

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended June 30, 2024  
OR**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from to**

**Commission File Number: 000-32191**

**T. ROWE PRICE GROUP, INC.**

(Exact name of registrant as specified in its charter)

**Maryland**  
(State of incorporation)

**52-2264646**  
(I.R.S. Employer Identification No.)

**100 East Pratt Street, Baltimore, Maryland 21202**  
(Address, including Zip Code, of principal executive offices)

**(410) 345-2000**  
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
<b>Common Stock, \$0.20 par value per share</b>	<b>TROW</b>	<b>The NASDAQ Stock Market LLC</b>

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer" "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller reporting company   
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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

The number of shares outstanding of the issuer's common stock (\$0.20 par value), as of the latest practicable date, July 23, 2024, is 222,597,816.

The exhibit index is at Item 6 on page 43.

**PART I – FINANCIAL INFORMATION**

**Item 1. Financial Statements.**

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in millions, except share data)

	6/30/2024	12/31/2023
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,714.9	\$ 2,066.6
Accounts receivable and accrued revenue	846.9	807.9
Investments	2,758.9	2,554.7
Assets of consolidated sponsored investment products (\$1,211.9 million at June 30, 2024 and \$1,204.4 million at December 31, 2023, related to variable interest entities)	1,929.6	1,959.3
Operating lease assets	229.4	241.1
Property, equipment and software, net	884.5	806.6
Intangible assets, net	442.3	507.3
Goodwill	2,642.8	2,642.8
Other assets	640.5	692.5
<b>Total assets</b>	<b>\$ 13,089.8</b>	<b>\$ 12,278.8</b>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 367.2	\$ 409.5
Liabilities of consolidated sponsored investment products (\$28.7 million at June 30, 2024 and \$35.2 million at December 31, 2023, related to variable interest entities)	65.1	54.2
Operating lease liabilities	299.3	308.5
Accrued compensation and related costs	566.5	240.8
Supplemental savings plan liability	941.7	895.0
Contingent consideration liability	13.4	13.4
Income taxes payable	13.6	66.2
<b>Total liabilities</b>	<b>2,266.8</b>	<b>1,987.6</b>
Commitments and contingent liabilities		
Redeemable non-controlling interests	689.0	594.1
<b>STOCKHOLDERS' EQUITY</b>		
Preferred stock, undesignated, \$0.20 par value – authorized and unissued 20,000,000 shares	—	—
Common stock, \$0.20 par value—authorized 750,000,000; issued 222,612,000 shares at June 30, 2024 and 223,938,000 at December 31, 2023	44.5	44.8
Additional capital in excess of par value	368.8	431.7
Retained earnings	9,564.6	9,076.1
Accumulated other comprehensive loss	(49.2)	(47.5)
<b>Total stockholders' equity attributable to T. Rowe Price Group, Inc.</b>	<b>9,928.7</b>	<b>9,505.1</b>
<b>Non-controlling interests in consolidated entities</b>	<b>205.3</b>	<b>192.0</b>
<b>Total stockholders' equity</b>	<b>10,134.0</b>	<b>9,697.1</b>
<b>Total liabilities, redeemable non-controlling interests, and stockholders' equity</b>	<b>\$ 13,089.8</b>	<b>\$ 12,278.8</b>

The accompanying notes are an integral part of these statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
(in millions, except per-share amounts)

	Three months ended		Six months ended	
	6/30/2024	6/30/2023	6/30/2024	6/30/2023
<b>Revenues</b>				
Investment advisory fees	\$ 1,585.6	\$ 1,430.8	\$ 3,139.6	\$ 2,822.6
Capital allocation-based income	0.1	38.7	47.2	55.6
Administrative, distribution, and servicing fees	147.6	140.7	296.7	269.6
Net revenues	<u>1,733.3</u>	<u>1,610.2</u>	<u>3,483.5</u>	<u>3,147.8</u>
<b>Operating expenses</b>				
Compensation and related costs	661.1	648.2	1,370.1	1,301.7
Distribution and servicing	87.7	67.8	169.6	139.3
Advertising and promotion	33.3	22.9	58.6	48.7
Product and recordkeeping related costs	73.0	77.7	148.0	149.8
Technology, occupancy, and facility costs	160.9	154.7	310.8	301.3
General, administrative, and other	108.7	100.0	201.3	207.5
Change in fair value of contingent consideration	—	(23.2)	—	(72.8)
Acquisition-related amortization and impairment costs	43.9	28.6	73.8	54.6
Total operating expenses	<u>1,168.6</u>	<u>1,076.7</u>	<u>2,332.2</u>	<u>2,130.1</u>
Net operating income	564.7	533.5	1,151.3	1,017.7
<b>Non-operating income (loss)</b>				
Net gains (losses) on investments	78.0	89.1	199.5	183.0
Net gains (losses) on consolidated sponsored investment products	8.5	24.4	80.8	69.8
Other gains (losses), including foreign currency gains (losses)	(6.2)	(7.3)	(11.1)	(11.2)
Total non-operating income (loss)	<u>80.3</u>	<u>106.2</u>	<u>269.2</u>	<u>241.6</u>
Income before income taxes	645.0	639.7	1,420.5	1,259.3
Provision for income taxes	159.7	158.5	341.8	336.4
Net income	485.3	481.2	1,078.7	922.9
Less: net income (loss) attributable to redeemable non-controlling interests	1.9	4.8	21.5	25.0
Net income attributable to T. Rowe Price Group	<u>\$ 483.4</u>	<u>\$ 476.4</u>	<u>\$ 1,057.2</u>	<u>\$ 897.9</u>
<b>Earnings per share on common stock of T. Rowe Price Group</b>				
Basic	<u>\$ 2.11</u>	<u>\$ 2.07</u>	<u>\$ 4.61</u>	<u>\$ 3.90</u>
Diluted	<u>\$ 2.11</u>	<u>\$ 2.06</u>	<u>\$ 4.60</u>	<u>\$ 3.89</u>

The accompanying notes are an integral part of these statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(in millions)

	Three months ended		Six months ended	
	6/30/2024	6/30/2023	6/30/2024	6/30/2023
Net income	\$ 485.3	\$ 481.2	\$ 1,078.7	\$ 922.9
Other comprehensive income (loss)				
Currency translation adjustments				
Consolidated T. Rowe Price investment products - variable interest entities	1.8	9.5	(3.8)	18.6
Equity method investments	(0.6)	1.1	0.5	—
Other comprehensive income (loss) before income taxes	1.2	10.6	(3.3)	18.6
Net deferred tax (expense) benefits	(0.4)	(1.2)	0.4	(1.8)
Total other comprehensive income (loss)	0.8	9.4	(2.9)	16.8
Total comprehensive income	486.1	490.6	1,075.8	939.7
Less: comprehensive income (loss) attributable to redeemable non-controlling interests	2.3	10.5	20.3	36.8
Total comprehensive income attributable to T. Rowe Price Group	\$ 483.8	\$ 480.1	\$ 1,055.5	\$ 902.9

The accompanying notes are an integral part of these statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in millions)

	Six months ended	
	6/30/2024	6/30/2023
<b>Cash flows from operating activities</b>		
Net income	\$ 1,078.7	\$ 922.9
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation, amortization and impairment of property, equipment and software	126.3	117.9
Amortization and impairment of acquisition-related assets and retention arrangements	124.1	97.9
Fair value remeasurement of contingent consideration liability	—	(72.8)
Stock-based compensation expense	112.6	115.4
Net gains recognized on investments	(213.4)	(215.6)
Net redemptions in sponsored investment products used to economically hedge supplemental savings plan liability	15.1	18.4
Net change in securities held by consolidated sponsored investment products	(218.0)	(414.5)
Other changes in assets and liabilities	289.6	336.9
<b>Net cash provided by operating activities</b>	<b>1,315.0</b>	<b>906.5</b>
<b>Cash flows from investing activities</b>		
Purchases of sponsored investment products	(43.5)	(27.3)
Dispositions of sponsored investment products	210.9	73.8
Net cash of sponsored investment products on deconsolidation	(13.1)	(17.8)
Additions to property, equipment and software	(205.8)	(132.4)
Other investing activity	(41.9)	(32.2)
<b>Net cash used in investing activities</b>	<b>(93.4)</b>	<b>(135.9)</b>
<b>Cash flows from financing activities</b>		
Repurchases of common stock	(195.5)	(50.4)
Common share issuances under stock-based compensation plans	16.3	12.1
Dividends paid to common stockholders of T. Rowe Price	(569.7)	(562.4)
Net contributions (distributions) to non-controlling interests in consolidated entities	2.5	(2.7)
Net subscriptions from redeemable non-controlling interest holders	170.9	283.4
<b>Net cash used in financing activities</b>	<b>(575.5)</b>	<b>(320.0)</b>
Effect of exchange rate changes on cash and cash equivalents of consolidated T. Rowe Price investment products	(1.1)	0.9
<b>Net change in cash and cash equivalents during period</b>	<b>645.0</b>	<b>451.5</b>
Cash and cash equivalents at beginning of period, including \$77.2 million at December 31, 2023, and \$119.1 million at December 31, 2022, held by consolidated sponsored investment products	2,143.8	1,874.7
Cash and cash equivalents at end of period, including \$73.9 million at June 30, 2024, and \$76.5 million at June 30, 2023, held by consolidated sponsored investment products	<b>\$ 2,788.8</b>	<b>\$ 2,326.2</b>

The accompanying notes are an integral part of these statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(shares in thousands; dollars in millions)

	Three months ended 6/30/2024								
	Common shares outstanding	Common stock	Additional capital in excess of par value	Retained earnings	AOCI <sup>(1)</sup>	Total stockholders' equity attributable to T. Rowe Price Group, Inc.	Non-controlling interests in consolidated entities	Total stockholders' equity	Redeemable non-controlling interests
Balances at March 31, 2024	223,494	\$ 44.7	\$ 424.2	\$9,364.8	\$ (49.6)	\$ 9,784.1	\$ 205.4	\$ 9,989.5	\$ 676.7
Net income (loss)	—	—	—	483.4	—	483.4	(2.4)	481.0	1.9
Other comprehensive income (loss), net of tax	—	—	—	—	0.4	0.4	—	0.4	0.4
Dividends declared (1.24 per share)	—	—	—	(283.5)	—	(283.5)	—	(283.5)	—
Shares issued upon option exercises	49	0.1	2.9	—	—	3.0	—	3.0	—
Restricted shares issued, net of shares withheld for taxes	7	—	(0.3)	—	—	(0.3)	—	(0.3)	—
Net shares issued upon vesting of restricted stock units	29	—	(0.4)	—	—	(0.4)	—	(0.4)	—
Stock-based compensation expense	—	—	54.3	—	—	54.3	—	54.3	—
Restricted stock units issued as dividend equivalents	—	—	0.1	(0.1)	—	—	—	—	—
Common shares repurchased	(967)	(0.3)	(112.0)	—	—	(112.3)	—	(112.3)	—
Net contributions to non-controlling interests in consolidated entities	—	—	—	—	—	—	2.3	2.3	—
Net subscriptions into T. Rowe Price investment products	—	—	—	—	—	—	—	—	78.1
Net deconsolidations of T. Rowe Price investment products	—	—	—	—	—	—	—	—	(68.1)
Balances at June 30, 2024	<u>222,612</u>	<u>\$ 44.5</u>	<u>\$ 368.8</u>	<u>\$9,564.6</u>	<u>\$ (49.2)</u>	<u>\$ 9,928.7</u>	<u>\$ 205.3</u>	<u>\$ 10,134.0</u>	<u>\$ 689.0</u>

	Three months ended 6/30/2023								
	Common shares outstanding	Common stock	Additional capital in excess of par value	Retained earnings	AOCI <sup>(1)</sup>	Total stockholders' equity attributable to T. Rowe Price Group, Inc.	Non-controlling interests in consolidated entities	Total stockholders' equity	Redeemable non-controlling interests
Balances at March 31, 2023	224,527	\$ 44.9	\$ 501.8	\$8,550.4	\$ (51.7)	\$ 9,045.4	\$ 194.4	\$ 9,239.8	\$ 834.1
Net income (loss)	—	—	—	476.4	—	476.4	10.6	487.0	4.8
Other comprehensive income (loss), net of tax	—	—	—	—	3.9	3.9	—	3.9	5.5
Dividends declared (\$1.22 per share)	—	—	—	(280.5)	—	(280.5)	—	(280.5)	—
Shares issued upon option exercises	69	—	4.6	—	—	4.6	—	4.6	—
Restricted shares issued, net of shares withheld for taxes	54	—	—	—	—	—	—	—	—
Net shares issued upon vesting of restricted stock units	26	—	(0.4)	—	—	(0.4)	—	(0.4)	—
Stock-based compensation expense	—	—	56.8	—	—	56.8	—	56.8	—
Restricted stock units issued as dividend equivalents	—	—	0.1	(0.1)	—	—	—	—	—
Common shares repurchased	(395)	(0.1)	(42.3)	—	—	(42.4)	—	(42.4)	—
Net distributions to non-controlling interests in consolidated entities	—	—	—	—	—	—	(2.9)	(2.9)	—
Net subscriptions into T. Rowe Price investment products	—	—	—	—	—	—	—	—	134.9
Net consolidations of T. Rowe Price investment products	—	—	—	—	—	—	—	—	5.9
Balances at June 30, 2023	<u>224,281</u>	<u>\$ 44.8</u>	<u>\$ 520.6</u>	<u>\$8,746.2</u>	<u>\$ (47.8)</u>	<u>\$ 9,263.8</u>	<u>\$ 202.1</u>	<u>\$ 9,465.9</u>	<u>\$ 985.2</u>

<sup>(1)</sup> Accumulated other comprehensive income

The accompanying notes are an integral part of these statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(shares in thousands; dollars in millions)

Six months ended 6/30/2024									
	Common shares outstanding	Common stock	Additional capital in excess of par value	Retained earnings	AOCI <sup>(1)</sup>	Total stockholders' equity attributable to T. Rowe Price Group, Inc.	Non-controlling interests in consolidated entities	Total Stockholders' equity	Redeemable non-controlling interests
Balances at December 31, 2023	223,938	\$ 44.8	\$ 431.7	\$ 9,076.1	\$ (47.5)	\$ 9,505.1	\$ 192.0	\$ 9,697.1	\$ 594.1
Net income (loss)	—	—	—	1,057.2	—	1,057.2	10.8	1,068.0	21.5
Other comprehensive income, net of tax	—	—	—	—	(1.7)	(1.7)	—	(1.7)	(1.2)
Dividends declared (\$2.48 per share)	—	—	—	(568.5)	—	(568.5)	—	(568.5)	—
Shares issued upon option exercises	295	0.1	18.3	—	—	18.4	—	18.4	—
Restricted shares issued, net of shares withheld for taxes	7	—	(0.3)	—	—	(0.3)	—	(0.3)	—
Net shares issued upon vesting of restricted stock units	56	—	(1.8)	—	—	(1.8)	—	(1.8)	—
Stock-based compensation expense	—	—	112.7	—	—	112.7	—	112.7	—
Restricted stock units issued as dividend equivalents	—	—	0.2	(0.2)	—	—	—	—	—
Common shares repurchased	(1,684)	(0.4)	(192.0)	—	—	(192.4)	—	(192.4)	—
Net contributions to non-controlling interests in consolidated entities	—	—	—	—	—	—	2.5	2.5	—
Net subscriptions into T. Rowe Price investment products	—	—	—	—	—	—	—	—	170.8
Net deconsolidations of T. Rowe Price investment products	—	—	—	—	—	—	—	—	(96.2)
Balances at June 30, 2024	<u>222,612</u>	<u>\$ 44.5</u>	<u>\$ 368.8</u>	<u>\$ 9,564.6</u>	<u>\$ (49.2)</u>	<u>\$ 9,928.7</u>	<u>\$ 205.3</u>	<u>\$ 10,134.0</u>	<u>\$ 689.0</u>

