**Risk Factors Comparison 2024-02-16 to 2023-02-15 Form: 10-K**

**Legend: New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

An investment in our common stock involves various risks, including those mentioned below and those that are discussed from time to time in our periodic filings with the SEC. Investors should carefully consider these risks, along with the other information contained in this report, before making an investment decision regarding our common stock. There may be additional risks of which we are currently unaware, or which we currently consider immaterial. Any of these risks could have a material adverse effect on our financial condition, results of operations, and value of our common stock. RISKS RELATING TO OUR BUSINESS AND THE FINANCIAL SERVICES INDUSTRY. Our revenues are based on the market value and composition of the assets under our management, all of which are subject to fluctuation caused by factors outside of our control. ~~We~~ **20Page 12We** derive our revenues primarily from investment advisory services provided by our subsidiaries to individual and institutional investors. Our investment advisory fees typically are calculated as a percentage of the market value of the assets under our management. As a result, our revenues are dependent on the value and composition of the assets under our management, all of which are subject to substantial fluctuation due to many factors, including: • Investment Performance. If the investment performance of our managed investment portfolios is less than that of our competitors or applicable third- party benchmarks, we could lose existing and potential clients and suffer a decrease in assets under management **. Poor performance relative to other competing products tends to result in decreased sales and increased redemptions with corresponding decreases in our revenues** . • General Financial Market Declines. We derive a significant portion of our revenues from advisory fees on managed investment portfolios. A downturn in financial markets would cause the value of assets under our management to decrease, and may also cause investors to withdraw their investments, thereby further decreasing the level of assets under our management. • Investment Concentration. The allocation of investment products for assets under management within market segments or strategies may impact associated fees that can vary depending on product offerings. • Investor Mobility. Our investors generally may withdraw their funds at any time, without advance notice and with little to no significant penalty. **Any redemptions and other withdrawals from, or shifting among, our investment portfolios could reduce our assets under management. These could be caused by investors reducing their investments in our portfolios in general or in the market segments in which we focus; investors taking profits from their investments; and portfolio risk characteristics, which could cause investors to move assets to other investment managers.** • Capacity Constraints. Prolonged periods of strong relative investment performance and / or strong investor inflows has resulted in **,** and may result in **,** capacity constraints within certain strategies, which can lead to, among other things, the closure of those strategies to new investors. • Investing Trends. Changes in investing trends, particularly investor preference for passive or alternative investment products as well as increasing investor preference for environmentally and socially responsible investment products, and changes in retirement savings trends, may reduce interest in our products and may alter our mix of assets under management. • Interest Rate Changes. Investor interest in and the valuation of our fixed income and multi- asset investment portfolios are affected by changes in interest rates. • Geo-Political Exposure. Our managed investment portfolios may have significant investments in markets that are subject to risk of loss from political or diplomatic developments, government policies, **wars, conflicts or** civil unrest **(such as the Russian invasion of Ukraine, the threat that Russia' s military aggression may expand beyond Ukraine, and the recent conflicts in the Middle East), trade wars or tariffs** , currency fluctuations, illiquidity and capital controls, and changes in legislation related to ownership limitations. **A** ~~20Page 15A~~ decrease in the value of **our** assets under ~~our~~ management, or an adverse change in their composition, particularly in market segments where our assets are concentrated, could have a material adverse effect on our investment advisory fees and revenues. For any period in which revenues decline, net income and operating margins will likely decline by a greater proportion because certain expenses will be fixed over that finite period and may not decrease in proportion to the decrease in revenues. A majority of our revenues are based on contracts with collective investment funds that are subject to termination without cause and on short notice. We provide investment advisory, distribution, and other administrative services to collective investment funds under various agreements. Investment advisory services are provided to each T. Rowe Price collective investment fund under individual investment management agreements, which can be terminated on short notice. In addition **,** the Board of each T. Rowe Price U. S. mutual fund must annually approve the terms of the investment management and service agreements. If a T. Rowe Price collective investment fund seeks to lower the fees that we receive or terminate its contract with us, we would experience a decline in fees earned from the collective investment funds, which could have a material adverse effect on our revenues and net income. **20Page 13** We operate in an intensely competitive industry. Competitive pressures may result in a loss of clients and their assets or compel us to reduce the fees we charge to clients, thereby reducing our revenues and net income. We are subject to competition in all aspects of our business from other financial institutions. Some of these financial institutions have greater resources than we do and may offer a broader range of financial products across more markets. Some competitors operate in a different regulatory environment than we do which may give them certain competitive advantages in the investment products and portfolio structures that they offer. We compete with other providers of investment advisory services primarily based on the availability and objectives of the investment products offered, investment performance, fees and related expenses, and the scope and quality of investment advice and other client services. Some institutions have proprietary products and distribution channels that make it more difficult for us to compete with them. Substantially all of our investment products are available without sales or redemption fees, which means that investors may be more willing to transfer assets to competing products **. If our clients reduce their investments with us, and we are not able to attract new clients, our AUM, revenue and earnings could decline** . The