



INVESTOR DAY

T. Rowe Price Group, Inc.
February 26, 2019



Opening and T. Rowe Price Overview

Bill Stromberg
PRESIDENT AND CEO

T. ROWE PRICE GROUP, INC. INVESTOR DAY 2019

Forward-looking statements

This presentation, and other statements that T. Rowe Price may make, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, with respect to T. Rowe Price's future financial or business performance, strategies, or expectations.

Forward-looking statements are typically identified by (1) words or phrases such as “trend,” “potential,” “opportunity,” “pipeline,” “believe,” “comfortable,” “expect,” “anticipate,” “current,” “intention,” “estimate,” “position,” “assume,” “outlook,” “continue,” “remain,” “maintain,” “sustain,” “seek,” “achieve,” and similar expressions or (2) future or conditional verbs such as “will,” “would,” “should,” “could,” “may,” and similar expressions. Forward-looking statements in this presentation may include, without limitation, information concerning future results of our operations, expenses, earnings, liquidity, cash flow and capital expenditures, industry or market conditions, amount or composition of AUM, regulatory developments, demand for and pricing of our products, potential product offerings, stock price, amount and timing of our stock repurchases, and other aspects of our business or general economic conditions. T. Rowe Price cautions that forward-looking statements are subject to numerous assumptions, risks, and uncertainties, which change over time. Actual results could differ materially from those anticipated in forward-looking statements, and future results could differ materially from historical performance. Forward-looking statements speak only as of the date they are made, and T. Rowe Price assumes no duty to and does not undertake to update forward-looking statements.

We caution investors not to rely unduly on any forward-looking statements and urge you to carefully consider the risks and other factors described in our most recent annual, quarterly, and current reports on Form 10-K, Form 10-Q, and Form 8-K, filed with the Securities and Exchange Commission.

Agenda

Opening and T. Rowe Price Overview

Bill Stromberg
PRESIDENT AND CEO

Investments, Performance, and Capabilities

Rob Sharps
HEAD OF INVESTMENTS AND GROUP CIO

Global Intermediary and Institutional Distribution

Robert Higginbotham
HEAD OF GLOBAL INVESTMENT MANAGEMENT SERVICES

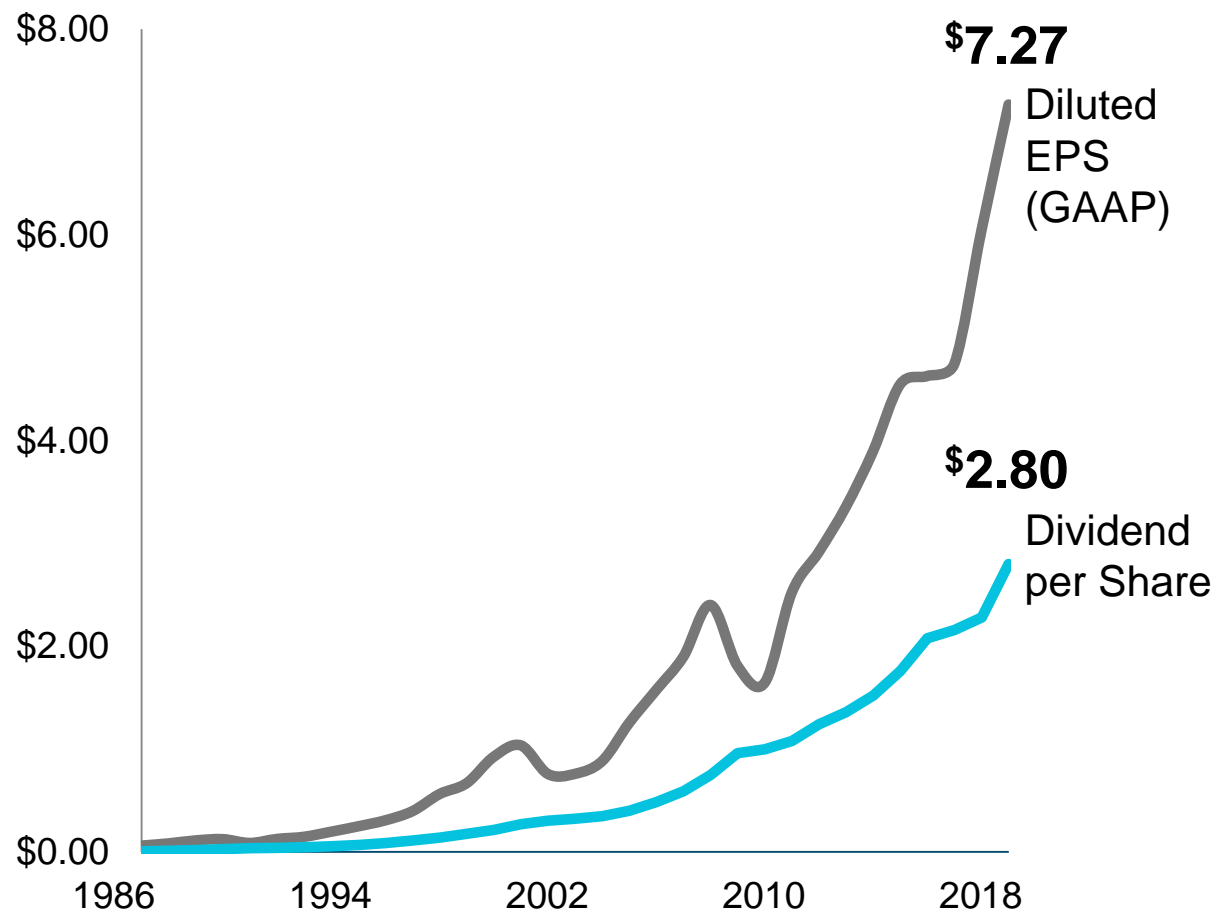
Financial Overview

Céline Dufétel
CHIEF FINANCIAL OFFICER

Closing and Questions

Bill Stromberg
PRESIDENT AND CEO

Consistent results and long-term orientation



	5 years	10 years	20 years	30 years
Net revenues	9%	10%	10%	13%
Diluted EPS (GAAP)	13%	15%	13%	15%
Dividends	13%	11%	15%	18%
Annualized total stock return	5%	13%	11%	18%

Past performance cannot guarantee future results.

Left chart: Data is since April 2, 1986 IPO through December 31, 2018.

Right chart: Compound annualized growth for periods ended December 31, 2018.

Culture is central to our long-term success



Investment Excellence

The heart of everything we do



Clients First

We succeed if our clients succeed



Collegiality and Collaboration

Leveraging our best ideas creates competitive advantage



Trust and Mutual Respect

Essential for a strong community



Long-Term Time Horizon

A true competitive advantage

Performance-driven and collaborative

Our vision

We are executing on a longer-term plan



Premier active asset manager



Integrated investment solutions provider



More global and diversified asset manager



Global partner for retirement-oriented investors



Strong process orientation and system of internal controls



Destination of choice for top talent



More adaptive and agile company



Strong financial results and balance sheet

Industry challenges continue

- **Passive investments** continuing to take share from active
- Continued downward pressure on management fees
- Institutional and intermediary clients demanding **new vehicle types and fee structures**
- Aging population shifting demand from equities to **income-oriented solutions**
- Maturing U.S. market with faster growth occurring outside the U.S.
- **Digital technology** reshaping client engagement
- **Regulatory requirements** increasing in all regions
- A **volatile equity market** after an extended bull market, amidst ongoing **geopolitical concerns**

Solid execution against our 2018 goals

Consistently strong relative investment performance

Diversified assets under management (AUM) and related organic growth

Continued re-investments in our businesses, especially:

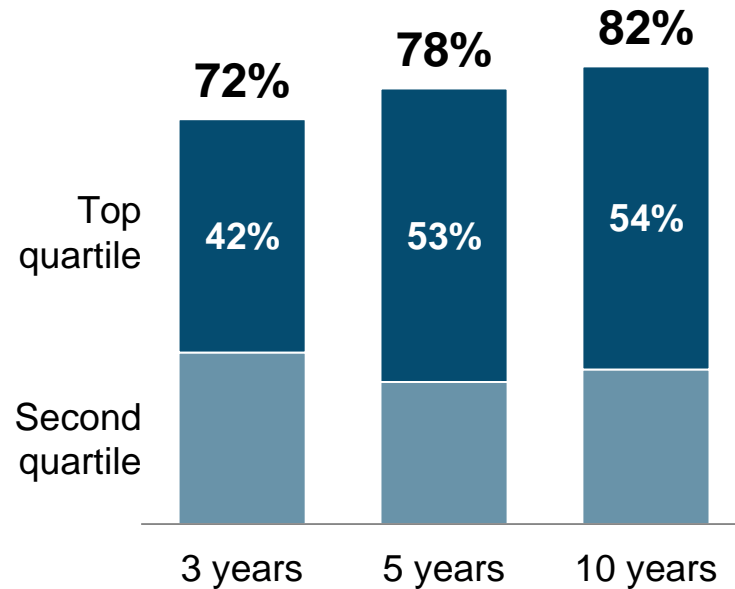
- Adding capabilities across our investment teams
- Expanding the breadth of our investment strategies and vehicles
- Maintaining the strength of our direct-to-consumer channels
- Extending our distribution capabilities in the global intermediary and institutional channels

Strong financial results

Investment performance is critical to our success

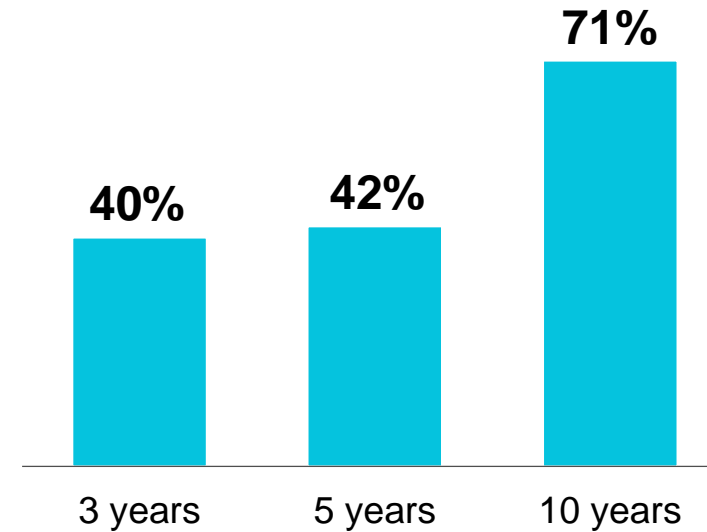
U.S. mutual funds outperforming peers

Morningstar median rankings¹



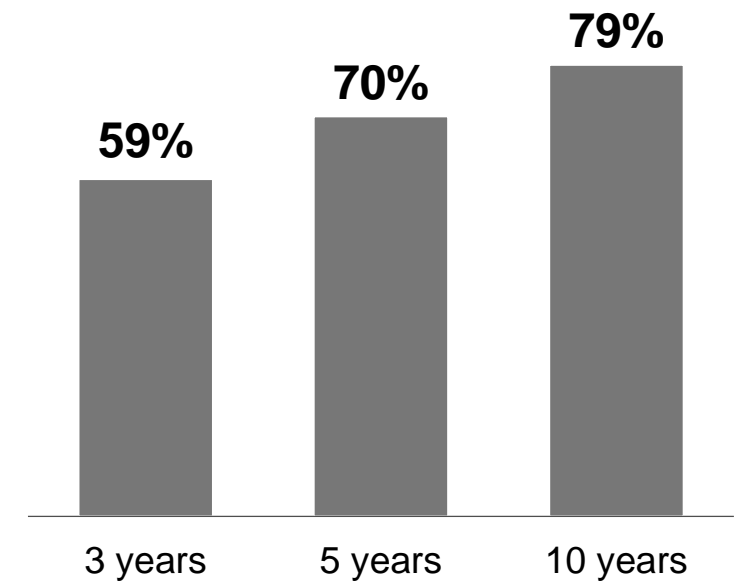
U.S. mutual funds outperforming benchmarks

Mutual fund net returns²



Composites outperforming benchmarks

Composite net returns³



Past performance cannot guarantee future results. As of December 31, 2018.

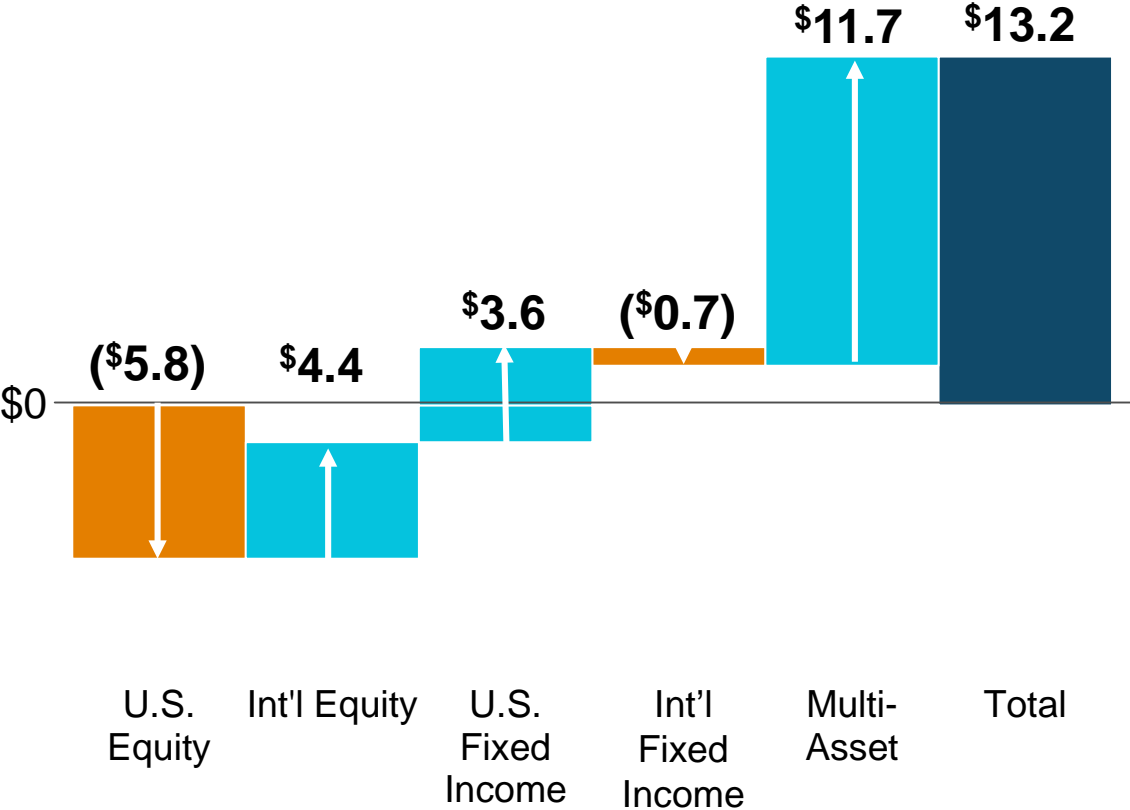
¹Primary share class only. Excludes passive and fund categories not ranked by Morningstar. Source: Morningstar.

