



T. Rowe Price Group Update
ANNUAL MEETING

Bill Stromberg, President and CEO
April 26, 2018



Forward-Looking Information

Statements

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, expenses, earnings, liquidity, cash flow and capital expenditures, industry or market conditions, amount or composition of assets under management, regulatory developments, demand for and pricing of our products and other aspects of our business or general economic conditions. 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.



A Global Asset Management Firm – Focused on Client Success

Founded in **1937**

\$1,014 billion
in assets under
management¹

571 investment
professionals worldwide

Local presence in **16**
countries

Nearly **6,900**
associates worldwide

Independent Investment Organization

- Focused solely on investment management and related services

Alignment of Interests

- Publicly owned company with substantial employee ownership

Financial Strength

- No outstanding long-term debt and with substantial cash reserves

Stable Investment Leadership

- Global Equity and Fixed Income leaders average 23 years tenure at T. Rowe Price

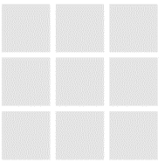
Global Investment Platform

- Full range of Equity, Fixed Income, and Multi-Asset solutions

¹ The combined assets under management of the T. Rowe Price group of companies in USD as of March 31, 2018. The T. Rowe Price group of companies includes T. Rowe Price Associates, Inc., T. Rowe Price International Ltd, T. Rowe Price Hong Kong Limited, T. Rowe Price Singapore Private Ltd., and T. Rowe Price (Canada), Inc.

All currency shown throughout this presentation is USD.

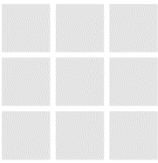
Headcount information as of March 31, 2018.



