



Rating  
**Buy**

North America  
United States

Financial  
Brokers, Asset  
Managers & Exchanges

Company  
**T. Rowe Price**

Reuters TROW.OO    Bloomberg TROW US    Exchange NMS    Ticker TROW

Date  
11 July 2018

## Company Update

|                            |                |
|----------------------------|----------------|
| Price at 10 Jul 2018 (USD) | 118.74         |
| Price Target               | 138.00         |
| 52-week range              | 126.24 - 75.16 |

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# Catalyst Call - BUY T. Rowe Price

### Including supporting charts with our catalyst call

In addition to our catalyst call on TROW published this morning, we are including supporting charts that show TROW's relative performance by Morningstar Category versus peers with the lower percentile & more green color indicating better performance, while higher percentiles & more red color indicate underperformance.

### Basis for the short-term investment idea:

T. Rowe Price (TROW) is one of just a few publicly traded asset manager stocks with an improving organic AuM growth profile that appears increasingly sustainable for at least the intermediate-term. This is supported by TROW's relatively strong investment performance, an advantageous competition position in financial advisory distribution channels (based on reduction of funds on industry platforms that puts more money in motion toward better performing and cost-competitive funds like TROW's), and a variety of organic growth initiatives embarked upon over the last 1-2 years, including more aggressive placement on fund distribution platforms & more expansive wholesaling efforts, along with a more concerted asset allocation product construction & marketing effort. Moreover, we are noticing firms with stronger, sustained AuM organic growth rates (e.g. ~3% or above) are commanding higher P/E valuation premiums to peers, a trend that began last year.

### Catalysts:

We expect TROW to outperform asset manager peers through at least 2Q earnings season (expected TROW reporting date is July 25), with 2Q results that we think will at least slightly beat Consensus and appear stronger fundamentally than peers. Key areas should be 1) organic AuM growth near 3% vs. 0% for the group on a median basis, 2) op margin expansion of 30bps sequentially and 150bps on a year/year basis, & 3) asset appreciation over 2% in 2Q vs. flattish for the group driven by an asset mix geared to favorable performance areas in 2Q, mainly US equities, growth style, and presence in small-cap (vs. weaker performance in EM, EAFE, global bonds, and many alternative & fixed income strategies). Moreover, TROW mutual fund performance rankings improved in June vs. a downturn in May, thus retaining very strong 1- & 3- year & longer-term performance rankings.

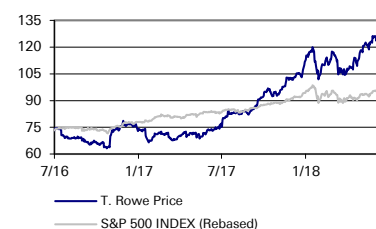
### Risks to the short-term investment idea:

Risks to our short-term call are 1) a sharp US equity market downturn, 2) a reversal in substantial growth outperformance vs. value styles in US, 3) much weaker organic growth reported in 2Q than expected, & 4) any revision to higher expense growth in 2018 than prior 8-11% mgmt. outlook.

### Valuation

We value the traditional asset managers by assigning a P/E (relative to the S&P 500) on our 2019 EPS ests a year from now, based on assigning a prem/disc to the stock's historical relative P/E (vs. the S&P 500 and ex net excess cash on the balance sheet). Our PT is driven by our view for TROW to trade in line with the S&P 500 as strong active performance & market share gains in the broker-dealer channel should lead to a better organic growth profile than peers.

### Price/price relative



| Performance (%) | 1m   | 3m   | 12m  |
|-----------------|------|------|------|
| Absolute        | -5.7 | 11.2 | 54.1 |
| S&P 500 INDEX   | 0.5  | 5.2  | 15.1 |

Source: Deutsche Bank

### Long-Term Fundamental Rating: Buy

The views expressed in this report accurately reflect the personal views of the undersigned lead analyst(s) about the subject issuer and the securities of the issuer. In addition, the undersigned lead analyst(s) has not and will not receive any compensation for providing a specific recommendation or view in this report. I have reflected on the report and certify that the Regulation AC disclosure is accurate.



