

T. Rowe Price Group (TROW)

\$104.75 (Stock Price as of 12/26/2025)

Price Target (6-12 Months): **\$111.50**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 12/09/25)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

2-Buy

Zacks Style Scores:

VGM: B

Value: B

Growth: C

Momentum: C

Summary

Shares of T. Rowe Price have outperformed the industry in the past three months. The solid asset under management (AUM) balance will likely support its financials. Further, its collaboration with Goldman to enhance retirement and wealth solutions will broaden private markets access. Its robust liquidity position will aid consistent capital distributions. Also, the strategic product enhancements and buyouts have expanded its investment capabilities, aiding revenue growth. Our estimates for net revenues and AUM suggest a CAGR of 3.7% and 4%, respectively, by 2027. However, rising expenses due to higher compensation and technology cost will likely keep the bottom line under pressure in the near term. Our model projects total adjusted expenses to witness a CAGR of 5.9% by 2027. Also, its over-reliance on investment advisory fees remains a key concern.

Data Overview

| | |
|----------------------------|---|
| 52 Week High-Low | \$118.32 - \$77.85 |
| 20 Day Average Volume (sh) | 1,815,902 |
| Market Cap | \$22.9 B |
| YTD Price Change | -7.4% |
| Beta | 1.53 |
| Dividend / Div Yld | \$5.08 / 4.8% |
| Industry | Financial - Investment Management |
| Zacks Industry Rank | Bottom 26% (178 out of 243) |

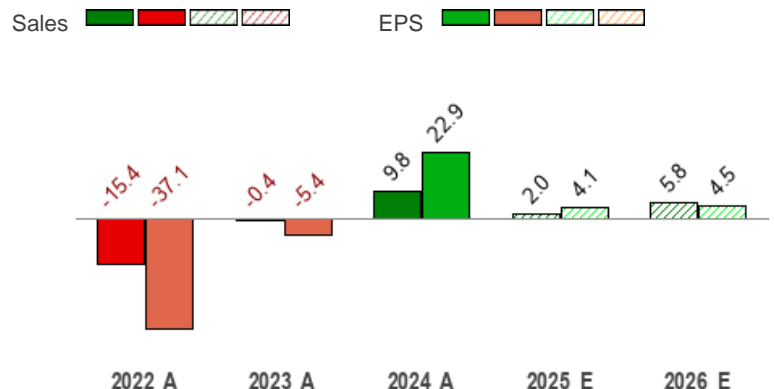
| | |
|---------------------------|------------|
| Last EPS Surprise | 10.2% |
| Last Sales Surprise | 2.3% |
| EPS F1 Est- 4 week change | 0.1% |
| Expected Report Date | 02/04/2026 |
| Earnings ESP | -0.7% |

| | |
|---------|------|
| P/E TTM | 11.1 |
| P/E F1 | 10.8 |
| PEG F1 | 2.5 |
| P/S TTM | 3.2 |

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Sales Estimates (millions of \$)⁽²⁾

| | Q1 | Q2 | Q3 | Q4 | Annual* |
|------|---------|---------|---------|---------|---------|
| 2026 | 1,857 E | 1,902 E | 1,932 E | 1,967 E | 7,658 E |
| 2025 | 1,764 A | 1,723 A | 1,894 A | 1,856 E | 7,237 E |
| 2024 | 1,750 A | 1,733 A | 1,786 A | 1,825 A | 7,094 A |

EPS Estimates⁽²⁾

| | Q1 | Q2 | Q3 | Q4 | Annual* |
|------|--------|--------|--------|--------|---------|
| 2026 | 2.42 E | 2.49 E | 2.57 E | 2.66 E | 10.15 E |
| 2025 | 2.23 A | 2.24 A | 2.81 A | 2.43 E | 9.71 E |
| 2024 | 2.38 A | 2.26 A | 2.57 A | 2.12 A | 9.33 A |

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/26/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/10/2025.

Overview

Founded in 1937 and headquartered in Baltimore, T. Rowe Price Group, Inc. is a global investment management organization with \$1.76 trillion in asset under management (AUM) as of Sept. 30, 2025. It provides a broad array of mutual funds, sub-advisory services and separate account management for individual and institutional investors, retirement plans and financial intermediaries.

Through its subsidiaries, T. Rowe Price manages separate client-focused equity, fixed income and balanced portfolios along with mutual funds. Its client base includes individual investors, defined contribution retirement plans, institutional investors and third-party distributors, among others. The company operates worldwide from the United States, England, Luxembourg, Australia, Hong Kong, Japan and Singapore.

The components of net revenues are investment advisory, administrative and distribution, and servicing fees.

