

A woman with long, curly hair is shown from the chest up. She is wearing a dark-colored headset with a microphone and is looking down at a smartphone she is holding in her hands. The background is blurred, showing what appears to be an office or public space.

FINANCIAL SECURITY

**Just as we help clients achieve their long-term investment goals,
we also support the financial well-being of our associates and
help build financial capabilities in our communities.**

TOWARD FINANCIAL SECURITY

According to a recent T. Rowe Price study,¹ investors across generations list peace of mind and quality of life as top financial priorities.

Our mission at T. Rowe Price is simple: help clients around the world achieve their long-term financial goals. Whether helping an institutional client fund their pension plan for employees or helping an advisor support their client's transition into retirement, our investment management capabilities support the financial goals and quality of life for people around the globe.

WORKING TO BUILD RETIREMENT SECURITY IN THE U.S.

Setting aside savings is not always an easy task, so we look for ways to broaden access to investment strategies and make it easier to save. Automating investment contributions and asset allocation in the U.S. can be the most effective approach to help investors reach their goals and achieve a secure financial future. For more than a decade, we have encouraged retirement plan sponsors to automatically enroll their employees in a company's retirement plan and escalate their contributions.

Thanks to increased adoption of these features, retirement plan deferral rates hit a 10-year high in 2018, with participants in plans managed by T. Rowe Price contributing 8.6% of their pretax salary toward retirement, on average.² While this still represents a shortfall from the recommended 15% or more, it illustrates progress. Additionally, loans from retirement plans reached a six-year low, while hardship withdrawals fell for the ninth year in a row.

To simplify asset allocation choices, since 2002 we have offered a suite of solutions-based products, such as retirement date portfolios and college enrollment-based portfolios.

In one client case study, we saw that two-thirds of retirement plan participants who made their own investment selections had asset allocations inconsistent with recommendations for their age. In fact, 9% of participants were either 0% or 100% invested in stocks. Solutions-based offerings make the investment selection process easy for investors and help reduce inappropriate asset allocation selections.

2018 STATISTICS

We Served:

- 4,600 retirement plans
- 2.1 million retirement plan participants
- 1.4 million direct individual investors

We Managed:

- \$653.5 billion in total retirement and tax-deferred annuity assets
- \$13.3 billion in college savings assets

AWARDS

- **2018 Bronze Winner for Mega Plans:** PLANSPOONOR'S³ Defined Contribution Survey Standouts
- **2018 Gold Medal Winner:** Corporate Insight's Retirement Plan Monitor Awards
- **2018 2nd Place Winner:** *Pensions & Investments* Eddy Awards, Special Projects Category
- **2018 3rd Place Winner:** *Pensions & Investments* Eddy Awards, Ongoing Investment Education Category
- **2018 Best Overall Fund House and Best Fixed Income Fund House:** Morningstar UK

Past performance is not a reliable indicator of future performance.

¹ The 2018 T. Rowe Price Retirement Savings and Spending study was a representative national study conducted online between July 24 and August 14 of 3,005 adults age 21+, never retired, and currently contributing to a 401(k) plan (or eligible to contribute) with a balance of \$1,000+. Additionally, 1,005 adults who have retired with a Rollover IRA or left-in-plan 401(k) balance were interviewed.

² Plan-weighted average.

³ Based on 2018 survey of 228 organizations with more than \$1 billion in defined contribution plan assets. DC Survey Standouts (Bronze) recognition given to recordkeeper receiving the 3rd most "Best in Class" service awards.

ETHICS AND INTEGRITY, FIRST AND FOREMOST

We strive to conduct our business with the highest level of integrity and ethics, not just because it is the right thing to do, but because we believe it will drive the best results for our clients. Here are some of the policies and programs in place that continue to promote that culture at T. Rowe Price.

CODE OF ETHICS

We adopted our [Code of Ethics and Conduct \(Code\)](#) more than 30 years ago, and it has been updated more than a dozen times since then. The Code applies to all company associates as well as outside contractors and anyone providing services for the firm. All associates must participate in annual training that promotes honest conduct and adherence to the Code. It is maintained and enforced by the Ethics Committee.

WHISTLEBLOWER PROGRAM

Our whistleblower program provides associates with the opportunity to submit a complaint without the fear of dismissal or retaliation. T. Rowe Price champions this program through the Code, the firm's intranet site, and annual training. Employees can file complaints in writing or through a toll-free, 24/7 anonymous hotline.