# TROW Relative Perf. Charts

Figure 1: TROW Asset-Weighted Quarterly Morningstar Rank by Morningstar Category  
 (includes category ranks on a 1-month basis for April, May, June)

| Morningstar Category                 | 2017 AUM (\$mn) | Asset-Weighted Quarterly Morningstar Category Rank |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |
|--------------------------------------|-----------------|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|                                      |                 | 1Q15   | 2Q15       | 3Q15       | 4Q15       | 1Q16       | 2Q16       | 3Q16       | 4Q16       | 1Q17       | 2Q17       | 3Q17       | 4Q17       | 1Q18       | Apr        | May        | June       |
| US Fund Large Growth                 | 124,869         | 10%  | 42%        | 20%        | 12%        | 85%        | 70%        | 17%        | 44%        | 16%        | 9%         | 30%        | 47%        | 19%        | 16%        | 67%        | 41%        |
| US Fund Large Value                  | 52,880          | 61%  | 52%        | 77%        | 14%        | 41%        | 48%        | 38%        | 58%        | 37%        | 20%        | 50%        | 38%        | 56%        | 84%        | 41%        |            |
| US Fund Small Growth                 | 41,711          | 56%  | 73%        | 14%        | 18%        | 32%        | 33%        | 64%        | 57%        | 37%        | 41%        | 45%        | 57%        | 30%        | 81%        | 74%        | 25%        |
| US Fund Mid-Cap Growth               | 37,571          | 26%  | 30%        | 6%         | 12%        | 34%        | 57%        | 60%        | 45%        | 32%        | 21%        | 53%        | 85%        | 21%        | 71%        | 93%        | 61%        |
| US Fund Allocation-50% to 70% Equity | 35,810          | 4%   | 10%        | 14%        | 10%        | 25%        | 27%        | 53%        | 74%        | 5%         | 5%         | 62%        | 70%        | 6%         | 29%        | 61%        | 13%        |
| US Fund Intermediate-Term Bond       | 33,976          | 32%  | 60%        | 36%        | 35%        | 43%        | 44%        | 63%        | 85%        | 53%        | 34%        | 48%        | 25%        | 54%        | 66%        | 63%        | 41%        |
| US Fund Target-Date 2030             | 30,476          | 9%   | 22%        | 69%        | 8%         | 57%        | 79%        | 2%         | 58%        | 2%         | 1%         | 20%        | 72%        | 3%         | 43%        | 81%        | 19%        |
| US Fund Target-Date 2020             | 27,520          | 13%  | 7%         | 79%        | 1%         | 51%        | 60%        | 2%         | 51%        | 2%         | 3%         | 14%        | 43%        | 5%         | 43%        | 75%        | 25%        |
| US Fund Target-Date 2025             | 23,729          | 6%   | 15%        | 74%        | 1%         | 54%        | 77%        | 2%         | 54%        | 2%         | 3%         | 15%        | 59%        | 4%         | 55%        | 85%        | 13%        |
| US Fund Target-Date 2040             | 21,753          | 6%   | 22%        | 71%        | 5%         | 60%        | 77%        | 2%         | 64%        | 2%         | 1%         | 32%        | 84%        | 4%         | 54%        | 91%        | 12%        |
| US Fund Target-Date 2035             | 18,475          | 2%   | 22%        | 66%        | 6%         | 59%        | 81%        | 3%         | 69%        | 2%         | 1%         | 29%        | 79%        | 3%         | 42%        | 91%        | 6%         |
| US Fund Foreign Large Blend          | 18,456          | 28%  | 43%        | 60%        | 83%        | 35%        | 61%        | 30%        | 26%        | 26%        | 23%        | 21%        | 83%        | 24%        | 38%        | 50%        | 42%        |
| US Fund Foreign Large Growth         | 15,986          | 20%  | 43%        | 83%        | 67%        | 27%        | 49%        | 22%        | 24%        | 28%        | 71%        | 76%        | 77%        | 38%        | 85%        | 74%        | 47%        |
| US Fund Foreign Large Value          | 14,077          | 66%  | 9%         | 64%        | 63%        | 32%        | 60%        | 35%        | 90%        | 47%        | 27%        | 60%        | 93%        | 33%        | 69%        | 89%        | 45%        |
| US Fund Mid-Cap Value                | 13,980          | 46%  | 18%        | 47%        | 38%        | 3%         | 14%        | 59%        | 40%        | 59%        | 81%        | 53%        | 13%        | 11%        | 81%        | 15%        |            |
| <b>Total</b>                         | <b>511,271</b>  | <b>24%</b>   | <b>36%</b> | <b>43%</b> | <b>19%</b> | <b>51%</b> | <b>57%</b> | <b>30%</b> | <b>55%</b> | <b>22%</b> | <b>18%</b> | <b>39%</b> | <b>60%</b> | <b>21%</b> | <b>45%</b> | <b>75%</b> | <b>33%</b> |
| % of Total Observable Active MFAUM   | 69%             |  |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |

Source: Deutsche Bank, Morningstar Direct

Figure 2: TROW Asset-Weighted Quarterly Morningstar Rank by Morningstar Category

| Morningstar Category                 | 2017 AUM (\$mn) | Asset-Weighted Quarterly Morningstar Category Rank |            |            |            |            |            |            |            |            |            |            |            |            |            |
|--------------------------------------|-----------------|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|                                      |                 | 1Q15   | 2Q15       | 3Q15       | 4Q15       | 1Q16       | 2Q16       | 3Q16       | 4Q16       | 1Q17       | 2Q17       | 3Q17       | 4Q17       | 1Q18       | 2Q18       |
| US Fund Large Growth                 | 124,869         | 10%  | 42%        | 20%        | 12%        | 85%        | 70%        | 17%        | 44%        | 16%        | 9%         | 30%        | 47%        | 19%        | 37%        |
| US Fund Large Value                  | 52,880          | 61%  | 52%        | 77%        | 14%        | 41%        | 48%        | 38%        | 58%        | 37%        | 20%        | 50%        | 38%        | 56%        | 66%        |
| US Fund Small Growth                 | 41,711          | 56%  | 73%        | 14%        | 18%        | 32%        | 33%        | 64%        | 57%        | 37%        | 41%        | 45%        | 57%        | 30%        | 63%        |
| US Fund Mid-Cap Growth               | 37,571          | 26%  | 30%        | 6%         | 12%        | 34%        | 57%        | 60%        | 45%        | 32%        | 21%        | 53%        | 85%        | 21%        | 92%        |
| US Fund Allocation-50% to 70% Equity | 35,810          | 4%   | 10%        | 14%        | 10%        | 25%        | 27%        | 53%        | 74%        | 5%         | 5%         | 62%        | 70%        | 6%         | 26%        |
| US Fund Intermediate-Term Bond       | 33,976          | 32%  | 60%        | 36%        | 35%        | 43%        | 44%        | 63%        | 85%        | 53%        | 34%        | 48%        | 25%        | 54%        | 65%        |
| US Fund Target-Date 2030             | 30,476          | 9%   | 22%        | 69%        | 8%         | 57%        | 79%        | 2%         | 58%        | 2%         | 1%         | 20%        | 72%        | 3%         | 64%        |
| US Fund Target-Date 2020             | 27,520          | 13%  | 7%         | 79%        | 1%         | 51%        | 60%        | 2%         | 51%        | 2%         | 3%         | 14%        | 43%        | 5%         | 68%        |
| US Fund Target-Date 2025             | 23,729          | 6%   | 15%        | 74%        | 1%         | 54%        | 77%        | 2%         | 54%        | 2%         | 3%         | 15%        | 59%        | 4%         | 65%        |
| US Fund Target-Date 2040             | 21,753          | 6%   | 22%        | 71%        | 5%         | 60%        | 77%        | 2%         | 64%        | 2%         | 1%         | 32%        | 84%        | 4%         | 63%        |
| US Fund Target-Date 2035             | 18,475          | 2%   | 22%        | 66%        | 6%         | 59%        | 81%        | 3%         | 69%        | 2%         | 1%         | 29%        | 79%        | 3%         | 54%        |
| US Fund Foreign Large Blend          | 18,456          | 28%  | 43%        | 60%        | 83%        | 35%        | 61%        | 30%        | 26%        | 26%        | 23%        | 21%        | 83%        | 24%        | 39%        |
| US Fund Foreign Large Growth         | 15,986          | 20%  | 43%        | 83%        | 67%        | 27%        | 49%        | 22%        | 24%        | 28%        | 71%        | 76%        | 77%        | 38%        | 83%        |
| US Fund Foreign Large Value          | 14,077          | 66%  | 9%         | 64%        | 63%        | 32%        | 60%        | 35%        | 90%        | 47%        | 27%        | 60%        | 93%        | 33%        | 77%        |
| US Fund Mid-Cap Value                | 13,980          | 46%  | 18%        | 47%        | 38%        | 3%         | 14%        | 59%        | 40%        | 59%        | 81%        | 53%        | 13%        | 20%        |            |
| <b>Total</b>                         | <b>511,271</b>  | <b>24%</b>   | <b>36%</b> | <b>43%</b> | <b>19%</b> | <b>51%</b> | <b>57%</b> | <b>30%</b> | <b>55%</b> | <b>22%</b> | <b>18%</b> | <b>39%</b> | <b>60%</b> | <b>21%</b> | <b>56%</b> |
| % of Total Observable Active MFAUM   | 69%             |  |            |            |            |            |            |            |            |            |            |            |            |            |            |