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

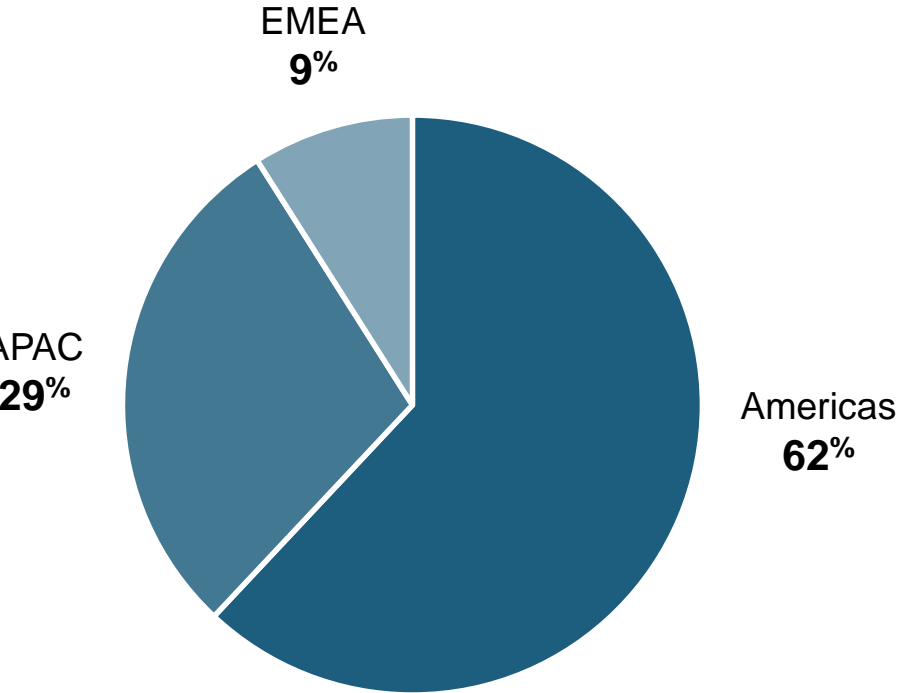
³Composite net returns are calculated using the highest applicable separate account fee schedule. All composites compared to official GIPS composite primary benchmark.

Diversified organic growth of \$13.2b in 2018

Net flows by asset class (\$b)



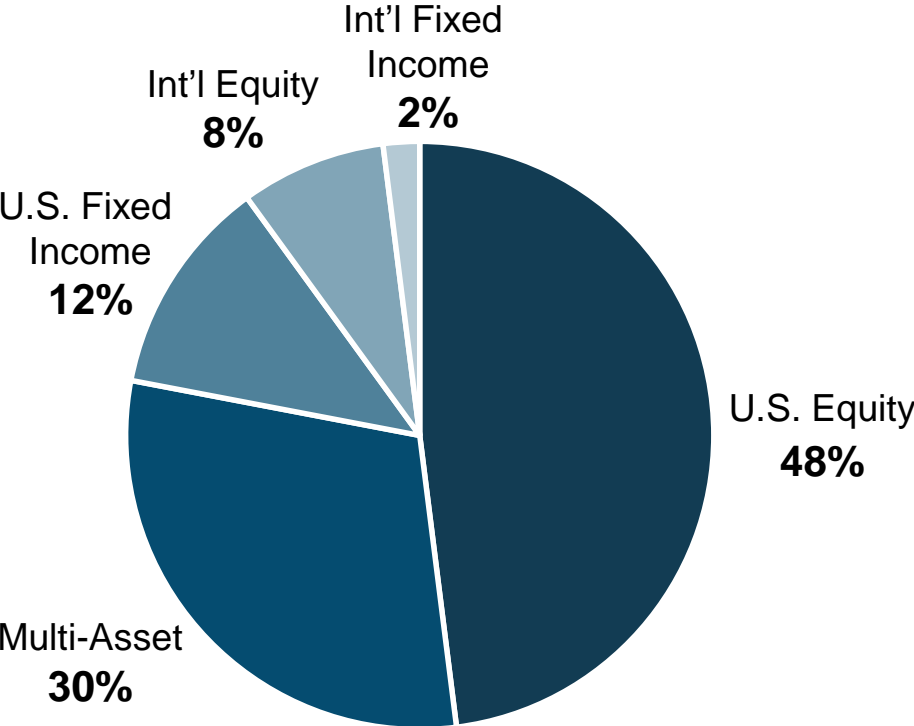
Net flows by client geography



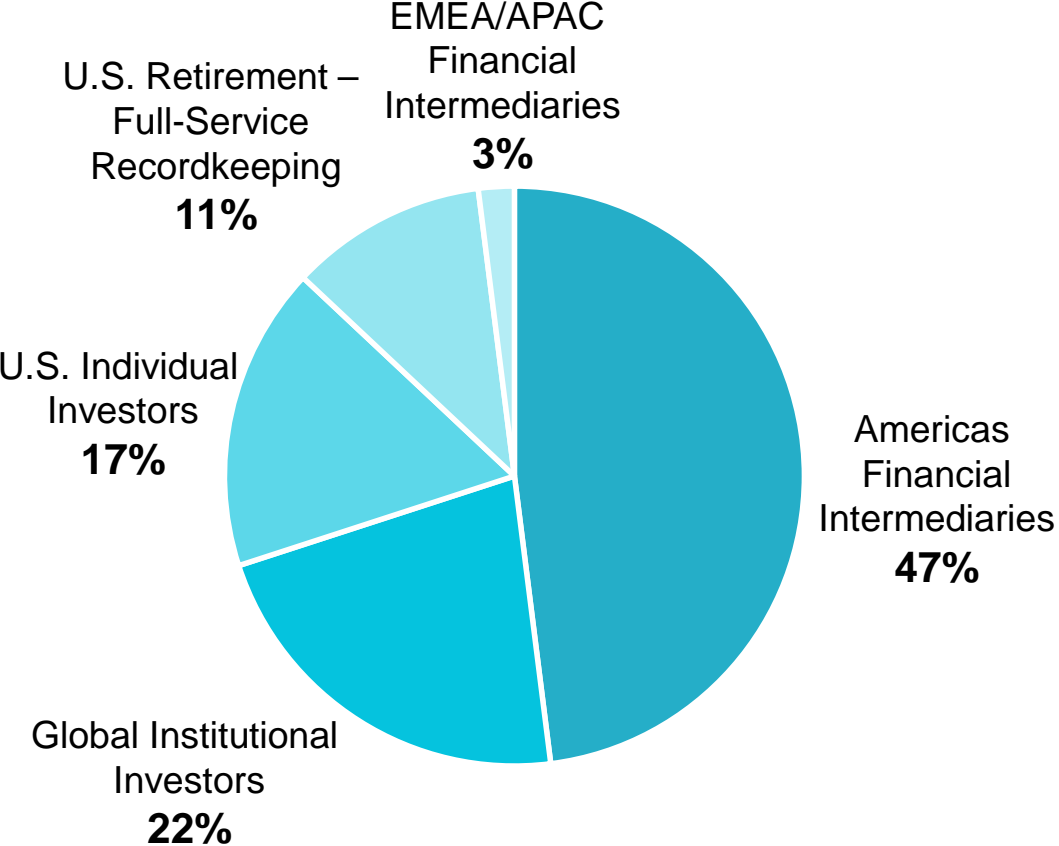
Data is for the year ended December 31, 2018. Figures represent net flows for the firm. The assets for the firm's global strategies are included in their respective international asset class.

Diversified AUM by asset class and by client type

Asset class¹



Client type²



Numbers represent percentages of total firm AUM as of December 31, 2018.

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

¹Based on investment strategy. The assets for the firm’s global strategies are included in their respective international asset class.

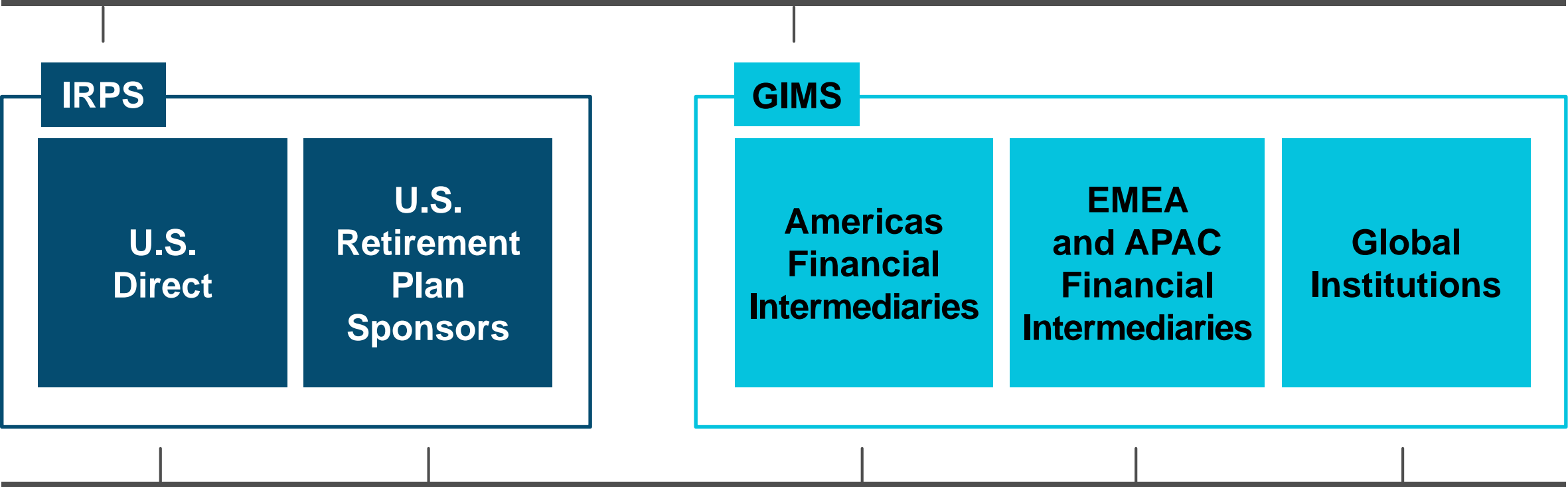
²Global institutional investors includes T. Rowe Price investments in proprietary products, assets of the T. Rowe Price employee benefit plans, Private Asset Management accounts, and other.

Sustained progress on strategic priorities to strengthen and extend the core within investment and product

- ~7% increase in total investment professionals, particularly in International Equity and Multi-Asset divisions
- Introduced several new investment strategies and developed future product roadmaps
- Launched ~25 new vehicles for existing strategies
- Broadened our target date capabilities through new sub-advised and trust products
- Developed and implemented “Strategic Investing” marketing campaign

How we access clients

T. Rowe Price



Individual Investors

IRPS: Individual & Retirement Plan Services | GIMS: Global Investment Management Services

Individual & Retirement Plan Services (IRPS)—Summary



~**4,600** Retirement Plans

\$171b AUA¹



2.1m Plan Participants

1.4m Direct Retail Clients



\$267b AUM

Retain and grow the client base

- Client satisfaction remains near all-time highs
- New client acquisition and strong client retention resulted in improved net new flows in 2018

Accelerate digital transformation to enhance client experiences and operational efficiency

- Released new online capabilities in 2018: client acquisitions, account opening, distributions, and rollover
- Expanded utilization of process automation tools and lean/agile management practices to improve efficiency

¹Assets under administration.

Our 2019 priorities

- Deliver excellent investment results
- Attract and retain diverse talent
- Increase strength of our core businesses
- Continue to diversify beyond the core
- Broaden our use of technology and operational capabilities to strengthen execution
- Sustain cost efficiencies to reinvest in the business
- Meet regulatory requirements

Consistent, strong
financial results
and returns to
stockholders over
the long term



Investments, Performance, and Capabilities

Rob Sharps

HEAD OF INVESTMENTS AND GROUP CIO

T. ROWE PRICE GROUP, INC. INVESTOR DAY 2019

Investment performance overview

Performance across asset classes is strong overall versus both active peers and benchmarks

U.S. mutual funds	Outperforming Morningstar median ¹			Top Morningstar quartile ¹			Outperforming benchmark ²		
	3 years	5 years	10 years	3 years	5 years	10 years	3 years	5 years	10 years
U.S. Equity	77%	87%	93%	43%	67%	72%	62%	65%	72%
Global and International Equity	67%	76%	94%	50%	52%	71%	58%	71%	86%
Fixed Income	54%	63%	59%	31%	29%	10%	26%	35%	49%
Multi-Asset	94%	88%	89%	47%	66%	79%	35%	16%	100%
Overall	72%	78%	82%	42%	53%	54%	40%	42%	71%

Past performance cannot guarantee future results. As of December 31, 2018.

