

Bulls Say

- With \$1.009 trillion in AUM at the end of March 2020, T. Rowe Price is one of the larger U.S.-based asset managers. Retirement accounts and variable-annuity investment portfolios account for two thirds of managed assets.
- At the end of 2019, 75%, 80%, and 82% of T. Rowe Price's U.S. mutual funds were beating peers on a three-, five-, and ten-year basis, respectively.
- Target-date retirement portfolios have been a significant source of organic growth for T. Rowe Price, generating close to \$40 billion in net inflows (equivalent to a 4.8% rate of annual growth) the past five years.

Bears Say

- T. Rowe Price's global/international equity performance has stumbled, with just 64% and 68% of funds beating their peers on a three-, five-, and 10-year basis, respectively, at the end of 2019.
- The firm's fixed-income AUM has struggled as well, with just 63%, 65% and 66% of funds beating their peers on a three-, five-, and 10-year basis, respectively, at the end of last year.
- With a large portion of the firm's assets generating fees based on daily AUM levels rather than monthly or quarterly averages, revenue will be more heavily affected during periods of extreme market volatility.

Morningstar Fair Value Estimate: \$114.00