Six months ended 6/30/2023									
	Common shares outstanding	Common stock	Additional capital in excess of par value	Retained earnings	AOCI <sup>(1)</sup>	Total stockholders' equity attributable to T. Rowe Price Group, Inc.	Non-controlling interests in consolidated entities	Total Stockholders' equity	Redeemable non-controlling interests
Balances at December 31, 2022	224,310	\$ 44.9	\$ 437.9	\$ 8,409.7	\$ (53.0)	\$ 8,839.5	\$ 190.7	\$ 9,030.2	\$ 656.7
Net income (loss)	—	—	—	897.9	—	897.9	14.1	912.0	25.0
Other comprehensive income (loss), net of tax	—	—	—	—	5.2	5.2	—	5.2	11.6
Dividends declared (\$2.44 per share)	—	—	—	(561.2)	—	(561.2)	—	(561.2)	—
Shares issued upon option exercises	259	—	14.9	—	—	14.9	—	14.9	—
Restricted shares issued, net of shares withheld for taxes	54	—	—	—	—	—	—	—	—
Net shares issued upon vesting of restricted stock units	78	—	(2.8)	—	—	(2.8)	—	(2.8)	—
Stock-based compensation expense	—	—	115.5	—	—	115.5	—	115.5	—
Restricted stock units issued as dividend equivalents	—	—	0.2	(0.2)	—	—	—	—	—
Common shares repurchased	(420)	(0.1)	(45.1)	—	—	(45.2)	—	(45.2)	—
Net distributions to non-controlling interests in consolidated entities	—	—	—	—	—	—	(2.7)	(2.7)	—
Net subscriptions into T. Rowe Price investment products	—	—	—	—	—	—	—	—	286.0
Net consolidations of T. Rowe Price investment products	—	—	—	—	—	—	—	—	5.9
Balances at June 30, 2023	<u>224,281</u>	<u>\$ 44.8</u>	<u>\$ 520.6</u>	<u>\$ 8,746.2</u>	<u>\$ (47.8)</u>	<u>\$ 9,263.8</u>	<u>\$ 202.1</u>	<u>\$ 9,465.9</u>	<u>\$ 985.2</u>

<sup>(1)</sup> Accumulated other comprehensive income

The accompanying notes are an integral part of these statements.

## **NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

### **NOTE 1 – THE COMPANY AND BASIS OF PREPARATION.**

T. Rowe Price Group, Inc. derives its consolidated revenues and net income primarily from investment advisory services that its subsidiaries provide to individual and institutional investors that invest in a broad range of investment solutions across equity, fixed income, multi-asset, and alternative capabilities. We also provide certain investment advisory clients with related administrative services, including distribution, mutual fund transfer agent, accounting, and shareholder services; participant recordkeeping and transfer agent services for defined contribution retirement plans; brokerage; trust services; and non-discretionary advisory services through model delivery.

The investment solutions are provided in a number of vehicles, including the T. Rowe Price U.S. mutual funds ("U.S. mutual funds"), subadvised funds, separately managed accounts, collective investment trusts, and other T. Rowe Price products. The other T. Rowe Price products include: open-ended investment products offered to investors outside the U.S., products offered through variable annuity life insurance plans in the U.S., affiliated private investment funds and collateralized loan obligations.

Investment advisory revenues depend largely on the total value and composition of assets under our management. Accordingly, fluctuations in financial markets and in the composition of assets under management impact our revenues and results of operations.

#### **BASIS OF PRESENTATION.**

These unaudited condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States. These principles require the use of estimates and reflect all adjustments that are, in the opinion of management, necessary for a fair statement of our results for the interim periods presented. All such adjustments are of a normal recurring nature. Actual results may vary from our estimates.

The unaudited financial information contained in these condensed consolidated financial statements should be read in conjunction with the consolidated financial statements contained in our 2023 Annual Report.

#### **NEWLY ISSUED BUT NOT YET ADOPTED ACCOUNTING GUIDANCE.**

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-07 - *Segment Reporting (Topic 280) - Improvements to Reportable Segment Disclosures*. As required by the guidance, we will adopt the annual disclosures of significant segment expenses that are regularly provided to the chief operating decision maker in our 2024 year-end reporting. Interim segment reporting will become effective under the amendment on January 1, 2025.

In December 2023, the FASB issued Accounting Standards Update No. 2023-09 - *Income Taxes (Topic 740) - Improvements to Income Tax Disclosures*, which requires public entities, on an annual basis, to provide disclosure of specific categories in the rate reconciliation, as well as disclosure of income taxes paid disaggregated by jurisdiction. This amendment is effective for the firm on January 1, 2025. We are currently evaluating the impact of adopting this standard and have not yet determined our transition approach.

We have considered all other newly issued accounting guidance that is applicable to our operations and the preparation of our unaudited condensed consolidated statements, including those we have not yet adopted. We do not believe that any such guidance has or will have a material effect on our financial position or results of operations.

### **NOTE 2 – INFORMATION ABOUT RECEIVABLES, REVENUES, AND SERVICES.**

Net revenues earned in the three- and six-month periods ended June 30, 2024 and 2023, are included in the table below along with details of investment advisory revenues earned from clients by their underlying asset class. We also included average assets under management by asset class, on which we earn the investment advisory revenues.



(in millions)	Three months ended		Six months ended	
	6/30/2024	6/30/2023	6/30/2024	6/30/2023
<b>Investment advisory fees</b>				
Equity	\$ 948.9	\$ 862.3	\$ 1,898.5	\$ 1,696.2
Fixed income, including money market	100.2	100.0	200.8	202.4
Multi-asset	444.8	391.3	874.5	777.3
Alternatives	91.7	77.2	165.8	146.7
Total investment advisory fees	\$ 1,585.6	\$ 1,430.8	\$ 3,139.6	\$ 2,822.6
Capital allocation-based income	0.1	38.7	47.2	55.6
Total administrative, distribution, and servicing fees	147.6	140.7	296.7	269.6
<b>Net revenues</b>	<b>\$ 1,733.3</b>	<b>\$ 1,610.2</b>	<b>\$ 3,483.5</b>	<b>\$ 3,147.8</b>
<b>Average AUM (in billions):</b>				
Equity	\$ 790.4	\$ 703.4	\$ 780.4	\$ 695.2
Fixed income, including money market	174.8	170.4	172.1	170.0
Multi-asset	520.1	439.0	508.6	430.7
Alternatives	48.7	44.6	48.1	44.3
<b>Average AUM</b>	<b>\$ 1,534.0</b>	<b>\$ 1,357.4</b>	<b>\$ 1,509.2</b>	<b>\$ 1,340.2</b>

Total net revenues earned from our sponsored products, primarily our sponsored U.S. mutual funds and collective investment trusts, aggregate \$1,429.4 million and \$1,324.4 million for the three months ended June 30, 2024 and 2023, respectively. Total net revenues earned during the six months ended June 30, 2024 and 2023 aggregate \$2,873.0 million and \$2,592.4 million, respectively. Accounts receivable from our sponsored products aggregate to \$577.3 million at June 30, 2024 and \$533.9 million at December 31, 2023.

Investors that we serve are primarily domiciled in the U.S.; investment advisory clients outside the U.S. account for 8.6% at June 30, 2024, 8.5% at March 31, 2024, and 8.6% at December 31, 2023 of our assets under management.

### NOTE 3 – INVESTMENTS.

The carrying values of our investments that are not part of the consolidated sponsored investment products are as follows:

(in millions)	6/30/2024	12/31/2023
Investments held at fair value		
T. Rowe Price investment products		
Discretionary investments	\$ 245.9	\$ 246.4
Seed capital	260.3	247.8
Supplemental savings plan liability economic hedges	852.0	806.6
Investment partnerships and other investments	108.0	69.7
Investments in affiliated collateralized loan obligations	7.6	8.4
Equity method investments		
T. Rowe Price investment products		
Discretionary investments	40.4	5.3
Seed capital	136.9	91.1
Supplemental savings plan liability economic hedges	40.6	21.0
23% Investment in UTI Asset Management Company Limited (India)	175.1	164.5
Investments in affiliated private investment funds - carried interest	497.3	519.9
Investments in affiliated private investment funds - seed/co-investment	280.5	253.4
Investments in partnerships and other investments	1.9	2.2
Held to maturity		
Investments in affiliated collateralized loan obligations	81.8	94.1
Certificates of deposit	29.6	23.3
U.S. Treasury note	1.0	1.0
Total	<u>\$ 2,758.9</u>	<u>\$ 2,554.7</u>

The investment partnerships held at fair value are valued using net asset value (“NAV”) per share as a practical expedient. Our interests in these partnerships are generally not redeemable and are subject to significant transferability restrictions. The underlying investments of these partnerships have contractual terms through 2029, though we may receive distributions of liquidating assets over a longer term. The investment strategies of these partnerships include growth equity, buyout, venture capital, and real estate.

During the three- and six- months ended June 30, 2024, net gains on investments included \$20.0 million and \$85.0 million, respectively, of net unrealized gains related to investments carried at fair value that were still held at June 30, 2024. For the same periods of 2023, net gains on investments included \$28.3 million and \$75.0 million, respectively, of net unrealized gains related to investments carried at fair value that were still held at June 30, 2023.

During the six months ended June 30, 2024 and 2023, certain sponsored investment products in which we provided initial seed capital at the time of formation were deconsolidated, as we no longer had a controlling interest. Depending on our ownership interest, we report our residual interests in these sponsored investment products as either an equity method investment or an investment held at fair value. The net impact of these changes on our unaudited condensed consolidated balance sheets and statements of income as of the dates the products were deconsolidated is detailed below.

(in millions)	Three months ended		Six months ended	
	6/30/2024	6/30/2023	6/30/2024	6/30/2023
Net increase (decrease) in assets of consolidated sponsored investment products	\$ (236.4)	\$ (79.0)	\$ (271.8)	\$ (81.4)
Net increase (decrease) in liabilities of consolidated sponsored investment products	\$ (4.9)	\$ (33.0)	\$ (4.9)	\$ (33.1)
Net increase (decrease) in redeemable non-controlling interests	\$ (68.1)	\$ 5.9	\$ (96.2)	\$ 5.9

## **INVESTMENTS IN AFFILIATED COLLATERALIZED LOAN OBLIGATIONS.**

There is debt associated with our long-term investments in affiliated collateralized loan obligations (“CLOs”). This debt is carried at \$77.2 million at June 30, 2024 and \$89.4 million at December 31, 2023, and is reported in accounts payable and accrued expenses in our unaudited condensed consolidated balance sheets. The debt includes outstanding repurchase agreements of €61.1 million (equivalent to \$65.5 million at June 30, 2024 and \$72.3 million at December 31, 2023 at the respective EUR spot rates) that are collateralized by the CLO investments. The debt also includes outstanding note facilities of €10.9 million (equivalent to \$11.7 million at June 30, 2024 and \$17.1 million at December 31, 2023, at the respective EUR spot rates) that are collateralized by first priority security interests in the assets of a consolidated subsidiary that is party to the notes. These note facilities bear interest at rates based on EURIBOR plus the initial margin, which equals all-in rates ranging from 1.15% to 12.77% as of June 30, 2024. The debt matures on various dates through 2035 or if the investments are paid back in full or cancelled, whichever is sooner.

## **VARIABLE INTEREST ENTITIES.**

Our investments at June 30, 2024 and December 31, 2023 include interests in variable interest entities that we do not consolidate as we are not deemed the primary beneficiary. Our maximum risk of loss related to our involvement with these entities is as follows:

(in millions)	6/30/2024	12/31/2023
Investment carrying values	\$ 877.3	\$ 919.3
Unfunded capital commitments	81.4	94.1
Accounts receivable	74.8	92.1
	<u>\$ 1,033.5</u>	<u>\$ 1,105.5</u>

The unfunded capital commitments, totaling \$81.4 million at June 30, 2024 and \$94.1 million at December 31, 2023, relate primarily to the affiliated private investment funds and the investment partnerships in which we have an existing investment. In addition to such amounts, a percentage of prior distributions may be called under certain circumstances.

## **INVESTMENTS IN AFFILIATED FUNDS - CARRIED INTEREST.**

Certain of the investments in affiliated funds represent interests in the general partners of affiliated private investment funds that are entitled to a disproportionate allocation of income or carried interest. The entities holding such interests are considered variable interest entities and are consolidated as we were determined to be the primary beneficiary.

The total assets, liabilities, and non-controlling interests of these consolidated variable interest entities are as follows:

(in millions)	6/30/2024	12/31/2023
Assets	<u>\$ 561.2</u>	<u>\$ 564.7</u>
Liabilities	<u>\$ 0.2</u>	<u>\$ 1.9</u>
Non-controlling interest	<u>\$ 205.3</u>	<u>\$ 192.0</u>

## **NOTE 4 – FAIR VALUE MEASUREMENTS.**

We determine the fair value of our cash equivalents and investments held at fair value using the following broad levels of inputs as defined by related accounting standards:

Level 1 – quoted prices in active markets for identical securities.

Level 2 – observable inputs other than Level 1 quoted prices including, but not limited to, quoted prices for similar securities, interest rates, prepayment speeds, and credit risk. These inputs are based on market data

obtained from independent sources.

Level 3 – unobservable inputs reflecting our own assumptions based on the best information available. The inputs into the determination of fair value require significant management judgment or estimation. Investments in this category generally include investments for which there is not an actively-traded market.

These levels are not necessarily an indication of the risk or liquidity associated with our investments. The following table summarizes our investments and liabilities that are recognized in our unaudited condensed consolidated balance sheets using fair value measurements determined based on the differing levels of inputs. This table excludes investments held by the consolidated sponsored investment products which are presented separately in our unaudited condensed consolidated balance sheets and are detailed in Note 5.

(in millions)	6/30/2024			12/31/2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>T. Rowe Price investment products</b>						
Cash equivalents held in money market funds	\$ 2,371.1	\$ —	\$ —	\$ 1,678.1	\$ —	\$ —
Discretionary investments	245.9	—	—	246.4	—	—
Seed capital	220.9	39.4	—	206.0	41.8	—
Supplemental savings plan liability economic hedges	852.0	—	—	806.6	—	—
Other investments	0.1	—	41.5	0.7	—	—
Investments in affiliated collateralized loan obligations	—	7.6	—	—	8.4	—
<b>Total</b>	<b>\$ 3,690.0</b>	<b>\$ 47.0</b>	<b>\$ 41.5</b>	<b>\$ 2,937.8</b>	<b>\$ 50.2</b>	<b>\$ —</b>
Contingent consideration liability	\$ —	\$ —	\$ 13.4	\$ —	\$ —	\$ 13.4

The fair value hierarchy level table above does not include the investment partnerships and other investments for which fair value is estimated using their NAV per share as a practical expedient. The carrying value of these investments as disclosed in Note 3 were \$66.4 million at June 30, 2024, and \$69.0 million at December 31, 2023.