Culture is Central to Our Long-Term Success

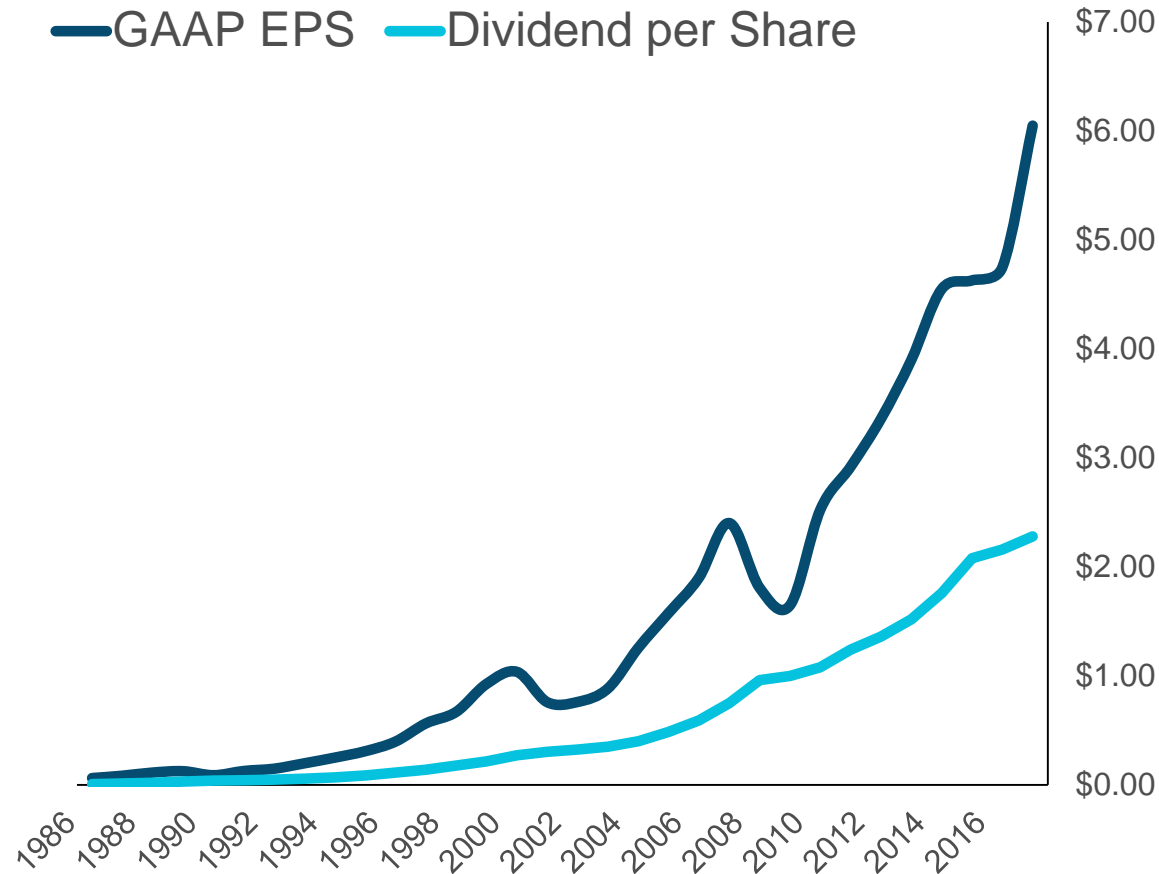
Performance-Driven and Collaborative

Investment Excellence	<ul style="list-style-type: none">▪ The heart of everything we do
Clients First	<ul style="list-style-type: none">▪ We succeed if our clients succeed
Collegiality and Collaboration	<ul style="list-style-type: none">▪ Leveraging our best ideas creates competitive advantage
Trust and Mutual Respect	<ul style="list-style-type: none">▪ Essential for a strong community
Long-term Time Horizon	<ul style="list-style-type: none">▪ A true competitive advantage



Attractive and Consistent Financial Results Over Time

Long-Term Orientation



Average annualized growth				
As of December 31, 2017				
	5 Years	10 Years	20 Years	30 Years
Revenues	10%	8%	10%	13%
GAAP EPS	13%	10%	13%	15%
Dividends	11%	12%	15%	19%
Total Stockholder Return	13%	9%	12%	21%

Past performance does not guarantee future results.

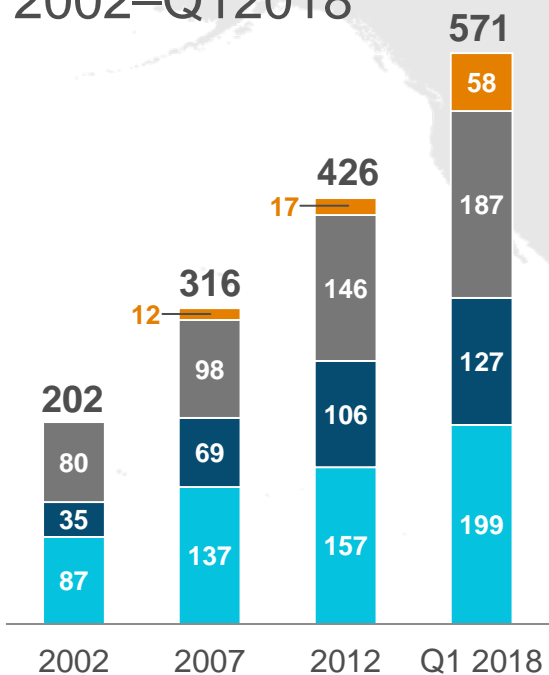
Left chart: Data is since 1986 IPO through December 31, 2017.