INDICES AND RANKINGS

- MSCI ESG Leaders Index
- MSCI SRI Index
- Sustainalytics—ranked in the 81st percentile (scored 64 out of 100)
- FTSE4Good Index

ANTI-BRIBERY POLICY

Our Code also prohibits the payment of bribes, kickbacks, or other illegal practices, and we maintain a strict global compliance program to ensure adherence with the policy. As part of our compliance program, we provide guidelines for associates regarding acceptable business activities and provide an anonymous hotline where associates may report any concerns regarding illegal payments. To ensure understanding and compliance, all associates are required to complete annual anti-bribery training.

EXECUTIVE COMPENSATION

We align our executive compensation with the interests of our clients and stockholders. Our executive compensation program recognizes both short- and long-term success, and our focus is to reward intermediate- and long-term performance of our top management. Our compensation programs are also designed to reward senior executives for their contributions to T. Rowe Price's culture, risk management, and corporate reputation and to the quality and collaboration of our associates. The Executive Compensation and Management Development Committee oversees our compensation, talent development, and succession planning.

CORPORATE AFFAIRS AND CAMPAIGN CONTRIBUTIONS

We focus our public policy efforts on areas affecting our clients. Leaders across the firm's business units, along with the Legal and Compliance Department, work closely to determine when and how to engage with lawmakers, regulators, trade associations, or other third parties. We also adhere to rules and regulations that limit the political activities of investment advisors.

The inclusion of T. Rowe Price Group, Inc. in any MSCI Index, and the use of the MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, or promotion of T. Rowe Price Group, Inc. by MSCI or any of its affiliates. The MSCI indices are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.



ENGAGING ON KEY INDUSTRY ISSUES

In addition to our internal efforts, T. Rowe Price seeks to promote ethics and integrity across our industry by participating in various organizations and through working with industry regulators. Some of the organizations we are involved with include:

- American Benefits Council
- Australian Institute of Superannuation Trustees
- Employee Benefit Research Institute (EBRI)
- European Fund and Asset Management Association
- Financial Services Information Sharing and Analysis Center
- Forum of European Asset Managers
- Hong Kong Investment Funds Association
- Investment Adviser Association

- Investment Company Institute (ICI)
- ICI Global
- Investment Management Education Alliance
- Investor Stewardship Group
- Japan Stewardship Code
- Retirement Leadership Forum
- Society for Corporate Governance
- SPARK Institute
- UK Investment Association

In addition to maintaining memberships and participation in industry associations, we also shape policy through public forums. T. Rowe Price regularly monitors and evaluates public policy issues affecting our business in order to enhance the integrity and structure of our industry.





A FOCUS ON SECURITY AND PRIVACY

T. Rowe Price is committed to protecting client information and protecting access to it. We do not sell information about current or former customers to any third parties, and we do not disclose it to third parties unless necessary to process a transaction, service an account, or as otherwise permitted by law.

We maintain physical, electronic, and procedural safeguards to protect personal information. Within T. Rowe Price, access to such information is limited to those who need it to perform their jobs, such as servicing client accounts, resolving problems, or informing clients of new products or services. Our Code of Ethics, which applies to all associates, restricts the use of client information and requires that it be held in strict confidence.

As the need for cybersecurity increases, so do our efforts to help protect the privacy of client personal information.

- T. Rowe Price's business, technology, and security controls and policies are tested as appropriate through our review process in accordance with local standards and requirements.
- Our head of information security and a dedicated cybersecurity team constantly review and update policies, procedures, and compliance-monitoring practices.
- We conduct third-party assessments of our cybersecurity program, including network-penetration testing and capability assessment.

In addition, all associates are required to complete annual security awareness training that addresses emerging risks and threats. Our senior leadership oversees this process and takes an active part in approving all relevant training to ensure security and privacy compliance across the firm.

Our [Privacy Policy](#) is available on our website, and questions about our Privacy Policy can be emailed to us at feedback@troweprice.com.

COLLABORATIVE OVERSIGHT

To ensure that our corporate policies reflect the highest level of integrity and ethics, T. Rowe Price's Board of Directors and senior leadership coordinate the following:

BUSINESS UNITS

We endeavor to maintain the highest ethical standards in all facets of our firm through our Code, our hiring criteria, and our associate training. Each business unit is responsible for managing risk, maintaining a strong control environment, and employing procedures to meet regulatory compliance requirements—all while observing these standards and ensuring that the reputation of the firm is upheld.