market environment in recent years has led investors to increasingly favor lower fee passive investment products. As a result, investment advisors that emphasize passive products have gained and may continue to gain market share from active managers like us. While we believe there will always be demand for strong performing active management, we cannot predict how much market share these competitors will gain. Furthermore, many aspects of the asset management industry are seeing increased regulatory activity and scrutiny, in particular related to **environmental, social, and governance ("** ESG **")** practices and related matters, transparency and unbundling of fees, inducements, conflicts of interest, risk management, cybersecurity, technology **, privacy and data protection** , diversity, equity and inclusion, and compensation. We may respond to these regulatory matters or may be impacted by these actions in a manner different from our competitors, which may impact our AUM or result in the loss of clients and their assets. As part of our continued efforts to attract and retain clients, we develop and launch new products and services, which may require expenditure of resources and may expose us to new regulatory or compliance requirements as well as increased risk of operational or client service errors. In the event that we decide to reduce the fees we charge for investment advisory services in response to competitive pressures, which we have done selectively in the past, revenues and operating margins could be adversely impacted. Fee reductions may vary depending on strategy and product offerings, which could result in investment rebalancing or reallocation adversely impacting revenues and operating margins. The failure or negative performance of products offered by competitors may cause our products, which are similar, to be impacted irrespective of our performance. Many competitors offer similar products to those offered by us, and the failure or negative performance of competitors' products could lead to a loss of confidence in similar products we offer, irrespective of the performance of such products. Any loss of confidence in a product type could lead to withdrawals, redemptions and liquidity issues in such products, which may cause our AUM, revenue and earnings to decline. ~~20Page 16~~ Our operations are complex and a failure to properly execute operational processes could have an adverse effect on our reputation and decrease our revenues. We provide global investment management and administrative services to our clients. In certain cases, we rely on third- party service providers for the execution and delivery of these services. There can be no assurance that these service providers will properly perform these processes or that there will not be interruptions in services from these third parties. Failure to properly execute or oversee these services could have an adverse impact on our business, financial results and reputation, and subject us to regulatory sanctions, fines, penalties, or litigation. New investment strategies, investment vehicles, distribution channels, advancement in technology and digital wealth and distribution tools **,** or other evolutions of or additions to our business may increase the risk that our existing systems may not be adequate to control the risks introduced by such changes. Business changes may require us to update our processes or technology and may increase risk to meeting our business objectives. In addition, our **existing** information systems and technology platforms might not be able to accommodate our **20Page 14** business operations, and the cost of maintaining **or upgrading** such systems might increase from its current level. If any of these ~~factors~~ **scenarios** were to arise **,** it could disrupt our operations, increase our expenses or result in financial exposure, regulatory inquiry **, litigation** or reputational damage. Our business model is dependent on our personnel, who as part of their roles support **disclosure and** internal controls **, compliance** , supervision, technology and training to provide comfort that our activities do not violate applicable guidelines, rules and regulations or adversely affect our clients, counterparties or us. We also rely on the personnel of others involved in our business, such as third- party service providers, intermediaries or other vendors. Our personnel and the personnel of others involved in our business may make errors or engage in fraudulent or malicious activities, that are not always immediately detected **or that cannot be easily remediated** , which may disrupt our operations, cause losses, lead to regulatory fines or sanctions, litigation, or otherwise damage our reputation. The quantitative models we use may contain errors, which could result in financial losses or adversely impact product performance and client relationships. We use various quantitative models to support investment decisions and investment processes, including those related to portfolio management and portfolio risk analysis, as well as those related to client investment or savings advice or guidance. Any errors in the underlying models or model assumptions could have unanticipated and adverse consequences on our business and reputation. Any damage to our reputation could harm our business and lead to a loss of revenues and net income or access to capital. We have spent many years developing our reputation for integrity, strong investment performance, and superior client service. Our brand is a valuable intangible asset, but it is vulnerable to a variety of threats that can be difficult or impossible to control, and costly or even impossible to remediate, if damaged. Regulatory inquiries and rumors can tarnish or substantially damage our reputation, even if those inquiries are satisfactorily addressed. Actual or perceived failure to adequately address the ~~environmental, social, and governance ("~~ ESG ~~")~~ expectations, or failure to manage conflicts of interests ~~,~~ of our various stakeholders could lead to a tarnished reputation and loss of client assets or harm our access to capital. Furthermore, ESG issues have been the subject of increased focus by regulators and stakeholders. Any inability to meet applicable requirements or expectations may adversely impact our reputation. Additionally, various stakeholders have divergent views on ESG matters, including in the countries in which we operate and invest, as well as states and localities where we serve public sector clients. These differences increase the risk that any action or lack thereof by us concerning ESG will be perceived negatively by some stakeholders and could adversely impact our reputation and business. Our global presence and investments on behalf of our clients around the world could also lead to heightened scrutiny and criticism in an increasingly fragmented geopolitical landscape. Misconduct by our employees or third- party service providers could likewise adversely impact our reputation and lead to a loss of client assets. While we maintain policies, procedures, and controls to reduce the likelihood of unauthorized