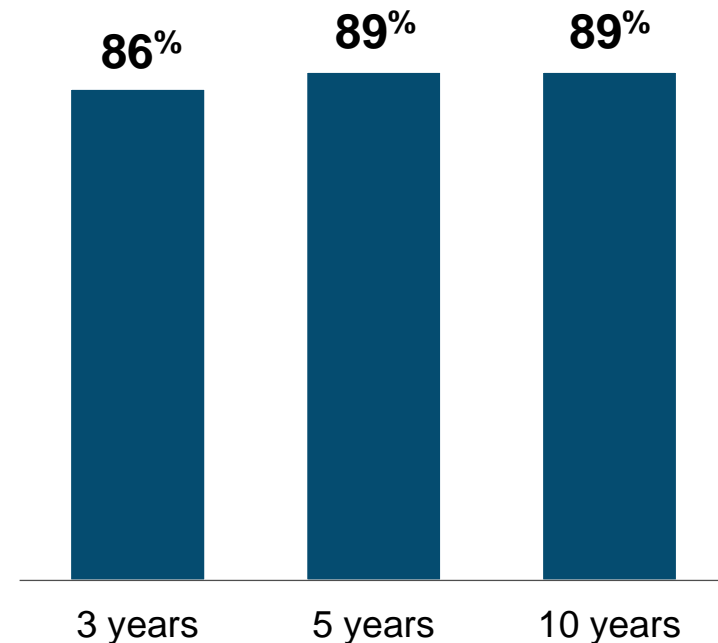
¹Primary share class only. Excludes passive and fund categories not ranked by Morningstar. Source: Morningstar.

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

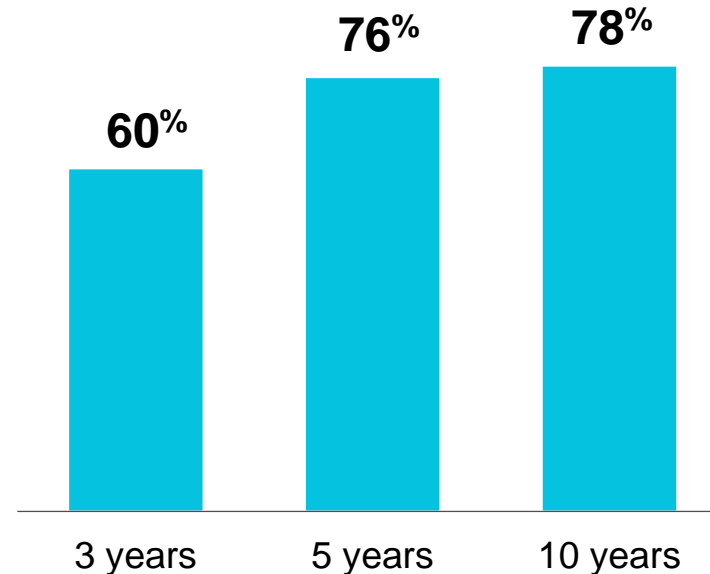
Overall performance—asset-weighted

Asset-weighted results exceed equal-weighted results¹ over all time periods

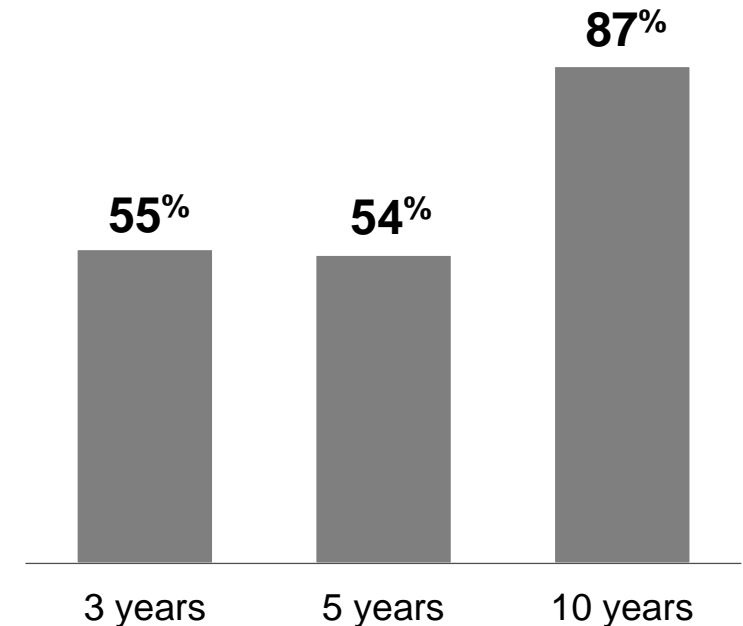
Funds outperforming Morningstar median²



Funds in top Morningstar quartile²



Funds outperforming benchmark³



Past performance cannot guarantee future results. As of December 31, 2018.

Asset-weighted results based on end-of-period assets.

¹Equal-weighted results refers to data on the previous slide.

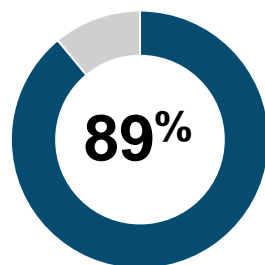
²Primary share class only. Excludes passive and fund categories not ranked by Morningstar. Source: Morningstar.

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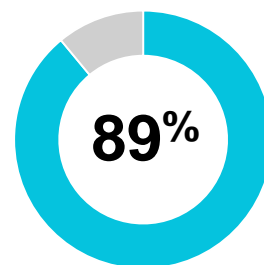
Long-term benefits of our approach to active management in U.S. equity

Percentage of U.S. equity funds with positive active success rates

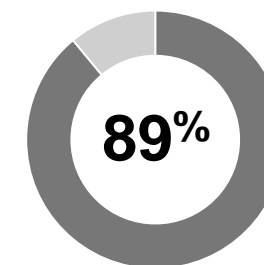
3 years
(205 rolling time periods)



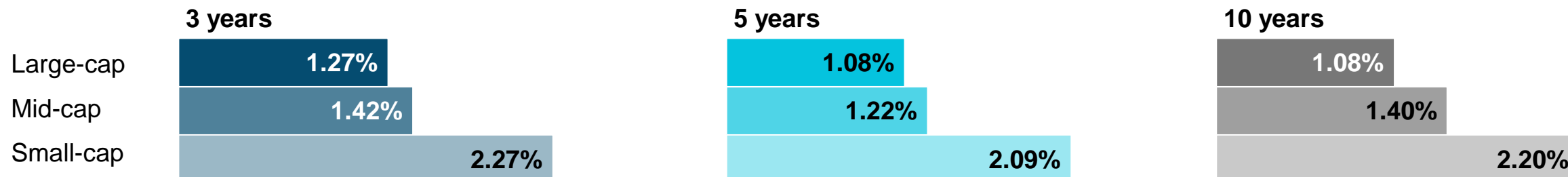
5 years
(181 rolling time periods)



10 years
(121 rolling time periods)



Annualized, time-weighted excess returns, net of fees



Past performance cannot guarantee future results.

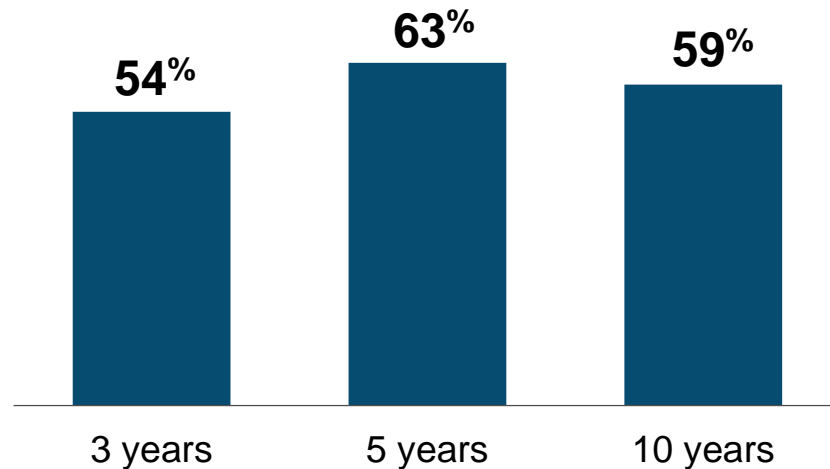
Rolling periods December 31, 1998 through December 31, 2018. Analysis of 18 T. Rowe Price diversified active U.S. equity mutual funds over 20 years. The active success rate records the percentage of times a fund beat its designated benchmark, net of fees and trading costs, over a specified time period. We've defined a positive active success rate as a fund beating the performance of its designated benchmark in more than half of the periods measured.

Sources: T. Rowe Price, Russell, and Standard & Poor's; data analysis by T. Rowe Price. Analysis includes 11 large-cap funds, 3 mid-cap funds, and 4 small-cap funds. For a more detailed discussion of results and methodology see, "The T. Rowe Price Strategic Investing Approach". Available at troweprice.com/2018strategicapproachreport.

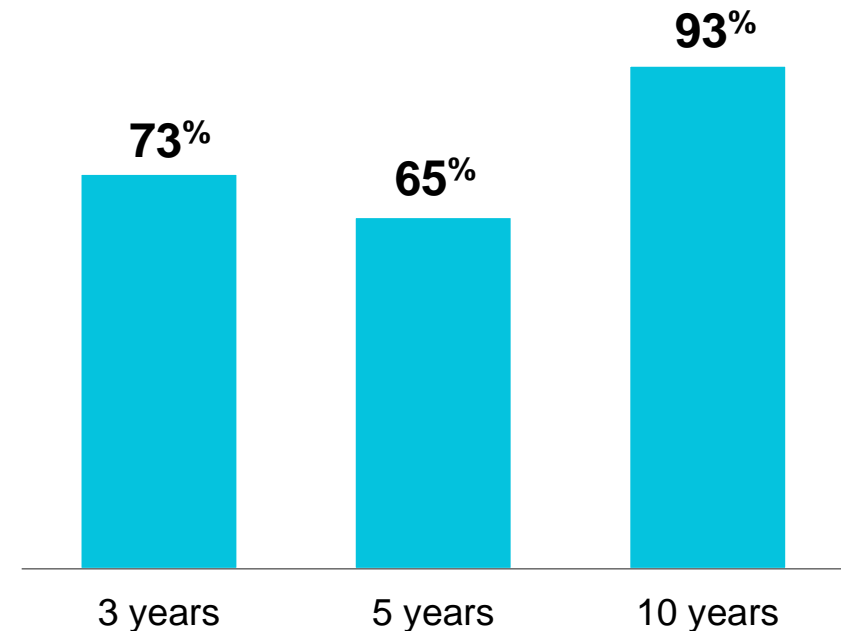
Overall performance—fixed income

Fixed income funds consistently beat passive peers

Fixed income funds outperforming Morningstar median¹



Fixed income funds outperforming passive peers^{2,3}



Past performance cannot guarantee future results. As of December 31, 2018.

Source: Morningstar. All rights reserved.

¹Primary share classes only. Excludes fund categories not ranked by Morningstar. Morningstar includes both active and passive funds in their analysis.

²Outperforming passive peers data: Passive peer performance is based upon a representative fund that most closely aligns with the T. Rowe Price fund and is included in fund's Morningstar category. The representative peer was chosen based upon one or more of the following: largest AUM, tenure of share class, key statistical data including duration, credit quality and benchmarks. The list of representative peers selected is available on page 56 in the Appendix. Analysis includes only those funds with passive peers - 26 US fixed income funds for the 3-year and 5-year periods; 15 in the 10-year period.

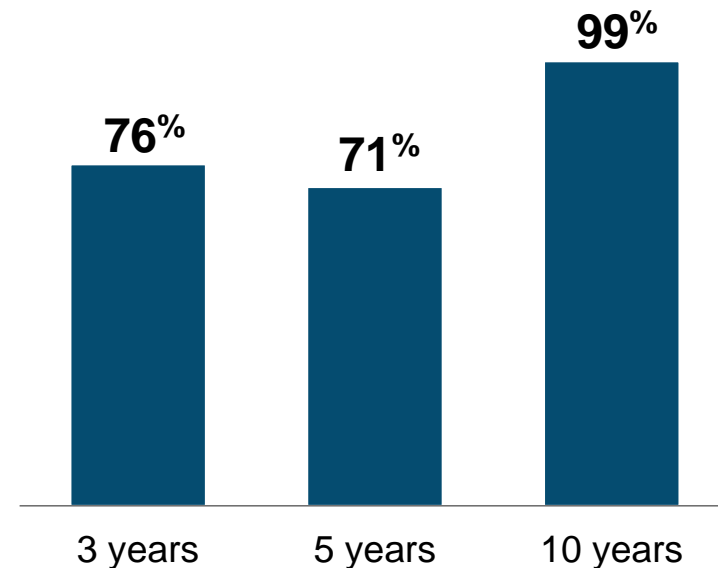
³The T. Rowe Price Funds-I Class share the portfolio of an existing fund (the original share class of the fund is referred to as the "investor class"). The total return figures for I Class shares have been calculated using the performance data of the investor class up to the inception date of the respective fund's I Class and the actual performance results of the I Class since that date. Because the I Classes are expected to have lower expenses than the Investor Classes, The I Class performance, had it existed over the periods shown, would have been higher.

