-style-type: none"> Target Allocation Active Models
2020+	<ul style="list-style-type: none"> Semi-Transparent Active ETFs US Select Value Sustainable Funds Range China Growth Global Select (Core) 	<ul style="list-style-type: none"> Low Duration Credit Stable Value Multi-Manager Dynamic Emerging Markets Bond 	<ul style="list-style-type: none"> Multi-Asset Global Income Income Models Macro and Absolute Return Strategies (MARS)

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.

1 Investment capabilities

ETFs are another vehicle to meet client needs



Deliver a new way for investors to access our alpha generation
and offer certain benefits relative to other wrappers for taxable investors



Expand our distribution reach
by allowing us to engage with investors who primarily or exclusively use ETFs

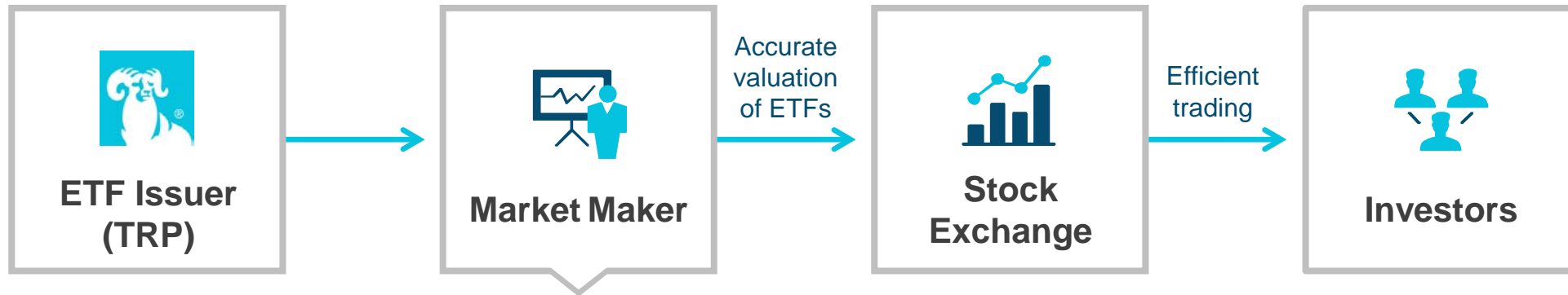


Establish the foundation for the future
as we work to build an ETF business that cuts across multiple asset classes and broadens our investor base

1 Investment capabilities

The T. Rowe Price Semi-Transparent Active ETF Model

Our approach aims to provide the benefits of a traditional ETF and will utilize industry-recognized, transparent ETF processes, giving market makers the information needed to facilitate efficient trading and shielding our investment IP.



Pricing signals from proxy basket:

- Updated proxy holdings disclosed quarterly on a lag
- INAV of current portfolio disseminated at 15-second intervals
- Relative risk metrics of proxy/current

What's Next?

Preliminary
exemptive relief
from the SEC

Final exemptive
relief from
the SEC

19b-4 Trade
Rule filing

SEC approval
of 19b-4

T. Rowe Price
Semi-Transparent
Active ETFs
launch in market

2

Distribution capabilities

The U.S. intermediary channel, EMEA, and APAC continue to be growth drivers.

U.S. Intermediary

- Continued broker-dealer field territory expansion
- Built out hybrid teams in Wealth and DCIO
- Scaled the retirement advisory relationships team
- Further invested in distribution enablement to improve client coverage and sales productivity
- Expanded value-added services, including portfolio construction

EMEA

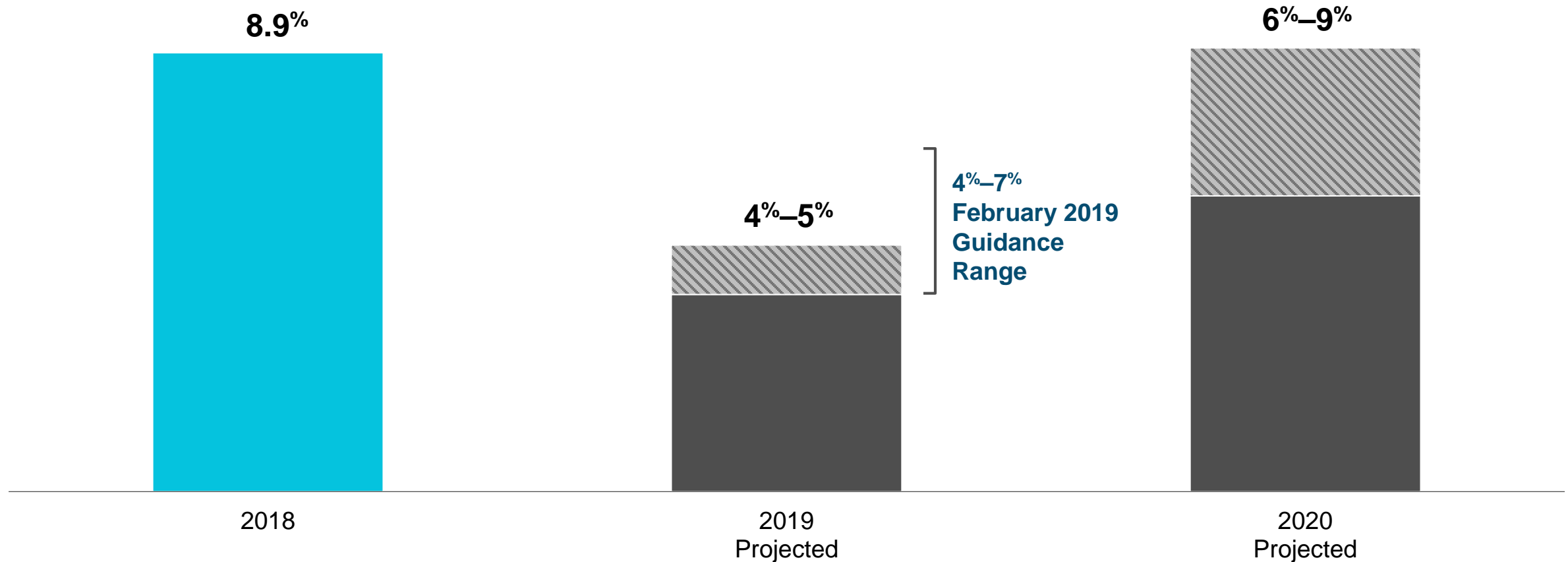
- Launched European Select Equity and Global Government Bond strategies
- Increased client activity and expanded sales coverage in Italy and UK advisory
- Saw significant improvement in brand rankings in a number of regions and surveys
- Expanded client implementation management (CIM) team to EMEA