activities, we are subject to the risk that our associates or third parties acting on our behalf may circumvent controls or act in a manner inconsistent with our policies and procedures. Real or perceived conflicts between our clients' interests and our own, as well as any fraudulent activity or other exposure of client assets or information, may impair our reputation and subject us to litigation or regulatory action. Any damage to our brand ~~20Page 17~~ could impede our ability to attract and retain clients and key personnel, and reduce the amount of assets under our management, any of which could have a material adverse effect on our revenues and net income. Failure to comply with client contractual requirements and / or investment guidelines could result in costs of correction, damage awards or regulatory fines and penalties against us and loss of revenues due to client terminations. Many of the agreements under which we manage assets or provide products or services specify investment guidelines or requirements, such as adherence to investment restrictions or limits, that we are required to observe in the provision of our services. Laws and regulations impose similar requirements for certain investment products. ~~A~~ **While we maintain various compliance procedures and other controls to seek to prevent, detect and correct such errors, any** failure to comply with these guidelines or requirements could result in damage to our reputation or in our clients seeking to recover losses, withdrawing their assets or terminating their contracts. Regulators likewise may commence enforcement actions for violations of such requirements, which could lead to fines and penalties against us. Any such ~~effects~~ **events** could cause our revenues and profitability to decline ~~. We maintain various compliance procedures and other controls to seek to prevent~~ , ~~detect~~ and ~~correct such errors. Significant~~ **significant** errors for which we are **20Page 15** responsible could **have a material adverse** impact **on** our reputation, results of operations, financial condition or liquidity. Our expenses are subject to significant fluctuations that could materially decrease net income. Our operating results are dependent on the level of our expenses, which can vary significantly for many reasons, including: • expenses incurred in connection with our multi- year strategic plan to strengthen our long- term competitive position; • variations in the level of total compensation expense due to changes in, among other things, bonuses, stock- based awards, employee benefit costs due to regulatory or plan design changes **, labor market conditions** , our employee count and mix, competitive factors, market performance, and inflation; • changes in the level of our advertising and promotion expenses, including the costs of expanding investment advisory services to investors outside of the U. S. and further penetrating U. S. distribution channels; • expenses and capital costs incurred to maintain and enhance our administrative and operating services infrastructure, such as technology assets, depreciation, amortization, and research and development; • changes in the costs incurred for third- party service providers that perform certain administrative and operating services **, including as a result of changes in market conditions, labor costs and inflation** ; • changes in expenses that are correlated to our assets under management, such as distribution and servicing fees; • a future impairment of investments that is recognized in our consolidated balance sheet; • a future impairment of goodwill or other intangible assets that is recognized in our consolidated balance sheet; • unanticipated material fluctuations in foreign currency exchange rates applicable to the costs of our operations abroad; • unanticipated costs incurred to protect investor accounts and client goodwill; • future changes to legal and regulatory requirements and potential litigation; and • disruptions of **infrastructure and** third- party services such as communications, power, cloud services, transfer agent, investment management, trading, and accounting systems. Under our agreements with the U. S. mutual funds, we charge the funds certain administrative fees and related expenses based upon contracted terms. If we fail to accurately estimate our underlying expense levels or are required to incur expenses relating to the U. S. mutual funds that are not otherwise paid by the funds, our operating results will be adversely affected. While we are under no obligation to provide financial support to any sponsored investment products, any financial support provided would reduce capital available for other purposes and may have an adverse effect on revenues and net income. ~~20Page 18~~ Our hedging strategies utilized to mitigate risk may not be effective, which could impact our earnings. We employ hedging strategies related to our supplemental savings plan in order to hedge the liability related to the plan. In the event that our hedging strategies are not effective, the resulting impact may adversely affect our results of operations, cash flows or financial condition. ~~Amendments to~~ **Changes in** tax laws **or exposure to additional tax liabilities** may impact ~~the marketability of the products and services we offer our clients or~~ our financial position **or the marketability of the products and services we offer our clients** . We are subject to income taxes as well as non- income- based taxes ~~,~~ **and complex tax regimes** in both the United States and various foreign jurisdictions **in which we operate** . We cannot predict future changes in the tax regulations to which we are subject, and ~~these regulations~~ **any such changes** could have a material impact on our tax liability or result in increased costs of our tax compliance efforts. Additionally, changes in the status of tax deferred investment options, including retirement plans, tax- free municipal bonds, the capital gains and corporate dividend tax rates, and other individual and corporate tax rates could cause **20Page 16** investors to view certain investment products less favorably and reduce investor demand for products and services we offer, which could have an adverse effect on our assets under management and revenues. Examinations and audits by tax authorities could result in additional tax payments for prior periods **, which could impact our financial results** . Based on the global nature of our business, from time to time we are subject to tax audits in various jurisdictions. The calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax regulations in a multitude of jurisdictions across our global operations. Tax authorities may disagree with certain positions we have taken and assess additional taxes (and, in certain cases, interest, fines, or penalties). We have a process to evaluate whether to record tax liabilities for anticipated tax audit issues based on our estimate of whether, and the extent to which, additional income taxes will be due ~~. We~~ **, and** adjust these liabilities in light of changing facts and circumstances. Due to the