Our approach to target date adds value

Target date design components

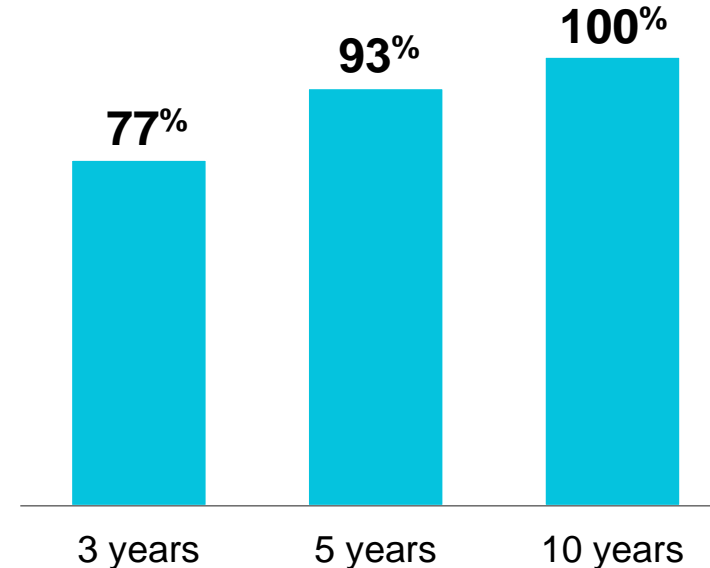
Strategic design¹

Percent of time added value



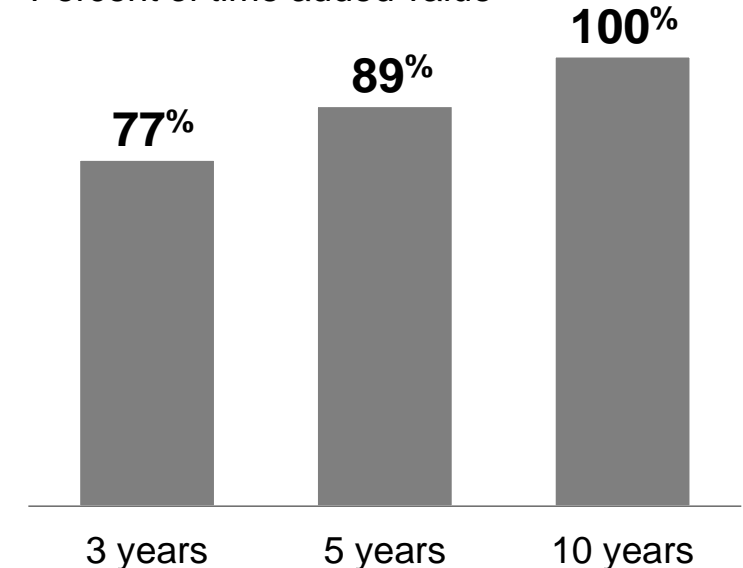
Tactical allocation²

Percent of time added value



Underlying active management³

Percent of time added value



Rolling periods (160 three year periods, 136 five year periods, 76 ten year periods) from fund inceptions through December 31, 2018.

Past performance cannot guarantee future results.

¹Value added (net of fees and other costs) is calculated by comparing the returns of the Retirement 2005–2060 Fund's sector-weighted benchmarks versus the respective S&P Target Date Index. Returns were then aggregated to show the total excess returns for each Retirement Fund sector-weighted benchmark. Excess returns were calculated for each rolling period and then averaged across all the periods in each time frame.

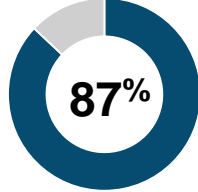
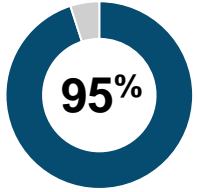

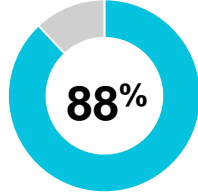
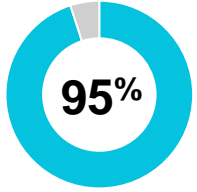

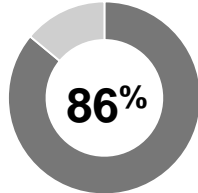
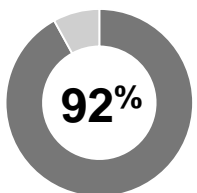

²Value added is calculated by comparing the returns of the 11 Retirement Funds with a 10-year track record using each fund's fixed strategic asset allocation versus the returns based on the actual allocation weights.

³Value added—net of fees and other costs—is calculated for the underlying funds in the 11 Retirement Funds with a 10-year track record. Returns were calculated relative to each underlying fund's style-specific benchmark. Returns were then aggregated to show the total excess returns for each Retirement Fund. Excess returns were calculated for each rolling period and then averaged across all the periods in each time frame.

^{1,2,3}For each of the 3 design components, to provide a high-level summary, a time-weighted performance average was calculated to determine the percentage of the total rolling periods in each time frame in which the design component made a positive contribution to fund returns. Value added is the return contribution made by each design component. Excess returns were calculated for each rolling period and then averaged across all the periods in each time frame.

Target date portfolios performance

Strong performance and outcomes versus both passive and active peers

	3 year rolling	5 year rolling	10 year rolling
Outperformance over S&P Target Date Index Percent of time Retirement Funds exceeded the S&P Target Date Index	 <p>87%</p>	 <p>95%</p>	 <p>100%</p>
Average excess return vs. S&P Target Date Index (%)	0.99%	0.99%	1.00%
Outperformance over passive peer group Percent of time Retirement Funds exceeded their passive peer group ¹	 <p>88%</p>	 <p>95%</p>	 <p>100%</p>
Average excess return vs. passive peer group (%)	1.30%	1.30%	1.42%
Top quartile versus peers Percent of time Retirement Funds were in top quartile compared with Lipper peers	 <p>86%</p>	 <p>92%</p>	 <p>100%</p>

Past performance cannot guarantee future results.

Rolling periods (160 three year periods, 136 five year periods, 76 ten year periods) from fund inceptions through December 31, 2018.

Figures reflect the aggregate performance of the 11 Retirement Funds with a 10-year track record (retirement 2005 through Retirement 2055 Funds).

¹Passive peer group consists of: Vanguard Target Retirement, BlackRock Lifepath, Fidelity Freedom, American Funds Target Retirement, and JP Morgan SmartRetirement funds.

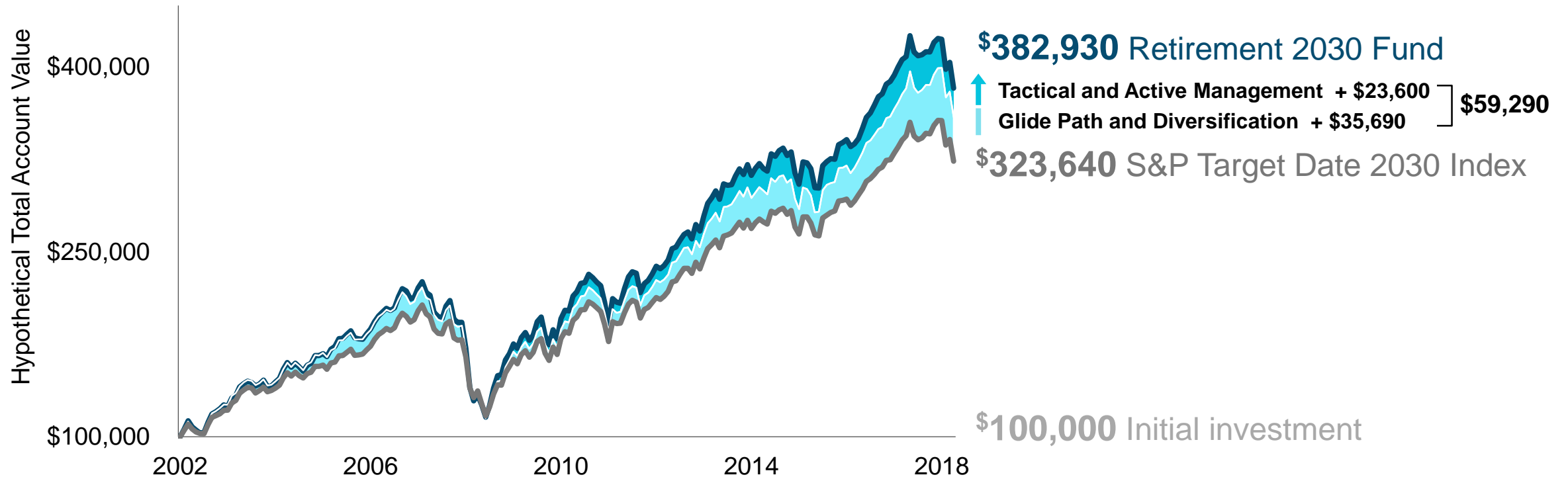
Source: Lipper and T. Rowe Price; all data analysis by T. Rowe Price.

Target date approach and performance

What it all adds up to for participants: meaningful value relative to a passive approach

Retirement 2030 versus S&P Target Date 2030 Index¹

Cumulative growth of \$100,000



Current performance may be higher or lower than the quoted past performance, which is not a reliable indicator of future performance.

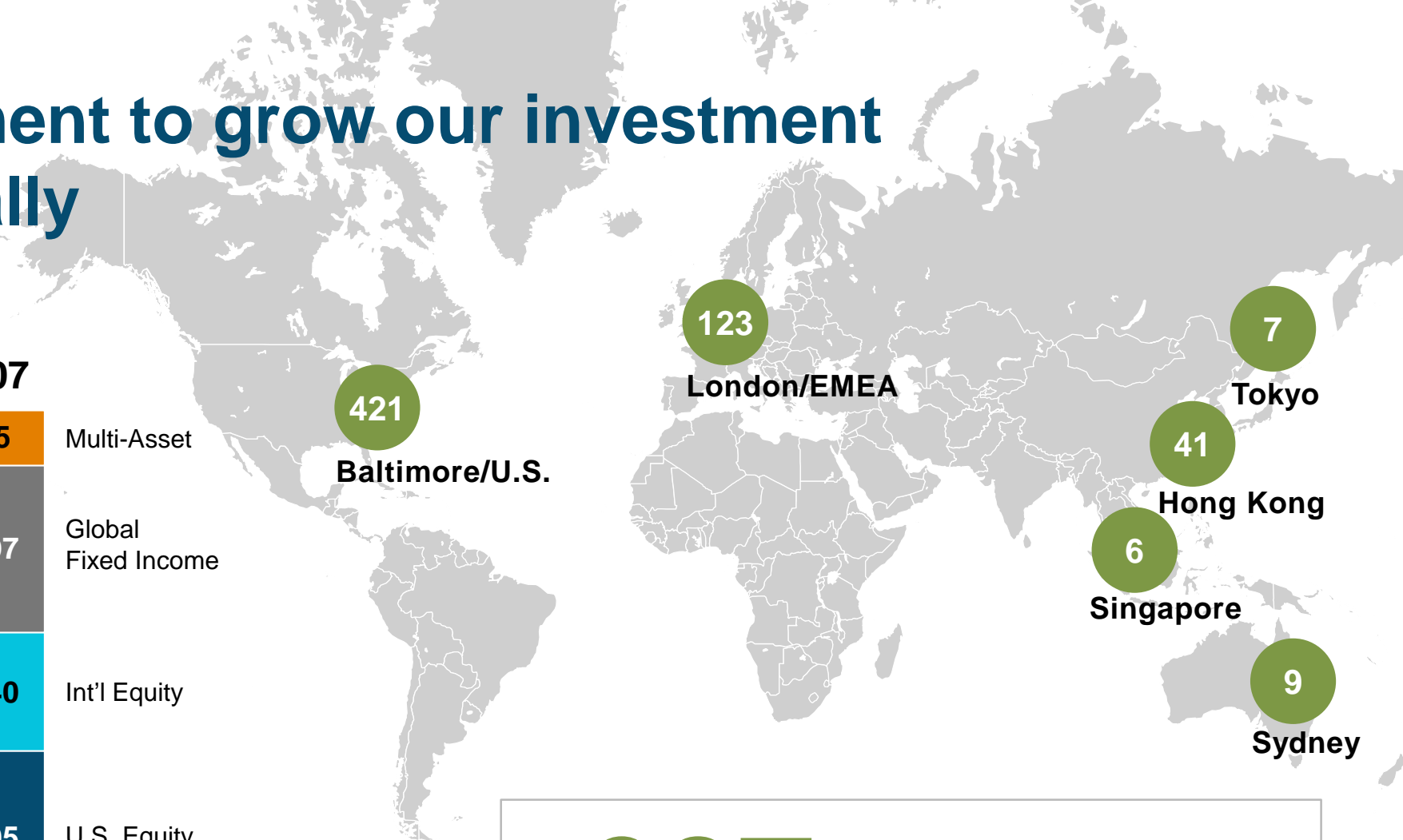
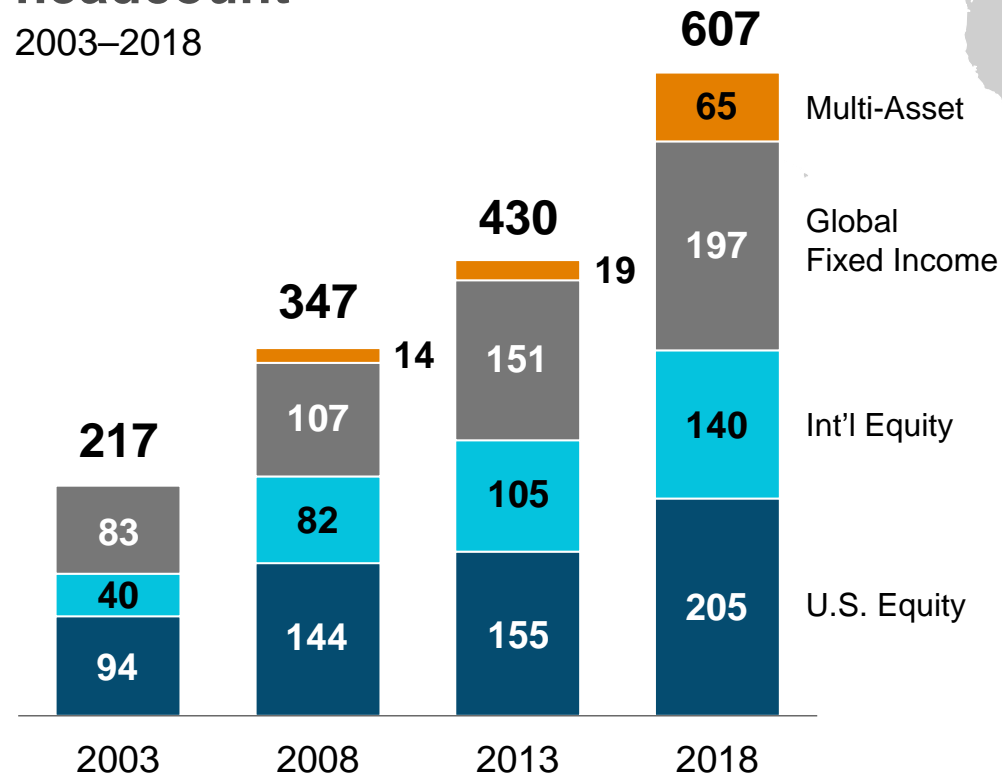
Share price, principal value, and return with vary, and you may have a gain or loss when you sell your shares. Figures include changes in the principal value, reinvested dividends, and capital gain distributions. Investors cannot invest directly in an index. For illustrative purposes only. It is provided for information only and is not intended to be an endorsement, offer or solicitation for the sale of any product or service.