Collaborative Global Investment Platform a Competitive Edge

Attracting and Retaining Investment Talent through All Market Cycles

Investment Professionals

2002–Q1 2018



- Multi-Asset
- Global Fixed Income
- International Equity
- U.S. Equity

401
BALTIMORE / U.S.

113
LONDON / EMEA

7
TOKYO

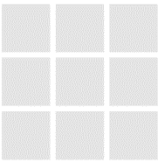
35
HONG KONG

7
SINGAPORE

8
SYDNEY

571

**INVESTMENT PROFESSIONALS
WORLDWIDE**

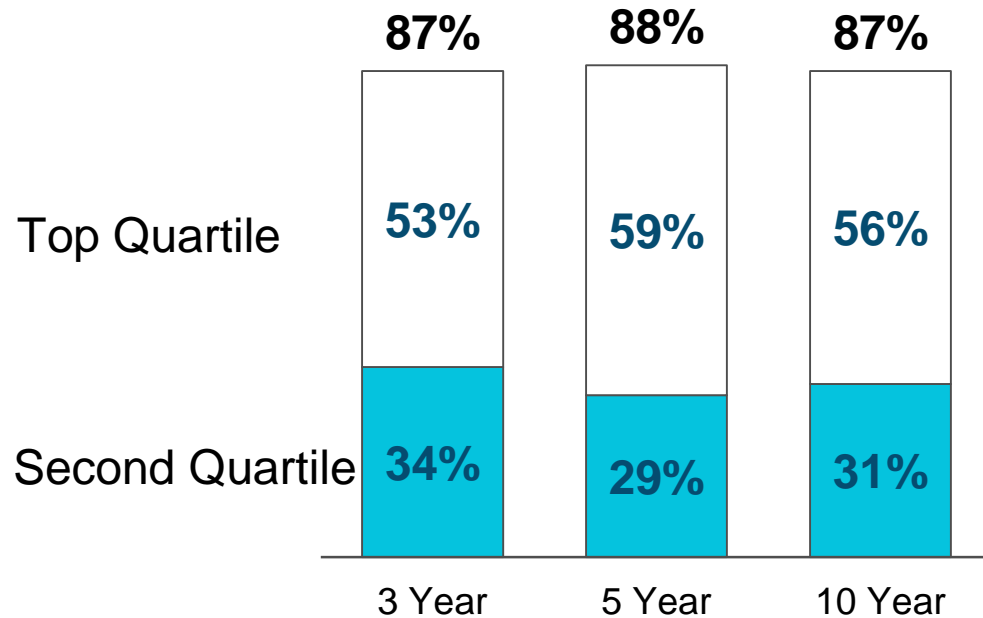


Consistently Strong Investment Performance

Results Through March 31, 2018

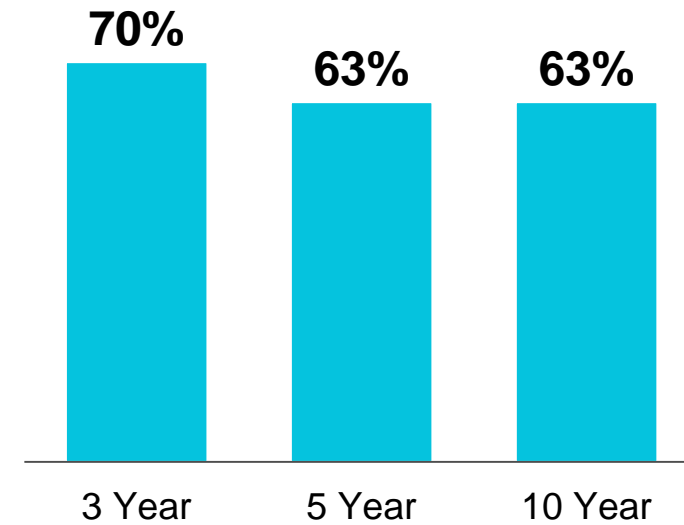
Retail Mutual Funds Outperforming Peers

Morningstar Rankings
Primary Share Class Only



Retail Mutual Funds Outperforming Benchmarks

Mutual Fund Net (NAV) Returns
Primary Share Class Only



Past performance does not guarantee future results.