complexity of some of these uncertainties, however, the ultimate resolution may result in a payment that is materially different from our estimates **and impact our financial results** . We have contracted with third- party financial intermediaries that distribute our investment products and such relationships may not be available or profitable to us in the future. ~~These contracted third~~ **Third** - party **financial** intermediaries **we contract with** generally offer their clients various investment products in addition to, and in competition with, our investment products, and have no contractual obligation to encourage investment in our products. It would be difficult for us to acquire or retain the management of those assets without the assistance of the intermediaries, and we cannot assure that we will be able to maintain an adequate number of investment product offerings and successful distribution relationships. In addition, some investors rely on third- party financial planners, registered investment advisers, and other consultants or financial professionals to advise them on the choice of an investment adviser and investment products. These professionals and consultants ~~can~~ **may** favor a competing investment product **for reasons we cannot control** ~~as better meeting their particular clients' needs~~ . We cannot assure that our investment products will be among their recommended choices in the future. Further, their recommendations can change over time and we could lose their recommendation and their clients' assets under our management. Increasing competition for these distribution and sales channels as well as regulatory changes and initiatives may cause our distribution costs to rise, could cause further cost increases in the future, or could otherwise negatively impact the distribution of our products. Mergers, acquisitions, and other ownership or management changes could also adversely impact our relationships with these third- party intermediaries. As a result of these changes, more of our revenues may be concentrated with fewer intermediaries, which may impact our dependence on these intermediaries. A failure to maintain our third- party distribution and sales channels, or a failure to maintain strong business relationships with our distributors and other intermediaries, may impair our distribution and sales operations. Any inability to access and successfully sell our products to clients through such third- party channels could have a negative effect on our level of AUM and adversely impact our business. Moreover, we can provide no assurance that we will continue to have access to the third- party financial intermediaries that currently distribute our products **on favorable terms or at all** , or that we will continue to have the opportunity to offer all or some of our existing products through them. The presence of any of the adverse conditions discussed above would reduce revenues and net income, possibly by material amounts. ~~20Page 19~~ Natural disasters and other unpredictable events could adversely affect our operations **and financial results** . **The occurrence of extreme events, such as** ~~Armed~~ **armed** conflicts ~~, trade wars, tariffs or sanctions~~ , terrorist attacks, ~~cyberattacks~~ **epidemic** , ~~power~~ **pandemic or disease outbreaks (such as the Covid- 19 pandemic), infrastructure** failures, ~~epidemics~~ **natural disasters** or ~~pandemics,~~ **extreme weather events (which may increase in intensity or frequency as a result of** climate change **)** , ~~increased severity of weather events, or natural disasters~~ and other events outside of our control could adversely affect our revenues, expenses, and net income by: • decreasing investment valuations in, and returns on, the investment portfolios that we manage; • causing disruptions in national or global economies that decrease investor confidence and make investment products generally less attractive; • incapacitating or inflicting losses of lives among our employees; • interrupting our business operations or those of critical service providers or other providers; **20Page 17 • affecting the availability of infrastructure upon which our operations depend, such as road networks and electrical power grids;** • triggering technology delays or failures; and • requiring substantial capital expenditures and operating expenses to remediate damage, replace our facilities, and restore our operations. A significant portion of our business operations are concentrated in the Baltimore, Maryland region; Colorado Springs, Colorado **; Forth Worth, Texas; New York City, New York** ; and in London, England. In addition, we maintain offices with associates in many other global locations, including Sydney, Australia; Hong Kong; Singapore; Tokyo, Japan; and Luxembourg **, some of which are in areas that are particularly vulnerable to extreme events** . We have developed various backup systems and contingency plans, but we cannot be assured that those preparations will be adequate in all circumstances that could arise, or that material interruptions and disruptions will not occur. We also rely to varying degrees on outside service providers for service delivery in addition to technology and disaster contingency support, and we cannot be assured that these service providers will be able to perform in an adequate and timely manner. If we lose the availability of any associates, or, if we are unable to respond adequately to such an event in a timely manner, we may be unable to **service our clients or** timely resume our business operations, which could lead to financial losses, a tarnished reputation and loss of clients that could result in a decrease in assets under management, lower revenues, and materially reduced net income **, particularly if our responses to such events are less adequate than those of our competitors** . Our business, financial condition, and results of operation may be adversely affected by the coronavirus or other global pandemics. ~~Over the last several years, the global financial markets have been monitoring and reacting to the novel coronavirus pandemic. Global pandemics~~ **Pandemics , epidemics or disease outbreaks, as well as measures enacted to prevent their spread, may** create significant volatility, uncertainty and ~~economic~~ disruption to the global economy and may ~~further~~ impact our business, financial condition and results of operations. ~~The~~ **For example, the** coronavirus pandemic has adversely affected global financial markets and impacted global supply chains. ~~Health concerns~~ **Concerns** and uncertainty regarding ~~continued coronavirus impacts~~ **pandemics, epidemics or disease outbreaks** could lead to ~~further and / or~~ increased volatility in global capital and credit markets, adversely affect our **operations,** key executives and other personnel, clients, investors, service providers and other vendors, suppliers ~~, lessees~~ , and other third parties, and negatively impact our assets under management ~~(" AUM")~~ , revenues, income, business and operations. Since our revenue is based on the market value and composition of the