¹The chart illustrates the value add from the total implementation of the T. Rowe Price Retirement 2030 Fund, which is comprised of glide-path design and diversification, active security selection, and tactical implementation since the fund's inception on September 30, 2002 through December 31, 2018. Investors cannot invest directly in an index.

Multiyear investment to grow our investment capabilities globally

Investment professional headcount

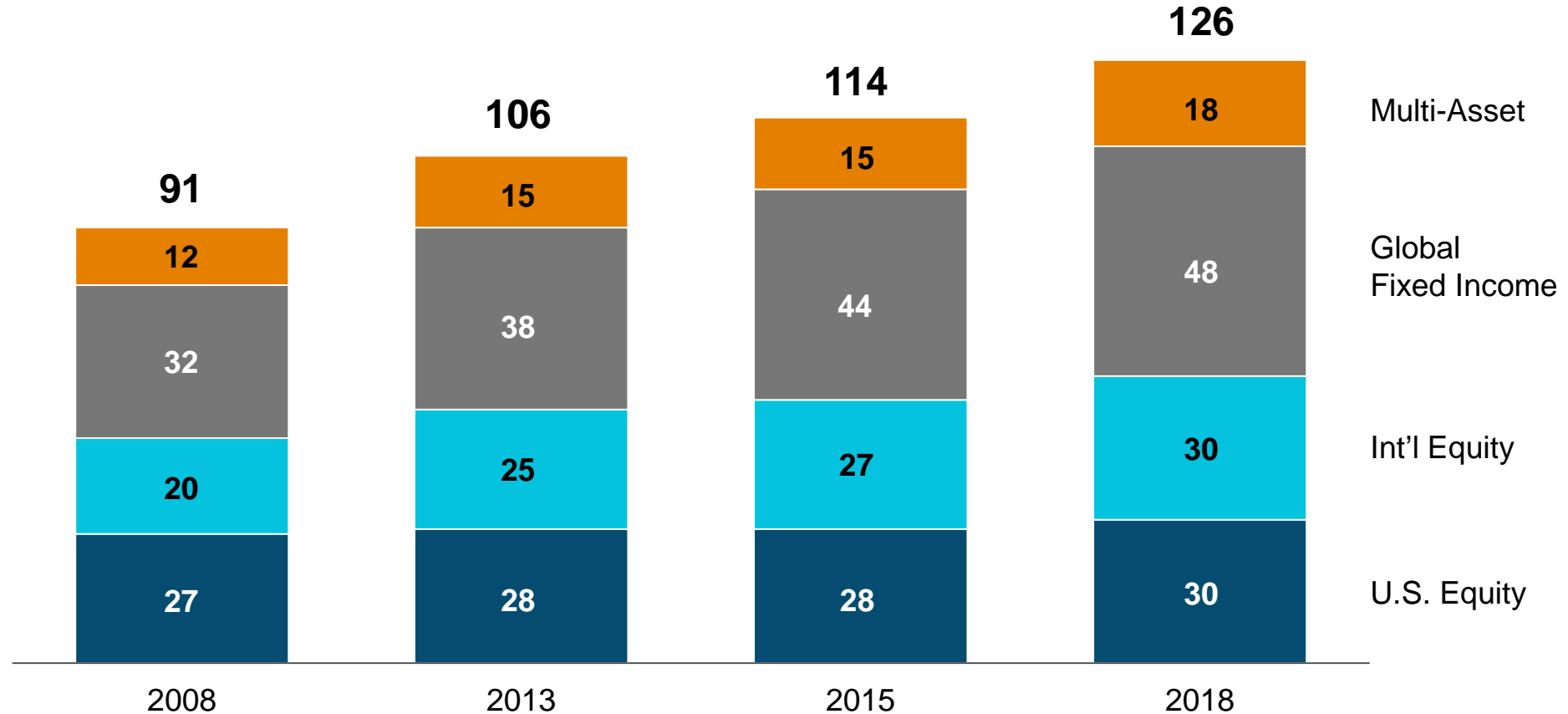
2003–2018



607 Investment professionals worldwide

Meeting client demand across the globe

Primary investment strategy count¹ growth over time



¹Strategy count does not include institutional separate account and subadvisor products, multi-sector account portfolios, internal portfolios, internal reserves, and single client and charitable giving funds. Retirement/target date products count as one product suite.

Scaling outperforming, high-capacity strategies globally

	Investment strategy	Assets under management (\$m)	3 year annualized excess returns (bps) ¹	3 year eVestment percentile rank ²	5 year annualized excess returns (bps) ¹	5 year eVestment percentile rank ²
U.S. Equity	US Dividend Growth Equity	\$9,979	108	12	88	11
International Equity	Emerging Markets Discovery Equity	\$57	250	15	N/A	N/A
	Global Focused Growth Equity	\$8,239	403	13	490	7
	Global Growth Equity	\$5,889	236	32	300	28
	International Concentrated Equity	\$341	224	13	204	23
	Japan Equity	\$1,971	531	11	326	28
Global Fixed Income	Emerging Markets Corporate	\$255	200	10	91	11
	Global Multi-Sector Bond	\$1,461	201	35	84	23
	Global High Income Bond	\$269	79	4	N/A	N/A
	US High Yield	\$810	23	16	134	5
	US Ultra Short-Term Bond	\$1,119	100	4	78	9
Multi-Asset	Global Allocation	\$579	9	16	93	12
	Managed Volatility	\$1,763	N/A	N/A	N/A	N/A

Past performance cannot guarantee future results. As of December 31, 2018.

Source: eVestment Alliance, LLC. The strategies listed may not be available in all jurisdictions nor to all investors.

¹Excess returns results based on gross composite returns vs. primary GIPS composite benchmark.

²Additional information on ranking available on page 57 in the Appendix.

Building new investment capabilities and strategies

	Global Equity	Global Fixed Income	Multi-Asset
2015	<ul style="list-style-type: none"> Emerging Markets Discovery 	<ul style="list-style-type: none"> Global High Income Dynamic Global Bond 	<ul style="list-style-type: none"> Managed Volatility
2016	<ul style="list-style-type: none"> QM US Small & Mid-Cap Core QM US Value QM Global Equity Global Consumer 	<ul style="list-style-type: none"> Institutional Cash Reserves Total Return 	
2017	<ul style="list-style-type: none"> SMA: Blue Chip Growth, US Value, Growth Stock 	<ul style="list-style-type: none"> Muni SMA 	<ul style="list-style-type: none"> Retirement Income 2020 Managed Payout Structure T. Rowe Price® ActivePlus Portfolios
2018	<ul style="list-style-type: none"> Global Equity Dividend U.S. Growth Stock ITM SMA: Large-Cap Core, Equity Income, International Core, Australia 	<ul style="list-style-type: none"> Asia Credit 	<ul style="list-style-type: none"> Retirement Blend Trusts Multi-Strategy Total Return Custom Target Date Funds
2019+	<ul style="list-style-type: none"> European Select Equity China Equity (Small/Mid) Emerging Markets Select 	<ul style="list-style-type: none"> Dynamic Credit (Jan. 2019) Global Government Bond 	<ul style="list-style-type: none"> Multi-Asset Global Income Target Allocation Active Models
Under Evaluation	<ul style="list-style-type: none"> QM Equity Strategies Global Core China All Cap 	<ul style="list-style-type: none"> Dynamic Emerging Markets Bond “Go Anywhere” Asia QM High Yield 	<ul style="list-style-type: none"> Liquid Alternatives

The strategies and capabilities listed are not available in all jurisdictions nor to all investors. There is no guarantee that the capabilities and strategies currently under evaluation will be launched.

Meeting evolving client needs with solutions



Multi-Asset Solutions

- Global team with in-market experience
- Leveraging dedicated quantitative team and proprietary tools
- Engaging clients and prospects on solutions utilizing a range of T. Rowe Price equity, fixed income, and multi-asset capabilities



Environmental, Social and Governance (ESG)

- Focus on ESG integration across portfolios
- Proprietary, systematic, and proactive process for evaluating ESG factors
- ESG is a value-add in our investors' tool kit



Equity Data Insights

- Improving our investment outcomes through data-driven insights
- Quantitative research team dedicated to our fundamental equity effort
- Specializing in "big data" and "machine learning" to provide actionable investment ideas

Summary



**Evolving
capabilities**



Culture



**Investment
excellence**



Global Intermediary and Institutional Distribution

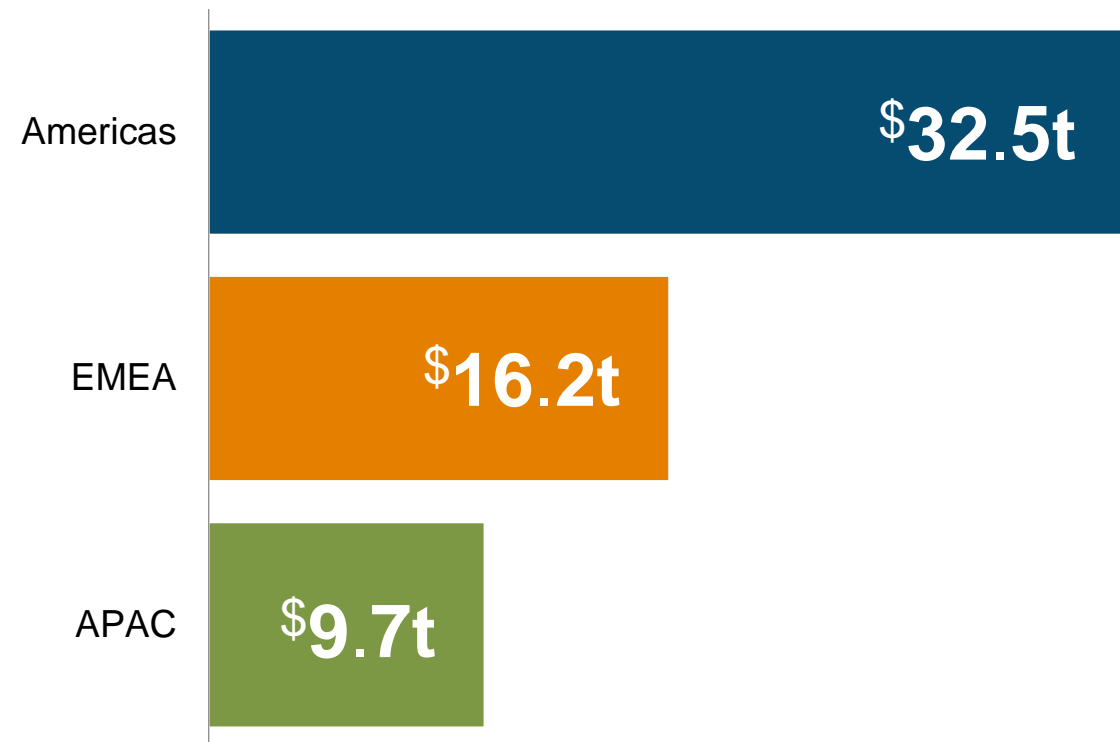
Robert Higginbotham

HEAD OF GLOBAL INVESTMENT MANAGEMENT SERVICES

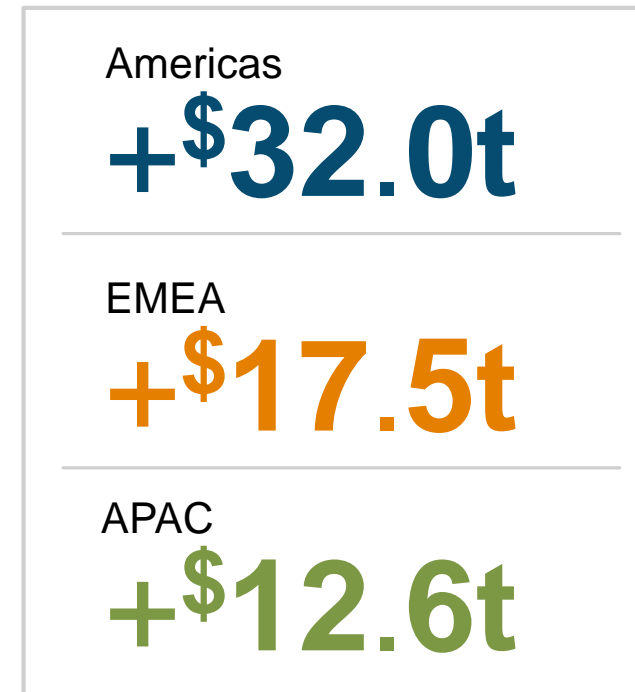
T. ROWE PRICE GROUP, INC. INVESTOR DAY 2019

Opportunity from current stock and future flow for active managers remains attractive

Total “stock” of existing global active AUM in \$t, 2018E¹







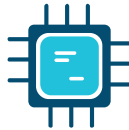
Our 5 year forecast of total “flow”² for global active AUM



¹Source: © 2018 McKinsey & Company. McKinsey Performance Lens (Includes active AUM except money market. Institutional AUM excludes affiliated). Used with permission.