Source: Deutsche Bank, Morningstar Direct



Figure 3: TROW Asset-Weighted 1-Year Morningstar Rank by Morningstar Category

| Morningstar Category                  | 2017 AUM (\$mn) | Asset-Weighted 1-Year Morningstar Category Rank |            |            |            |            |            |            |            |            |            |            |            |            |            |
|---------------------------------------|-----------------|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|                                       |                 | 1Q15  | 2Q15       | 3Q15       | 4Q15       | 1Q16       | 2Q16       | 3Q16       | 4Q16       | 1Q17       | 2Q17       | 3Q17       | 4Q17       | 1Q18       | 2Q18       |
| US Fund Large Growth                  | 124,869         | 24%   | 19%        | 13%        | 7%         | 38%        | 53%        | 49%        | 64%        | 12%        | 6%         | 6%         | 12%        | 14%        | 23%        |
| US Fund Large Value                   | 52,880          | 57%   | 61%        | 69%        | 53%        | 44%        | 44%        | 21%        | 49%        | 45%        | 35%        | 36%        | 34%        | 35%        | 59%        |
| US Fund Small Growth                  | 41,711          | 34%   | 56%        | 37%        | 27%        | 16%        | 13%        | 23%        | 48%        | 38%        | 46%        | 35%        | 38%        | 37%        | 44%        |
| US Fund Mid-Cap Growth                | 37,571          | 5%  | 7%         | 2%         | 3%         | 5%         | 9%         | 22%        | 43%        | 47%        | 31%        | 27%        | 40%        | 35%        | 75%        |
| US Fund Allocation--50% to 70% Equity | 35,810          | 7%  | 8%         | 9%         | 3%         | 7%         | 10%        | 9%         | 35%        | 22%        | 20%        | 19%        | 19%        | 18%        | 19%        |
| US Fund Intermediate-Term Bond        | 33,976          | 37%   | 46%        | 43%        | 39%        | 38%        | 28%        | 45%        | 60%        | 65%        | 67%        | 63%        | 38%        | 36%        | 48%        |
| US Fund Target-Date 2030              | 30,476          | 14%   | 18%        | 34%        | 7%         | 25%        | 55%        | 10%        | 39%        | 10%        | 4%         | 7%         | 4%         | 6%         | 17%        |
| US Fund Target-Date 2020              | 27,520          | 14%   | 19%        | 46%        | 12%        | 33%        | 54%        | 2%         | 14%        | 7%         | 3%         | 4%         | 1%         | 3%         | 10%        |
| US Fund Target-Date 2025              | 23,729          | 12%   | 14%        | 46%        | 6%         | 34%        | 50%        | 2%         | 20%        | 8%         | 1%         | 2%         | 2%         | 3%         | 13%        |
| US Fund Target-Date 2040              | 21,753          | 16%   | 16%        | 27%        | 4%         | 24%        | 54%        | 16%        | 58%        | 14%        | 2%         | 9%         | 6%         | 6%         | 25%        |
| US Fund Target-Date 2035              | 18,475          | 9%  | 13%        | 30%        | 4%         | 25%        | 49%        | 14%        | 56%        | 13%        | 5%         | 9%         | 7%         | 8%         | 23%        |
| US Fund Foreign Large Blend           | 18,456          | 26%   | 29%        | 43%        | 67%        | 58%        | 62%        | 50%        | 27%        | 26%        | 17%        | 15%        | 30%        | 27%        | 24%        |
| US Fund Foreign Large Growth          | 15,986          | 19%   | 30%        | 67%        | 72%        | 61%        | 52%        | 25%        | 8%         | 15%        | 19%        | 40%        | 66%        | 75%        | 87%        |
| US Fund Foreign Large Value           | 14,077          | 47%   | 28%        | 47%        | 54%        | 38%        | 55%        | 42%        | 71%        | 79%        | 72%        | 77%        | 68%        | 67%        | 87%        |
| US Fund Mid-Cap Value                 | 13,980          | 43%   | 47%        | 50%        | 32%        | 11%        | 15%        | 3%         | 8%         | 30%        | 66%        | 65%        | 68%        | 44%        | 21%        |
| <b>Total</b>                          | <b>511,271</b>  | <b>25%</b>                                      | <b>28%</b> | <b>32%</b> | <b>21%</b> | <b>31%</b> | <b>40%</b> | <b>27%</b> | <b>46%</b> | <b>27%</b> | <b>23%</b> | <b>23%</b> | <b>24%</b> | <b>24%</b> | <b>36%</b> |
| % of Total Observable Active MF AUM   | 69%             |   |            |            |            |            |            |            |            |            |            |            |            |            |            |