assets under our management, the ~~ultimate~~ impact **of such events** on global financial markets and our clients' **investment** decisions ~~related to this event~~ could adversely affect our revenue and operating results. Furthermore, while we have in place robust and well- established plans for operational resiliency and business continuity that address the potential impact to our associates and our facilities, and a comprehensive suite of technologies which enable our associates to work remotely and conduct business, and to date while we have been successful in navigating these challenges, no assurance can be given that the steps we have taken will continue to be effective or appropriate. Additionally, we must effectively ensure a safe working environment for associates working onsite in our offices, and adequately manage the post- pandemic transition from remote to onsite or a hybrid working environment. In the event that our associates become incapacitated by the coronavirus, our business operations may be impacted, which could lead to reputational and financial harm. ~~20Page 20~~ Our investment income and asset levels may be negatively impacted by fluctuations in our investment portfolio. Separately from the investments we manage for our clients, we currently have a substantial investment portfolio **in a variety of asset classes including equities, fixed income products, multi- asset products, financial instruments, real estate and alternative investments. Investments in these products are generally made to establish a track record, meet purchase size requirements for trading blocks or demonstrate economic alignment with other investors in our funds** . All of these investments are subject to investment market risk, and our non- operating investment income could be adversely affected by the realization of losses upon the disposition of our investments or the recognition of significant impairments or unrealized losses on these investments. In addition, related investment income has fluctuated significantly over the years depending upon the performance of our corporate investments, including the impact of market conditions and interest rates, and the size of our corporate money market and longer- term collective investment fund holdings. Fluctuations in other investment income are expected to occur in the future **. Redemptions and other withdrawals from, or shifting among, client portfolios also reduce**

**our investment income. These changes could be caused by investors reducing their investments in client portfolios in general or in the market segments in which we focus; investors taking profits from their investments; and portfolio risk 20Page 18 characteristics, which could cause investors to move assets to other investment managers. Poor performance relative to other competing products tends to result in decreased sales and increased redemptions with corresponding decreases in our revenues, which may have a material adverse effect on us** . The soundness of other financial services institutions could adversely affect us or the client portfolios we manage. Financial services institutions are interrelated as a result of trading, clearing, counterparty or other relationships. We, and the client portfolios that we manage, have exposure to many different counterparties, and routinely execute transactions with counterparties in the financial services industry. Many of these transactions expose us or such client portfolios to credit risk in the event of default of its counterparty. While we regularly conduct assessments of ~~such~~ **counterparty** ~~risk~~ **risks** ~~posed by counterparties~~ , the risk of non- performance by such parties is subject to sudden swings in the financial and credit markets. Such non- performance could produce a financial loss for us or the portfolios we manage. We may review and pursue strategic transactions in order to maintain or enhance our competitive position and these could pose risks. From time to time, we consider strategic opportunities, including potential acquisitions, dispositions, consolidations, organizational restructurings, joint ventures or similar transactions, any of which may impact our business. We cannot be certain that we will be able to identify, consummate and successfully complete such transactions, and no assurance can be given with respect to the timing, likelihood or business effect of any possible transaction. These initiatives typically involve a number of risks and present financial, managerial and operational challenges to our ongoing business operations. In addition, acquisitions and related transactions involve risks, including unanticipated problems regarding integration of investor account and investment security recordkeeping, additional or new regulatory requirements, operating facilities and technologies, and new employees; adverse effects on our earnings in the event acquired intangible assets or goodwill become impaired; **distracting management and other key personnel from our existing businesses;** and the existence of liabilities or contingencies not disclosed to or otherwise known by us prior to closing a transaction. We own a 23 % investment in UTI Asset Management Company Ltd (" UTI"), an Indian asset management company, and we may consider non- controlling minority investments in other entities in the future. We may not realize future returns from such investments or any collaborative activities that may develop in the future. On December 29, 2021, we completed our acquisition of OHA. Important ongoing integration- related risks, including that the anticipated benefits of the transaction may not be fully realized, or may take longer to realize than expected, or that the integration may cost more or take longer than expected, could adversely impact our operating results. Furthermore, a significant portion of OHA' s revenue is derived from performance fees on investment advisory agreements and carried interest from general partner interests in affiliated private investment funds. Generally, OHA is entitled to a performance fee and carried interest under these agreements only in cases where the related portfolio investment return exceeds agreed- upon relative or absolute investment return thresholds, and there can be no assurance that these thresholds will be met. Climate change- related risks could adversely affect our business, products, operations and clients, which may cause our AUM, revenue and earnings to decline. Our business and those of our clients could be impacted by climate change- related risks. Climate change may present risk to our business through changes in the physical climate or from the process of transitioning to a lower- carbon economy. Climate- related physical risks arise from the direct impacts of a changing climate in the short- and long- term. Such risks may include **an increase in** the ~~risks~~ **intensity and frequency** of extreme weather events ~~and~~ **,** changes in temperature **and rising sea level** , which may damage infrastructure and facilities **, increase our energy costs, negatively impact our workforce** , as well as disrupt connectivity or supply