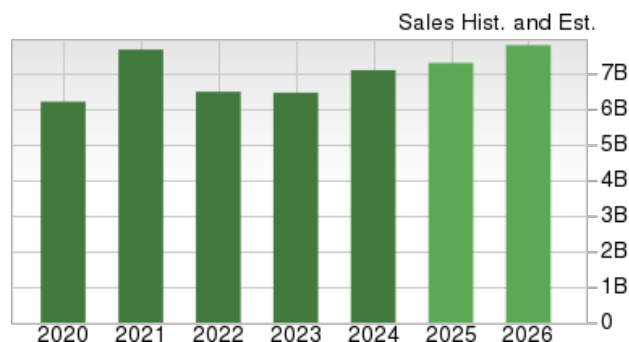
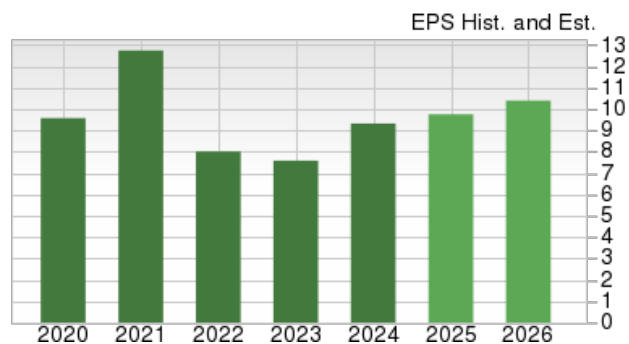
The Investment Advisory Services earn fees for managing the investment portfolios that are computed using the market value of AUM.

The Administrative Services provides advisory-related administrative services to price funds through its subsidiaries. Overall, it provides mutual fund transfer agency and shareholder services, accounting services and participant accounting, plan administration and transfer agent services.

Additionally, the company provides trustee services and other non-discretionary advisory planning services to fund shareholders and potential investors.

The Distribution and Servicing fees represent servicing fees earned from 12b-1 plans of the Advisor and R classes of sponsored mutual funds.

In 2023, T. Rowe Price acquired Retiree, Inc., a fintech firm providing innovative retirement income planning software. In 2021, it completed the buyout of Oak Hill Advisors, L.P. (OHA), in a cash-and-stock transaction valued at \$4.2 billion and transformed the responsibility of its full-service retirement recordkeeping business to Fidelity National. In 2017, it acquired a new fund from Henderson Global Investors.



As of 12/10/2025



As of 12/26/2025

Reasons To Buy:

- ▲ Organic growth remains a key strength at T. Rowe Price, as reflected in its revenue growth story. Net revenues saw a four-year (ended 2024) CAGR of 3.4%. The trend continued in the first nine months of 2025, supported by higher investment advisory fees, despite reduced capital allocation-based income. The company's focus on fortifying its business by enhancing investment capabilities, broadening distribution reach and investing in new product offerings will support revenue growth. In 2023, it launched T. Rowe Price OHA Select Private Credit Fund (OCREDIT) in partnership with OHA to provide private credit investment solutions for income-oriented individual investors. The company's shifting focus toward international growth funds is also expected to help increase both its revenues and investment management margin. We project revenues to rise 2% in 2025, 5.8% in 2026 and 3.8% in 2027.
- ▲ T. Rowe Price's diversified AUM across various asset classes, client bases and geographies offers support and ensures sustainable earnings. Its AUM balance witnessed a CAGR of 2.3% over the past four years (2020-2024). Also, for the five years ended Sept. 30, 2025, 50% of T. Rowe Price U.S. mutual funds' AUM outperformed the Morningstar median, whereas 48% outperformed the passive peer median. Further, the uptrend in AUM persisted in the first nine months of 2025 on the back of market appreciation and continued strength in multi-asset and fixed income. A strong brand, consistent investment track record, and decent business volumes are expected to keep supporting AUM growth in the upcoming period. Our estimates for total AUM suggest an increase of 9.6%, 1.7% and 1.6% in 2025, 2026 and 2027, respectively.
- ▲ T. Rowe Price has made efforts to expand its business operations through alliances and acquisitions. In September 2025, T. Rowe Price collaborated with Goldman to deliver a range of diversified public and private market solutions designed for the unique needs of retirement and wealth investors. The partnership will unfold in phases, starting with high-net-worth clients in 2025 and expanding to retirement savers in 2026. In 2024, T. Rowe announced plans for a partnership with Aspida. Through this partnership, the company expects to manage public and private assets for Aspida. This highlights its continued commitment to the expansion of the insurance business and to delivering innovative investment opportunities for its clients. In 2023, it acquired Retiree, a fintech firm providing innovative retirement income planning software. The move expanded its existing retirement capabilities, enabling a comprehensive suite of retirement income solutions for investors and practitioner tools for financial professionals. Further, T. Rowe Price expanded its footprint and capabilities through the acquisition of OHA in 2021. Also, this bulked up its offerings in the alternative investment market space. As the company is committed to diversifying its revenue streams and meeting customer needs, we believe such endeavors will likely support its long-term prospects.
- ▲ T. Rowe Price exhibits a strong liquidity position. It had liquid assets (including cash and cash equivalents, as well as investments) of \$4.28 billion compared with total liabilities of \$1.15 billion as of Sept. 30, 2025. A higher level of liquid assets in the company aids in impressive capital distribution activities. It has hiked quarterly dividends every year since its IPO in 1986, the most recent being a 2.4% increase in February 2025 to \$1.27 per share. In March 2020, the board of directors approved a repurchase plan of 24.1 million shares. In December 2020, the board increased the plan by nearly 15 million shares, bringing the total authorization to 39.1 million shares. As of Sept. 30, 2025, approximately 13.6 million shares remained under authorization. Given its solid liquidity position and a favorable debt-to-equity position compared with the industry average, its capital distribution activities seem sustainable.
- ▲ T. Rowe Price's trailing 12-month return on equity (ROE) indicates its growth potential. The company's ROE of 19.95% compares favorably with the industry's 12.32%, highlighting its efficiency in using shareholders' funds.