Source: Deutsche Bank, Morningstar Direct

Figure 4: TROW Asset-Weighted 3-Year Morningstar Rank by Morningstar Category

| Morningstar Category                  | 2017 AUM (\$mn) | Asset-Weighted 3-Year Morningstar Category Rank |            |            |            |            |            |            |            |            |            |            |            |            |            |
|---------------------------------------|-----------------|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|                                       |                 | 1Q15  | 2Q15       | 3Q15       | 4Q15       | 1Q16       | 2Q16       | 3Q16       | 4Q16       | 1Q17       | 2Q17       | 3Q17       | 4Q17       | 1Q18       | 2Q18       |
| US Fund Large Growth                  | 124,869         | 15%   | 17%        | 12%        | 9%         | 12%        | 19%        | 21%        | 29%        | 13%        | 8%         | 9%         | 7%         | 10%        | 11%        |
| US Fund Large Value                   | 52,880          | 42%   | 42%        | 49%        | 45%        | 44%        | 43%        | 43%        | 52%        | 52%        | 47%        | 44%        | 44%        | 41%        | 47%        |
| US Fund Small Growth                  | 41,711          | 15%   | 31%        | 19%        | 18%        | 10%        | 9%         | 11%        | 16%        | 15%        | 18%        | 26%        | 26%        | 24%        | 23%        |
| US Fund Mid-Cap Growth                | 37,571          | 8%  | 9%         | 3%         | 3%         | 1%         | 1%         | 3%         | 5%         | 4%         | 3%         | 4%         | 7%         | 12%        | 28%        |
| US Fund Allocation--50% to 70% Equity | 35,810          | 7%  | 5%         | 7%         | 7%         | 6%         | 5%         | 6%         | 9%         | 6%         | 4%         | 3%         | 2%         | 3%         | 4%         |
| US Fund Intermediate-Term Bond        | 33,976          | 55%   | 57%        | 51%        | 49%        | 45%        | 35%        | 35%        | 47%        | 49%        | 46%        | 52%        | 47%        | 51%        | 48%        |
| US Fund Target-Date 2030              | 30,476          | 5%  | 4%         | 4%         | 5%         | 4%         | 4%         | 3%         | 8%         | 4%         | 3%         | 1%         | 2%         | 4%         | 2%         |
| US Fund Target-Date 2020              | 27,520          | 3%  | 1%         | 3%         | 4%         | 4%         | 4%         | 3%         | 6%         | 2%         | 2%         | 1%         | 1%         | 1%         | 1%         |
| US Fund Target-Date 2025              | 23,729          | 5%  | 4%         | 6%         | 5%         | 5%         | 5%         | 4%         | 6%         | 1%         | 1%         | 1%         | 1%         | 1%         | 1%         |
| US Fund Target-Date 2040              | 21,753          | 4%  | 1%         | 5%         | 4%         | 3%         | 4%         | 3%         | 16%        | 5%         | 3%         | 4%         | 6%         | 5%         | 7%         |
| US Fund Target-Date 2035              | 18,475          | 5%  | 2%         | 4%         | 4%         | 4%         | 5%         | 4%         | 13%        | 6%         | 4%         | 2%         | 4%         | 5%         | 7%         |
| US Fund Foreign Large Blend           | 18,456          | 26%   | 26%        | 32%        | 39%        | 32%        | 38%        | 37%        | 33%        | 26%        | 25%        | 25%        | 33%        | 32%        | 30%        |