The Level 3 investments' fair value is derived from inputs that are unobservable and that reflect our own determinations about the assumptions that market participants would use in pricing the investments, including assumptions about risk. These inputs are developed based on our data, which is adjusted if information indicates that market participants would use different assumptions. For the three months ended June 30, 2024, the change in Level 3 fair values are solely attributable to the purchases of new investments and there were no transfers into or out of Level 3. The following table provides information about the significant Level 3 inputs:

(in millions)	Fair value measurements as of June 30, 2024			
	Fair value	Valuation techniques	Unobservable inputs	Interest rate input
Other investments	\$ 41.5	Market Yield (Comparables)	Yield	9.4%

### **Contingent Consideration**

As part of the purchase consideration for our acquisition of OHA in December 2021, there was contingent consideration in the amount of up to \$900 million, payable in cash, that may be due as part of an earnout payment starting in 2025 and ending in 2027 upon satisfying or exceeding certain defined revenue targets. These defined revenue targets will be evaluated on a cumulative basis beginning at the end of 2024, with the ability to extend two additional years if the defined revenue targets are not achieved. About 22% of the earnout is conditioned upon continued service with T. Rowe Price and was excluded from the purchase consideration and deemed compensatory. The fair value of the earnout deemed compensatory is remeasured each reporting period and recognized over the related service period. The amount recorded as compensation expense for the three- and six- months ended June 30, 2024 and 2023 was immaterial.

The change in the contingent consideration liability measured at fair value for which we used Level 3 inputs to determine fair value is as follows:

(in millions)	Three months ended		Six months ended	
	6/30/2024	6/30/2023	6/30/2024	6/30/2023
Balance at beginning of period	\$ 13.4	\$ 46.2	\$ 13.4	\$ 95.8
Unrealized gains, included in earnings	—	(23.2)	—	(72.8)
Balance at end of period	\$ 13.4	\$ 23.0	\$ 13.4	\$ 23.0

The fair value of the contingent consideration is measured using the Monte Carlo simulation methodology of valuation. The most significant assumptions used relate to the discount rates and from changes pertaining to the achievement of the defined financial targets. In addition, simultaneously with the OHA acquisition, a Value Creation Agreement was entered into whereby certain employees of OHA will receive incentive payments in the aggregate equal to 10% of the appreciated value of the OHA business, subject to an annualized preferred return to T. Rowe Price, on the fifth anniversary of the acquisition date. This arrangement is treated as a post-combination compensation expense. This arrangement will be remeasured at fair value at each reporting date and recognized over the related service period. For the three- and six- months ended June 30, 2024 and 2023, the amounts recognized as part of compensation expense in our unaudited condensed consolidated statements of income were immaterial.

#### NOTE 5 – CONSOLIDATED SPONSORED INVESTMENT PRODUCTS.

The sponsored investment products that we consolidate in our unaudited condensed consolidated financial statements are generally those products we provided initial seed capital at the time of their formation and have a controlling interest. Our U.S. mutual funds and certain other sponsored products are considered voting interest entities, while those regulated outside the U.S. are considered variable interest entities.

The following table details the net assets of the consolidated sponsored investment products:

(in millions)	6/30/2024			12/31/2023		
	Voting interest entities	Variable interest entities	Total	Voting interest entities	Variable interest entities	Total
Cash and cash equivalents <sup>(1)</sup>	\$ 21.4	\$ 52.5	\$ 73.9	\$ 25.7	\$ 51.5	\$ 77.2
Investments <sup>(2)</sup>	674.5	1,144.7	1,819.2	718.0	1,129.0	1,847.0
Other assets	21.8	14.7	36.5	11.2	23.9	35.1
Total assets	717.7	1,211.9	1,929.6	754.9	1,204.4	1,959.3
Liabilities	36.4	28.7	65.1	19.0	35.2	54.2
Net assets	\$ 681.3	\$ 1,183.2	\$ 1,864.5	\$ 735.9	\$ 1,169.2	\$ 1,905.1
Attributable to T. Rowe Price Group	\$ 461.4	\$ 714.1	\$ 1,175.5	\$ 589.9	\$ 721.1	\$ 1,311.0
Attributable to redeemable non-controlling interests	219.9	469.1	689.0	146.0	448.1	594.1
	\$ 681.3	\$ 1,183.2	\$ 1,864.5	\$ 735.9	\$ 1,169.2	\$ 1,905.1

<sup>(1)</sup> Cash and cash equivalents includes \$17.8 million at June 30, 2024, and \$16.2 million at December 31, 2023, of investments in T. Rowe Price money market mutual funds.

<sup>(2)</sup> Investments include \$6.2 million at June 30, 2024, and \$6.2 million at December 31, 2023 of other sponsored investment products.

Although we can redeem our interest in these consolidated sponsored investment products at any time, we cannot directly access or sell the assets held by these products to obtain cash for general operations. Additionally, the assets of these investment products are not available to our general creditors.

Since third party investors in these investment products have no recourse to our credit, our overall risk related to the net assets of consolidated sponsored investment products is limited to valuation changes associated with our

interest. We, however, are required to recognize the valuation changes associated with all underlying investments held by these products in our unaudited condensed consolidated statements of income and disclose the portion attributable to third party investors as net income attributable to redeemable non-controlling interests.

The operating results of the consolidated sponsored investment products for the three- and six- months ended June 30, 2024 and 2023, are reflected in our unaudited condensed consolidated statements of income as follows:

(in millions)	Three months ended					
	6/30/2024			6/30/2023		
	Voting interest entities	Variable interest entities	Total	Voting interest entities	Variable interest entities	Total
Operating expenses reflected in net operating income	\$ (0.7)	\$ (1.9)	\$ (2.6)	\$ (0.8)	\$ (2.6)	\$ (3.4)
Net investment income (loss) reflected in non-operating income (loss)	(3.7)	12.2	8.5	5.8	18.2	24.0
Impact on income before taxes	\$ (4.4)	\$ 10.3	\$ 5.9	\$ 5.0	\$ 15.6	\$ 20.6
Net income (loss) attributable to T. Rowe Price Group	\$ (3.0)	\$ 7.0	\$ 4.0	\$ 4.4	\$ 11.4	\$ 15.8
Net income (loss) attributable to redeemable non-controlling interests	(1.4)	3.3	1.9	0.6	4.2	4.8
	\$ (4.4)	\$ 10.3	\$ 5.9	\$ 5.0	\$ 15.6	\$ 20.6

(in millions)	Six months ended					
	6/30/2024			6/30/2023		
	Voting interest entities	Variable interest entities	Total	Voting interest entities	Variable interest entities	Total
Operating expenses reflected in net operating income	\$ (1.5)	\$ (3.4)	\$ (4.9)	\$ (2.5)	\$ (4.9)	\$ (7.4)
Net investment income (loss) reflected in non-operating income (loss)	29.7	51.1	80.8	12.7	57.1	69.8
Impact on income before taxes	\$ 28.2	\$ 47.7	\$ 75.9	\$ 10.2	\$ 52.2	\$ 62.4
Net income (loss) attributable to T. Rowe Price Group	\$ 22.8	\$ 31.6	\$ 54.4	\$ 8.1	\$ 29.3	\$ 37.4
Net income (loss) attributable to redeemable non-controlling interests	5.4	16.1	21.5	2.1	22.9	25.0
	\$ 28.2	\$ 47.7	\$ 75.9	\$ 10.2	\$ 52.2	\$ 62.4

The operating expenses of the consolidated investment products are reflected in general, administrative and other expenses. In preparing our unaudited condensed consolidated financial statements, we eliminated operating expenses of \$0.5 million and \$0.3 million for the three months ended June 30, 2024 and 2023, respectively, against the investment advisory and administrative fees earned from these products. Operating expenses eliminated for the six months ended June 30, 2024 and 2023, were \$1.7 million and \$0.9 million, respectively. The net investment income (loss) reflected in non-operating income (loss) includes dividend and interest income as well as realized and unrealized gains and losses on the underlying securities held by the consolidated sponsored investment products.

The table below details the impact of these consolidated investment products on the individual lines of our unaudited condensed consolidated statements of cash flows for the six months ended June 30, 2024 and 2023.

(in millions)	Six months ended					
	6/30/2024			6/30/2023		
	Voting interest entities	Variable interest entities	Total	Voting interest entities	Variable interest entities	Total
Net cash provided by (used in) operating activities	\$ (111.4)	\$ (32.2)	\$ (143.6)	\$ (77.3)	\$ (273.4)	\$ (350.7)
Net cash provided by (used in) investing activities	(12.4)	(0.7)	(13.1)	(15.5)	(2.3)	(17.8)
Net cash provided by (used in) financing activities	119.5	35.0	154.5	78.2	246.8	325.0
Effect of exchange rate changes on cash and cash equivalents of consolidated sponsored investment products	—	(1.1)	(1.1)	—	0.9	0.9
Net change in cash and cash equivalents during period	(4.3)	1.0	(3.3)	(14.6)	(28.0)	(42.6)
Cash and cash equivalents at beginning of year	25.7	51.5	77.2	16.2	102.9	119.1
Cash and cash equivalents at end of period	\$ 21.4	\$ 52.5	\$ 73.9	\$ 1.6	\$ 74.9	\$ 76.5

For the six months ended June 30, 2024, the net cash provided by or used in financing activities includes \$16.4 million of net subscriptions we made into the consolidated sponsored investment products and dividends received. For the six months ended June 30, 2023, the net cash provided by or used in financing activities included \$41.6 million of net redemptions we made from the consolidated sponsored investment products, net of dividends received. These cash flows were eliminated in consolidation.

### **FAIR VALUE MEASUREMENTS.**

We determine the fair value of investments held by consolidated sponsored investment products using the following broad levels of inputs as defined by related accounting standards:

Level 1 – quoted prices in active markets for identical securities.

Level 2 – observable inputs other than Level 1 quoted prices including, but not limited to, quoted prices for similar securities, interest rates, prepayment speeds, and credit risk. These inputs are based on market data obtained from independent sources.

Level 3 – unobservable inputs reflecting our own assumptions based on the best information available. The inputs into the determination of fair value require significant management judgment or estimation. Investments in this category generally include investments for which there is not an actively-traded market.

These levels are not necessarily an indication of the risk or liquidity associated with these investment holdings. The following table summarizes the investment holdings held by our consolidated sponsored investment products using fair value measurements determined based on the differing levels of inputs.

(in millions)	6/30/2024		12/31/2023	
	Level 1	Level 2	Level 1	Level 2
<b>Assets</b>				
Cash equivalents	\$ 19.9	\$ —	\$ 17.2	\$ 8.0
Equity securities	381.4	237.4	365.1	213.6
Fixed income securities	—	1,179.8	—	1,241.9
Other investments	2.8	17.8	3.6	22.8
	\$ 404.1	\$ 1,435.0	\$ 385.9	\$ 1,486.3
<b>Liabilities</b>				
	\$ (4.7)	\$ (10.6)	\$ (5.1)	\$ (16.2)

**NOTE 6 - GOODWILL AND INTANGIBLE ASSETS.**

Goodwill and intangible assets consist of the following:

(in millions)	6/30/2024	12/31/2023
Goodwill	\$ 2,642.8	\$ 2,642.8
Indefinite-lived intangible assets - trade name	104.8	117.1
Indefinite-lived intangible assets - investment advisory agreements	65.6	65.6
Definite-lived intangible assets - investment advisory agreements	271.9	324.6
Total	<u>\$ 3,085.1</u>	<u>\$ 3,150.1</u>

Amortization and impairment expense for the definite-lived intangible assets was \$27.2 million and \$52.7 million for the three- and six-months ended June 30, 2024, respectively. For the three- and six-months ended June 30, 2023, amortization and impairment expense for the definite-lived intangible assets was \$26.4 million and \$52.4 million, respectively. Estimated amortization expense for the definite-lived intangible assets for the five succeeding years is as follows:

(in millions)	
Remaining 2024	\$ 42.8
2025	82.2
2026	65.2
2027	45.3
2028	14.3

**Impairment**

Our indefinite-lived intangible assets are tested for impairment annually, in the fourth quarter, or more frequently if events or changes in circumstances indicate that it is more likely than not that the intangible asset is impaired. Based on a review of qualitative factors, primarily the future outlook, we determined it was necessary to perform a quantitative impairment test on the trade name intangible asset during the three months ended June 30, 2024. The quantitative impairment test resulted in the carrying amount of the trade name intangible asset exceeding its fair value and we recognized an impairment charge of \$12.3 million, which represented the excess. Fair value was determined using a discounted cash flow analysis where estimated future cash flows were discounted to arrive at a single present value amount. This approach included inputs that required significant management judgment, the most relevant of which include revenue growth, discount rate, and effective tax rate.

We evaluate the carrying amount of goodwill in our unaudited condensed consolidated balance sheets for possible impairment on an annual basis in the fourth quarter or if triggering events occur that require us to evaluate for impairment earlier. No triggering events arose during the six months ended June 30, 2024.

**NOTE 7 – STOCK-BASED COMPENSATION.****STOCK OPTIONS.**

The following table summarizes the status of, and changes in, our stock options during the six months ended June 30, 2024.



	Options	Weighted-average exercise price
Outstanding at December 31, 2023	1,476,104	\$ 75.39
Exercised	(420,387)	\$ 76.62
Expired	(1,768)	\$ 76.75
Outstanding and exercisable at June 30, 2024	<u>1,053,949</u>	<u>\$ 74.90</u>

### **RESTRICTED SHARES AND STOCK UNITS.**

The following table summarizes the status of, and changes in, our nonvested restricted shares and restricted stock units during the six months ended June 30, 2024.

	Restricted shares	Restricted stock units	Weighted-average fair value
Nonvested at December 31, 2023	56,740	6,485,253	\$ 127.74
Time-based grants	8,970	39,896	\$ 111.02
Dividend equivalents granted to non-employee directors	—	1,860	\$ 118.83
Vested	(17,682)	(61,026)	\$ 105.98
Forfeited	—	(98,941)	\$ 127.48
Nonvested at June 30, 2024	<u>48,028</u>	<u>6,367,042</u>	<u>\$ 127.89</u>

Nonvested at June 30, 2024, includes performance-based restricted stock units of 334,548. These nonvested performance-based restricted stock units include 108,775 units for which the performance period has lapsed, and the performance threshold has been met.

### **FUTURE STOCK-BASED COMPENSATION EXPENSE.**

The following table presents the compensation expense to be recognized over the remaining vesting periods of the stock-based awards outstanding at June 30, 2024. Estimated future compensation expense will change to reflect future grants of restricted stock awards and units, future option grants, changes in the probability of performance thresholds being met, and adjustments for actual forfeitures.