T. Rowe Price's strong liquidity position, product innovation and diverse AUM base support long-term growth. Strategic alliances and acquisitions will keep supporting its top-line growth.

Reasons To Sell:

- ▼ T. Rowe Price's expenses escalated at a four-year (ended 2024) CAGR of 8.3%. The trend continued in the first nine months of 2025, mainly due to ongoing investments in technology, distribution, and employee compensation. The company incurs significant expenditure to attract new investment advisory clients and additional investments from existing clients. Also, it continues to invest substantially to upgrade technology to align with changing customer needs. Going forward, any increase in expenses based on higher compensation benefits and technological advancements will likely affect the company's bottom-line growth. Our estimates for adjusted total expenses indicate a rise of 2.5%, 8.3% and 7.5% in 2025, 2026, and 2027, respectively.
- ▼ Investment advisory fees are the biggest source of revenues for T. Rowe Price, comprising approximately 89.7% of its net revenues as of Sept. 30, 2025. The increased dependence on these could affect the company's top line in the near term, as the changes in AUM owing to market fluctuations and foreign exchange translations, regulatory changes, or a sudden slowdown in overall business activities could hurt this revenue source.
- ▼ The majority of the assets under T. Rowe Price's purview are invested in U.S. equities. This product category has been most susceptible to market-share losses due to the heightened adoption of passive investments via index funds and exchange-traded funds. The continuously increasing trend in passive investing has affected the company's new client inflows. Although T. Rowe Price is making efforts to diversify its product mix across other asset classes and geographies, concentration in U.S. equities still poses a major risk, which could lead to inconsistent asset flows.

T. Rowe Price's bottom-line growth continues to suffer from high costs. Overdependence on investment advisory fees and U.S. equity assets amid expectations of economic slowdown is concerning.

Last Earnings Report

T. Rowe Price Q3 Earnings Beat on Higher AUM & Revenues

T. Rowe Price reported third-quarter 2025 adjusted earnings per share (EPS) of \$2.81, beating the Zacks Consensus Estimate of \$2.55. Moreover, the bottom line increased 9.3% year over year.

The results benefited from a rise in investment advisory fees and capital allocation-based income. Also, higher assets under management were another positive. However, higher expenses acted as a spoilsport.

Net income attributable to T. Rowe Price (on a GAAP basis) was \$646.1 million, which rose 7.1% from the prior-year quarter.

Revenues Increase, Expenses Rise

Net revenues rose 6% year over year to \$1.89 billion. Further, the top line surpassed the Zacks Consensus Estimate of \$1.85 billion.

Investment advisory fees rose 4.4% to \$1.7 billion.

Capital allocation-based income increased to \$42 million from \$4.6 million in the prior-year quarter.

Total operating expenses increased 6.7% to \$1.25 billion in the reported quarter. On an adjusted basis, operating expenses were \$1.13 billion, up 3.2%.

AUM Rises, Liquidity Position Strong

As of Sept. 30, 2025, total AUM grew 8.6% year over year to \$1.77 trillion.

In the third quarter, net market appreciation and income of \$89.1 billion favorably impacted T. Rowe Price's AUM, partially offset by net cash outflows of \$7.9 billion.

The company had substantial liquidity, including cash and cash equivalents of \$3.63 billion as of Sept. 30, 2025, up from \$2.65 billion as of Dec. 31, 2024. This will enable the company to keep investing.

Capital Distribution Activities

T. Rowe Price distributed a total of \$442 million to shareholders through common stock dividends and share repurchases in the third quarter.