| US Fund Foreign Large Growth          | 15,986          | 59%   | 59%        | 67%        | 65%        | 44%        | 30%        | 23%        | 11%        | 12%        | 17%        | 36%        | 43%        | 49%        | 59%        |
| US Fund Foreign Large Value           | 14,077          | 49%   | 33%        | 31%        | 37%        | 34%        | 32%        | 29%        | 48%        | 56%        | 54%        | 61%        | 80%        | 79%        | 87%        |
| US Fund Mid-Cap Value                 | 13,980          | 41%   | 43%        | 61%        | 50%        | 17%        | 7%         | 9%         | 8%         | 10%        | 21%        | 31%        | 21%        | 19%        | 14%        |
| <b>Total</b>                          | <b>511,271</b>  | <b>20%</b>                                      | <b>21%</b> | <b>20%</b> | <b>19%</b> | <b>17%</b> | <b>17%</b> | <b>17%</b> | <b>23%</b> | <b>18%</b> | <b>16%</b> | <b>18%</b> | <b>18%</b> | <b>19%</b> | <b>21%</b> |
| % of Total Observable Active MF AUM   | 69%             |   |            |            |            |            |            |            |            |            |            |            |            |            |            |

Source: Deutsche Bank, Morningstar Direct



# Investment Thesis

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## Outlook

We see TROW as among the most consistent stories in asset management with a stronger market position than perceived for the following reasons: 1) major stronghold in defined contribution in both DC investment-only and a 401k administration business that provides good sale/redemption dynamics including high rollover recapture rates, 2) potential to increase market share in the broker-dealer space as industrywide brokerage platform product rationalization has favored TROW funds, 3) excellent position in 'solutions' growth area via scalable and efficient target date products, 4) solid investment culture & track record with improving ability to achieve alpha via expanded investment staff globally, & 5) long-tenured proven mgmt. team with relatively simple and straightforward business model. Key catalysts for the stock over next 12 months are: 1) consistent low-single digit organic growth, 2) continued strong relative performance versus peers, & 3) renewed investor appetite for actively-managed products. Our Buy rating reflects our view for TROW's relative valuation to improve to a market multiple as the market will reward the firm's superior organic growth versus peers.

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## Valuation

We value the traditional asset manager stocks by assigning a P/E (relative to the S&P 500) on our 2019 EPS estimates a year from now, based on assigning a premium or discount to the stock's historical relative P/E (vs. the S&P 500 and ex net excess cash on the balance sheet). Our PT is driven by our view for TROW to trade in line with the S&P 500 as strong active performance & market share gains in the broker-dealer channel should lead to a better organic growth profile than peers.

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## Risks

Downside risks are: 1) an equity market downturn, 2) much worse outflows than expected or larger market shift from active to passive products, 3) prolonged poor relative performance across several strategies, 4) a shift in investor demand from growth equity to value strategies, & 5) loss of key personnel.



