Taking the long view
today and tomorrow
T. Rowe Price is an asset management firm focused on delivering global investment management excellence and related services that investors can rely on—now, and over the long term.
We provide an array of mutual funds, subadvisory services, separate account management, recordkeeping, and related services for individuals, advisors, institutions, financial intermediaries, and retirement plan sponsors.

We know that adhering to our core principles—putting our clients’ interests first, following a disciplined investment approach rooted in proprietary research, and nurturing a collaborative culture where experienced professionals share insights in pursuit of durable solutions for those we serve—leads to better outcomes for our clients.
**WHAT WE BELIEVE**

<table>
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<th>We help our clients to create secure financial futures.</th>
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<td>If our clients succeed, our firm will succeed.</td>
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<td>Our long-term view and investment solutions address the current environment and anticipate emerging needs.</td>
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<td>An active, disciplined, and risk-aware approach to investing benefits our clients and the firm.</td>
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<td>Our people and approach distinguish us in the marketplace.</td>
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<td>Collaboration yields superior results for our clients.</td>
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<td>Giving and serving where we work and live is our responsibility.</td>
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$763.1B
Total assets under management.*

1937
The firm is founded by Thomas Rowe Price, Jr.

88%
Percentage of U.S.-registered T. Rowe Price mutual funds that beat their respective Lipper peer group average for the 10-year period. The performance of the firm’s institutional strategies remains very competitive.*

29
Consecutive years the firm has increased its regular annual dividend since its IPO in 1986.

*As of December 31, 2015.
How should investors react when years of steady market gains and relative calm give way to volatility?

At T. Rowe Price, we reinforce that while our clients cannot control market fluctuations, they can control their reaction to them—and that includes being mindful of long-term investment priorities.

The reason is simple: While market turbulence is normal, it also provides opportunities to uncover attractive investment ideas at reasonable prices.

“When markets become turbulent, we stay intently focused,” says Eric Veiel, head of U.S. Equity. “We work to parse out what’s truly changed and, equally as important, what has not. Our analysts assess whether or not the factors driving volatility have altered the fundamentals of the companies in our portfolios. At face value, an event such as China allowing its currency to moderately devalue should not fundamentally change the way we view most U.S. companies in which we invest.”

In fact, the firm often uses market corrections such as last summer’s to add to existing high-confidence holdings and reconsider well-positioned, high-quality companies that were previously considered too expensive. Similarly, when volatility resurfaced in credit markets, primarily as a result of market reaction to the prospect of a Federal Reserve interest rate hike, our fixed income managers looked for attractively priced opportunities among U.S. and global credit markets.

"Investors will have choices—they can wait for markets to settle or they can embrace the opportunities volatility creates,” says Ted Wiese, head of Fixed Income. “Valuations certainly became more attractive last year as investors repriced risk, so being more selective and taking a global approach to diversification became even more important. We rely on our independent credit research and quantitative analysis to identify sectors that are likely to deliver better returns as well as those likely to underperform.”

“One of the underlying strengths of our collaborative culture is the ability to leverage collective insights across the whole of the investment organization,” says Sebastien Page, co-head of Asset Allocation. “That open and ready access in turn enables needed adjustments and better performance for our clients.”

**ENCOURAGING A BALANCED VIEWPOINT**

To help our clients maintain a long-term view and avoid reflex selling, our client-facing associates and client communications stress the importance of investing fundamentals and seek to offer a balanced perspective on the market environment. The transparency of the information we provide is the first line of defense for our clients, particularly when market volatility causes concern.
Ted Wiese, head of Fixed Income, sees opportunity for long-term investors who take a more global approach to diversification.
We provide guidance to clients through digital, social media, and print communications, as well as through individual discussions.

Those discussions urge clients not to make investment decisions based on daily headlines, but instead focus on what they can control—including having a financial plan, diversifying, and adopting a long-term time horizon.

We also help advisors by providing them with timely communications that they can use in interactions with their own clients. “We know that advisors respect our unique investment insights and share them with their clients,” says John Halaby, head of the Financial Advisor segment in the U.S. Investment Services division. “Helping advisors communicate more effectively with their clients, particularly during difficult market environments, enhances advisors’ perception of our value and contributes to the success of both relationships. That’s a win-win proposition.”

AN EXPANDING SUITE OF INVESTMENT PRODUCTS AND SOLUTIONS

No matter the market, our equity, fixed income, and asset allocation teams constantly build on the foundation of existing investment solutions to meet emerging client needs.