FY Quarter Ending **12/31/2024**

| Earnings Reporting Date | Oct 31, 2025 |
|-------------------------|--------------|
| Sales Surprise | 2.34% |
| EPS Surprise | 10.20% |
| Quarterly EPS | 2.81 |
| Annual EPS (TTM) | 9.40 |

Recent News

T. Rowe Price October AUM Rises 1.3% Sequentially Despite Net Outflows -- Nov. 12, 2025

T. Rowe Price announced its preliminary assets under management of \$1.79 trillion for October 2025. The figure reflected an increase of 1.3% from the prior month. The company experienced net outflows of \$5.9 billion in October 2025.

At the end of October, T. Rowe Price's equity products totaled \$902 billion, an increase of 1.9% from the previous month. Fixed income (including money market) grew nearly 1% to \$210 billion.

Furthermore, multi-asset products totaled \$622 billion, an increase of nearly 1% from the previous month. Alternative products, valued at \$56 billion, remained stable from the prior month.

T. Rowe Price registered \$557 billion in target date retirement portfolios in October 2025, which rose 0.7% from the prior month.

T. Rowe Price September AUM Up 2.2% Sequentially Despite Net Outflows - Oct. 10, 2025

T. Rowe Price announced its preliminary AUM of \$1.77 trillion for September 2025. The figure reflected an increase of 2.2% from the prior month. TROW experienced net outflows of \$2.0 billion in September 2025.

At the end of September, T. Rowe Price's equity products totaled \$885 billion, an increase of 2.1% from the previous month. Fixed income (including money market) grew 1.5% to \$208 billion. Furthermore, multi-asset products totaled \$618 billion, a 2.6% increase from the previous month.

Alternative products, valued at \$56 billion, were up 1.8% from the prior month.

T. Rowe Price registered \$553 billion

TROW & GS Form Collaboration to Expand Retirement & Wealth Offerings – Sept 4, 2025

T. Rowe Price announced a strategic collaboration with Goldman Sachs to deliver diversified public and private market investment solutions for retirement and wealth channels. The firms aim to leverage their combined expertise to expand investor access to private markets.

As part of the agreement, Goldman Sachs intends to invest up to \$1 billion in T. Rowe Price common stock, representing an ownership stake of up to 3.5%.

The collaboration includes developing co-branded target-date strategies, which will integrate T. Rowe Price's retirement expertise with Goldman Sachs' private market capabilities. These products are expected to launch in mid-2026 and broaden access for plan sponsors and participants.

Additionally, the firms will introduce model portfolios and multi-asset offerings that combine public and private investments. T. Rowe Price will also integrate new advisory solutions into its platforms to support retirement planning and managed account growth.

Dividend Update

On Oct. 28, 2025, T. Rowe Price's board declared a quarterly dividend of \$1.27 per share. The dividend will be paid out on Dec. 30 to shareholders of record as of Dec. 15.

Valuation

T. Rowe Price shares are up 11.4% in the past six months and down 13.6% over the trailing 12-month period. Stocks in the Zacks sub-industry and those in the Zacks Finance sector are down 5.7% and up 10%, respectively, over the past six months. Over the past year, the Zacks sub-industry is down 18.8% and sector is up 10.7%, respectively.

The S&P 500 Index is up 19.3% in the past six-month period and up 18.1% in the past year.

The stock is currently trading at 10.06X forward 12-months earnings, which compares to 13.86X for the Zacks sub-industry, 17.00X for the Zacks sector and 23.36X for the S&P 500 Index.

Over the past five years, the stock has traded as high as 19.13X and as low as 8.76X, with a five-year median of 13.80X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$111.5 price target reflects 10.65X forward earnings.

The table below shows a summary valuation data for TROW.

| Valuation Multiples - TROW | | | | | |
|----------------------------|---------------|-------|--------------|--------|---------|
| | | Stock | Sub-Industry | Sector | S&P 500 |
| P/E F12M | Current | 10.06 | 13.86 | 17.00 | 23.36 |
| | 5-Year High | 19.13 | 19.19 | 18.31 | 23.81 |
| | 5-Year Low | 8.76 | 11.18 | 12.38 | 15.73 |
| | 5-Year Median | 13.80 | 15.00 | 16.14 | 21.21 |
| P/TR TTM | Current | 2.79 | 4.17 | 5.83 | 12.74 |
| | 5-Year High | 7.88 | 7.49 | 6.02 | 16.56 |

| | | | | | |
|----------|---------------|------|-------|-------|-------|
| P/S F12M | 5-Year High | 7.88 | 7.75 | 8.02 | 10.38 |
| | 5-Year Low | 2.36 | 2.77 | 3.44 | 10.52 |
| | 5-Year Median | 4.15 | 4.59 | 4.73 | 13.66 |
| | Current | 2.89 | 9.74 | 8.90 | 5.28 |
| | 5-Year High | 6.34 | 12.93 | 10.06 | 5.50 |
| | 5-Year Low | 2.37 | 5.56 | 6.68 | 3.83 |
| | 5-Year Median | 3.80 | 9.49 | 8.35 | 5.04 |