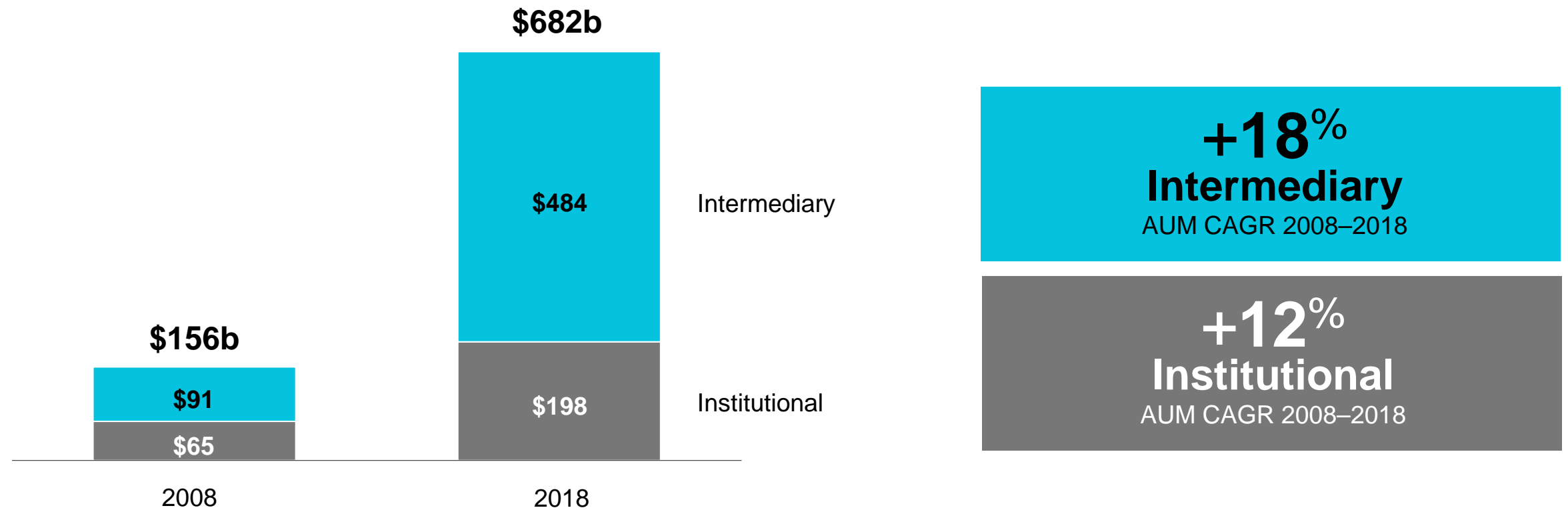
²Assumed asset turnover based on annual persistency of 20% (an assumed 5-year average client longevity) plus net new flows estimate from McKinsey Performance Lens (Includes active AUM except money market. Institutional AUM excludes affiliated). Used with permission.

We are well positioned against key market trends

Key industry trends	Our positioning
Passive investments continuing to take share from active	 Continuing focus on excellent, active investment management supporting flow momentum
Clients demanding new vehicle types and fee structures	 Continuing build of new vehicle types (e.g., CIT, SMA, Model Delivery, SICAV, ITM)
Aging population shifting demand from equities to income-oriented solutions	 Investing in a range of income-oriented investment capabilities, products, and client solution approaches
Faster growth occurring outside the U.S.	 Investing in EMEA and APAC client coverage, brand, and operating model build-out
Digital technology reshaping client engagement	 Developing digital, automation, data and analytics capabilities supporting global growth

Our strong positioning is shown by continued global growth

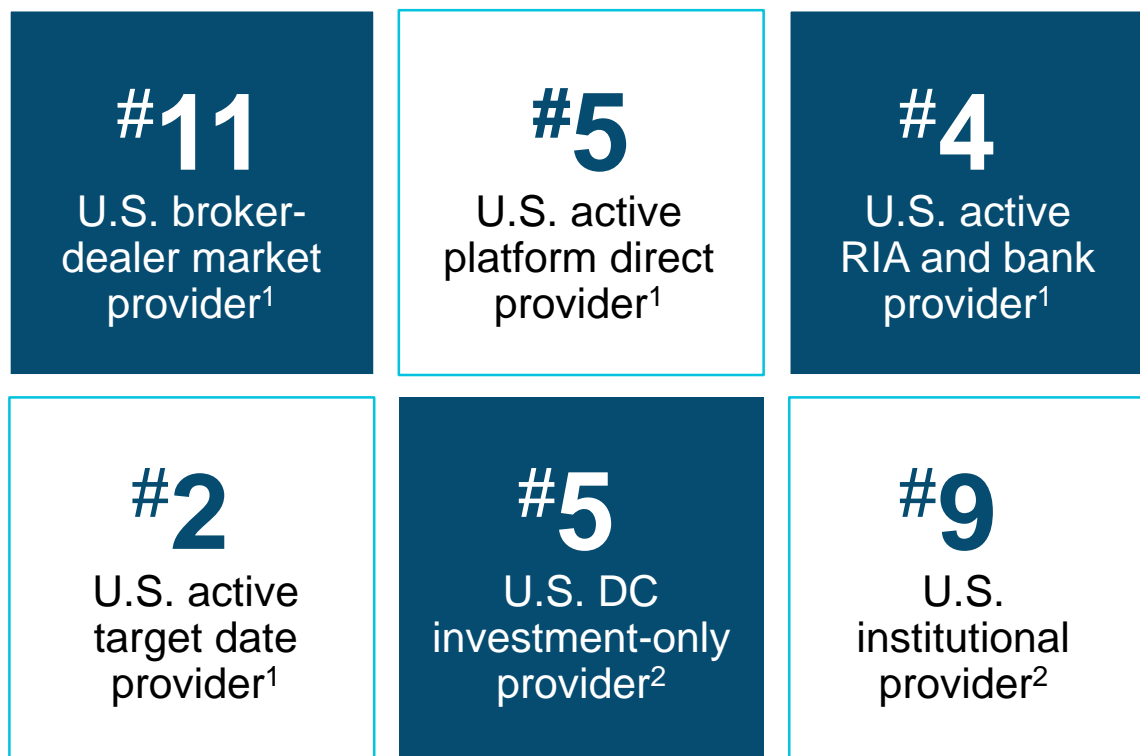
Global intermediary and institutional AUM



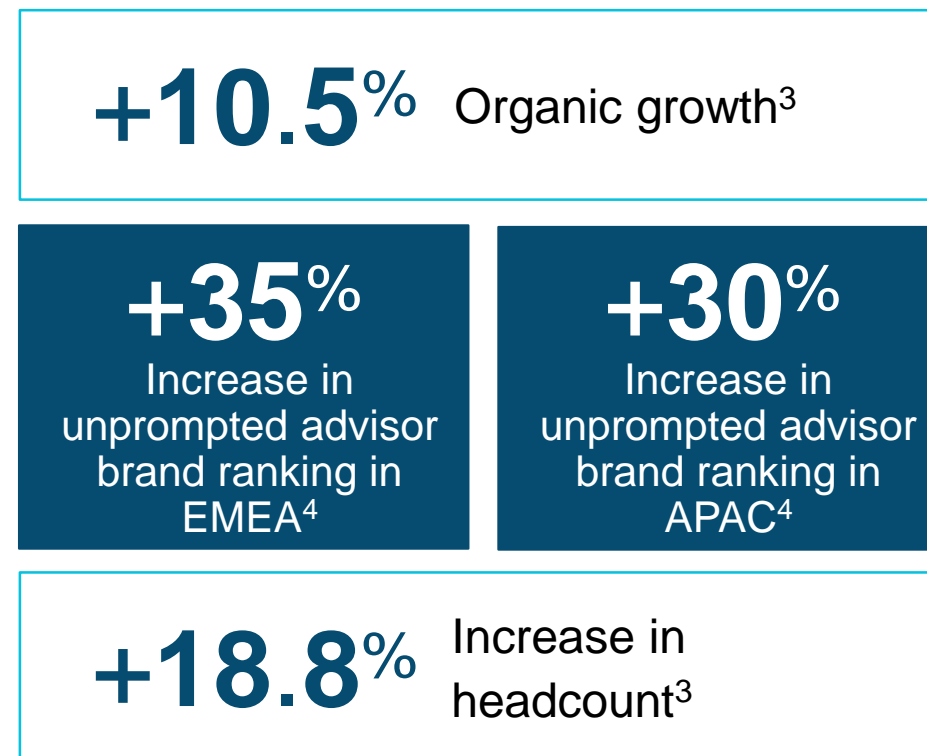
Source: T. Rowe Price.

Our focus in 2018 was consistent with prior years

Continued leadership in Americas



Maintained pace of investment in EMEA and APAC



Note: Strategic Insight rankings include active mutual fund AUM, which excludes passive/index/affiliated fund of funds AUM. Pensions & Investments rankings include total AUM active and passive.

¹Strategic Insight. Ranking based on AUM. Data as of December 31, 2018. © 2018 Strategic Insight Inc. All Rights Reserved.

²Pension & Investments. Ranking based on AUM. Data as of December 31, 2017. Most recent data available. © 2017 Crain Communications Inc. All Rights Reserved.

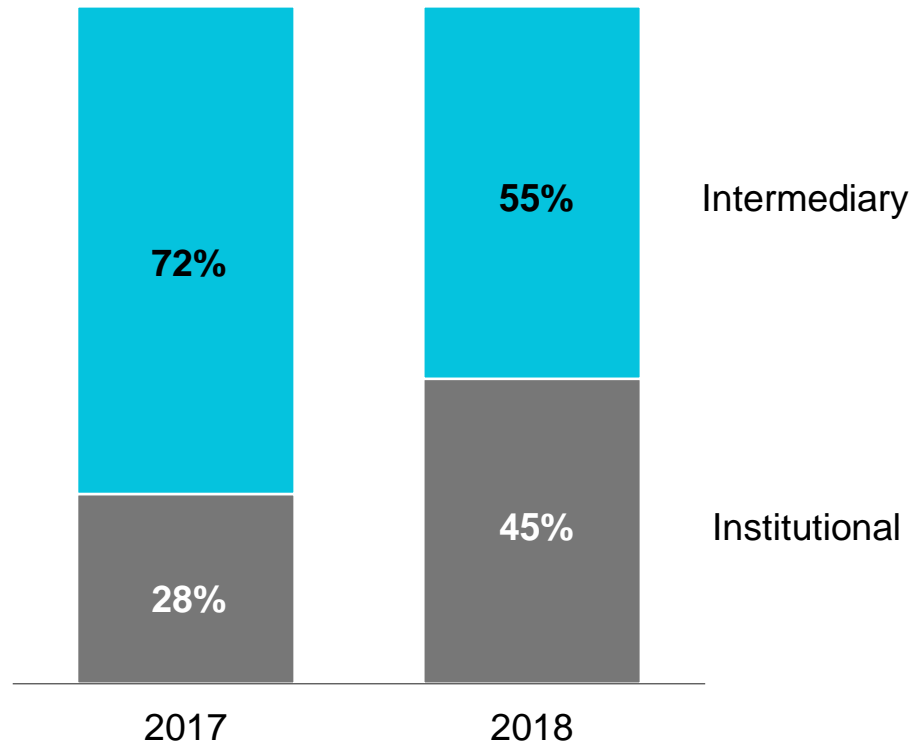
³Organic growth is calculated as 2018 net new flows divided by December 31, 2017 AUM. Increase in headcount from 2017.

⁴NMG Consulting Annual Global Brand and Marketing Study for Asset Managers; increase represents change in brand awareness ranking within EMEA and APAC advisor segments from 2016–2017. Most recent data available and used with permission. © NMG Group 2017.

Our 2018 results show continued diversified organic growth

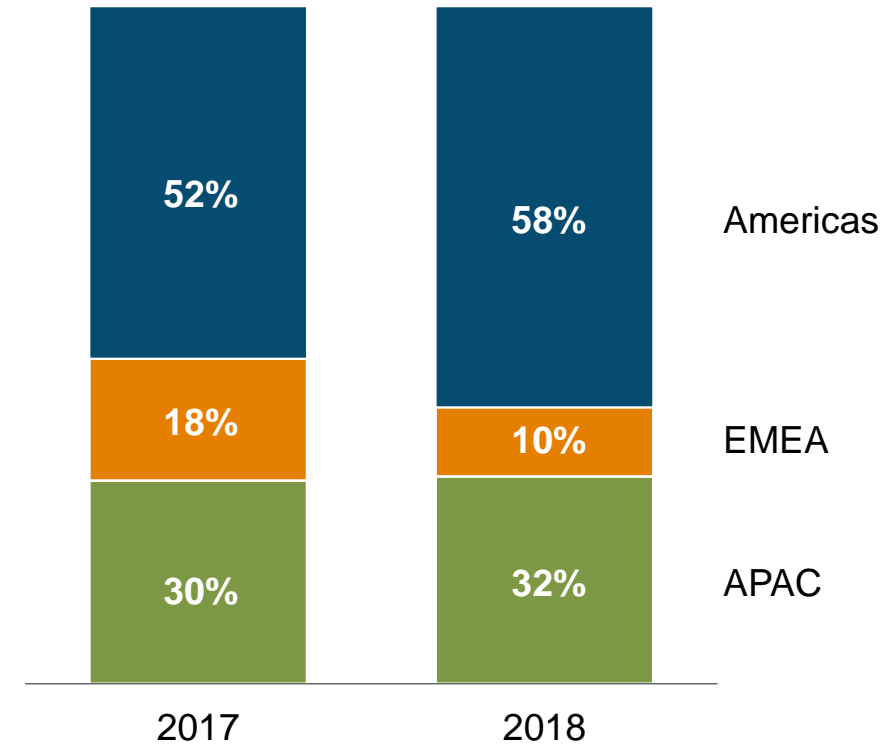
Net flows by channel

Global intermediary and institutional



Net flows by client geography

Global intermediary and institutional



Source: T. Rowe Price.