# Appendix 1

## Important Disclosures

\*Other information available upon request

### Disclosure checklist

| Company       | Ticker  | Recent price*          | Disclosure |
|---------------|---------|------------------------|------------|
| T. Rowe Price | TROW.OQ | 118.74 (USD) 10 Jul 18 | 2,14,15    |

Prices are current as of the end of the previous trading session unless otherwise indicated and are sourced from local exchanges via Reuters, Bloomberg and other vendors. Other information is sourced from Deutsche Bank, subject companies, and other sources. For disclosures pertaining to recommendations or estimates made on securities other than the primary subject of this research, please see the most recently published company report or visit our global disclosure look-up page on our website at <https://research.db.com/Research/Disclosures/CompanySearch>. Aside from within this report, important conflict disclosures can also be found at <https://research.db.com/Research/Topics/Equities?topicId=RB0002> under the "Disclosures Lookup" and "Legal" tabs. Investors are strongly encouraged to review this information before investing.

## Important Disclosures Required by U.S. Regulators

Disclosures marked with an asterisk may also be required by at least one jurisdiction in addition to the United States. See Important Disclosures Required by Non-US Regulators and Explanatory Notes.

2. Deutsche Bank and/or its affiliate(s) makes a market in equity securities issued by this company.
14. Deutsche Bank and/or its affiliate(s) has received non-investment banking related compensation from this company within the past year.
15. This company has been a client of Deutsche Bank Securities Inc. within the past year, during which time it received non-investment banking securities-related services.

## Important Disclosures Required by Non-U.S. Regulators

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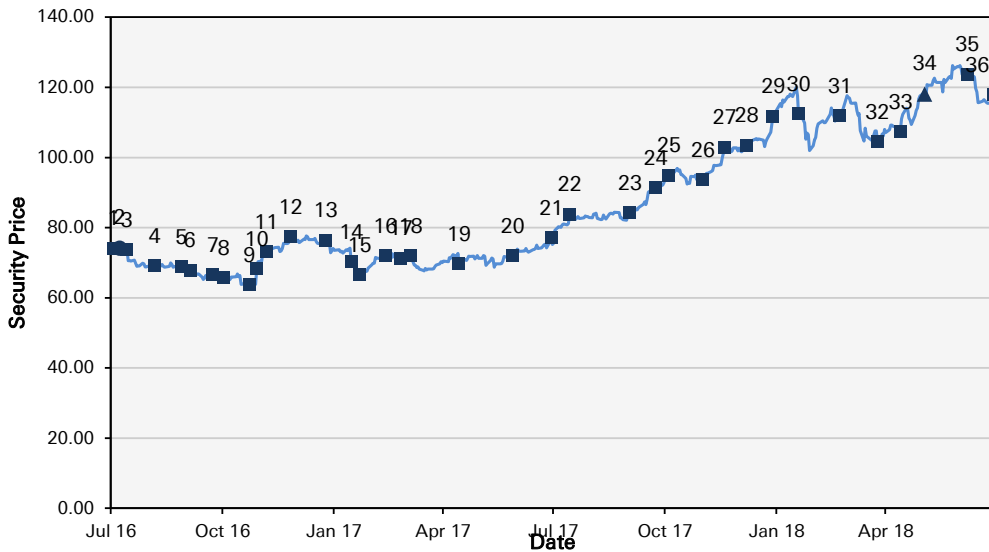
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Historical recommendations and target price: T. Rowe Price (TROW.OQ)

(as of 7/11/2018)



Previous Recommendations

- Strong Buy
- Buy
- Market Perform
- Underperform
- Not Rated
- Suspended Rating