As of 12/09/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Bottom 26% (178 out of 243)



Top Peers⁽¹⁾

| Company (Ticker) | Rec | Rank |
|--------------------------------|---------|------|
| AllianceBernstein Ho... (AB) | Neutral | 4 |
| Artisan Partners Ass... (APAM) | Neutral | 2 |
| Ares Management Corp... (ARES) | Neutral | 3 |
| Grupo Aval Acciones ... (AVAL) | Neutral | 3 |
| Franklin Resources, ... (BEN) | Neutral | 3 |
| Invesco Ltd. (IVZ) | Neutral | 1 |
| KKR & Co. Inc. (KKR) | Neutral | 3 |
| Lazard, Inc. (LAZ) | Neutral | 3 |

Industry Comparison⁽¹⁾ Industry: Financial - Investment Management

| | TROW | X Industry | S&P 500 | AVAL | IVZ | KKR |
|----------------------------------|-----------|------------|-----------|---------|-----------|-----------|
| Zacks Recommendation (Long Term) | Neutral | - | - | Neutral | Neutral | Neutral |
| Zacks Rank (Short Term) | 2 | - | - | 3 | 1 | 3 |
| VGM Score | B | - | - | D | D | F |
| Market Cap | 22.86 B | 1.15 B | 39.23 B | 5.02 B | 12.00 B | 116.24 B |
| # of Analysts | 7 | 4 | 22 | 1 | 6 | 6 |
| Dividend Yield | 4.85% | 1.62% | 1.4% | 2.74% | 3.12% | 0.57% |
| Value Score | B | - | - | B | B | D |
| Cash/Price | 0.16 | 0.14 | 0.04 | 1.90 | 0.08 | 0.20 |
| EV/EBITDA | 5.78 | 9.27 | 14.67 | 0.27 | 19.29 | 16.47 |
| PEG Ratio | 2.51 | 1.28 | 2.24 | NA | 0.66 | 1.25 |
| Price/Book (P/B) | 2.08 | 1.63 | 3.34 | 0.72 | 1.03 | 1.65 |
| Price/Cash Flow (P/CF) | 8.80 | 12.03 | 15.39 | 9.95 | 10.12 | 34.72 |
| P/E (F1) | 10.79 | 12.93 | 19.90 | 10.85 | 13.89 | 25.53 |
| Price/Sales (P/S) | 3.17 | 3.51 | 3.12 | 0.58 | 1.91 | 6.84 |
| Earnings Yield | 9.32% | 7.71% | 5.01% | 9.22% | 7.20% | 3.92% |
| Debt/Equity | 0.00 | 0.08 | 0.56 | 0.69 | 0.85 | 0.75 |
| Cash Flow (\$/share) | 11.90 | 2.00 | 8.98 | 0.43 | 2.66 | 3.76 |
| Growth Score | C | - | - | F | D | C |
| Hist. EPS Growth (3-5 yrs) | -6.11% | 2.01% | 8.16% | -31.47% | -10.30% | 8.95% |
| Proj. EPS Growth (F1/F0) | 4.07% | 11.41% | 8.50% | 85.71% | 13.45% | 8.72% |
| Curr. Cash Flow Growth | 18.46% | 4.37% | 6.86% | 25.63% | -49.94% | 31.67% |
| Hist. Cash Flow Growth (3-5 yrs) | 4.06% | 6.61% | 7.48% | -17.24% | -3.70% | 29.10% |
| Current Ratio | 3.81 | 1.70 | 1.18 | 1.01 | 1.23 | 0.09 |
| Debt/Capital | 8.23% | 16.46% | 38.01% | 40.68% | 40.80% | 43.17% |
| Net Margin | 28.89% | 18.57% | 12.78% | 4.61% | 14.15% | 13.84% |
| Return on Equity | 19.95% | 12.32% | 17.00% | 5.95% | 9.11% | 6.12% |
| Sales/Assets | 0.51 | 0.23 | 0.53 | 0.13 | 0.22 | 0.04 |
| Proj. Sales Growth (F1/F0) | 2.00% | 2.84% | 5.84% | 9.30% | 5.50% | 12.90% |
| Momentum Score | C | - | - | F | F | F |
| Daily Price Chg | 0.07% | 0.00% | -0.03% | -0.94% | -0.92% | -0.28% |
| 1 Week Price Chg | -1.54% | -0.97% | 2.29% | -0.49% | 2.82% | -4.39% |
| 4 Week Price Chg | 2.61% | 2.61% | 1.72% | 1.68% | 9.91% | 7.93% |
| 12 Week Price Chg | 2.99% | -0.07% | 3.20% | 27.03% | 14.19% | 4.64% |
| 52 Week Price Chg | -10.91% | -4.14% | 14.78% | 103.36% | 50.87% | -14.50% |
| 20 Day Average Volume | 1,815,902 | 199,286 | 2,745,060 | 74,780 | 5,413,935 | 3,857,833 |
| (F1) EPS Est 1 week change | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| (F1) EPS Est 4 week change | 0.15% | 0.00% | 0.00% | 0.00% | -0.42% | -0.09% |
| (F1) EPS Est 12 week change | 6.40% | 0.78% | 0.64% | 0.00% | 8.14% | -0.61% |
| (Q1) EPS Est Mthly Chg | -0.50% | 0.00% | 0.00% | 0.00% | -0.58% | -0.33% |