(in millions)	
Third quarter 2024	\$ 57.1
Fourth quarter 2024	50.2
2025	118.4
2026 through 2029	87.9
Total	<u>\$ 313.6</u>

### **NOTE 8 – EARNINGS PER SHARE CALCULATIONS.**

The following table presents the reconciliation of net income attributable to T. Rowe Price to net income allocated to our common stockholders and the weighted-average shares that are used in calculating the basic and diluted earnings per share on our common stock. Weighted-average common shares outstanding assuming dilution reflects the potential dilution, determined using the treasury stock method, that could occur if outstanding stock options were exercised and non-participating stock awards vested. No outstanding stock options had an anti-dilutive impact on the diluted earnings per common share calculation in the periods presented.

(in millions)	Three months ended		Six months ended	
	6/30/2024	6/30/2023	6/30/2024	6/30/2023
Net income attributable to T. Rowe Price	\$ 483.4	\$ 476.4	\$ 1,057.2	\$ 897.9
Less: net income allocated to outstanding restricted stock and stock unit holders	12.9	11.6	28.7	22.1
Net income allocated to common stockholders	\$ 470.5	\$ 464.8	\$ 1,028.5	\$ 875.8
Weighted-average common shares				
Outstanding	223.0	224.4	223.3	224.4
Outstanding assuming dilution	223.5	225.2	223.8	225.2

#### NOTE 9 – OTHER COMPREHENSIVE INCOME AND ACCUMULATED OTHER COMPREHENSIVE LOSS.

The changes in currency translation adjustments included in accumulated other comprehensive loss for the three months ended June 30, 2024 and 2023 are presented in the table below.

(in millions)	Three months ended 6/30/2024			Three months ended 6/30/2023		
	Equity method investments	Consolidated T. Rowe Price investment products - variable interest entities	Total currency translation adjustments	Equity method investments	Consolidated T. Rowe Price investment products - variable interest entities	Total currency translation adjustments
Balances at beginning of period	\$ (50.9)	\$ 1.3	\$ (49.6)	\$ (51.4)	\$ (0.3)	\$ (51.7)
Other comprehensive income (loss) before reclassifications and income taxes	(0.6)	1.4	0.8	1.1	3.9	5.0
Net deferred tax benefits (income taxes)	—	(0.4)	(0.4)	(0.2)	(0.9)	(1.1)
Other comprehensive income (loss)	(0.6)	1.0	0.4	0.9	3.0	3.9
Balances at end of period	\$ (51.5)	\$ 2.3	\$ (49.2)	\$ (50.5)	\$ 2.7	\$ (47.8)

The other comprehensive income (loss) in the table above excludes other comprehensive gains of \$0.4 million and \$5.5 million for the three months ended June 30, 2024 and 2023, related to redeemable non-controlling interests held in our consolidated products.

The changes in each component of accumulated other comprehensive loss for the six months ended June 30, 2024 and 2023, are presented in the table below.

(in millions)	Six months ended 6/30/2024			Six months ended 6/30/2023		
	Equity method investments	Consolidated T. Rowe Price investment products - variable interest entities	Total currency translation adjustments	Equity method investments	Consolidated T. Rowe Price investment products - variable interest entities	Total currency translation adjustments
Balances at beginning of period	\$ (51.9)	\$ 4.4	\$ (47.5)	\$ (50.5)	\$ (2.5)	\$ (53.0)
Other comprehensive income (loss) before reclassifications and income taxes	0.5	(2.6)	(2.1)	—	6.9	6.9
Net deferred tax benefits (income taxes)	(0.1)	0.5	0.4	—	(1.7)	(1.7)
Other comprehensive income (loss)	0.4	(2.1)	(1.7)	—	5.2	5.2
Balances at end of period	\$ (51.5)	\$ 2.3	\$ (49.2)	\$ (50.5)	\$ 2.7	\$ (47.8)

The other comprehensive income (loss) in the table above excludes net losses of \$1.2 million for 2024 period and net gains of \$11.6 million for the 2023 period of other comprehensive income (loss) related to redeemable non-controlling interests held in our consolidated products.

**NOTE 10 – COMMITMENTS AND CONTINGENCIES.**

**COMMITMENTS.**

T. Rowe Price has committed \$360 million for investment in future OHA product launches through 2026.

**CONTINGENCIES.**

Various claims against us arise in the ordinary course of business, including employment-related claims. In the opinion of management, after consultation with counsel, the likelihood of an adverse determination in one or more of these pending ordinary course of business claims that would have a material adverse effect on our financial position or results of operations is remote.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors  
T. Rowe Price Group, Inc.:

### *Results of Review of Interim Financial Information*

We have reviewed the condensed consolidated balance sheet of T. Rowe Price Group, Inc. and subsidiaries ("the Company") as of June 30, 2024, the related condensed consolidated statements of income and comprehensive income, and stockholders' equity for the three- and six-month periods ended June 30, 2024 and 2023, the related condensed consolidated statements of cash flows for the six months ended June 30, 2024 and 2023, and the related notes (collectively, the consolidated interim financial information). Based on our reviews, we are not aware of any material modifications that should be made to the consolidated interim financial information for it to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of December 31, 2023, and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated February 16, 2024, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2023, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

### *Basis for Review Results*

This consolidated interim financial information is the responsibility of the Company's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our reviews in accordance with the standards of the PCAOB. A review of consolidated interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ KPMG LLP  
Baltimore, Maryland  
July 26, 2024

## Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

### OVERVIEW.

Our revenues and net income are derived primarily from investment advisory services provided to individual and institutional investors in a broad range of investment solutions across equity, fixed income, multi-asset, and alternative capabilities. We also provide certain investment advisory clients with related administrative services, including distribution, mutual fund transfer agent, accounting, and shareholder services; participant recordkeeping and transfer agent services for defined contribution retirement plans; brokerage; trust services; and non-discretionary advisory services through model delivery.

Investment advisory revenues depend largely on the total value and composition of assets under our management. Accordingly, fluctuations in financial markets and in the composition of assets under management affect our revenues and results of operations.

We incur significant expenditures to develop new products and services and improve and expand our capabilities and distribution channels in order to attract new investment advisory clients and additional investments from our existing clients. These efforts often involve costs that precede any future revenues that we may recognize from an increase to our assets under management.

The investment management industry has been evolving and industry participants are facing several challenging trends including passive investments taking market share from traditional active strategies; continued downward fee pressure; demand for new investment vehicles to meet client needs; and an ever-changing regulatory landscape. In this regard, we have ample liquidity and resources that allow us to take advantage of attractive growth opportunities. We are investing in key capabilities, including investment professionals, distribution professionals, technologies, and new product offerings in order to provide our clients with strong investment management expertise and service.

### MARKET TRENDS.

U.S. stocks were mixed in the second quarter amid strength in large, high-growth companies, especially technology-oriented companies expected to benefit from artificial intelligence (AI) developments. In contrast, stocks of smaller companies, which tend to be more sensitive than large-caps to the economy and interest rate movements, were hurt by diminished expectations for Federal (“Fed”) Reserve rate cuts this year stemming from persistent inflation.

Developed non-U.S. equity markets generally underperformed large-cap U.S. stocks in dollar terms. In Europe, equity markets were mixed, with French shares falling about 7%. Developed Asian markets were mostly positive in dollar terms. Shares in Singapore led the region with a 9% gain, but Japanese stocks fell 4%.

Emerging equity markets outperformed stocks in developed markets in U.S. dollar terms. Equities in the emerging Europe, Middle East, and Africa (EMEA) region were mostly positive. Turkish shares rose more than 21%, as S&P Global Ratings upgraded its sovereign credit rating. Emerging Asian markets were widely mixed in dollar terms, but Latin American markets were mostly negative, as regional heavyweights Mexico and Brazil tumbled 16% and 12%, respectively.

Returns of several major equity market indexes were as follows:

Index	Three months ended	Six months ended
	6/30/2024	6/30/2024
S&P 500 Index	4.3%	15.3%
NASDAQ Composite Index <sup>(1)</sup>	8.3%	18.1%
Russell 2000 Index	(3.3)%	1.7%
MSCI EAFE (Europe, Australasia, and Far East) Index	(0.2)%	5.8%
MSCI Emerging Markets Index	5.1%	7.7%

<sup>(1)</sup> Returns exclude dividends

U.S. bond index returns were mostly positive in the second quarter of 2024. U.S. Treasury bill yields were little changed as the Fed kept the fed funds target rate in the 5.25% to 5.50% range, but intermediate- and long-term

Treasury yields increased and bond prices eased as Fed rate cut expectations for 2024 continued to wane. The 10-year U.S. Treasury note yield increased from 4.20% to 4.36% during the quarter.

In the U.S. investment-grade bond universe, sector performance was mostly positive. Asset-backed securities and non-agency commercial mortgage-backed securities performed best. Treasuries and mortgage-backed securities rose marginally, while corporate bonds edged lower. Tax-free municipal bonds performed mostly in line with the broad taxable bond market. High yield corporate bonds outperformed investment-grade issues.

Bonds in developed non-U.S. markets produced negative returns in U.S. dollar terms. In Europe, official short-term interest rates in England were unchanged, while the European Central Bank reduced its key policy rate by 25 basis points in early June. However, bond yields in several European countries rose late in the quarter amid political uncertainty in France. In Japan, short-term rates were unchanged, and the yen fell 6% versus the dollar to 38-year lows by the end of June, while the 10-year Japanese government bond yield rose above 1.00% for the first time in more than a decade. In the emerging markets universe, dollar-denominated bonds were flat, but they outperformed local currency bonds in dollar terms, as most developing markets currencies depreciated versus the U.S. dollar.

Returns for several major bond market indexes were as follows:

Index	Three months ended	Six months ended
	6/30/2024	6/30/2024
Bloomberg U.S. Aggregate Bond Index	0.1%	(0.7)%
JPMorgan Global High Yield Index	1.4%	3.6%
Bloomberg Municipal Bond Index	—%	(0.4)%
Bloomberg Global Aggregate Ex-U.S. Dollar Bond Index	(2.1)%	(5.3)%
JPMorgan Emerging Markets Bond Index Plus	0.1%	2.5%
ICE Bank of America U.S. High Yield Index	1.1%	2.6%
Credit Suisse Leveraged Loan Index	1.9%	4.4%

## ASSETS UNDER MANAGEMENT<sup>(1)</sup>

Assets under management ended the second quarter of 2024 at \$1,569.1 billion, an increase of \$26.9 billion from March 31, 2024. The increase in assets under management during the second quarter of 2024 was driven by market appreciation and income, net of distributions not reinvested, of \$30.6 billion, offset by net cash outflows of \$3.7 billion.

For the six months ended June 30, 2024, the increase in assets under management was driven by market appreciation, net of distributions not reinvested, of \$136.3 billion, offset by net cash outflows of \$11.7 billion.

The following tables detail changes in our assets under management, by asset class, during the three- and six-month periods ended June 30, 2024:

(in billions)	Three months ended 6/30/2024					Six months ended 6/30/2024				
	Equity	Fixed income, including money market	Multi-asset <sup>(1)</sup>	Alternatives <sup>(2)</sup>	Total	Equity	Fixed income, including money market	Multi-asset <sup>(1)</sup>	Alternatives <sup>(2)</sup>	Total
Assets under management at beginning of period	\$ 802.9	\$ 170.9	\$ 520.6	\$ 47.8	\$ 1,542.2	\$ 743.6	\$ 170.0	\$ 483.0	\$ 47.9	\$ 1,444.5
Net cash flows prior to manager-driven distributions	(14.9)	7.8	1.6	2.9	(2.6)	(27.7)	8.0	7.1	3.0	(9.6)
Manager-driven distributions	—	—	—	(1.1)	(1.1)	—	—	—	(2.1)	(2.1)
Net cash flows	(14.9)	7.8	1.6	1.8	(3.7)	(27.7)	8.0	7.1	0.9	(11.7)
Net market appreciation (depreciation) and income <sup>(3)</sup>	22.3	1.2	6.9	0.2	30.6	94.4	1.9	39.0	1.0	136.3
Change during the period	7.4	9.0	8.5	2.0	26.9	66.7	9.9	46.1	1.9	124.6
Assets under management at June 30, 2024	\$ 810.3	\$ 179.9	\$ 529.1	\$ 49.8	\$ 1,569.1	\$ 810.3	\$ 179.9	\$ 529.1	\$ 49.8	\$ 1,569.1

<sup>(1)</sup> The underlying assets under management of the multi-asset portfolios have been aggregated and presented in this category and not reported in the equity and fixed income columns.

<sup>(2)</sup> 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, or have absolute return as its investment objective. Generally, only those strategies with longer than daily liquidity are included. Unfunded capital commitments were \$11.3 billion at June 30, 2024, \$12.0 billion at March 31, 2024, and \$11.6 billion at December 31, 2023, and are not reflected in fee basis AUM above.

<sup>(3)</sup> Includes net distributions not reinvested for the three- and six-month periods ended June 30, 2024 of \$0.7 billion and \$0.9 billion, respectively.

Investment advisory clients outside the United States account for 8.6% of our assets under management at June 30, 2024, 8.5% at March 31, 2024, and 8.6% at December 31, 2023.

Assets under management in our target date retirement products, which are included in the multi-asset totals shown above, were \$452.6 billion at June 30, 2024, \$443.0 billion at March 31, 2024, and \$408.4 billion at December 31, 2023. Net flows into these portfolios were \$3.7 billion and \$10.5 billion in the three- and six-month periods ended June 30, 2024.

We also provide strategic investment advice solutions for certain portfolios. These advice solutions, primarily overseen by our multi-asset division, may include strategic asset allocation, and in certain portfolios, asset selection and/or tactical asset allocation overlays. We also offer advice solutions through retail separately managed accounts and separately managed accounts model delivery. As of June 30, 2024, total assets in these solutions were \$549 billion, of which \$534 billion are included in our reported assets under management in the tables above.

We provide participant accounting and plan administration for retirement plans that invest in the firm's U.S. mutual funds, collective investment trusts and funds outside of the firm's complex. As of June 30, 2024, our assets under administration were \$273 billion, of which nearly \$157 billion are assets we manage.

**INVESTMENT PERFORMANCE**<sup>(1)</sup>

Strong investment performance and brand awareness is a key driver to attracting and retaining assets—and to our long-term success. Our performance disclosures include specific asset classes, assets under management weighted performance, mutual fund performance against passive peers and composite performance against benchmarks. The following tables present investment performance for the one-, three-, five-, and 10-years ended June 30, 2024. Past performance is no guarantee of future results.