Current Recommendations

- Buy
- Hold
- Sell
- Not Rated
- Suspended Rating

\*New Recommendation Structure as of September 9, 2002

\*\*Analyst is no longer at Deutsche Bank

|                 |  |                 |  |
|-----------------|--|-----------------|--|
| 1. 07/15/2016:  | Buy, Target Price Change USD79.00 Brian Bedell               | 19. 04/26/2017: | Hold, Target Price Change USD71.00 Brian Bedell            |
| 2. 07/20/2016:  | Downgrade to Hold, Target Price Change USD75.00 Brian Bedell | 20. 06/09/2017: | Hold, Target Price Change USD74.00 Brian Bedell            |
| 3. 07/26/2016:  | Hold, Target Price Change USD70.00 Brian Bedell              | 21. 07/11/2017: | Hold, Target Price Change USD76.00 Brian Bedell            |
| 4. 08/18/2016:  | Hold, Target Price Change USD71.00 Brian Bedell              | 22. 07/26/2017: | Hold, Target Price Change USD78.00 Brian Bedell            |
| 5. 09/09/2016:  | Hold, Target Price Change USD74.00 Brian Bedell              | 23. 09/14/2017: | Hold, Target Price Change USD80.00 Brian Bedell            |
| 6. 09/16/2016:  | Hold, Target Price Change USD72.00 Brian Bedell              | 24. 10/05/2017: | Hold, Target Price Change USD87.00 Brian Bedell            |
| 7. 10/05/2016:  | Hold, Target Price Change USD73.00 Brian Bedell              | 25. 10/16/2017: | Hold, Target Price Change USD94.00 Brian Bedell            |
| 8. 10/14/2016:  | Hold, Target Price Change USD66.00 Brian Bedell              | 26. 11/13/2017: | Hold, Target Price Change USD95.00 Brian Bedell            |
| 9. 11/04/2016:  | Hold, Target Price Change USD61.00 Brian Bedell              | 27. 12/01/2017: | Hold, Target Price Change USD99.00 Brian Bedell            |
| 10. 11/10/2016: | Hold, Target Price Change USD66.00 Brian Bedell              | 28. 12/19/2017: | Hold, Target Price Change USD102.00 Brian Bedell           |
| 11. 11/18/2016: | Hold, Target Price Change USD72.00 Brian Bedell              | 29. 01/10/2018: | Hold, Target Price Change USD117.00 Brian Bedell           |
| 12. 12/08/2016: | Hold, Target Price Change USD73.00 Brian Bedell              | 30. 01/31/2018: | Hold, Target Price Change USD115.00 Brian Bedell           |
| 13. 01/06/2017: | Hold, Target Price Change USD71.00 Brian Bedell              | 31. 03/06/2018: | Hold, Target Price Change USD116.00 Brian Bedell           |
| 14. 01/27/2017: | Hold, Target Price Change USD69.00 Brian Bedell              | 32. 04/06/2018: | Hold, Target Price Change USD114.00 Brian Bedell           |
| 15. 02/03/2017: | Hold, Target Price Change USD67.00 Brian Bedell              | 33. 04/25/2018: | Hold, Target Price Change USD121.00 Brian Bedell           |
| 16. 02/24/2017: | Hold, Target Price Change USD72.00 Brian Bedell              | 34. 05/15/2018: | Upgrade to Buy, Target Price Change USD139.00 Brian Bedell |
| 17. 03/09/2017: | Hold, Target Price Change USD73.00 Brian Bedell              | 35. 06/19/2018: | Buy, Target Price Change USD140.00 Brian Bedell            |
| 18. 03/17/2017: | Hold, Target Price Change USD74.00 Brian Bedell              | 36. 07/11/2018: | Buy, Target Price Change USD138.00 Brian Bedell            |



### Equity rating key

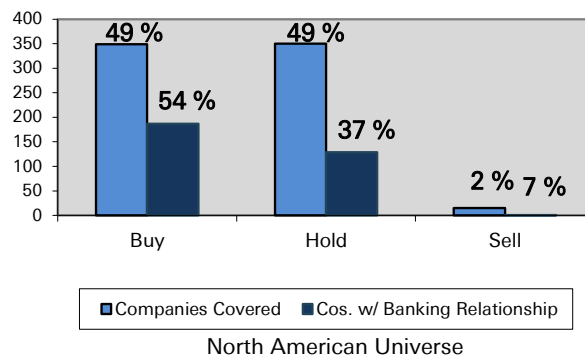
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**Sell:** Based on a current 12-month view of total share-holder return, we recommend that investors sell the stock

**Hold:** We take a neutral view on the stock 12-months out and, based on this time horizon, do not recommend either a Buy or Sell.

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### Equity rating dispersion and banking relationships





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