Analyst Earnings Model⁽²⁾

T. Rowe Price Group, Inc. (TROW)

In \$MM, except per share data

| | 2022A | 2023A | 2024A | 2025E | | | | 2026E | | | | 2027E | | |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | FY | FY | FY | 1QA | 2QA | 3QA | 4QE | FY | 1QE | 2QE | 3QE | 4QE | FY | FY |
| FY Ends December 31st | Dec-22 | Dec-23 | Dec-24 | 31-Mar-25 | 30-Jun-25 | 30-Sep-25 | 31-Dec-25 | Dec-25 | 31-Mar-26 | 30-Jun-26 | 30-Sep-26 | 31-Dec-26 | Dec-26 | Dec-27 |
| Income Statement | | | | | | | | | | | | | | |
| Investment Advisory Fees | \$5,969.1 | \$5,709.5 | \$6,399.7 | \$1,598.4 | \$1,567.6 | \$1,698.7 | \$1,692.3 | \$6,557.0 | \$1,684.7 | \$1,725.8 | \$1,753.2 | \$1,791.1 | \$6,954.8 | \$7,243.2 |
| Performance-based Advisory Fees | | \$38.2 | \$59.3 | \$10.4 | \$6.4 | \$6.4 | \$8.9 | \$32.1 | \$8.3 | \$7.8 | \$8.1 | \$8.6 | \$32.7 | \$33.9 |
| Capital Allocation-Based Income | (\$54.3) | \$161.9 | \$46.6 | (\$1.2) | (\$0.4) | \$42.0 | \$4.6 | \$45.0 | \$12.9 | \$16.8 | \$20.5 | \$14.2 | \$64.3 | \$71.4 |
| Administrative, Distribution, and Servicing Fees | \$573.6 | \$550.9 | \$588.0 | \$156.3 | \$149.7 | \$146.4 | \$150.0 | \$602.4 | \$151.2 | \$151.4 | \$150.3 | \$153.2 | \$606.1 | \$602.6 |
| Net Revenue | \$6,488.4 | \$6,460.5 | \$7,093.6 | \$1,763.9 | \$1,723.3 | \$1,893.5 | \$1,855.8 | \$7,236.5 | \$1,857.0 | \$1,901.8 | \$1,932.0 | \$1,967.2 | \$7,658.0 | \$7,951.2 |
| Compensation and Related Costs | \$2,320.8 | \$2,673.5 | \$2,757.9 | \$664.5 | \$727.7 | \$714.3 | \$710.1 | \$2,816.6 | \$738.3 | \$766.1 | \$767.9 | \$771.6 | \$3,043.8 | \$3,256.5 |
| Distribution and Servicing | \$301.5 | \$289.9 | \$354.1 | \$93.6 | \$92.5 | \$95.8 | \$96.3 | \$378.2 | \$99.2 | \$101.7 | \$103.0 | \$103.6 | \$407.5 | \$436.1 |
| Advertising and Promotion | \$97.3 | \$114.2 | \$129.6 | \$26.1 | \$29.9 | \$21.3 | \$32.6 | \$109.9 | \$28.8 | \$29.8 | \$29.5 | \$31.3 | \$119.4 | \$128.2 |
| Product and Recordkeeping Related Costs | \$300.1 | \$291.0 | \$297.5 | \$83.8 | \$74.8 | \$78.7 | \$80.2 | \$317.5 | \$83.4 | \$84.0 | \$85.6 | \$86.2 | \$339.2 | \$362.6 |
| Technology, Occupancy, and Facility Costs | \$560.5 | \$632.6 | \$644.1 | \$167.6 | \$179.4 | \$183.2 | \$179.6 | \$709.8 | \$186.0 | \$193.0 | \$194.5 | \$194.9 | \$768.4 | \$822.5 |
| General, Administrative, and Other | \$534.5 | \$473.1 | \$577.1 | \$132.0 | \$140.7 | \$157.0 | \$163.7 | \$593.4 | \$155.4 | \$163.4 | \$167.8 | \$168.3 | \$654.9 | \$704.2 |
| Total Operating Expenses, GAAP | \$4,114.7 | \$4,474.3 | \$4,760.3 | \$1,167.6 | \$1,245.0 | \$1,250.3 | \$1,262.5 | \$4,925.4 | \$1,291.1 | \$1,338.0 | \$1,348.3 | \$1,355.9 | \$5,333.3 | \$5,710.0 |