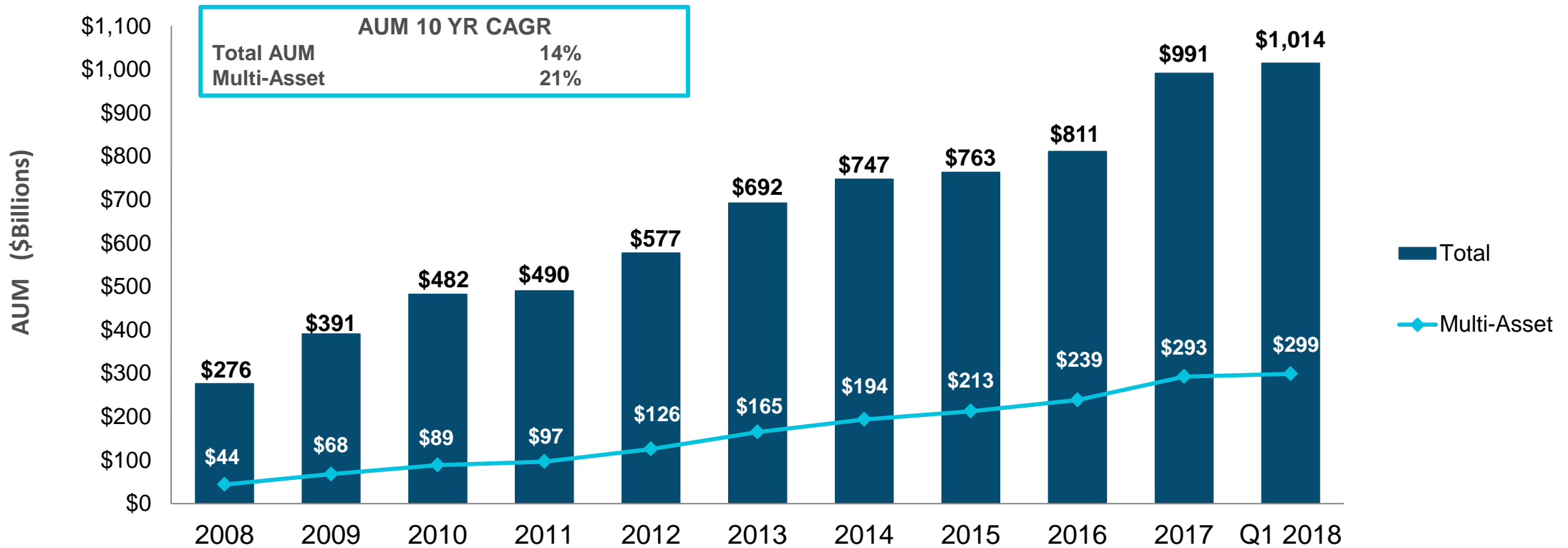
Not all funds outperformed for all periods. Results will vary and may be negative for other periods. Any reference to a ranking provides no guarantee for future performance results and is not constant over time. Excludes equity index and money funds. Results based on annualized returns.

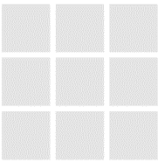
These T. Rowe Price funds are not registered for sale outside the U.S., and this information is not intended to be a solicitation for these funds. All funds are subject to market risk, including possible loss of principal. The rankings are provided for information only and are not intended to be an endorsement, offer or solicitation for the sale of any product or service. Additional information available upon request.

Consistent Growth in AUM

Driven by Market Returns + Alpha + Net Cash Inflows

T. ROWE PRICE GROUP, INC.
Assets Under Management 2008–Q1 2018





Changing Industry Realities

- Aging population shifting demand from equities to income-oriented solutions
- Intermediaries desiring new vehicle types and fee structures
- Fastest growth occurring outside the U.S.
- Digital technology reshaping client engagement
- Regulatory change accelerating across our business
- Passive investments taking share from active



Building Capabilities Across Products and Vehicles

New Investment Strategies

- Total Return: Multi-Strategy Total Return, Dynamic Global Bond, Managed Volatility
- Retirement Income: Retirement Income 2020
- Quantitative: QM Value, QM Small-mid Core, QM Global Equity
- T. Rowe Price U.S. High Yield Fund (acquisition of Henderson High Yield Opportunities Fund)

New Vehicles

- Retail Separately Managed Accounts
- Model Portfolios
- ActivePlus Portfolios (“Robos”)
- Expanding Number of Strategies in
 - SICAVs (Luxembourg-domiciled Funds)
 - OEICs (UK-domiciled Funds)
 - ITMs (Japan-domiciled Funds)
 - AUTs (Australia-domiciled Trusts)

The strategies and vehicles listed are not available in all jurisdictions and/or to all potential investors. This information is not intended to be a solicitation for these vehicles/products. All vehicles/ products are subject to market risk, including possible loss of principal. It is provided for information only and is not intended to be an endorsement, offer or solicitation for the sale of any product or service.