APAC

- Saw strong sales and flows momentum, largely driven by the Japanese ITMs
- Expanded global consultant relations team with further dedicated APAC coverage
- Continued build of marketing team and further invested in brand
- Expanded CIM team to APAC

We are continuing to invest for the long term

Non-GAAP operating expense growth¹



¹See the reconciliation between 2018 GAAP operating expenses and 2018 non-GAAP operating expenses in the Appendix. See the firm's 2018 Annual Report on Form 10-K for further information.

Our investments span across the firm



Investments

Continuing to build out investment teams globally, with a focus on attracting, developing, and retaining world-class talent to sustain and improve the competitiveness of our strategies




Distribution

Expanding our global footprint to further strengthen our regional relationships and bring our investment strategies to new and existing clients through their preferred markets, channels, and vehicles



Technology

Continuing to modernize the infrastructure of the firm, further enhancing client experience and enabling distribution




Globalized shared services

Expanding our shared services functions globally, particularly in EMEA and APAC, to support the growth, governance, and regulatory needs in these regions



Research

Paying for all research globally effective January 1, 2020; 2020 will be the final year of our three-year rollout



Compliance with new regulation

While we became compliant with GDPR and CCPA in 2019, the regulatory landscape is ever changing requiring continued investment

We continue to execute a consistent, opportunistic buyback approach

Over the 5 years ended September 30, 2019

10%

decline in common stock outstanding from 261m to 235m

47.6m

shares repurchased at

\$81.79

weighted average price per share

10x

average P/E over 12-month earnings ended 9/30/19¹

3.6%

dividend yield of repurchases²

¹Weighted average repurchase price per share for 5 years ended September 30, 2019, divided by 12-month GAAP diluted earnings per share ended 9/30/19.

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



Appendix

Non-GAAP operating expenses reconciliation

	2017	2018	FY17/FY18 Change (%)
Operating Expenses, GAAP basis	\$2,746.1	\$3,011.2	9.7%
Non-GAAP Adjustments:			
Expenses of consolidated T. Rowe Price investment products, net of elimination of its related management and administrative fees ¹	(6.7)	(6.5)	
Compensation expense related to market valuation changes in supplemental savings plan liability ²	(11.7)	5.6	
Recoveries (nonrecurring charge) related to Dell appraisal rights matter ³	50.0	15.2	
Adjusted Operating Expenses	\$2,777.7	\$3,025.5	8.9%

¹The non-GAAP adjustments add back the management fees that we earn from the consolidated T. Rowe Price investment products and subtract the investment income and operating expenses of these products that have been included in our U.S. GAAP consolidated statements of income. We believe the consolidated T. Rowe Price investment products may impact the reader's ability to understand our core operating results.

²This non-GAAP adjustment removes the impact of market movements on the supplemental savings plan liability and related investments designated as economic hedges of the liability beginning July 1, 2017. Amounts deferred under the supplemental savings plan are adjusted for appreciation (depreciation) of hypothetical investments chosen by the employees. Since we economically hedge the exposure to these market movements, we believe it is useful to offset the nonoperating investment income earned on the hedges against the related compensation expense to increase comparability period to period.

³In the second quarter of 2016, we recognized a nonrecurring charge of \$166.2 million related to our decision to compensate certain clients in regard to the Dell appraisal rights matter. We also recognized an offset to this charge during the fourth quarter of 2016 for related insurance recoveries totaling \$100 million. In the first quarter of 2017, we recognized additional insurance recoveries of \$50 million as a reduction in operating expenses from claims that were filed in relation to the matter. During 2018, we recognized an additional reduction in operating expenses of \$15.2 million upon recovering a portion of the payments we made to our clients in 2016. We believe it is useful to readers of our consolidated statements of income to adjust for these charges and nonrecurring recoveries in arriving at adjusted operating expenses and net income attributable to T. Rowe Price Group and diluted earnings per share.

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