**% of U.S. funds that outperformed Morningstar median**<sup>(2),(3)</sup>

	1 year	3 years	5 years	10 years
Equity	61%	59%	57%	69%
Fixed Income	56%	53%	54%	66%
Multi-Asset	84%	47%	69%	76%
All Funds	68%	54%	60%	70%

**% of U.S. funds that outperformed passive peer median**<sup>(2),(4)</sup>

	1 year	3 years	5 years	10 years
Equity	58%	49%	51%	53%
Fixed Income	64%	55%	53%	58%
Multi-Asset	92%	49%	74%	58%
All Funds	72%	50%	58%	56%

**% of composites that outperformed benchmarks**<sup>(5)</sup>

	1 year	3 years	5 years	10 years
Equity	61%	32%	48%	66%
Fixed Income	61%	36%	53%	65%
All Composites	61%	34%	50%	66%

**AUM Weighted Performance****% of U.S. funds AUM that outperformed Morningstar median**<sup>(2),(3)</sup>

	1 year	3 years	5 years	10 years
Equity	74%	50%	54%	82%
Fixed Income	69%	70%	61%	82%
Multi-Asset	93%	56%	90%	93%
All Funds	78%	53%	63%	85%

**% of U.S. funds AUM that outperformed passive peer median**<sup>(2),(4)</sup>

	1 year	3 years	5 years	10 years
Equity	72%	41%	31%	50%
Fixed Income	83%	68%	68%	70%
Multi-Asset	96%	59%	95%	94%
All Funds	78%	46%	49%	62%

**% of composites AUM that outperformed benchmarks**<sup>(5)</sup>

	1 year	3 years	5 years	10 years
Equity	62%	39%	42%	63%
Fixed Income	53%	23%	41%	47%
All Composites	61%	36%	41%	60%



As of June 30, 2024, 65 of 130 (50.0%) of the firm's rated U.S. mutual funds (across primary share classes) received an overall rating of 4 or 5 stars. By comparison, 32.5% of Morningstar's fund population is given a rating of 4 or 5 stars<sup>(5)</sup>. In addition, 65%<sup>(6)</sup> of AUM in the firm's rated U.S. mutual funds (across primary share classes) ended June 30, 2024 with an overall rating of 4 or 5 stars.

<sup>(1)</sup> The investment performance reflects that of T. Rowe Price sponsored mutual funds, ETFs and composites AUM and not of OHA's products.

<sup>(2)</sup> Source: © 2024 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.

<sup>(3)</sup> Source: Morningstar. Primary share class only. Excludes money market mutual funds, funds with an operating history of less than one year, T. Rowe Price passive funds, and T. Rowe Price funds that are clones of other funds. The top chart reflects the percentage of T. Rowe Price funds with 1-, 3-, 5-, and 10-year track record that are outperforming 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 \$326B for 1 year, \$323B for 3 years, \$323B for 5 years, and \$322B for 10 years.

<sup>(4)</sup> Passive Peer Median was created by T. Rowe Price using data from Morningstar. Primary share class only. Excludes money market mutual funds, funds with an operating history of less than one year, funds with fewer than three peers, T. Rowe Price passive funds, and T. Rowe Price funds that are clones of other funds. This analysis compares T. Rowe Price active funds to the applicable universe of passive/index open-end funds and ETFs of peer firms. The top chart reflects the percentage of T. Rowe Price funds with 1-, 3-, 5-, and 10-year track record that are outperforming the passive peer universe. The bottom chart reflects the percentage of T. Rowe Price funds AUM that has outperformed for the time periods indicated. Total AUM included for this analysis includes \$309B for 1 year, \$306B for 3 years, \$269B for 5 years, and \$261B for 10 years.

<sup>(5)</sup> Composite net returns are calculated using the highest applicable separate account fee schedule. Excludes money market composites. All composites compared with the official GIPS composite primary benchmark. The top chart reflects the percentage of T. Rowe Price composites with 1-, 3-, 5-, and 10-year track record that are outperforming 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 \$1,401B for 1 year, \$1,396B for 3 years, \$1,389B for 5 years, and \$1,340B for 10 years.

<sup>(6)</sup> The Morningstar Rating™ for funds is calculated for funds with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. Morningstar gives its best ratings of 5 or 4 stars to the top 32.5% of all funds (of the 32.5%, 10% get 5 stars and 22.5% get 4 stars). The Overall Morningstar Rating™ is derived from a weighted average of the performance figures associated with a fund's 3-, 5-, and 10-year (if applicable) Morningstar Rating™ metrics.

## **RESULTS OF OPERATIONS.**

The following table and discussion sets forth information regarding our consolidated financial results for the three- and six-month periods ended June 30, 2024 and 2023 on a U.S. GAAP basis and a non-GAAP basis. The non-GAAP basis adjusts for the impact of our consolidated sponsored investment products, the impact of market movements on the supplemental savings plan liability and related economic hedge, investment income related to certain other investments, acquisition-related amortization and costs, impairment charges, and certain nonrecurring charges and gains.

(in millions, except per-share data)	Three months ended		Q2 2024 vs. Q2 2023		Six months ended		YTD 2024 vs. YTD 2023	
	6/30/2024	6/30/2023	\$ change	% change <sup>(1)</sup>	6/30/2024	6/30/2023	\$ change	% change <sup>(1)</sup>
<b>U.S. GAAP basis</b>								
Investment advisory fees	\$ 1,585.6	\$ 1,430.8	\$ 154.8	10.8 %	\$ 3,139.6	\$ 2,822.6	\$ 317.0	11.2 %
Capital allocation-based income <sup>(2)</sup>	\$ 0.1	\$ 38.7	\$ (38.6)	n/m	\$ 47.2	\$ 55.6	\$ (8.4)	n/m
Net revenues	\$ 1,733.3	\$ 1,610.2	\$ 123.1	7.6 %	\$ 3,483.5	\$ 3,147.8	\$ 335.7	10.7 %
Operating expenses	\$ 1,168.6	\$ 1,076.7	\$ 91.9	8.5 %	\$ 2,332.2	\$ 2,130.1	\$ 202.1	9.5 %
Net operating income	\$ 564.7	\$ 533.5	\$ 31.2	5.8 %	\$ 1,151.3	\$ 1,017.7	\$ 133.6	13.1 %
Non-operating income (loss)	\$ 80.3	\$ 106.2	\$ (25.9)	n/m	\$ 269.2	\$ 241.6	\$ 27.6	n/m
Net income attributable to T. Rowe Price	\$ 483.4	\$ 476.4	\$ 7.0	1.5 %	\$ 1,057.2	\$ 897.9	\$ 159.3	17.7 %
Diluted earnings per common share	\$ 2.11	\$ 2.06	\$ 0.05	2.4 %	\$ 4.60	\$ 3.89	\$ 0.71	18.3 %
Weighted average common shares outstanding assuming dilution	223.5	225.2	\$ (1.7)	(0.8)%	223.8	225.2	\$ (1.4)	(0.6)%
<b>Adjusted non-GAAP basis<sup>(3)</sup></b>								
Operating expenses	\$ 1,105.8	\$ 1,026.2	\$ 79.6	7.8 %	\$ 2,177.2	\$ 2,048.7	\$ 128.5	6.3 %
Net operating income	\$ 654.9	\$ 596.6	\$ 58.3	9.8 %	\$ 1,347.3	\$ 1,124.6	\$ 222.7	19.8 %
Non-operating income (loss)	\$ 34.7	\$ 31.8	\$ 2.9	9.1 %	\$ 63.2	\$ 62.6	\$ 0.6	1.0 %
Net income attributable to T. Rowe Price	\$ 519.7	\$ 466.5	\$ 53.2	11.4 %	\$ 1,068.2	\$ 855.9	\$ 212.3	24.8 %
Diluted earnings per common share	\$ 2.26	\$ 2.02	\$ 0.24	11.9 %	\$ 4.64	\$ 3.71	\$ 0.93	25.1 %
<b>Assets under management (in billions)</b>								
Average assets under management	\$ 1,534.0	\$ 1,357.4	\$ 176.6	13.0 %	\$ 1,509.2	\$ 1,340.2	\$ 169.0	12.6 %
Ending assets under management	\$ 1,569.1	\$ 1,399.4	\$ 169.7	12.1 %	\$ 1,569.1	\$ 1,399.4	\$ 169.7	12.1 %

<sup>(1)</sup> N/m - The percentage change is not meaningful.

<sup>(2)</sup> Capital allocation-based income represents the change in accrued carried interest.

<sup>(3)</sup> See the reconciliation to the comparable U.S. GAAP measures at the end of the Results of Operations section of this Management's Discussion and Analysis.

### **Results Overview - Quarter ended June 30, 2024**

**Net revenues** consist of investment advisory revenues; administrative, distribution, and servicing fees; and capital allocation-based income. Approximately 90% of our net revenues are related to investment advisory fees. Total net revenues were \$1,733.3 million in the second quarter of 2024, a 7.6% increase compared with \$1,610.2 million in the second quarter of 2023. The increase was primarily driven by an 10.8% increase in investment advisory fee revenue as higher overall markets increased average assets under management by 13.0%, partially offset by a \$38.6 million decrease in capital allocation-based income (change in accrued carried interest) earned from investments in certain affiliated funds.

Investment advisory fees are generally earned based on the value and composition of our assets under management, which change based on fluctuations in financial markets and net cash flows. As our average assets under management increase or decrease in a given period, the level of our investment advisory fee revenue for that

same period generally fluctuates in a similar manner. Our annualized effective fee rates can be impacted by market or cash flow related shifts among asset classes, and products, including those with tiered-fee structures, along with price changes we make in existing products.

Capital allocation-based income will fluctuate quarter-to-quarter to reflect the adjustment to accrued carried interest for the change in value of certain affiliated funds, assuming the funds' underlying investments were realized as of the end of the period, regardless of whether the funds' underlying investments have been realized.

Operating expenses on a U.S. GAAP basis were \$1,168.6 million in the second quarter of 2024, a 8.5% increase over the comparable 2023 period. On a non-GAAP basis, operating expenses were \$1,105.8 million, a 7.8% increase over the comparable 2023 period.

In comparison to the second quarter of 2023, the increases in U.S. GAAP and non-GAAP operating expenses were primarily driven by higher compensation and related benefits, including the interim bonus accrual, along with higher distribution and servicing costs and advertising and promotion costs. The U.S. GAAP operating expense increase was also impacted by intangible amortization and impairments and the remeasurement of contingent consideration liability.

Operating margin in the second quarter of 2024 was 32.6% on a U.S. GAAP basis, compared to 33.1% earned in the second quarter of 2023. The decrease in our U.S. GAAP operating margin for the second quarter of 2024 compared to the 2023 period was driven by operating expense growth outpacing net revenue growth primarily due to acquisition-related amortization and impairments along with changes in the supplemental savings plan liability.

Diluted earnings per share was \$2.11 for the second quarter of 2024 compared to \$2.06 for the second quarter of 2023. The increase was primarily driven by higher operating income offset slightly by lower non-operating income compared to the 2023 period.

On a non-GAAP basis, diluted earnings per share was \$2.26 for the second quarter of 2024 as compared to \$2.02 for the second quarter of 2023. The increase was primarily due to higher adjusted operating income compared to the 2023 period.

#### **Results Overview - Year-to-Date ended June 30, 2024**

Net revenues consist of investment advisory revenues; administrative, distribution, and servicing fees; and capital allocation-based income. Approximately 90% of our net revenues for the six months ended June 30, 2024 are related to investment advisory fees. Total net revenues were \$3,483.5 million in the six months ended June 30, 2024, a 10.7% increase compared with \$3,147.8 million in the 2023 period. The increase was primarily driven by a 11.2% increase in investment advisory fee revenue as average assets under management increased by 12.6%.

Operating expenses were \$2,332.2 million in the six months ended June 30, 2024 compared with \$2,130.1 million in the 2023 period. On a non-GAAP basis, our operating expenses for the six months ended June 30, 2024 increased 6.3% to \$2,177.2 million compared to the 2023 period.

In comparison to the six months ended June 30, 2023, more than a third of the increase in U.S. GAAP operating expenses was driven by the remeasurement of the contingent consideration liability, as the 2023 period reflected a \$72.8 million reduction in the liability compared to no change in the 2024 period. Also contributing to the increase in U.S. GAAP operating expenses and the primary drivers of non-GAAP operating expenses were higher compensation and related benefits, including the interim bonus accrual; salaries and benefits along with distribution and servicing costs, and advertising and promotion costs.

Operating margin in the six months ended June 30, 2024 was 33.1%, compared to 32.3% earned in the 2023 period. The increase in our operating margin for the six months ended June 30, 2024 compared to the 2023 period was primarily driven by net revenue growth outpacing operating expense growth.

Diluted earnings per share was \$4.60 for the six months ended June 30, 2024 compared to \$3.89 for the six months ended June 30, 2023. The 18.3% increase was driven by higher operating income, a lower effective tax rate, and higher net investment gains in the six months ended June 30, 2024, as compared to the comparable 2023 period

On a non-GAAP basis, adjusted diluted earnings per share was \$4.64 for the six months ended June 30, 2024 as compared to \$3.71 for the 2023 period. The 25.1% increase was driven by higher operating income and a lower effective tax rate.

## Net revenues

(in millions)	Three months ended		Q2 2024 vs. Q2 2023		Six months ended		YTD 2024 vs. YTD 2023	
	6/30/2024	6/30/2023	\$ change	% change <sup>(1)</sup>	6/30/2024	6/30/2023	\$ change	% change <sup>(1)</sup>
<b>Investment advisory fees</b>								
Equity	\$ 948.9	\$ 862.3	\$ 86.6	10.0 %	\$ 1,898.5	\$ 1,696.2	\$ 202.3	11.9 %
Fixed income	100.2	100.0	0.2	0.2 %	200.8	202.4	(1.6)	(0.8)%
Multi-asset	444.8	391.3	53.5	13.7 %	874.5	777.3	97.2	12.5 %
Alternatives	91.7	77.2	14.5	18.8 %	165.8	146.7	19.1	13.0 %
	<u>1,585.6</u>	<u>1,430.8</u>	<u>154.8</u>	<u>10.8 %</u>	<u>3,139.6</u>	<u>2,822.6</u>	<u>317.0</u>	<u>11.2 %</u>
<b>Capital allocation-based income</b>								
Change in accrued carried interest	27.0	51.0	(24.0)	n/m	86.5	80.2	6.3	n/m
Acquisition-related amortization and impairments	(26.9)	(12.3)	(14.6)	n/m	(39.3)	(24.6)	(14.7)	n/m
	<u>0.1</u>	<u>38.7</u>	<u>(38.6)</u>	<u>n/m</u>	<u>47.2</u>	<u>55.6</u>	<u>(8.4)</u>	<u>n/m</u>
<b>Administrative, distribution, and servicing fees</b>								
Administrative fees	125.6	119.9	5.7	4.8 %	253.0	228.3	24.7	10.8 %
Distribution and servicing fees	22.0	20.8	1.2	5.8 %	43.7	41.3	2.4	5.8 %
	<u>147.6</u>	<u>140.7</u>	<u>6.9</u>	<u>4.9 %</u>	<u>296.7</u>	<u>269.6</u>	<u>27.1</u>	<u>10.1 %</u>
<b>Net revenues</b>	<u>\$ 1,733.3</u>	<u>\$ 1,610.2</u>	<u>\$ 123.1</u>	<u>7.6 %</u>	<u>\$ 3,483.5</u>	<u>\$ 3,147.8</u>	<u>\$ 335.7</u>	<u>10.7 %</u>
<b>Average assets under management</b>								
(in billions)								
Equity	\$ 790.4	\$ 703.4	\$ 87.0	12.4 %	\$ 780.4	\$ 695.2	\$ 85.2	12.3 %
Fixed income	174.8	170.4	4.4	2.6 %	172.1	170.0	2.1	1.2 %
Multi-asset	520.1	439.0	81.1	18.5 %	508.6	430.7	77.9	18.1 %
Alternatives	48.7	44.6	4.1	9.2 %	48.1	44.3	3.8	8.6 %
<b>Average assets under management</b>	<u>\$ 1,534.0</u>	<u>\$ 1,357.4</u>	<u>\$ 176.6</u>	<u>13.0 %</u>	<u>\$ 1,509.2</u>	<u>\$ 1,340.2</u>	<u>\$ 169.0</u>	<u>12.6 %</u>
<b>Investment advisory annualized effective fee rate (bps)</b>								
	<u>41.6</u>	<u>42.3</u>	<u>(0.7)</u>	<u>(1.7)%</u>	<u>41.8</u>	<u>42.5</u>	<u>(0.7)</u>	<u>(1.6)%</u>

<sup>(1)</sup> N/m - The percentage change is not meaningful.