Our brand continues to develop globally

Our global¹ average brand impression

+11%

Increase in
institutional
brand impression

+13%

Increase in
retail gatekeeper
brand impression

+13%

Increase in
retail advisor
brand impression

¹The overall study is conducted in 14 countries across North America, EMEA, and APAC and an individual segment may be focused on a subset of the 14 countries.
Brand impression is intended to understand overall impressions of an asset management firm on a scale of 0–10 based on survey question: What is your overall impression of each firm as an investment manager?
Source: NMG Consulting Annual Global Brand and Marketing Study for Asset Managers. Comparison of 2015 vs. 2017 data, which is most recent data available. Used with permission.

Our priorities for the next few years are largely unchanged

Americas

- Strengthen U.S. defined contribution investment only market position
- Continue U.S. broker-dealer build-out
- Extend build out in U.S. platforms
- Further develop U.S.-registered investment advisor home office coverage
- Expand further into U.S. general account insurance
- Extend Canada market coverage

EMEA and APAC

- Consolidate institutional position
- Continue EMEA and APAC home office intermediary coverage build-out
- Extend EMEA and APAC advisory build-out (UK, Australia, Japan, Italy)
- Leverage relationships with global consultants and global financial intermediaries
- Extend into further select geographies

“Strategic investing” positioning

Invest in distribution enablement (digital, automation, data and analytics)

A comprehensive product range is central to our success

Our primary vehicle types	Number of products	Target country/region ¹
U.S. mutual fund ^{2,3}	179	U.S.
Société d'investissement à capital variable (SICAV ⁴)	48	EMEA/APAC
Collective investment trust ³	41	U.S.
Open-ended investment company (OEIC)	11	UK
Managed accounts and model delivery	9	Americas/EMEA/APAC
Canadian pooled fund	8	Canada
Australia unit trust (AUT)	5	Australia
Fonds commun de placement (FCP)	3	EMEA/APAC
Cayman fund	1	Japan
Japan investment trust (ITM)	1	Japan
Separate/sub-advised account ^{3,5}	263	Americas/EMEA/APAC
Total external products	569	

¹Products may not be registered for sale in every country within each region. ²Includes VIP, Charitable Giving, and CSP/529 funds. ³Excludes internal portfolios. ⁴Represents total SICAV sub-fund count for SICAV I (44), II (2), and III (2) products. ⁵Represented by active composites; retirement/target date composites count as 1. The strategies and capabilities listed are not available in all jurisdictions nor to all investors.

Firmwide product statistics

569 Products offered externally

\$1.1b Seed capital investments

We continue to focus on product development and pipeline

2018

- Further built out SMA and model delivery
- Continued work with SEC on ETFs
- Launched new ITM for institutions
- Built out Luxembourg SICAVs, UK OEICs, Canada pooled funds

2019 and beyond

- Launch ITM for public distribution
- Continue to develop ETF plans
- Build tailored products for key clients (vehicles and investment capabilities)
- Extend vehicles into more markets (e.g. SMAs, model delivery, ETFs)
- Further develop local vehicles in key markets (UK, Australia)

Summary



Well positioned to access key pools of global demand



Strong, sustainable, diversified growth occurred across 2017 and 2018



2018 was a continuation of much of the plan from prior 3–5 years



2019 onwards will see further development with select expansion

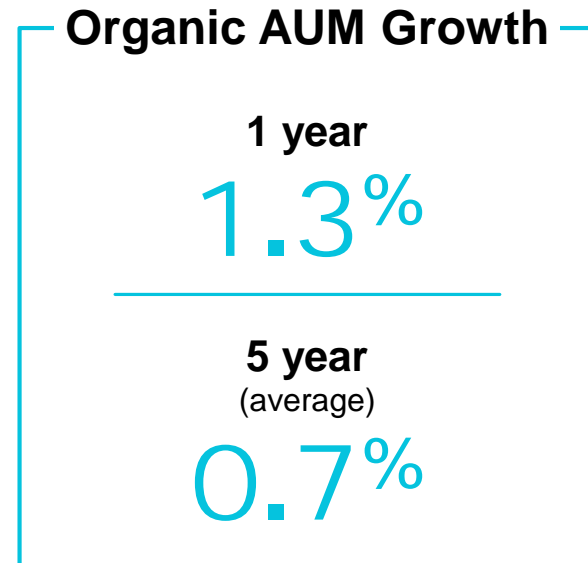


Financial Overview

Céline Dufétel
CHIEF FINANCIAL OFFICER

T. ROWE PRICE GROUP, INC. INVESTOR DAY 2019

Creating value for stockholders over time



Driving sustainable, diversified, organic growth



Maintaining a strong operating margin while investing for the long term



Consistently returning capital to stockholders over time

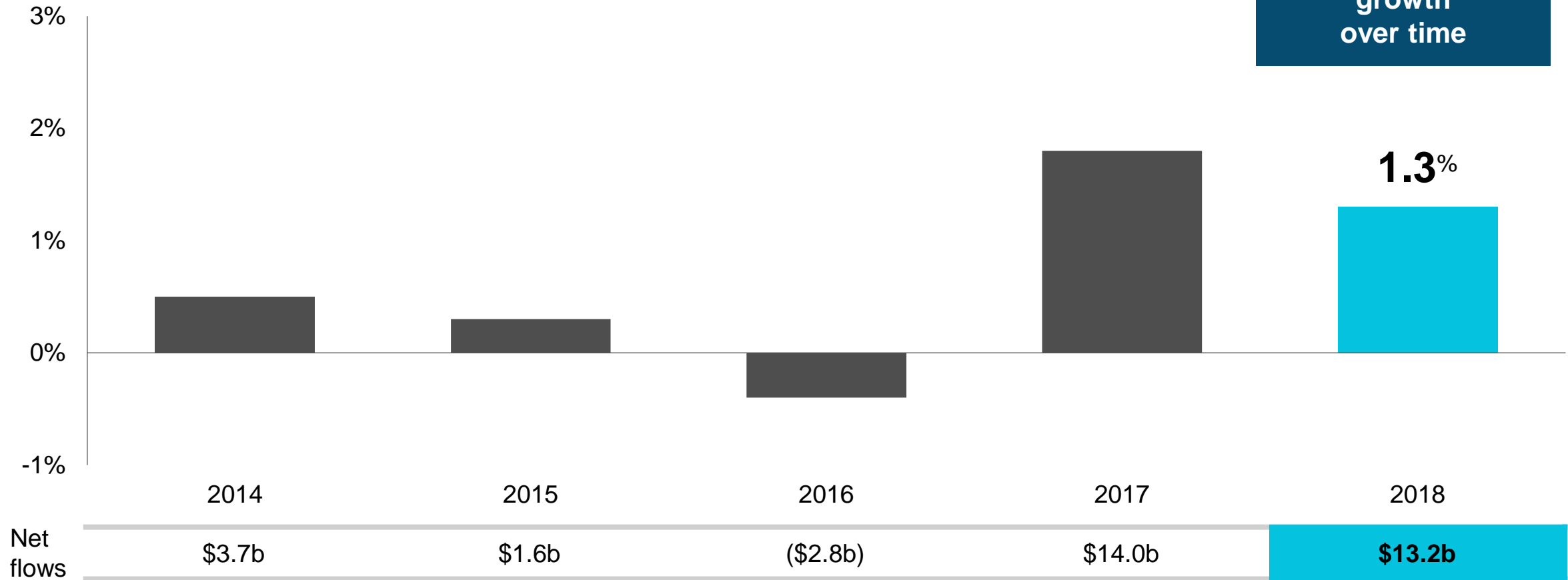
¹U.S. GAAP. Data reflect the impact of the new revenue recognition standard implemented in 2018. See the firm's 2018 Annual Report on Form 10-K for further information.

²Figures represent percent of U.S. GAAP net income attributable to T. Rowe Price Group returned to stockholders.

Driving organic AUM growth

Targeting
1–3%
organic AUM
growth
over time

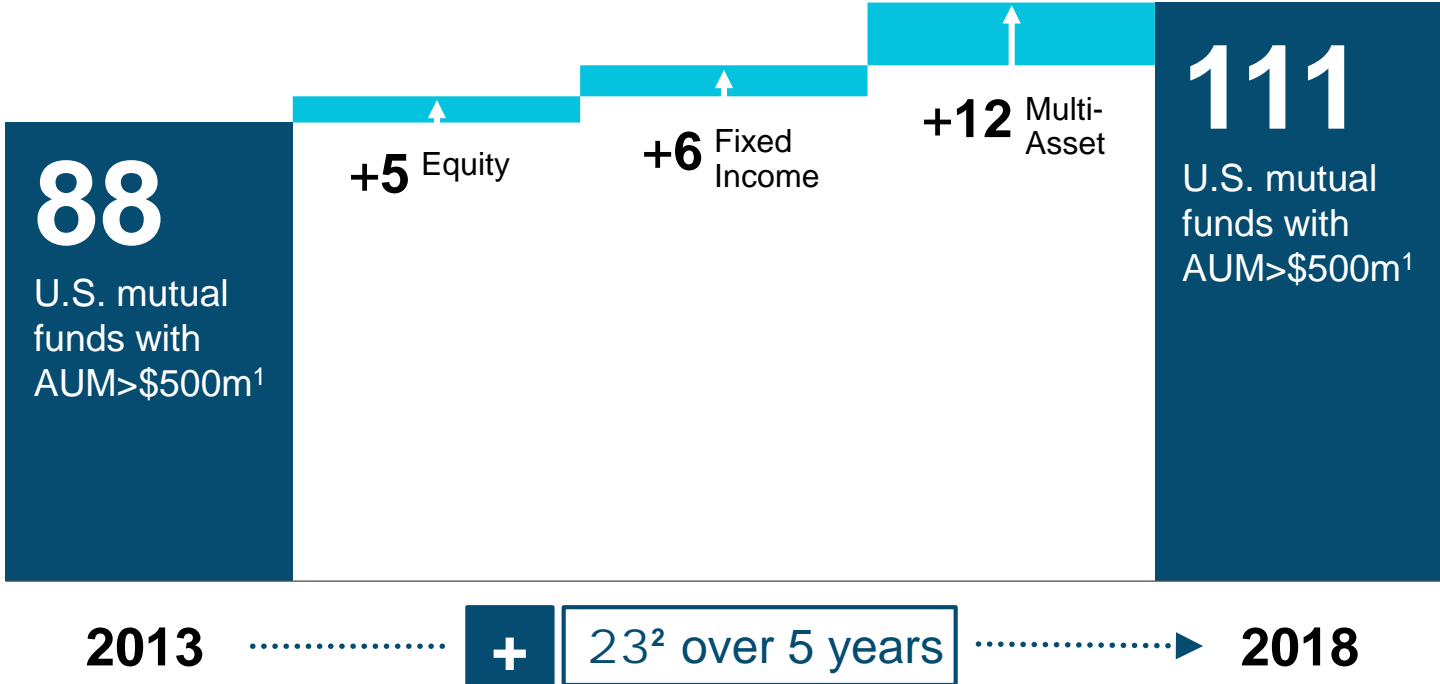
Net flows as a percent of prior year's ending AUM



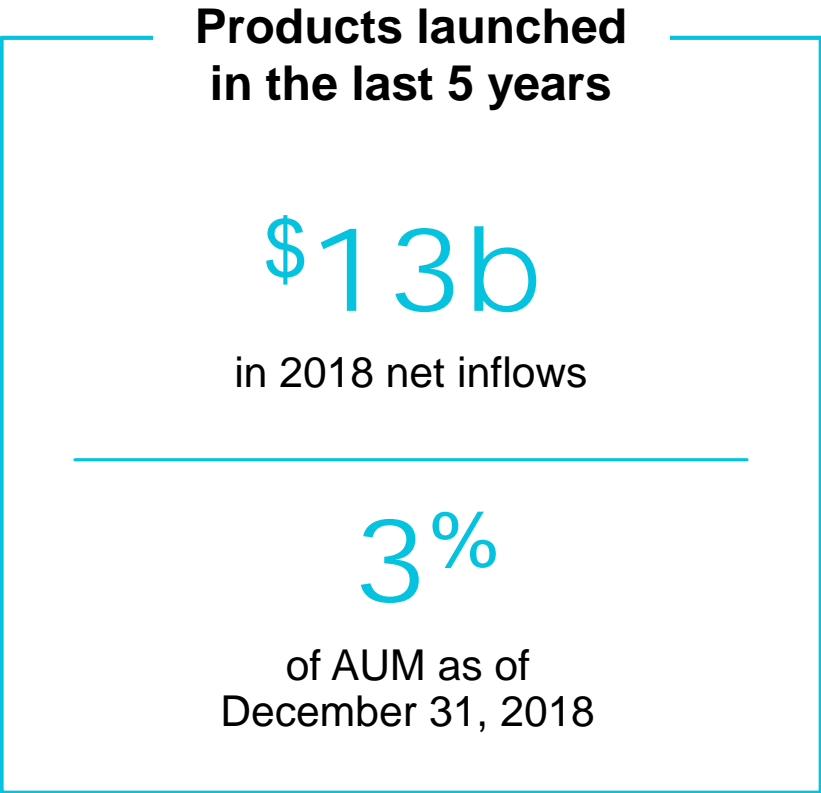
Source: T. Rowe Price.

Developing diversified and sustainable sources of flows

Scaling strategies across asset classes



Launching successful products



Source: T. Rowe Price.
¹Includes Variable Insurance Portfolios, fund of funds. Excludes College Savings Portfolios. Fund of fund AUM is also counted for component funds.
²Is net of one money market fund that descaled and includes 10 funds from the RDF I series.