In 2015, the firm introduced a variety of new investment products and solutions, offering a broad array of options across investment sectors.

REMAINING FOCUSED ON OUR CLIENTS

Finally, the strength of our balance sheet enables us to move opportunistically and nimbly on behalf of our stockholders and make strategic investments to enhance our capabilities and reach. Our associates keep their attention focused on our clients and achieving their financial goals.

Equity

EMERGING MARKETS VALUE STOCK FUND

seeks long-term growth of capital by investing in emerging markets companies that are out of favor and undervalued but possess identified catalysts that could drive their stock prices higher.
Fixed Income

**GLOBAL UNCONSTRAINED BOND FUND**
seeks to offer low volatility and consistent income, even in rising interest rate environments

**GLOBAL HIGH INCOME BOND FUND**
seeks to provide high income and capital appreciation by investing in high yield bonds issued by companies around the world

**GLOBAL INVESTMENT GRADE CORPORATE BOND FUND**
invests primarily in investment-grade corporate debt securities issued by U.S. companies in pursuit of high current income with some capital appreciation
Our responsibility as a trusted investment manager is to listen to our clients, understand their needs, and respond with long-term strategic solutions that meet those needs. The most effective way to do that is to continuously invest in our business—whether in technology, talent, or distribution.

BUILDING TRUSTED, VALUED PARTNERSHIPS WITH INTERMEDIARIES

A “broad-based” strategy to increase our presence with intermediaries around the world, explains Robert Higginbotham, head of Global Investment Services, has led to continued hires in the UK, Benelux, Japan, Australia, Switzerland, Germany, Italy, and Spain; a new head of our Asia intermediary business; and the formal opening of offices in Frankfurt, Madrid, and Milan.

Our U.S. Investment Services business is likewise expanding. “We continue to build out areas of strategic importance for our clients and the firm, including strengthening our offering to individual investors, financial advisors, financial institutions, and retirement plan sponsors,” says Scott David, head of U.S. Investment Services. “Our new digital solutions are fostering improved engagement levels with our clients, and we continue to invest in both people and solutions to drive distribution excellence across our business lines.”

SUPPORTING EXCEPTIONAL CLIENT SERVICE WITH DIGITAL SOLUTIONS

Whether a client is an intermediary or institutional investor, the ability to interact with us digitally is an important component of our business. “Improved digital delivery of content allows clients to get the information they need when, where, and how they want it,” notes Mr. Higginbotham. “These capabilities also allow us to scale our client service more effectively across time zones and geographies.”

The introduction of MarketScene℠, an app for advisors, now enables access to T. Rowe Price perspectives and analysis anytime, anywhere, on the user’s preferred device. Similarly, a new intermediary website initially launched in the UK, Australia, and Switzerland, and slated for wider release in 2016, enables timely, multi-language translations of content, extending our best thinking to global intermediaries and their clients.

U.S. Investment Services launched a variety of digital initiatives, including a new website for financial advisors, an iPad app and refreshed Insights content for individual investors, and personalized “smart video” statements for 529 college savings plan clients.
Digital solutions, such as our new MarketSceneSM app, and new websites for both intermediaries and advisors provide clients with timely access to market intelligence, insights, and investment strategies designed to address both current and emerging needs.
Of course, supporting a successful digital experience also requires significant investment in back-end technologies and in the operating model that facilitates client interactions.

“New data and content management capabilities, plus an updated workflow management system, are just two examples of the technology investments we’re making today to serve clients for years to come,” says Nigel Faulkner, head of Technology. “Furthermore, the rapid pace of change, our clients’ increasing and evolving expectations concerning access and insights, and the ever-present drive to maintain information security continue to transform the way we do business.”

INVESTING IN PEOPLE, OUR MOST VALUABLE ASSET

Our workforce strategy is consistent with our investment approach. “Think strategically, be nimble, and take a long-term view,” says Deanna Fidler, chief human resources officer. “As a result, effectively serving our clients now and in the future means anticipating emerging needs, identifying capabilities that will differentiate us, and planning the organization of the future—all while continuing to develop our people, skills, and services today.”

Our approach includes investing in developing leaders internally as well as opportunistically recruiting talent externally to bring leadership expertise and fresh thinking to the organization.