chains. Climate- related transition risks arise from exposure to the transition to a lower- carbon economy through policy, regulatory, technology and market ~~20Page 21~~ changes. For instance, new regulations or guidance relating to climate change, as well as the perspectives of stakeholders regarding climate change, may impact our business and reputation, which could increase costs on our business. Climate- related physical and transition risks could impact us both directly and indirectly through adverse impacts to our clients **and the global economy in general** , including as a result of **interruptions to infrastructure and our operations,** declines in asset values **and stranded assets** , changes in client preferences, increased regulatory and compliance costs and significant business disruptions. Any of these risks may ~~cause~~ **have a material adverse effect on** our AUM, revenue and earnings ~~to decline~~ . **20Page 19** We are exposed to risks arising from our international operations. We operate in a number of jurisdictions outside of the United States. Our international operations require us to comply with the legal and regulatory requirements of various foreign jurisdictions and expose us to political environments and risks that can compare less favorably than those in the United States. Our foreign business operations are also subject to the following risks: • difficulty in managing, operating, and marketing our international operations; • the inability to transact in various investments or to repatriate the proceeds from our investments from countries outside the U. S.; • the potential nationalization of our property or that of the companies in our investment portfolios; • fluctuations in currency exchange rates which may result in substantial negative effects on assets under our management, revenues, expenses, and assets in our U. S. dollar based financial statements; and • significant adverse changes in international legal and regulatory environments **. Our financial condition and liquidity would be adversely affected by losses on our seed capital and co- investments. We have capital held in investment products we manage in a variety of asset classes, including equities, fixed income products, multi- asset products, financial instruments, real estate and alternative investments. Investments in these products are generally made to establish a track record, meet purchase size requirements for trading blocks or demonstrate economic alignment with other investors in our funds. Adverse market conditions may result in the need to write down the value of these seed capital and co- investments, which may adversely affect our results of operations or liquidity** . HUMAN CAPITAL RISKS. Our success depends on our key personnel and our investment performance and financial results could be negatively affected by the loss of their services. Our success depends on our highly skilled personnel, including our portfolio managers, investment analysts, sales and client relationship personnel, technology and operations professionals, and corporate officers, many of whom have specialized expertise and extensive experience in our industry.

Professionals with financial services experience across functional areas are in demand, and we face significant competition for highly qualified employees. Generally, our associates can terminate their employment with us at any time, with most required to provide little to no notice. Recently we have adopted more significant notification requirements for certain key positions. As a result of these new requirements, some employees **or candidates** may be less willing to continue their employment with us or join our firm. We cannot assure that we will be able to attract or retain key personnel. Due to the global nature of our investment advisory business, our key personnel may have reasons to travel to regions susceptible to higher risk of civil unrest, organized crime or terrorism, and we may be unable to ensure the safety of personnel traveling to these regions. We have near- and long-term succession planning processes, including programs to develop our future leaders, which are intended to address future talent needs and minimize the impact of losing key talent. However, in order to retain or replace our key personnel, we may be required to increase compensation, which would decrease net income. The loss of key personnel could **also** damage our reputation and make it more difficult to attract and retain employees and investors ~~. Losses of~~ **, and in turn cause our** assets **under management to** ~~from our client investors would~~ decrease **, which could have a material adverse effect on** our revenues and net income ~~, possibly materially~~ . LEGAL AND REGULATORY RISKS. Compliance within a complex regulatory environment imposes significant financial and strategic costs on our business, and non- compliance could result in fines and penalties. There is uncertainty associated with the regulatory and compliance environments in which we operate. Our business is subject to extensive and complex, overlapping and / or conflicting, and frequently changing rules, regulations, policies and legal interpretations, around the world. Additionally, over the past several years the pace **20Page 20** and scope of new rules, regulations, policies and legal interpretations has increased both in the U. S. and globally, which requires additional resources and expense in order **for us** to digest and institute process to comply. If we are unable to maintain compliance with applicable laws and regulations, we could be subject to criminal and civil liability, the ~~20Page 22~~ suspension of our employees, fines, penalties, sanctions, injunctive relief, exclusion from certain markets, or temporary or permanent loss of licenses or registrations necessary to conduct our business. A regulatory proceeding, even if it does not result in a finding of wrongdoing or sanctions, could consume substantial ~~expenditures~~ **amount** of time **, management attention** and ~~capital~~ **expense** . Any regulatory investigation and any failure to maintain compliance with applicable laws and regulations could severely damage our reputation, adversely affect our ability to conduct business and decrease revenue and net income, and potentially result in complex **and costly** litigation. Legal and regulatory developments in the mutual fund, retirement and investment advisory industry could increase our regulatory burden, impose significant financial and strategic costs on our business, and cause a loss of, or impact the servicing of, our clients and fund shareholders. Our regulatory environment is frequently altered by new laws and regulations and by revisions to, and evolving interpretations of, existing regulations. New laws and regulations present areas of uncertainty susceptible to alternative interpretations; regulators and prospective litigants may not agree with reasoned interpretations we adopt. Future changes could require us to modify or curtail our investment offerings and business operations ~~or~~ **which may** impact our expenses and profitability. Additionally, some laws