SICAV: société d'investissement à capital variable

OEIC: open-end investment company

ITM: investment trust management company

AUT: Australian unit trusts



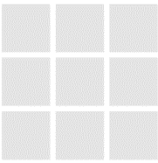
Developing New Skills and Expanding Distribution Reach

New Investment Capabilities

- Global Derivatives Team
- Intelligent Augmentation Team
 - Use big data and machine learning to enhance our fundamental capabilities
 - NYC Center of Excellence
- Environmental, Social, and Governance
 - Hired Director of Responsible Investing
 - Integrating throughout investment process

Distribution Enhancements

- Investing to strengthen services to U.S. Registered Investment Advisors and wire houses
- Agreements with Schwab and Fidelity to offer our products on their no transaction fee platforms
- Implementing improved client digital (online) experiences
- Significantly expanding APAC and EMEA intermediary presence
- Enhancing features and customer experience in our Retirement Plan Services business

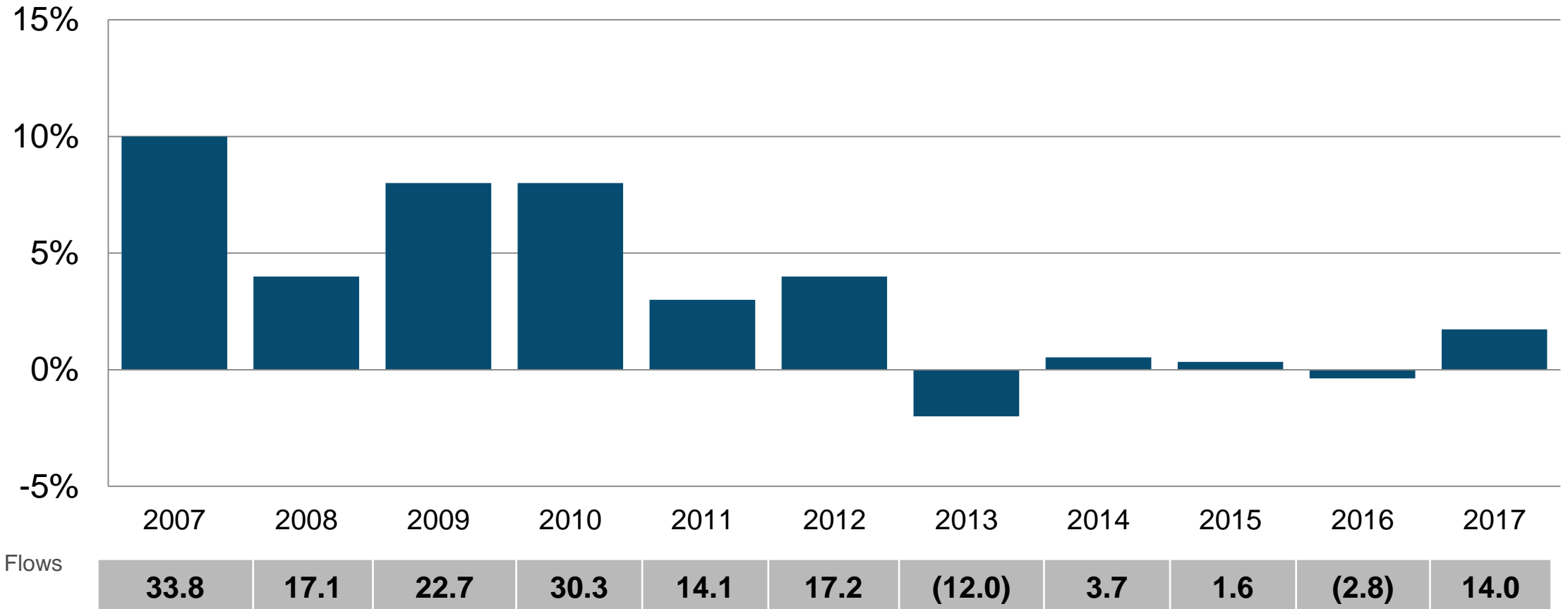


T. Rowe Price Organic Growth Recovered Nicely in 2017

Flows Well Diversified Across Asset Classes and Geographic Regions

As of December 31, 2017

% of prior year's AUM



Net flows for Q1'18 were \$11.3 billion.