| Total Operating Expenses, Adjusted | \$4,087.8 | \$4,260.7 | \$4,498.8 | \$1,135.1 | \$1,147.2 | \$1,134.4 | \$1,192.5 | \$4,609.2 | \$1,212.0 | \$1,247.4 | \$1,259.4 | \$1,273.7 | \$4,992.6 | \$5,367.5 |
| Operating Income, GAAP | \$2,373.7 | \$1,986.2 | \$2,333.3 | \$596.3 | \$478.3 | \$643.2 | \$593.3 | \$2,311.1 | \$565.9 | \$563.7 | \$583.7 | \$611.3 | \$2,324.7 | \$2,241.2 |
| Operating Income, Adjusted | \$2,500.5 | \$2,263.2 | \$2,685.9 | \$640.6 | \$614.4 | \$774.1 | \$684.1 | \$2,713.2 | \$666.4 | \$678.3 | \$692.9 | \$715.1 | \$2,752.8 | \$2,670.6 |
| Net (Gains) Losses on Investments | \$204.7 | (\$355.2) | (\$363.2) | (\$31.9) | (\$165.9) | (\$161.2) | (\$103.9) | (\$462.9) | (\$118.6) | (\$133.7) | (\$129.1) | (\$122.5) | (\$503.9) | (\$497.0) |
| Net (Gains) Losses on Consolidated Investment Products | \$203.5 | (\$164.6) | (\$130.3) | (\$31.9) | (\$78.6) | (\$72.6) | (\$38.1) | (\$221.2) | (\$47.6) | (\$61.9) | (\$56.5) | (\$53.1) | (\$219.1) | (\$208.9) |
| Other (Income) Loss | \$17.3 | \$15.7 | \$7.2 | (\$6.9) | \$9.0 | (\$4.6) | \$0.4 | (\$2.1) | (\$0.4) | \$1.3 | (\$0.8) | \$0.1 | \$0.2 | \$0.2 |
| Total Non-Operating (Income) Loss, GAAP | \$425.5 | (\$504.1) | (\$486.3) | (\$70.7) | (\$235.5) | (\$238.4) | (\$141.6) | (\$686.2) | (\$166.6) | (\$194.3) | (\$186.5) | (\$175.4) | (\$722.8) | (\$705.8) |
| Total Non-Operating (Income) Loss, Adjusted | \$24.4 | (\$140.8) | (\$148.7) | (\$35.5) | (\$47.1) | (\$50.2) | (\$26.1) | (\$158.9) | (\$36.8) | (\$40.8) | (\$41.7) | (\$41.5) | (\$160.8) | (\$153.5) |
| Pre-Tax Income, GAAP | \$1,948.2 | \$2,490.3 | \$2,819.6 | \$667.0 | \$713.8 | \$881.6 | \$734.9 | \$2,997.3 | \$732.6 | \$758.0 | \$770.2 | \$786.7 | \$3,047.5 | \$2,946.9 |
| Pre-Tax Income, Adjusted | \$2,476.1 | \$2,404.0 | \$2,834.6 | \$676.1 | \$661.5 | \$824.3 | \$710.1 | \$2,872.0 | \$703.2 | \$719.1 | \$734.7 | \$756.6 | \$2,913.6 | \$2,824.1 |
| Income Tax, GAAP | \$498.6 | \$654.6 | \$683.8 | \$161.9 | \$157.7 | \$195.1 | \$162.4 | \$677.1 | \$161.9 | \$167.5 | \$170.2 | \$173.9 | \$673.5 | \$651.3 |
| Income Tax, Adjusted | \$611.3 | \$653.9 | \$695.1 | \$166.8 | \$154.7 | \$192.6 | \$166.2 | \$680.3 | \$164.6 | \$168.3 | \$171.9 | \$177.0 | \$681.8 | \$660.9 |
| Tax Rate, GAAP | 25.6% | 26.3% | 24.3% | 24.3% | 22.1% | 22.1% | 22.1% | 22.6% | 22.1% | 22.1% | 22.1% | 22.1% | 22.1% | 22.1% |
| Tax Rate, Adjusted | 24.7% | 27.2% | 24.5% | 24.7% | 23.4% | 23.4% | 23.4% | 23.7% | 23.4% | 23.4% | 23.4% | 23.4% | 23.4% | 23.4% |
| Net Income | \$1,449.6 | \$1,835.7 | \$2,135.8 | \$505.1 | \$556.1 | \$686.5 | \$572.5 | \$2,320.2 | \$570.7 | \$590.5 | \$600.0 | \$612.9 | \$2,374.0 | \$2,295.7 |