“When we’re hiring analysts, we realize that we’re actually recruiting the next generation of portfolio managers,” explains Jason Polun, director of Equity Research, North America. “We look for people who are not just great analysts, but also individuals who embrace the firm’s investment philosophy, values, and culture—including our commitment to instilling a sense of confidence and reliability for our clients.”

The process to enhance our firm’s capabilities continues through all market conditions, Ms. Fidler adds. “Our talent strategy to build a global, diverse, and high-performing workforce remains on course.”
STANDING UP FOR BALTIMORE

In April of last year, our hometown of Baltimore faced profound challenges. We were saddened by these events, but we are proud to be headquartered here—and of the firm’s long history of investing in our historic city.

In response, the firm’s Corporate Social Responsibility team and the T. Rowe Price Foundation simultaneously began developing a multiyear strategy to identify new ways to positively impact the Baltimore community as a whole. Initial grants helped meet every day needs and provide services that had been disrupted, such as dispensing prescriptions to residents who relied on affected pharmacies.

Given the firm’s strong commitment to education and youth development, the Foundation also immediately directed funds to Baltimore City summer youth programs focused on providing skill building and enrichment activities in a safe and positive environment for the youngest members of our community. Funding for intermediate- and longer-term opportunities led to the firm’s sponsorship of a school uniform drive and construction of playground facilities.

The T. Rowe Price Foundation has approved $1.4 million to support rebuilding and educational enrichment initiatives through 2018. Foundation trustees continue to meet with community and city leaders—as well as international thought leaders on poverty and inequality, cities and unrest—to learn more about the role of philanthropy in addressing such needs, inform future planning, and maximize the impact of our community investments.

LOOKING TO THE SUN FOR RENEWABLE ENERGY

T. Rowe Price is committed to operating in an environmentally sustainable manner wherever our associates work on behalf of our clients.

The installation of a solar energy system at our Owings Mills Corporate Campus in suburban Maryland this past fall is our latest advance in conducting business in ways that minimize our environmental impact. More than 7,000 photovoltaic panels installed atop parking structures adjacent to our offices represent one of the largest solar panel installations in the state. The installation also will reduce the firm’s carbon footprint by the equivalent of taking 300 automobiles off the road for a year.
T. Rowe Price recently installed one of the largest solar panel arrays in the state of Maryland.
Achievement. The T. Rowe Price Parents, Kids, and Money Survey strives to promote good financial habits by asking parents and children for their opinions on money matters each year.

PROMOTING READING AND GENDER EQUALITY IN EDUCATION

Each year, the T. Rowe Price Foundation makes a gift to benefit children and youth on behalf of the firm’s clients. The 2015 holiday gift is being used to support education and reading through the auspices of Room to Read, a global organization dedicated to transforming the lives of children in low-income countries through their focus on literacy and gender equality in education.

Our commitment to creating stronger communities is fueled by the same sense of responsibility we feel to our clients, associates, and stockholders. We are privileged to have the opportunity to serve, grow, and reward.

“People take pride in working for a firm that is environmentally conscious,” says Brian Dean, head of Facilities Management. “Embracing solar power as an energy source helps us attract and retain individuals who share our values and commitment to sustainability.”

Chief Financial Officer Ken Moreland adds, “As we continue to look at ways to reduce our carbon footprint, we’ll evaluate—does it make good business sense and does it make good sense for the environment? If we can find the intersection of those initiatives as new technologies come to market, we’ll be committed to implementing those at T. Rowe Price.”

TAKING AN INTERACTIVE APPROACH TO FINANCIAL EDUCATION

Our annual Parents, Kids, and Money Survey found that both parents and kids consider games an effective way to teach new concepts. Last spring, T. Rowe Price launched the Star Banks Adventure® app, a new online game and mobile app that teaches kids important investing concepts while they interact in a fun and engaging “intergalactic” battle.

“At the same time that players are trying to ‘save the galaxy,’ they’re learning to set financial goals, save, and spend wisely—they even develop a beginning understanding of inflation, asset allocation, and diversification,” says Renee Christoff, head of Corporate Social Responsibility.

The Star Banks Adventure® app is just one element of our Money Confident Kids program, a broader effort to bolster financial education at an early age that also includes partnerships with Scholastic magazine and Junior Achievement.
At T. Rowe Price, we’re more than associates. We’re volunteers, donors, educators, and environmentalists. Guided by a core set of values, our associates are committed to creating positive change in our communities and beyond.