Investment advisory fees in the second quarter of 2024 increased 10.8% over the comparable 2023 quarter as average assets under management increased \$176.6 billion or 13.0%, to \$1,534.0 billion. For the six months ended June 30, 2024, investment advisory revenues increased 11.2% over the comparable 2023 period as average assets under management increased \$169.0 billion, or 12.6%, to \$1,509.2 billion.

The average annualized effective fee rate earned for the three- and six-month periods ended June 30, 2024 declined from the comparable 2023 periods due to client flows and transfers creating a mix shift in assets under management toward lower fee products and asset classes. The 2024 year-to-date annualized effective fee rate was also favorably impacted by about 0.3 basis points in higher performance based fees within equity and alternative products compared to the 2023 year-to-date period.

Capital allocation-based income in the second quarter of 2024 increased net revenues by \$0.1 million compared to an increase in net revenues of \$38.7 million in the 2023 period. For the six months ended June 30, 2024, capital allocation-based income increased net revenues by \$47.2 million compared to \$55.6 million for the 2023 period. The change in accrued carried interest in the second quarter of 2024 declined \$24.0 million compared to the 2023 period due to lower overall market returns and relative performance. For the six months ended June 30, 2024, the change in accrued carried interest increased \$6.3 million compared to the 2023 period due to higher overall market returns and relative performance.

A portion of the capital allocation-based income is passed through to certain associates as compensation and the related expense is recognized in compensation and related costs with the unpaid amount reported as non-controlling interest on the consolidated balance sheet.

Administrative, distribution, and servicing fees in the second quarter of 2024 were \$147.6 million, an increase of \$6.9 million, or 4.9%, from the comparable 2023 quarter. For the six months ended June 30, 2024, these fees were \$296.7 million, an increase of \$27.1 million, or 10.1%, from the 2023 period. The increases for both periods were primarily due to higher retail transfer agent servicing activities provided to the T. Rowe Price mutual funds and higher average assets on which we earn administrative revenue for non-discretionary advisory services.

Our net revenues reflect the elimination of advisory and administrative fee revenue earned from our consolidated sponsored investment products. The corresponding expenses recognized by these products, and consolidated in our financial statements, were also eliminated from operating expenses. For the second quarter, we eliminated net revenue of \$0.5 million in 2024 and \$0.3 million in 2023. For the six months ended June 30, we eliminated net revenue of \$1.7 million in 2024 and \$0.9 million in 2023.

## Operating expenses

(in millions)	Three months ended		Q2 2024 vs. Q2 2023		Six months ended		YTD 2024 vs. YTD 2023	
	6/30/2024	6/30/2023	\$ change	% change <sup>(1)</sup>	6/30/2024	6/30/2023	\$ change	% change <sup>(1)</sup>
Compensation, benefits and related costs	\$ 635.8	\$ 591.0	\$ 44.8	7.6 %	\$ 1,265.1	\$ 1,184.3	\$ 80.8	6.8 %
Acquisition-related retention agreements	13.1	13.6	(0.5)	(3.7)%	26.6	27.8	(1.2)	(4.3)%
Capital allocation-based income compensation	(2.4)	10.6	(13.0)	n/m	10.8	14.1	(3.3)	n/m
Supplemental savings plan <sup>(2)</sup>	14.6	33.0	(18.4)	n/m	67.6	75.5	(7.9)	n/m
Total compensation and related costs	661.1	648.2	12.9	2.0 %	1,370.1	1,301.7	68.4	5.3 %
Distribution and servicing	87.7	67.8	19.9	29.4 %	169.6	139.3	30.3	21.8 %
Advertising and promotion	33.3	22.9	10.4	45.4 %	58.6	48.7	9.9	20.3 %
Product and recordkeeping related costs	73.0	77.7	(4.7)	(6.0)%	148.0	149.8	(1.8)	(1.2)%
Technology, occupancy, and facility costs	160.9	154.7	6.2	4.0 %	310.8	301.3	9.5	3.2 %
General, administrative, and other	108.7	100.0	8.7	8.7 %	201.3	207.5	(6.2)	(3.0)%
Change in fair value of contingent consideration	—	(23.2)	23.2	(100.0)%	—	(72.8)	72.8	(100.0)%
Acquisition-related amortization and impairment costs	43.9	28.6	15.3	53.5 %	73.8	54.6	19.2	35.2 %
Total operating expenses	\$ 1,168.6	\$ 1,076.7	\$ 91.9	8.5 %	\$ 2,332.2	\$ 2,130.1	\$ 202.1	9.5 %

<sup>(1)</sup> N/m - The percentage change is not meaningful.

<sup>(2)</sup> The impact of the market on the supplemental savings plan liability drives the expense recognized each period.

Compensation, benefits, and related costs were \$635.8 million in the second quarter of 2024, an increase of \$44.8 million, or 7.6%, compared to the 2023 quarter. For the six months ended June 30, 2024, these costs were \$1,265.1 million, an increase of \$80.8 million, or 6.8%, compared to the 2023 period. The increase in both periods were primarily due to a higher interim bonus accrual, and higher salaries and related benefits, as base salary modestly increased in January 2024. These increases were partially offset by higher labor capitalization compared to the 2023 periods.

The firm employed 7,929 associates at June 30, 2024, an increase of 0.3% from the end of 2023 and June 30, 2023.

Distribution and servicing costs were \$87.7 million for the second quarter of 2024, an increase of \$19.9 million, or 29.5%, from \$67.8 million recognized in the 2023 quarter. For the six months ended June 30, 2024, these costs were \$169.7 million, an increase of 21.8% over \$139.3 million recognized in the comparable 2023 period. The increases in both periods were primarily driven by higher average assets under management distributed through intermediaries.

The costs in this expense category primarily include amounts paid to third-party intermediaries that source the assets of certain share classes of our U.S. mutual funds, ETFs and our international products, such as our Japanese ITMs and SICAVs. These costs were offset entirely by the distribution revenue we earn and report in net revenues: 12b-1 revenue is recognized in administrative, distribution, and servicing fees for the Advisor and R share classes of the U.S. mutual funds and investment advisory fee revenue for our international products.

Advertising and promotion costs were \$33.3 million in the second quarter of 2024, an increase of \$10.4 million, or 45.4%, compared to the \$22.9 million recognized in the 2023 quarter. For the six months ended June 30, 2024, these costs were \$58.6 million, an increase of \$9.9 million, or 20.3%, compared to the 2023 period. The increases for both periods were primarily driven by higher media spend and increased investment in our brand.

Technology, occupancy, and facility costs were \$160.7 million in the second quarter of 2024, an increase of \$6.2 million, or 4.0%, compared to the \$154.7 million recognized in the 2023 quarter. For the six months ended June

30, 2024, these costs were \$310.8 million, an increase of \$9.5 million, or 3.2%, compared with the 2023 period. The increases in both periods were primarily related to higher costs from the firm's ongoing investment in its technology capabilities, including hosted solution licenses and depreciation. These increases were partially offset by lower office facility costs related to double rent incurred in the 2023 period until we occupied our new UK facility in the second half of 2023, and a non-recurring cost benefit related to the UK facility in the first quarter of 2024.

General, administrative, and other expenses were \$108.7 million in the second quarter of 2024, an increase of \$8.7 million, or 8.7%, compared to the \$100.0 million recognized in the 2023 quarter. The increase was primarily due to higher professional fees and travel and entertainment. These increases were partially offset by lower research fee expense as the firm changed its approach to paying for research, consistent with regulations and general industry practice.

For the six months ended June 30, 2024, these costs were \$201.3 million, a decrease of \$6.2 million, or 3.0%, compared with the 2023 period. The decrease was primarily due to lower research fee expense as the firm changed its approach to paying for research, consistent with regulations and general industry practice. This decrease was partially offset by higher professional fees and information services.

Change in fair value of contingent consideration. The contingent consideration represents the earnout arrangement related to our acquisition of OHA in which additional purchase price may be due upon satisfying or exceeding certain defined revenue targets. Every reporting period, we record the potential amount due under this arrangement at fair value. In 2024, there was no change in the fair value of the contingent consideration liability. In the three- and six-month periods ended June 30, 2023, we recognized reductions in the fair value of the contingent consideration liability of \$23.2 million and \$72.8 million, respectively. Challenging market conditions have reduced revenue expectations used in the fair value determinations.

Acquisition-related amortization and impairment costs. As part of the purchase accounting for our acquisitions, we identified and separately recognized at fair value certain intangible assets. During the three- and six-month periods ended June 30, 2024, we recognized \$43.9 million and \$73.8 million, respectively, in amortization and impairments related to the definite and indefinite-lived intangible assets. In the second quarter of 2024, we also recognized impairment charges totaling \$18.0 million on definite and indefinite-lived intangible assets. During the three- and six-month periods ended June 30, 2023, we recognized \$28.6 million and \$54.6 million, respectively, in amortization. No impairment costs were recognized during the 2023 periods. Should conditions that led us to recognize the impairment charges deteriorate, additional impairments may be recognized in future periods.

#### **Non-operating income (loss)**

Non-operating income for the second quarter of 2024 was \$80.3 million compared to \$106.2 million in the 2023 quarter. The following table details the components of non-operating income for both the three- and six-month periods ended June 30, 2024 and 2023.

(in millions)	Three months ended		Six months ended	
	6/30/2024	6/30/2023	6/30/2024	6/30/2023
Net gains (losses) from non-consolidated T. Rowe Price investment products				
Cash and discretionary investments				
Dividend income	\$ 33.6	\$ 25.5	\$ 61.4	\$ 45.7
Market-related gains (losses) and equity in earnings (losses)	0.1	6.3	0.3	16.9
<b>Total cash and discretionary investments</b>	<b>33.7</b>	<b>31.8</b>	<b>61.7</b>	<b>62.6</b>
Seed capital investments				
Dividend income	0.3	0.4	0.3	0.9
Market-related gains (losses) and equity in earnings (losses)	15.3	14.4	38.8	29.5
Investments used to hedge the supplemental savings plan liability	14.8	33.6	64.5	78.3
<b>Total net gains (losses) from non-consolidated T. Rowe Price investment products</b>	<b>64.1</b>	<b>80.2</b>	<b>165.3</b>	<b>171.3</b>
Other investment income	13.9	8.9	34.2	11.7
<b>Net gains (losses) on investments</b>	<b>78.0</b>	<b>89.1</b>	<b>199.5</b>	<b>183.0</b>
Net gains (losses) on consolidated sponsored investment products	8.5	24.4	80.8	69.8
Other gains (losses), including foreign currency gains (losses)	(6.2)	(7.3)	(11.1)	(11.2)
<b>Non-operating income (loss)</b>	<b>\$ 80.3</b>	<b>\$ 106.2</b>	<b>\$ 269.2</b>	<b>\$ 241.6</b>

The investment gains recognized by our investment portfolio during the three- and six-month periods ended June 30, 2024 and 2023 were primarily due to strong market returns over both periods.

The table above includes the net investment income of the underlying portfolios included in the consolidated sponsored investment products and not just the net investment income related to our ownership interest in the products. The table below shows the impact that the consolidated sponsored investment products had on the individual lines of our unaudited condensed consolidated statements of income and the portion attributable to our interest:

(in millions)	Three months ended		Six months ended	
	6/30/2024	6/30/2023	6/30/2024	6/30/2023
Operating expenses reflected in net operating income	\$ (2.6)	\$ (3.4)	\$ (4.9)	\$ (7.4)
Net investment income (loss) reflected in non-operating income	8.5	24.0	80.8	69.8
Impact on income before taxes	\$ 5.9	\$ 20.6	\$ 75.9	\$ 62.4
Net income (loss) attributable to our interest in the consolidated T. Rowe Price investment products	\$ 4.0	\$ 15.8	\$ 54.4	\$ 37.4
Net income (loss) attributable to redeemable non-controlling interests (unrelated third-party investors)	1.9	4.8	21.5	25.0
	\$ 5.9	\$ 20.6	\$ 75.9	\$ 62.4



## **Provision for income taxes**

The GAAP effective tax rate for Q2 2024 and Q2 2023 was 24.8%. These quarterly rates were the result of an overall year-to-date rate of 24.1% for 2024 and 26.7% for 2023. The following table reconciles the statutory federal income tax rate to our effective tax rate on a U.S. GAAP basis for the six months ended June 30, 2024 and 2023:

	Six months ended	
	6/30/2024	6/30/2023
Statutory U.S. federal income tax rate	21.0 %	21.0 %
State income taxes for current year, net of federal income tax benefits <sup>(1)</sup>	2.7	2.9
Net (income) losses attributable to redeemable non-controlling interests <sup>(2)</sup>	(0.4)	(0.3)
Net excess tax benefits from stock-based compensation plans activity	(0.3)	(0.3)
Valuation allowance	0.5	3.6
Other items, including valuation allowances	0.6	(0.2)
Effective income tax rate	24.1 %	26.7 %

<sup>(1)</sup> 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.

<sup>(2)</sup> Net income attributable to redeemable non-controlling interests 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 non-GAAP effective tax rate primarily adjusts for the impact of the consolidated investment products, including the net income attributable to the redeemable non-controlling interests. Our non-GAAP effective tax rate was 24.6% in the second quarter of 2024 compared with 25.8% in second quarter of 2023. Our non-GAAP effective tax rate was 24.3% for the six months ended June 30, 2024 compared to 27.9% for the 2023 period. The year-to-date 2024 U.S. GAAP and non-GAAP effective tax rates decreased compared to 2023 rates due to lower valuation allowances recognized. In the first half of 2023, we recognized a full valuation allowance against all UK-based deferred tax assets recorded at the time.

We currently estimate that our effective tax rate for the full year 2024, on a U.S. GAAP basis, will be in the range of 23.5% to 26.5%. On a non-GAAP basis, the range is 23.5% to 25.5%.

Our effective tax rate will continue to experience volatility in future periods as the tax benefits recognized from stock-based compensation are impacted by market fluctuations in our stock price and the timing of option exercises. The rate also experiences volatility from the remeasurement of the contingent consideration liability, as well as changes in deferred tax asset valuation allowances, primarily in foreign jurisdictions, based on the sufficiency of taxable income in future periods. Our U.S. GAAP rate will also be impacted by changes in the proportion of net income that is attributable to our redeemable non-controlling interests and non-controlling interests reflected in permanent equity.