Attractive Revenue and Earnings Growth in 2017 and Q1 2018

As of December 31, 2017

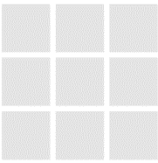
	2016	2017	Change
Net Revenues (\$millions)	\$4,223	\$4,793	14%
Adjusted Earnings per Share*	\$4.49	\$5.43	21%
Regular Dividends per Share	\$2.16	\$2.28	6%

As of March 31, 2018

	Q1 2017	Q1 2018	Change
	\$1,133	\$1,328	17%
	\$1.18	\$1.74	48%
	\$0.57	\$0.70	23%

32 Consecutive Years of Increased Dividends

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



Balance Sheet Remains Strong

Allows for Consistent Investment in Capabilities Through Market Cycles

Balance Sheet Items (At 12/31 unless noted, \$millions)	2012	2017*	Q1 2018*
Cash and Discretionary Investments	\$1,392	\$2,683	\$3,015
Seed Capital Investments	\$628	\$1,189	\$1,125
Long-Term Debt	\$0	\$0	\$0
Stockholders' Equity	\$3,846	\$5,824	\$5,902
Cash and Investments Per Outstanding Share	\$7.86	\$15.80	\$17.02

* This display does not include the non-controllable interest of our seed investments which we normally consolidate due to our ownership.



Regularly Return Capital to Stockholders

As of December 31, 2017

	1 Year (\$millions)	5 Years (\$millions)	10 Years (\$millions)
Dividends	\$563	\$3,022	\$4,729
Recurring	563	2,498	3,948
Special	—	524	781
Share Repurchases	458	2,553	4,085
TOTAL	\$1,021	\$5,575	\$8,814
Percent of Earnings¹	68%	90%	93%

Data are for periods ended December 31, 2017.

¹U.S. GAAP net income attributable to T. Rowe Price Group.

Committed to Our Communities

Investing for the Long Term

- T. Rowe Price Foundation founded 1981
- Since 1981, TRP has funded \$135M and the Foundation has granted \$111M
- In 2017, executed \$9.4M in grants



Building Financial Capability

- “Money Confident Kids”: aids in improving financial behaviors
- Online games and materials target kids, parents and educators
- Has reached 12.2M people since 2009 inception

Promoting a Culture of Giving Back

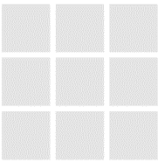
- 50% of associates volunteered 43,000 hours in 2017
- Associates donated over \$11M to the community in 2017
- 350+ associates serve on charitable boards



Helping Communities Thrive

- \$8.7M+ corporate support of communities since 2009, including:
 - \$5.2M community sponsorships
 - \$3.5M community memberships

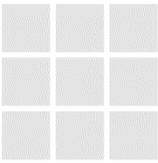
“Money Confident Kids” is available to residents of the United States and Australia only.



What You Can Expect From Us

WE WILL STRIVE TO:

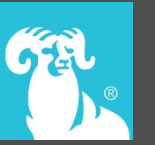
- Remain a high-integrity, client-focused firm
- Provide excellent investment performance and client service
- Stay true to our core values
- Maintain a strong financial position
- Consistently reinvest to strengthen and broaden our capabilities
- Deliver attractive long-term value to our stockholders
- Invest in the communities where we work



©2018 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance cannot guarantee future results.



THANK YOU



APPENDIX

Reconciliation Between GAAP and Adjusted (Non-GAAP) EPS

	2016	2017	1Q17	1Q18
Diluted Earnings per Common Share, GAAP Basis	\$4.75	\$5.97	\$1.54	\$1.77
Non-GAAP Adjustments:				
Consolidated Sponsored Investment Portfolios	(.16)	(.24)	(.08)	.01
Non-operating income, excluding impacts of consolidated T. Rowe Price investment products and investments designated as an economic hedge of supplemental savings plan liability	(.25)	(.46)	(.16)	(.04)
Non-recurring Charge (insurance recoveries) Related to Dell Appraisal Rights Matter	.15	(.12)	(.12)	-
Impact of U.S. tax reform	-	.28	-	-
Adjusted diluted earnings per common share	<u>\$4.49</u>	<u>\$5.43</u>	<u>\$1.18</u>	<u>\$1.74</u>