Designing pricing to meet client needs; only one of many effective fee rate (EFR) drivers

Our pricing approach

Ensure we are delivering value for our clients and meeting their needs

- fair and competitive pricing
- broad set of vehicle choices

88% of primary U.S. mutual fund share classes have total expense ratios classified as average or below peers¹

EFR drivers

Impact on EFR²

Relative market appreciation/depreciation across asset classes



Shift in flows between asset classes and vehicles



Fee break points



Pricing changes

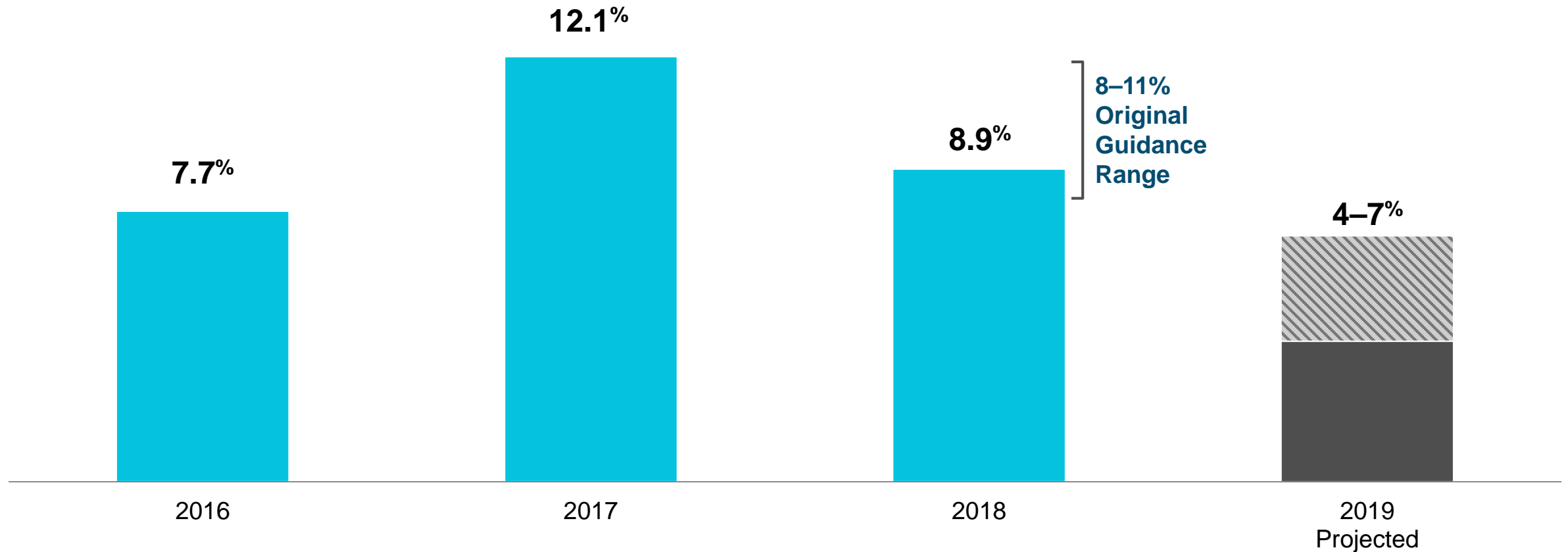


¹Data as of December 31, 2018. Source: ©2019 Morningstar. All Rights Reserved. Morningstar has 5 fee level classifications: Best quintiles: (Low, Below Average, Average) Worst Quintiles: (Above Average, High); additional information available in the Appendix. Analysis includes primary share class only of US mutual funds and excludes fund categories not ranked by Morningstar.

²Information provided for illustrative purposes only.

Investing for the long term

Non-GAAP operating expense growth¹



¹See the reconciliation between GAAP operating expenses and non-GAAP operating expenses in the Appendix. 2016 and 2017 figures were restated for the new revenue recognition standard implemented in 2018. See the firm's 2018 Annual Report on Form 10-K for further information.

Furthering technology capabilities across the firm



Investments

- Develop advanced data science practice to intelligently augment our investment processes
- Continue to expand support of derivatives
- Scale support of customized multi-asset solutions
- Provide new and modern portfolio management tools across security types



Distribution

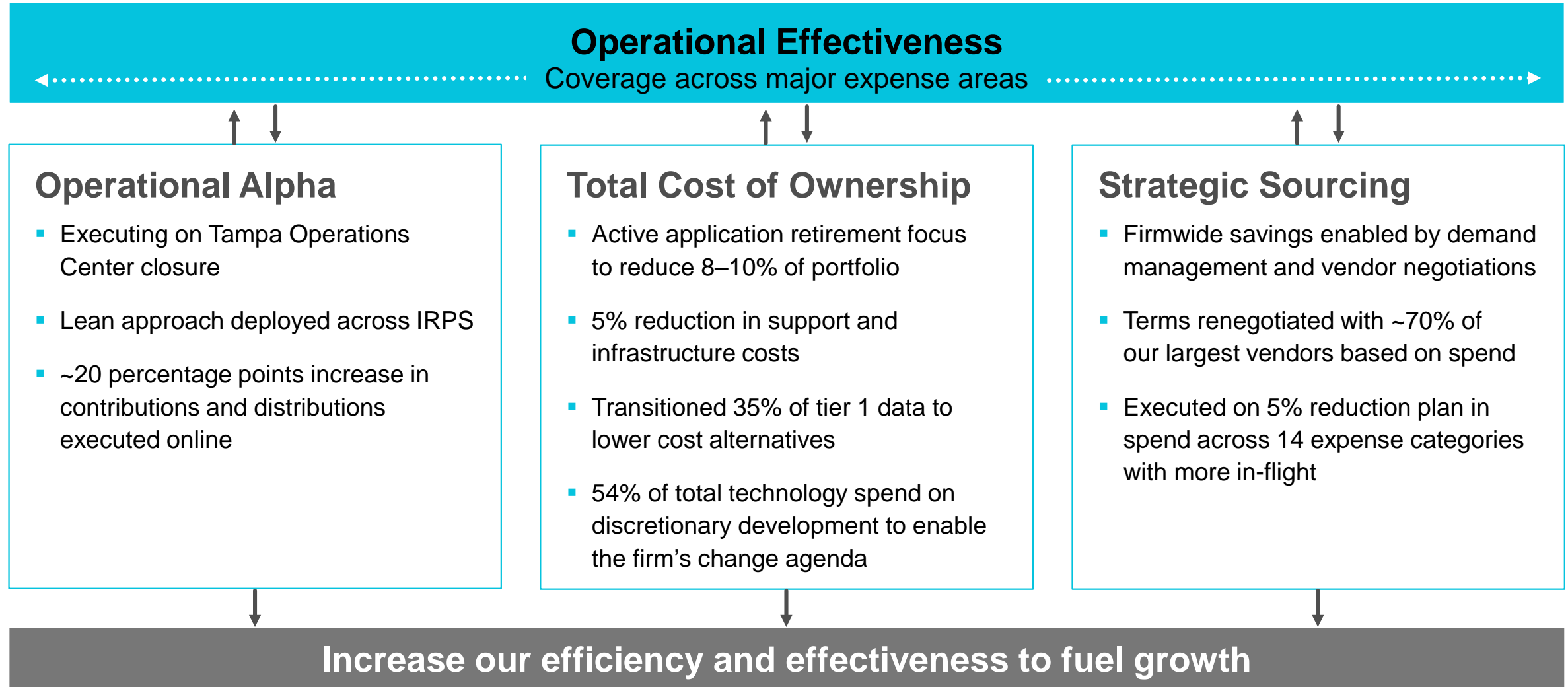
- Scale distribution efforts through advanced client analytics
- Integrate intelligent marketing and distribution technology
- Enable efficient content management
- Increase digital client interaction
- Deliver advice digitally
- Protect client privacy



Infrastructure and operations

- Transition to outsourced middle-office provider
- Continue core portfolio modernization
- Implement a cloud-first deployment model
- Support regulatory initiatives
- Improve data management

Optimizing our operating expense mix



Effectively managing capital



Business Reinvestments

- Investing for sustainable growth and diversification
- Protecting margins over time



Dividends

- Continued year-on-year increase since IPO
- Strong payout ratio over time (41% average over past 5 years)¹



Share Repurchases

- Consistent, opportunistic program
- Long-term goal of offsetting dilution

Cash and discretionary investments

\$3.0b

Seed capital investments

\$1.1b

Debt free

¹Based on U.S. GAAP. Includes recurring dividends only.

Executing a consistent, opportunistic buyback approach

Over the 5 years ended December 31, 2018

9%

decline in common stock
outstanding from 262m
to 238m

45.9m

shares repurchased at

\$79.32

weighted average price
per share

11x

average P/E over
2018 earnings¹

3.5%

dividend yield of
repurchases²

¹Weighted average repurchase price per share for 5 years ended December 31, 2018 divided by 2018 GAAP diluted earnings per share.

²2018 dividend per share over weighted average price per share of repurchases over the last 5 years.

Summary



Driving sustainable, diversified, organic growth across asset classes, channels, and geographies



Maintaining a strong operating margin while investing for long-term growth



Consistently returning capital to stockholders over time

Closing thoughts



**Pleased
with
progress**



**Strong
leaders with
focused
business
plans**



**Investing to
grow and
diversify**

Moderating pace

Responsive to
market conditions



**Attractive,
resilient
business
model**



**Consistent,
disciplined
capital
return**



Appendix

Non-GAAP operating expenses reconciliation

	2016	2017	2018	2017/2016 Change (%)	2018/2017 Change (%)
Operating expenses, GAAP basis	\$2,551.4	\$2,746.1	\$3,011.2	7.6%	9.7%
Non-GAAP Adjustments:					
Expenses of consolidated T. Rowe Price investment products, net of elimination of its related management and administrative fees ¹	(6.5)	(6.7)	(6.5)		
Compensation expense related to market valuation changes in supplemental savings plan liability ²	—	(11.7)	5.6		
Recoveries (nonrecurring charge) related to Dell appraisal rights matter ³	(66.2)	50.0	15.2		
Adjusted Operating Expenses	\$2,478.7	\$2,777.7	\$3,025.5	12.1%	8.9%

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

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

³Operating expense impact related to nonrecurring charges/recoveries associated with the Dell appraisal rights matter. We believe it is useful to readers of our consolidated statements of income to adjust for these nonrecurring charges and recoveries in arriving at adjusted operating expenses.

Additional information

Fixed income passive peer analysis (p. 21)

T. Rowe Price Product Name	Passive Product Name
High Yield	
Floating Rate Fund	Invesco Senior Loan ETF
Institutional Floating Rate Fund	Invesco Senior Loan ETF
Global High Income Bond Fund	iShares US & Intl High Yield Corp Bd ETF
High Yield Fund	iShares iBoxx \$ High Yield Corp Bd ETF
Institutional High Yield Fund	iShares iBoxx \$ High Yield Corp Bd ETF
U.S. High Yield Fund	iShares iBoxx \$ High Yield Corp Bd ETF
International	
Emerging Markets Bond Fund	iShares JP Morgan USD Em Mkts Bd ETF
Institutional Emerging Markets Bond Fund	iShares JP Morgan USD Em Mkts Bd ETF
International Bond Fund	iShares International Treasury Bond ETF
Emerging Markets Local Currency Bond Fund	VanEck Vectors JP Morgan EM LC Bd ETF
Emerging Markets Corporate Bond Fund	iShares JP Morgan EM Corporate Bond ETF
Municipal	
Summit Municipal Income Fund	iShares National Muni Bond ETF
Tax-Free Income Fund	iShares National Muni Bond ETF
Tax-Free Short-Intermediate Fund	SPDR Nuveen Bloomberg Barclays Short Term Municipal Bond ETF
California Tax-Free Bond Fund	iShares California Muni Bond ETF
New York Tax-Free Bond Fund	iShares New York Muni Bond ETF

T. Rowe Price Product Name	Passive Product Name
Low Duration	
Short-Term Bond Fund	Vanguard Short-Term Bond ETF
US Taxable	
U.S. Bond Enhanced Index Fund	Vanguard Total Bond Market ETF
New Income Fund	Vanguard Total Bond Market ETF
Institutional Long Duration Credit Fund	iShares Long-Term Corporate Bond ETF
Institutional Core Plus Fund	Vanguard Total Bond Market ETF
Inflation Protected Bond Fund	Vanguard Inflation-Protected Secs Inv
Limited Duration Inflation Focused Bond Fund	PIMCO 1-5 Year US TIPS ETF
U.S. Treasury Intermediate Fund	Vanguard Intmdt-Term Trs ETF
U.S. Treasury Long-Term Fund	Vanguard Long-Term Treasury ETF
GNMA Fund	iShares GNMA Bond ETF
Corporate Income Fund	iShares iBoxx \$ Invmt Grade Corp Bd ETF

Additional information

Scaling outperforming, high-capacity strategies globally (p. 27)

	Investment strategy	eVestment Universe	# of Peers
U.S. Equity	US Dividend Growth Equity	US Large Cap Core Equity Universe	393
International Equity	Emerging Markets Discovery Equity	Global Emerging Markets All Cap Equity Universe	271
	Global Focused Growth Equity	Global All Cap Growth Equity Universe	91
	Global Growth Equity	Global Large Cap Growth Equity Universe	92
	International Concentrated Equity	EAFE All Cap Core Equity Universe	71
	Japan Equity	All Japan Equity Universe	362
Global Fixed Income	Emerging Markets Corporate	Global Emerging Markets Fixed Income - Corporate Debt Universe	75
	Global Multi-Sector Bond	Global Multi-Sector Fixed Income Universe	46
	Global High Income Bond	Global High Yield Fixed Income Universe	99
	US High Yield	US High Yield Fixed Income Universe	770
	US Ultra Short-Term Bond	US Enhanced Cash Management Fixed Income Universe	79
Multi-Asset	Global Allocation	Global Tactical Asset Allocation - Unhedged Universe	267
	Managed Volatility	N/A	N/A

Source: eVestment Alliance, LLC. As of December 31, 2018.

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