ENTERPRISE RISK MANAGEMENT

Our Enterprise Risk Management group coordinates with the business units to proactively identify and manage risks within the organization, particularly strategic, operational, business continuity, human capital, compliance, and financial risks.

FIRMWIDE COMPLIANCE

T. Rowe Price promotes a culture of compliance and maintains a compliance program that ensures local laws and regulations are understood and adhered to across the globe. Our Compliance associates partner with the business units to help navigate complex legal requirements while maintaining the integrity of the firm.

INTERNAL AUDIT

Our Internal Audit department provides independent assurance of effective risk controls across the firm. The head of Internal Audit reports to the Audit Committee of the Board of Directors. The department prepares an annual risk-based strategic audit plan that is reviewed and approved by the Audit Committee. Internal Audit then executes against the plan and provides periodic updates to the Audit Committee concerning any findings.

BUSINESS RESILIENCE

Our business continuity program ensures we maintain the operational integrity of critical business functions and reduce potential risks.

CROSS-FUNCTIONAL COMMITTEE MEMBERSHIPS

T. Rowe Price maintains several committees that assist management in handling the operations of the firm. These committees have members from various functional areas across the firm, including finance, legal, risk, and business operations. These interdisciplinary forums allow employees with a variety of skill sets and expertise to collaborate on issues and develop creative solutions for the firm.



FINANCIAL LITERACY STRENGTHENS COMMUNITIES

When Thomas Rowe Price, Jr., founded the firm in 1937, he began a long-standing endeavor to help investors make informed decisions. Over time, our financial education efforts have evolved to work toward closing a discernable gap in financial capabilities. Financial knowledge is a key to financial security. Over the past decade, our education programs for children have reached more than 11 million kids, parents, and educators. We extend that reach with community programs and partnerships—instilling invaluable life skills that will benefit people for generations to come.

THE CONFIDENT WALLET™

To help inspire long-term success through informed decisions on saving and investing, T. Rowe Price partnered with the Washington Post BrandStudio to create “The Confident Wallet,” an award-winning¹ personal finance podcast series. With episodes on women and finances, saving for college,

and getting your estate in order, more than 150,000 people have tuned in to at least one episode, and the series earned a 4.5 out of a five-star rating on iTunes.

“Partnerships with organizations like the Washington Post BrandStudio allow our financial education experts to reach a broader audience, helping people of all ages make informed decisions that can lead to long-term financial success,” says Beth Mealey, head of Global Brand Management.

STAR BANKS ADVENTURE®

The award-winning² science fiction puzzle game, which has been downloaded more than 500,000 times since it launched in 2015, teaches financial concepts in a fun and engaging format. With educational content created by CERTIFIED FINANCIAL PLANNER™³ professionals at T. Rowe Price, the Star Banks Adventure game simplifies basic financial concepts and focuses on setting a financial goal, prioritizing spending, asset allocation, and diversification.

In 2018, ninth graders at Harrison High School in New York used T. Rowe Price’s Star Banks Adventure game for a Distributive Education Clubs of America (DECA) project to promote financial literacy among fellow students. For their entry in the financial literacy promotion category, they wrote a paper titled “Gaming Our Way to Success,” describing how they used the Star Banks Adventure app to help their fellow students learn financial concepts. The project won first place in its category at the New York State DECA competition.

The students chose Star Banks Adventure after looking at several financial literacy apps “because it was a fun game, and we thought it was educational. We thought that kids in high school would be drawn to using a game rather than something meant for adults,” says Olivia Perini, one of the Harrison High School students who participated in the DECA project.

¹ Best Branded Podcast at the Digiday Content Marketing Awards.

² Excellence in Financial Literacy Education’s 2017 Instructional Game of the Year Award and Winner of The National Parenting Center’s Seal of Approval.

³ Certified Financial Planner Board of Standards Inc. (CFP Board) owns the certification marks CFP®, CERTIFIED FINANCIAL PLANNER™, CFP® (with plaque design), and CFP® (with flame design) in the U.S., which it authorizes use of by individuals who successfully complete CFP Board’s initial and ongoing certification requirements.



MONEY CONFIDENT KIDS®

Money Confident Kids makes financial education fun in the classroom and at home. Our program focuses on three key areas: teaching good financial habits early, increasing money conversations between parents and kids, and helping educators teach financial concepts more confidently.

In collaboration with Scholastic, Inc., and Junior Achievement, we have developed a wide range of tools, games, and resources. Topics include personal savings goals, creating a budget, spending habits, inflation, interest, and more.