## **NON-GAAP INFORMATION AND RECONCILIATION.**

We believe the non-GAAP financial measures below provide relevant and meaningful information to investors about our core operating results. These measures have been established in order to increase transparency for the purpose of evaluating our 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 a substitute for financial measures calculated in accordance with U.S. GAAP and may be calculated differently by other companies.

The following schedules reconcile certain U.S. GAAP financial measures for the three months ended June 30, 2024 and 2023.

	Three months ended 6/30/2024					
	Operating expenses	Net operating income	Non-operating income (loss)	Provision (benefit) for income taxes <sup>(5)</sup>	Net income attributable to T. Rowe Price	Diluted earnings per share <sup>(6)</sup>
<b>U.S. GAAP Basis (FS line item)</b>	\$ 1,168.6	\$ 564.7	\$ 80.3	\$ 159.7	\$ 483.4	\$ 2.11
Non-GAAP adjustments:						
Acquisition-related:						
Investment and NCI amortization and impairments <sup>(1)</sup> (Capital allocation-based income and Compensation and related costs)	10.9	16.0	—	3.5	12.5	0.05
Acquisition-related retention arrangements <sup>(1)</sup> (Compensation and related costs)	(13.1)	13.1	—	2.9	10.2	0.04
Intangible assets amortization and impairments <sup>(1)</sup>	(43.9)	43.9	—	9.6	34.3	0.15
Total acquisition-related	(46.1)	73.0	—	16.0	57.0	0.24
Supplemental savings plan liability <sup>(2)</sup> (Compensation and related costs)	(14.6)	14.6	(14.8)	—	(0.2)	—
Consolidated T. Rowe Price investment products <sup>(3)</sup>	(2.1)	2.6	(8.5)	(0.9)	(3.1)	(0.01)
Other non-operating income <sup>(4)</sup>	—	—	(22.3)	(4.9)	(17.4)	(0.08)
<b>Adjusted Non-GAAP Basis</b>	<b>\$ 1,105.8</b>	<b>\$ 654.9</b>	<b>\$ 34.7</b>	<b>\$ 169.9</b>	<b>\$ 519.7</b>	<b>\$ 2.26</b>

	Three months ended 6/30/2023					
	Operating expenses	Net operating income	Non-operating income (loss)	Provision (benefit) for income taxes <sup>(5)</sup>	Net income attributable to T. Rowe Price	Diluted earnings per share <sup>(6)</sup>
<b>U.S. GAAP Basis (FS line item)</b>	\$ 1,076.7	\$ 533.5	\$ 106.2	\$ 158.5	\$ 476.4	\$ 2.06
Non-GAAP adjustments:						
Acquisition-related:						
Investment and NCI amortization and impairments <sup>(1)</sup> (Capital allocation-based income and Compensation and related costs)	5.1	7.2	—	0.1	7.1	0.03
Acquisition-related retention arrangements <sup>(1)</sup> (Compensation and related costs)	(13.6)	13.6	—	(0.1)	13.7	0.06
Contingent consideration <sup>(1)</sup>	23.2	(23.2)	—	2.5	(25.7)	(0.11)
Intangible assets amortization and impairments <sup>(1)</sup>	(28.6)	28.6	—	0.4	28.2	0.12
Total acquisition-related	(13.9)	26.2	—	2.9	23.3	0.10
Supplemental savings plan liability <sup>(2)</sup> (Compensation and related costs)	(33.0)	33.0	(33.6)	0.2	(0.8)	—
Consolidated T. Rowe Price investment products <sup>(3)</sup>	(3.6)	3.9	(24.4)	0.5	(16.2)	(0.07)
Other non-operating income <sup>(4)</sup>	—	—	(16.4)	(0.2)	(16.2)	(0.07)
<b>Adjusted Non-GAAP Basis</b>	<b>\$ 1,026.2</b>	<b>\$ 596.6</b>	<b>\$ 31.8</b>	<b>\$ 161.9</b>	<b>\$ 466.5</b>	<b>\$ 2.02</b>

The following schedules reconcile certain U.S. GAAP financial measures for the six months ended June 30, 2024 and 2023.

Six months ended 6/30/2024						
	Operating expenses	Net operating income	Non-operating income (loss)	Provision (benefit) for income taxes <sup>(5)</sup>	Net income attributable to T. Rowe Price	Diluted earnings per share <sup>(6)</sup>
<b>U.S. GAAP Basis (FS line item)</b>	\$ 2,332.2	\$ 1,151.3	\$ 269.2	\$ 341.8	\$ 1,057.2	\$ 4.60
Non-GAAP adjustments:						
Acquisition-related:						
Investment and NCI amortization and impairments <sup>(1)</sup> (Capital allocation-based income and Compensation and related costs)	16.2	23.1	—	5.5	17.6	0.08
Acquisition-related retention arrangements <sup>(1)</sup> (Compensation and related costs)	(26.6)	26.6	—	6.6	20.0	0.08
Intangible assets amortization and impairments <sup>(1)</sup>	(73.8)	73.8	—	18.0	55.8	0.24
<b>Total acquisition-related</b>	<b>(84.2)</b>	<b>123.5</b>	<b>—</b>	<b>30.1</b>	<b>93.4</b>	<b>0.40</b>
Supplemental savings plan liability <sup>(2)</sup> (Compensation and related costs)	(67.6)	67.6	(64.5)	0.8	2.3	0.01
Consolidated T. Rowe Price investment products <sup>(3)</sup>	(3.2)	4.9	(80.8)	(14.8)	(39.6)	(0.17)
Other non-operating income <sup>(4)</sup>	—	—	(60.7)	(15.6)	(45.1)	(0.20)
<b>Adjusted Non-GAAP Basis</b>	<b>\$ 2,177.2</b>	<b>\$ 1,347.3</b>	<b>\$ 63.2</b>	<b>\$ 342.3</b>	<b>\$ 1,068.2</b>	<b>\$ 4.64</b>

Six months ended 6/30/2023						
	Operating expenses	Net operating income	Non-operating income (loss)	Provision (benefit) for income taxes <sup>(5)</sup>	Net income attributable to T. Rowe Price	Diluted earnings per share <sup>(6)</sup>
<b>U.S. GAAP Basis (FS line item)</b>	\$ 2,130.1	\$ 1,017.7	\$ 241.6	\$ 336.4	\$ 897.9	\$ 3.89
Non-GAAP adjustments:						
Acquisition-related:						
Investment and NCI amortization and impairments <sup>(1)</sup> (Capital allocation-based income and Compensation and related costs)	10.2	14.4	—	1.6	12.8	0.06
Acquisition-related retention arrangements <sup>(1)</sup> (Compensation and related costs)	(27.8)	27.8	—	3.0	24.8	0.11
Contingent consideration <sup>(1)</sup>	72.8	(72.8)	—	(8.0)	(64.8)	(0.28)
Intangible assets amortization and impairments <sup>(1)</sup>	(54.6)	54.6	—	6.0	48.6	0.21
<b>Total acquisition-related</b>	<b>0.6</b>	<b>24.0</b>	<b>—</b>	<b>2.6</b>	<b>21.4</b>	<b>0.10</b>
Supplemental savings plan liability <sup>(2)</sup> (Compensation and related costs)	(75.5)	75.5	(78.3)	(0.3)	(2.5)	(0.01)
Consolidated T. Rowe Price investment products <sup>(3)</sup>	(6.5)	7.4	(69.8)	(4.1)	(33.3)	(0.14)
Other non-operating income <sup>(4)</sup>	—	—	(30.9)	(3.3)	(27.6)	(0.13)
<b>Adjusted Non-GAAP Basis</b>	<b>\$ 2,048.7</b>	<b>\$ 1,124.6</b>	<b>\$ 62.6</b>	<b>\$ 331.3</b>	<b>\$ 855.9</b>	<b>\$ 3.71</b>

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

(2) 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 an economic hedge against the related liability. Amounts deferred under the supplemental savings plan are adjusted for appreciation (depreciation) of hypothetical

investments chosen by participants. We use 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) realized on the economic hedges against the related compensation expense and remove the net impact to help the reader's ability to understand our core operating results and to increase comparability period to period.

- (3) These non-GAAP adjustments remove the impact that the consolidated T. Rowe Price investment products have on our U.S. GAAP consolidated statements of income. Specifically, we add back the operating expenses and subtract the investment income of the consolidated T. Rowe Price 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 T. Rowe Price investment products may impact the reader's ability to understand our core operating results.
- (4) This non-GAAP adjustment represents the other non-operating income (loss) and the net gains (losses) earned on our 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. We retain in our non-GAAP measures the investment gains recognized on the cash and discretionary investments as these assets and related income (loss) are considered part of our core operations. Management believes adjusting for these non-operating income (loss) items helps the reader's ability to understand our core operating results and increases comparability to prior years. Additionally, management does not emphasize the impact of the portion of non-operating income (loss) removed when managing and evaluating our performance.
- (5) The income tax impacts were calculated in order to achieve an overall year-to-date non-GAAP effective tax rate of 24.3% in 2024 and 27.9% in 2023. As such, the non-GAAP effective tax rate for the three months ended June 30, 2024 and 2023 was 24.6% and 25.8%, respectively.
- (6) This non-GAAP measure was calculated by applying the two-class method to adjusted net income attributable to T. Rowe Price divided 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		Six months ended	
	6/30/2024	6/30/2023	6/30/2024	6/30/2023
Adjusted net income attributable to T. Rowe Price	\$ 519.7	\$ 466.5	\$ 1,068.2	\$ 855.9
Less: adjusted net income allocated to outstanding restricted stock and stock unit holders	13.9	11.4	29.1	21.0
Adjusted net income allocated to common stockholders	\$ 505.8	\$ 455.1	\$ 1,039.1	\$ 834.9

## **CAPITAL RESOURCES AND LIQUIDITY.**

### **Sources of Liquidity**

We have ample liquidity, including cash and investments in T. Rowe Price products, as follows:

(in millions)	6/30/2024	12/31/2023
Cash and cash equivalents	\$ 2,714.9	\$ 2,066.6
Discretionary investments	469.7	463.7
Total cash and discretionary investments	3,184.6	2,530.3
Redeemable seed capital investments	1,338.6	1,370.9
Investments used to hedge the supplemental savings plan liability	943.3	894.6
Total cash and investments in T. Rowe Price products	\$ 5,466.5	\$ 4,795.8

Our discretionary investment portfolio is comprised of short duration bond funds, which typically yield higher than money market rates. Our subsidiaries outside the United States held cash and discretionary investments of \$680.6 million at June 30, 2024 and \$699.0 million at December 31, 2023. Given the availability of our financial resources and cash expected to be generated through future operations, we do not maintain an available external source of additional liquidity.

Our seed capital investments are redeemable, although we generally expect to be invested for several years for the products to build an investment performance history and until unrelated third-party investors substantially reduce our relative ownership percentage.

The cash and investment presentation on the unaudited condensed consolidated balance sheet is based on the accounting treatment for the cash equivalent or investment item. The following table details how T. Rowe Price's interests in cash and investments relate to where they are presented on the unaudited condensed consolidated balance sheet as of June 30, 2024.

(in millions)	Cash and cash equivalents	Investments	Net assets of consolidated T. Rowe Price investment products <sup>(1)</sup>	Total
Cash and discretionary investments	\$ 2,714.9	\$ 286.3	\$ 183.4	\$ 3,184.6
Seed capital investments	—	397.2	941.4	1,338.6
Investments used to hedge the supplemental savings plan liability	—	892.6	50.7	943.3
<b>Total cash and investments in T. Rowe Price products attributable to T. Rowe Price</b>	<b>2,714.9</b>	<b>1,576.1</b>	<b>1,175.5</b>	<b>5,466.5</b>
Investments in affiliated private investment funds <sup>(2)</sup>	—	777.8	—	777.8
Investments in CLOs	—	89.4	—	89.4
Investment in UTI and other investments	—	315.6	—	315.6
<b>Total cash and investments attributable to T. Rowe Price</b>	<b>2,714.9</b>	<b>2,758.9</b>	<b>1,175.5</b>	<b>6,649.3</b>
Redeemable non-controlling interests	—	—	689.0	689.0
<b>As reported on unaudited condensed consolidated balance sheet at June 30, 2024</b>	<b>\$ 2,714.9</b>	<b>\$ 2,758.9</b>	<b>\$ 1,864.5</b>	<b>\$ 7,338.3</b>

<sup>(1)</sup> The consolidated T. Rowe Price investment products are generally those products we provided seed capital at the time of their formation and we have a controlling interest. These products generally represent U.S. mutual funds, ETFs, and funds regulated outside the U.S. The \$1,175.5 million represents the total value at June 30, 2024 of our interest in the consolidated T. Rowe Price investment products. The total net assets of the T. Rowe Price investment products at June 30, 2024 of \$1,864.5 million includes assets of \$1,929.6 million, less liabilities of \$65.1 million as reflected in our unaudited condensed consolidated balance sheets.

<sup>(2)</sup> Includes \$205.3 million of non-controlling interests in consolidated entities and represents the portion of these investments, held by related parties, that we cannot sell in order to obtain cash for general operations.

Our unaudited condensed consolidated balance sheet reflects the cash and cash equivalents, investments, other assets and liabilities of those sponsored investment products we consolidate, as well as redeemable non-controlling interests for the portion of these sponsored investment products that are held by unrelated third-party investors. Although we can redeem our net interest in these sponsored investment products at any time, we cannot directly access or sell the assets held by the products to obtain cash for general operations. Additionally, the assets of these sponsored investment products are not available to our general creditors. Our interest in these sponsored investment products was generally used as initial seed capital and is recategorized as discretionary when it is determined by management that the seed capital is no longer needed. We assess the discretionary investment products and, when we decide to liquidate our interest, we seek to do so in a way as to not impact the product and, ultimately, the unrelated third-party investors.

### **Uses of Liquidity**

We increased our quarterly recurring dividend per common share in February 2024 by 1.6% to \$1.24 per common share from \$1.22 per common share. Further, we expended \$192.4 million in the first half of 2024 to repurchase 1.7 million shares of our outstanding common stock, at an average price of \$114.23 per share. These dividends and repurchases were expended using existing cash balances and cash generated from operations. While opportunistic in our approach to stock buybacks, we will generally repurchase our common stock over time to offset the dilution created by our equity-based compensation plans.

Since the end of 2021, we have returned nearly \$4.1 billion to stockholders through stock repurchases and regular quarterly dividends, as follows:

(in millions)	Recurring dividend	Stock repurchases	Total cash returned to stockholders
2022	\$ 1,108.8	\$ 855.3	\$ 1,964.1
2023	1,121.9	254.3	1,376.2
Six months ended 6/30/2024	568.5	192.4	760.9
<b>Total</b>	<b>\$ 2,799.2</b>	<b>\$ 1,302.0</b>	<b>\$ 4,101.2</b>

We anticipate property, equipment, software and other capital expenditures, including internal labor capitalization, for the full-year 2024 to be about \$475 million of which approximately 50.0% is planned for technology initiatives with the remaining primarily related to the build out of our new Baltimore headquarters. We expect to fund our anticipated capital expenditures with operating cash flows and other available resources.