| Redeemable Non-Controlling Interests | \$108.3 | (\$47.0) | (\$35.7) | (\$14.6) | (\$50.9) | (\$40.4) | (\$21.5) | (\$127.4) | (\$32.8) | (\$38.1) | (\$34.1) | (\$33.0) | (\$138.1) | (\$142.0) |
| Net Income, GAAP | \$1,557.9 | \$1,788.7 | \$2,100.1 | \$490.5 | \$505.2 | \$646.1 | \$550.9 | \$2,192.7 | \$537.8 | \$552.4 | \$565.9 | \$579.9 | \$2,235.9 | \$2,153.6 |
| Net Income Allocated to Outstanding Restricted Stock and Stock Unit Holders, GAAP | \$36.1 | \$44.4 | \$55.8 | \$12.4 | \$12.4 | \$14.7 | \$13.2 | \$52.7 | \$13.5 | \$13.9 | \$14.2 | \$14.3 | \$55.9 | \$58.1 |
| Net Income (Loss) Attributable to Common Shareholders, GAAP | \$1,521.8 | \$1,744.3 | \$2,044.3 | \$478.1 | \$492.8 | \$631.4 | \$537.8 | \$2,140.1 | \$524.3 | \$538.4 | \$551.6 | \$565.6 | \$2,180.0 | \$2,095.5 |
| Net Income, Adjusted | \$1,864.8 | \$1,750.1 | \$2,139.5 | \$509.3 | \$506.8 | \$631.7 | \$544.0 | \$2,191.8 | \$538.7 | \$550.8 | \$562.7 | \$579.5 | \$2,231.8 | \$2,163.3 |
| Net Income Allocated to Outstanding Restricted Stock and Stock Unit Holders, Adjusted | \$43.3 | \$43.4 | \$56.8 | \$12.9 | \$12.5 | \$14.3 | \$13.5 | \$53.2 | \$13.6 | \$14.0 | \$14.3 | \$14.4 | \$56.3 | \$58.5 |
| Net Income (Loss) Attributable to Common Shareholders, Adjusted | \$1,821.5 | \$1,706.7 | \$2,082.7 | \$496.4 | \$494.3 | \$617.4 | \$530.5 | \$2,138.6 | \$525.0 | \$536.8 | \$548.5 | \$565.1 | \$2,175.5 | \$2,104.8 |
| Basic Shares Outstanding | 226.0 | 224.1 | 222.8 | 222.3 | 220.2 | 219.4 | 217.9 | 220.0 | 216.4 | 214.9 | 213.4 | 211.9 | 214.2 | 208.2 |
| Diluted Share Outstanding | 227.1 | 224.8 | 223.3 | 222.6 | 220.4 | 219.7 | 218.2 | 220.2 | 216.7 | 215.2 | 213.7 | 212.2 | 214.5 | 208.5 |
| Basic EPS | \$6.73 | \$7.78 | \$9.18 | \$2.15 | \$2.24 | \$2.88 | \$2.47 | \$9.74 | \$2.42 | \$2.50 | \$2.58 | \$2.67 | \$10.18 | \$10.06 |
| Diluted EPS, GAAP | \$6.70 | \$7.76 | \$9.15 | \$2.15 | \$2.24 | \$2.87 | \$2.46 | \$9.72 | \$2.42 | \$2.50 | \$2.58 | \$2.66 | \$10.17 | \$10.05 |
| Diluted EPS, Adjusted | \$8.02 | \$7.59 | \$9.33 | \$2.23 | \$2.24 | \$2.81 | \$2.43 | \$9.71 | \$2.42 | \$2.49 | \$2.57 | \$2.66 | \$10.15 | \$10.09 |
| Dividend per Share | \$4.80 | \$4.88 | \$4.96 | \$1.27 | \$1.27 | \$1.27 | \$1.27 | \$5.08 | \$1.29 | \$1.29 | \$1.29 | \$1.29 | \$5.16 | \$5.24 |

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

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The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

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Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

| | |
|----------------|----------|
| Value Score | B |
| Growth Score | C |
| Momentum Score | C |
| VGM Score | B |

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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