## Cash Flows

The following table summarizes the cash flows for the six months ended June 30, 2024 and 2023, that are attributable to T. Rowe Price, our consolidated sponsored investment products, and the related eliminations required in preparing the statement.

(in millions)	Six months ended							
	6/30/2024				6/30/2023			
	Cash flow attributable to T. Rowe Price	Cash flow attributable to consolidated sponsored investment products	Elims	As reported	Cash flow attributable to T. Rowe Price	Cash flow attributable to consolidated sponsored investment products	Elims	As reported
Cash flows from operating activities								
Net income (loss)	\$ 1,057.2	\$ 75.9	\$ (54.4)	\$ 1,078.7	\$ 897.9	\$ 62.4	\$ (37.4)	\$ 922.9
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities								
Depreciation, amortization and impairments of property, equipment and software	126.3	—	—	126.3	117.9	—	—	117.9
Amortization and impairment of acquisition-related assets and retention agreements	124.1	—	—	124.1	97.9	—	—	97.9
Fair value remeasurement of contingent liability	—	—	—	—	(72.8)	—	—	(72.8)
Stock-based compensation expense	112.6	—	—	112.6	115.4	—	—	115.4
Net (gains) losses recognized on investments	(267.8)	—	54.4	(213.4)	(253.0)	—	37.4	(215.6)
Total non-cash adjustments	95.2	—	54.4	149.6	5.4	—	37.4	42.8
Net redemptions in sponsored investment products used to economically hedge supplemental savings plan liability	15.1	—	—	15.1	18.4	—	—	18.4
Net change in trading securities held by consolidated sponsored investment products	—	(218.0)	—	(218.0)	—	(414.5)	—	(414.5)
Other changes	302.9	(1.5)	(11.8)	289.6	339.3	1.4	(3.8)	336.9
Net cash provided by (used in) operating activities	1,470.4	(143.6)	(11.8)	1,315.0	1,261.0	(350.7)	(3.8)	906.5
Net cash provided by (used in) investing activities	(75.7)	(13.1)	(4.6)	(93.4)	(163.5)	(17.8)	45.4	(135.9)
Net cash provided by (used in) financing activities	(746.4)	154.5	16.4	(575.5)	(603.4)	325.0	(41.6)	(320.0)
Effect of exchange rate changes on cash and cash equivalents of consolidated sponsored investment products	—	(1.1)	—	(1.1)	—	0.9	—	0.9
Net change in cash and cash equivalents during period	648.3	(3.3)	—	645.0	494.1	(42.6)	—	451.5
Cash and cash equivalents at beginning of year	2,066.6	77.2	—	2,143.8	1,755.6	119.1	—	1,874.7
Cash and cash equivalents at end of period	\$ 2,714.9	\$ 73.9	\$ —	\$ 2,788.8	\$ 2,249.7	\$ 76.5	\$ —	\$ 2,326.2

### Operating Activities

Operating activities attributable to T. Rowe Price Group during the first half of 2024 provided cash flows of \$1,470.4 million, an increase of \$209.4 million from \$1,261.0 million during the 2023 period. The increase was primarily driven by a \$159.3 million increase in net income and an \$89.8 million increase in the add-back for non-cash items. The details of our non-cash adjustments are detailed in the table above. These increases to operating cash flows were offset in part by a \$36.4 million decrease in cash flow due to timing differences related to the cash settlement of our assets and liabilities. Additionally, in 2024, proceeds from net redemptions of investments that economically hedge our supplemental savings plan liability decreased \$3.3 million as compared to the 2023 period. The remaining change in reported cash flows from operating activities was attributable to the net change in trading securities held in our consolidated investment products' underlying portfolios.

Our interim operating cash flows does not include the cash impact of variable compensation that is accrued throughout the year before being substantially paid out in December.

### Investing Activities

Net cash used in investing activities that were attributable to T. Rowe Price Group totaled \$75.7 million in 2024 compared with \$163.5 million in 2023. During 2024, net proceeds from the sale of investments of \$172.0 million were higher compared to \$1.1 million during the 2023 period. In 2024, we increased our property and equipment expenditures by \$73.4 million and other investing activity by \$9.7 million compared to the 2023 period. We eliminate our capital in those sponsored investment products we consolidate in preparing our consolidated statements of cash flows. The remaining change in reported cash flows from investing activities of \$4.7 million is primarily related to the net cash removed from our balance sheet from consolidating and deconsolidating investment products.

### Financing Activities

Net cash used in financing activities attributable to T. Rowe Price Group totaled \$746.4 million in 2024 compared with \$603.4 million in 2023. During 2024, we used \$195.5 million to repurchase 1.7 million shares compared to \$45.2 million to repurchase 420 thousand shares in 2023. The \$7.3 million increase in dividends paid in 2024 is a result of the 1.6% increase in our quarterly dividend per share in 2024. In addition, cash flow related to common stock issued under stock compensation plans increased by \$4.2 million during 2024 compared to 2023. The remaining change in reported cash flows from financing activities is primarily attributable to a \$112.5 million increase in net subscriptions from redeemable non-controlling interest holders of our consolidated investment products during 2024.

### **CRITICAL ACCOUNTING POLICIES.**

The preparation of financial statements often requires the selection of specific accounting methods and policies from among several acceptable alternatives. Further, significant estimates and judgments may be required in selecting and applying those methods and policies in the recognition of the assets and liabilities in our unaudited condensed consolidated balance sheets, the revenues and expenses in our unaudited condensed consolidated statements of income, and the information that is contained in our significant accounting policies and notes to unaudited condensed consolidated financial statements. Making these estimates and judgments requires the analysis of information concerning events that may not yet be complete and of facts and circumstances that may change over time. Accordingly, actual amounts or future results can differ materially from those estimates that we include currently in our unaudited condensed consolidated financial statements, significant accounting policies, and notes.

There have been no material changes in the critical accounting policies previously identified in our 2023 Annual Report on Form 10-K.

### **NEWLY-ISSUED BUT NOT YET ADOPTED ACCOUNTING GUIDANCE.**

See Note 1 - The Company and Basis of Preparation note within Item 1. Financial Statements for a discussion of newly issued but not yet adopted accounting guidance.



## **FORWARD-LOOKING INFORMATION.**

From time to time, information or statements provided by or on behalf of T. Rowe Price, including those within this report, may contain certain forward-looking information, including information or anticipated information relating to: our revenues, net income, and earnings per share of common stock; changes in the amount and composition of our assets under management; our expense levels; our tax rate; legal or regulatory developments; geopolitical instability; interest rates and currency fluctuations; and our expectations regarding financial markets, future transactions, dividends, stock repurchases, investments, new products and services, capital expenditures, changes in our effective fee rate, and other industry or market conditions. Readers are cautioned that any forward-looking information provided by or on behalf of T. Rowe Price is not a guarantee of future performance. Actual results may differ materially from those in forward-looking information because of various factors including, but not limited to, those discussed below and in Item 1A, Risk Factors, included in our Form 10-K Annual Report for 2023. Further, forward-looking statements speak only as of the date on which they are made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which it is made or to reflect the occurrence of unanticipated events.

Our future revenues and results of operations will fluctuate primarily due to changes in the total value and composition of assets under our management. Such changes result from many factors, including, among other things: client-related cash inflows and outflows in our products, performance fees, capital allocation-based income, fluctuations in global financial markets that result in appreciation or depreciation of the assets under our management, our introduction of new investment products, and changes in retirement savings trends relative to participant-directed investments and defined contribution plans.

The ability to attract and retain investors' assets under our management is dependent on investor sentiment and confidence; the relative investment performance of the T. Rowe Price mutual funds and other managed investment products as compared with competing offerings and market indexes; the ability to maintain our investment management and administrative fees at appropriate levels; the impact of changes in interest rates and inflation; competitive conditions in the mutual fund, asset management, and broader financial services sectors; our level of success in implementing our strategy to expand our business; and our ability to attract and retain key personnel. Our revenues are substantially dependent on fees earned under contracts with the T. Rowe Price funds and could be adversely affected if the independent directors of one or more of the T. Rowe Price funds terminated or significantly altered the terms of the investment management or related administrative services agreements. Non-operating investment income will also fluctuate primarily due to the size of our investments, changes in their market valuations, and any other-than-temporary impairments that may arise or, in the case of our equity method investments, our proportionate share of the investees' net income.

Our future results are also dependent upon the level of our expenses, which are subject to fluctuation for the following or other reasons: changes in the level of our advertising and promotion expenses in response to market conditions, including our efforts to expand our investment advisory business to investors outside the U.S. and to further penetrate our distribution channels within the U.S.; the pace and level of spending to support key strategic priorities; variations in the level of total compensation expense due to, among other things, bonuses, restricted stock units and other equity grants, other incentive awards, our supplemental savings plan, changes in our employee count and mix, and competitive factors; any goodwill, intangible asset or other asset impairment that may arise; fluctuation in foreign currency exchange rates applicable to the costs of our international operations; expenses and capital costs, such as technology assets, depreciation, amortization, and research and development, incurred to maintain and enhance our administrative and operating services infrastructure; the timing of the assumption of all third party research payments, unanticipated costs that may be incurred to protect investor accounts and the goodwill of our clients; and disruptions of services, including those provided by third parties, such as fund and product recordkeeping, facilities, communications, power, and the mutual fund transfer agent and accounting systems, as a result of extreme events, cyberattacks or otherwise.

Our business is also subject to substantial governmental regulation, and changes in legal, regulatory, accounting, tax, and compliance requirements may have a substantial effect on our operations and results, including, but not limited to, effects on costs that we incur and effects on investor interest in sponsored investment products and investing in general or in particular classes of mutual funds or other investments.

### Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There has been no material change in our market risks from those provided in Item 7A of the Form 10-K Annual Report for 2023.

### Item 4. Controls and Procedures.

Our management, including our principal executive and principal financial officers, has evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2024. Based on that evaluation, our principal executive and principal financial officers have concluded that our disclosure controls and procedures as of June 30, 2024, are effective at the reasonable assurance level to ensure that the information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, including this Form 10-Q quarterly report, is recorded, processed, summarized, and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms, and to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Our management, including our principal executive and principal financial officers, has evaluated any change in our internal control over financial reporting that occurred during the second quarter of 2024, and has concluded that there was no change during the second quarter of 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II – OTHER INFORMATION

### Item 1. Legal Proceedings.

For information about our legal proceedings, please see our Commitments and Contingencies footnote to our unaudited condensed consolidated financial statements in Part 1 of this Form 10-Q.

### Item 1A. Risk Factors.

There have been no material changes in the information provided in Item 1A of our Form 10-K Annual Report for 2023.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

(c) Repurchase activity during the second quarter of 2024 is as follows:

Month	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Maximum Number of Shares that May Yet Be Purchased Under the Program
April	281,167	\$ 113.91	268,400	5,363,483
May	409,876	\$ 114.59	407,853	4,955,630
June	299,063	\$ 116.49	291,211	4,664,419
Total	990,106	\$ 114.97	967,464	

Shares repurchased by us in a quarter may include repurchases conducted pursuant to publicly announced board authorization, outstanding shares surrendered to us to pay the exercise price in connection with swap exercises of employee stock options, and shares withheld to cover the minimum tax withholding obligation associated with the vesting of restricted stock awards. Of the total number of shares purchased during the second quarter of 2024, 20,220 were related to shares surrendered in connection with employee stock option exercises and 2,422 shares were withheld to cover tax withholdings associated with the vesting of restricted stock awards.

The following table details the changes in and status of the Board of Directors' outstanding publicly announced board authorizations.

Authorization Dates	Maximum Number of Shares that May Yet Be Purchased at 4/1/2024	Total Number of Shares Purchased	Maximum Number of Shares that May Yet Be Purchased at 6/30/2024
March 2020	5,631,883	(967,464)	4,664,419

**Item 3. Defaults Upon Senior Securities.**

Not applicable.

**Item 4. Mine Safety Disclosures.**

Not applicable.

**Item 5. Other Information.**

Not applicable.

**Item 6. Exhibits.**

The following exhibits required by Item 601 of Regulation S-K are furnished herewith.

- 3(i) Charter of T. Rowe Price Group, Inc., as reflected by Articles of Restatement dated June 20, 2018. (Incorporated by reference from Form 10-Q Quarterly Report filed on July 25, 2018.)
- 3(ii) Amended and Restated By-Laws of T. Rowe Price Group, Inc. as of February 9, 2021. (Incorporated by reference from Form 10-K Annual Report filed on February 11, 2021.)
- 15 Report from KPMG LLP, independent registered public accounting firm, re unaudited interim financial information.
- 31(i).1 Rule 13a-14(a) Certification of Principal Executive Officer.
- 31(i).2 Rule 13a-14(a) Certification of Principal Financial Officer.
- 32 Section 1350 Certifications.
- 101 The following series of unaudited XBRL-formatted documents are collectively included herewith as Exhibit 101. The financial information is extracted from T. Rowe Price Group's unaudited condensed consolidated interim financial statements and notes that are included in this Form 10-Q Report.
- 101.INS XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
- 101.SCH XBRL Taxonomy Extension Schema Document
- 101.CAL XBRL Taxonomy Calculation Linkbase Document
- 101.LAB XBRL Taxonomy Label Linkbase Document
- 101.PRE XBRL Taxonomy Presentation Linkbase Document
- 101.DEF XBRL Taxonomy Definition Linkbase Document

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized on July 26, 2024.

T. Rowe Price Group, Inc.

By: /s/ Jennifer B. Dardis  
Vice President, Chief Financial Officer and Treasurer

July 26, 2024

T. Rowe Price Group, Inc.  
Baltimore, Maryland

Re: Registration Statements No. 033-7012, No. 333-59714, No. 333-120882, No. 333-120883, No. 333-142092, No. 333-167317, No. 333-180904, No. 333-199560, No. 333-212705 , No. 333-217483, No. 333-238319, and No. 333-273601.

With respect to the subject registration statements, we acknowledge our awareness of the use therein of our report dated July 26, 2024 related to our review of interim financial information.

Pursuant to Rule 436 under the Securities Act of 1933 (the Act), such report is not considered part of a registration statement prepared or certified by an independent registered public accounting firm, or a report prepared or certified by an independent registered public accounting firm within the meaning of Sections 7 and 11 of the Act.

/s/ KPMG LLP

Baltimore, Maryland

I, Robert W. Sharps, certify that:

1. I have reviewed this Form 10-Q Quarterly Report for the quarterly period ended June 30, 2024 of T. Rowe Price Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 26, 2024

/s/ Robert W. Sharps  
Chief Executive Officer and President

I, Jennifer B. Dardis, certify that:

1. I have reviewed this Form 10-Q Quarterly Report for the quarterly period ended June 30, 2024 of T. Rowe Price Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 26, 2024

/s/ Jennifer B. Dardis  
Vice President, Chief Financial Officer and Treasurer

We certify, to the best of our knowledge, based upon a review of the Form 10-Q Quarterly Report for the quarterly period ended June 30, 2024, of T. Rowe Price Group, Inc., that:

(1) The Form 10-Q Quarterly Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Form 10-Q Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of T. Rowe Price Group, Inc.

July 26, 2024

/s/ Robert W. Sharps  
Chief Executive Officer and President

/s/ Jennifer B. Dardis  
Vice President, Chief Financial Officer and Treasurer