and regulations may not directly apply to our business but may impact the capital markets, service providers or have other indirect effects on our ability to provide services to our clients. Potential impacts of current or proposed legal or regulatory requirements include, without limitation, the following: • ~~As part of the debate in Washington, D. C. and in state legislatures, there~~ **There** has been increasing focus on the framework of the U. S. retirement system **at the federal and state levels** . We could experience adverse business impacts if legislative and regulatory changes limit retirement plans to certain products and services, or favor certain investment vehicles, that we do not offer, materially limit retirement savings opportunities or foster substantial outflows from retirement savings plans for non-retirement purposes. • There has been substantial regulatory and legislative activity at federal and state levels regarding standards of care for financial services firms, related to both retirement and taxable accounts **. Actions taken by applicable regulatory or legislative bodies may impact our business activities** and **increase our costs. In October 2023,** the ~~United States~~ **U. S.** Department of Labor ~~intends to propose~~ **proposed a** new **rule updating the definition of an investment advice** fiduciary ~~rules applicable~~ **under ERISA (“ Retirement Security Rule ”), which would apply** to retirement plans and accounts that comprise a majority of our accounts. ~~Actions taken by applicable regulatory or legislative bodies may~~ **We are monitoring the rulemaking process and the potential** impact **the Retirement Security Rule may have on** our business ~~activities and increase our costs~~ . • The Commodity Futures Trading Commission (" CFTC") regulation may limit the ability of certain sponsored investment products to use futures, swaps, and other derivatives. We have registered certain subsidiaries with the CFTC, subjecting us to additional regulatory requirements and costs, but also providing us additional flexibility to utilize such products. Nonetheless, there are still certain limitations on our investment products due to CFTC rules. • There has been increased global regulatory focus on the manner in which intermediaries are paid for distribution of mutual funds or other collective investments funds. Changes to long- standing market practices related to fees or enhanced disclosure requirements may negatively impact sales of mutual funds or other collective investments funds by intermediaries, especially if such requirements are not applied to other investment products. • We remain subject to various state, federal and international laws and regulations (and associated judicial decisions) related to **privacy,** data collection and use ~~; privacy~~ **, including the EU’ s GDPR** and ~~data protection~~ **the CCPA** ; cybersecurity; current and emerging technology **, including generative AI technology** ; **storage, localization, retention and destruction of** data ~~storage, localization, retention and destruction~~ ; **disclosure, transfer, availability, security and integrity of** data ~~disclosure, transfer, availability, and integrity~~ ; notification of regulators and / or impacted parties regarding adverse data- related events **, including the SEC’ s cybersecurity disclosure rules** ; and other similar matters that can concern the data of our clients and employees. Requirements in these areas continue to expand and evolve throughout the globe, most commonly in ways that increase the complexity and costs of compliance. For example, in addition to the EU' s GDPR data protection rules, we also are or may become subject to or affected by additional country, federal and state laws, regulations and guidance impacting consumer privacy, such as the California Consumer Privacy Act ~~(" CCPA") (and new provisions becoming effective January 1, 2023 under the California Privacy Rights Act) that provides for~~

~~enhanced consumer protections for California residents, enforcement authority by the California Attorney General and / or the California Privacy Protection Agency for violations, and the potential for private litigation, including statutory damages for data security breaches~~ . ~~Each of~~ **Future changes to laws 20Page 21 and regulations in** these **areas** ~~types laws and regulations~~ could impose significant limitations **on our operations** , require changes to our business, or restrict our collection, use or storage of ~~personal~~ data **or related technologies** , which may increase our compliance expenses and make our business more costly or less efficient to conduct. ~~20Page 23~~ • ~~After the 2008 financial crisis, global regulations~~ - **Regulators have imposed certain clearing, margin, trade reporting, electronic trading and recordkeeping requirements** on ~~over-~~ **market participants aimed at market stabilization and risk reduction, such as** the ~~- counter derivatives spearheaded by The~~ Dodd- Frank Wall Street Reform and Consumer Protection Act in the ~~United States~~ **U. S.** and **the** European Market Infrastructure Regulation in the ~~European Union ("~~ EU ~~") have imposed clearing, margin, trade reporting, electronic trading and recordkeeping requirements on market participants~~ . ~~Alongside their general stabilizing and risk- reducing effect on the markets, these~~ **These** requirements have introduced operational complexity and additional costs to derivatives portfolios. • The revised Markets in Financial Instruments Directive (" MiFID II Directive") and Regulation (" MiFIR") (together " MiFID II ") ~~applied~~ **applies** across the EU and member states of the European Economic Area beginning on January 3, 2018. Implementation of MiFID II has significantly impacted both the structure and operation of EU financial markets. Some of the main changes introduced under MiFID II include applying enhanced disclosure requirements, enhancing conduct of business and governance requirements, broadening the scope of pre and post trade transparency, increasing transaction reporting requirements, transforming the relationship between client commissions and research, and further regulation of trading venues. Compliance with MiFID II has increased operational complexity and increased our costs. For example, we began to pay for third- party investment research used by our UK- based investment manager, T. Rowe Price International Ltd, in 2018, and we ~~now~~ pay for all the research needs of our investment professionals globally. • New laws or regulations involving ESG integration and disclosure may materially impact the asset management industry. For example, the EU' s ~~recent action plan~~ **Sustainable Finance Disclosure Regulation imposes mandatory ESG disclosure obligations** on **asset managers and other** ~~financing~~ **financial markets participants, requiring all covered firms to disclose how financial products integrate sustainability risks in the investment process, including whether they consider adverse sustainability impacts, and sustainability- related information for products promoting** sustainable ~~growth includes initiatives to integrate ESG into~~ **objectives. The availability of such disclosures may impact** the ~~financial system~~ **investment decisions of European investors** . Furthermore, ~~the SEC~~ **federal regulators, as well as state legislatures** and ~~other~~ regulators in the U. S. have proposed ~~rules~~ **or adopted laws and regulations** to pursue similar initiatives, ~~including additional~~ **such as the SEC' s proposed climate** disclosure **rules. Conversely, some U. S. states have adopted or proposed legislation or otherwise have taken official positions restricting or prohibiting state government entities from doing certain business with entities they believe are discriminating against particular industries or considering ESG factors in their investment processes and proxy voting. As jurisdictions globally continue to develop legal frameworks on ESG and sustainability regulations, our industry and business may face increasingly fragmented regulatory frameworks, which may result in complex and potentially conflicting compliance** obligations ~~that would apply to our business operations, our employee~~ and **legal** ~~board diversity~~ and **regulatory uncertainty** ~~other ESG- related matters~~ . We cannot predict the nature of future changes to the legal and regulatory requirements applicable to our business, nor the extent of the impacts that will result from current or future proposals. However, any such changes are likely to increase the costs of compliance and the complexity of our operations ~~. They may also~~ **, as well as** result in changes to our product or service offerings. The changing regulatory landscape may also impact a number of service providers that provide services to us and, to the extent such service providers alter their ~~services~~ **operations** or increase their fees, it may impact our expenses or those of the products we offer. We may become involved in legal and regulatory proceedings that may not be covered by insurance. We are subject to regulatory and governmental inquiries and civil litigation. An adverse outcome of any such proceeding could involve substantial financial penalties and costs. From time to time, various claims against us arise in the ordinary course of business, including employment- related claims. There also has been an increase in litigation and in regulatory investigations in the financial services industry in recent years, including client claims, class action suits, and government actions ~~alleging~~ **claiming** substantial monetary damages and penalties. We carry insurance in amounts and under terms that we believe are appropriate ~~. We~~ **, however, we** cannot be assured that our insurance will cover every liability and loss to which we may be exposed, or that our insurance policies will continue to be available at acceptable terms and fees. Certain insurance coverage may not be available or may be prohibitively expensive in future periods. As our insurance policies come up for renewal, we may need to assume higher deductibles or co- insurance liabilities, or pay higher premiums, which would increase our expenses and reduce our net income. **20Page 22** Net capital requirements may impede the business operations of our subsidiaries. Certain of our subsidiaries are subject to net capital requirements imposed by various federal, state, and foreign authorities. Any significant change in the required net capital, an operating loss, or an extraordinary charge against net capital could adversely affect the ability of our subsidiaries to expand or maintain their operations if we were unable to make additional investments in them, which could impact our earnings. ~~20Page 24~~ TECHNOLOGY RISKS. We require significant quantities and types of technology to operate our business and would be adversely affected if we **or our third party providers** fail to maintain adequate ~~infrastructure~~ **technology** to conduct or expand our operations or if our technology became inoperative or obsolete. We depend on significant quantities of technology and, in many cases, highly specialized ~~or~~ **,** proprietary or third- party licensed technology to support our business functions, including among others: • securities analysis, • securities trading, • portfolio management, • client service, • accounting and internal financial reporting processes and controls, • data security and integrity, and • regulatory compliance and reporting. All of our technology systems, including those provided **or operated** by **third- party** service providers, are vulnerable to disability or failures due to cyberattacks, natural disasters **or extreme weather events (which may increase in frequency or intensity as a result of climate change)** , power failures, acts of war or terrorism, sabotage, coding errors, and other causes. A suspension or termination of vendor- provided software licenses or related support, upgrades, and maintenance could cause system delays or interruption. Although we **believe we** have robust business and disaster recovery plans, if our technology systems, including those provided **or operated** by **third- party** service providers, were to fail and we were unable to recover in a timely way, we would be unable to fulfill critical business functions, which could lead to a loss of clients and could harm our reputation. A technological breakdown or disruption in services ~~from a service provider~~ could also interfere with our ability to comply with financial reporting and **controls and** other regulatory requirements, exposing us to ~~disciplinary~~ **regulatory** action and liability to our clients. In addition, our continued success depends on our ability to effectively integrate operations across many systems and / or countries, and to adopt new or adapt existing technologies to meet client, industry, and regulatory demands **, including, for example, generative AI technology** . We might be required to make significant capital expenditures to maintain **a** competitive ~~infrastructure~~ **technology stack** . If we are unable to upgrade our ~~infrastructure~~ **technology stack** in a timely fashion, we ~~might~~ **may** lose clients and fail to maintain regulatory compliance, which could affect our results of operations and severely damage our reputation. A cyberattack or a failure to implement effective information and cybersecurity policies, procedures and capabilities could disrupt operations and cause financial losses. We are dependent on the effectiveness of the information and cybersecurity policies, procedures and capabilities we maintain to protect our systems and data. An externally caused data security incident, such as a cyberattack, a phishing scam, virus, ransomware attack, denial- of- service attack, or an attack launched from within our systems could **compromise the integrity of confidential client or competitive information and** materially interrupt **our** business operations ~~or cause disclosure or modification of confidential client or competitive information~~ . In addition, our third- party service providers and other intermediaries **,** with which we conduct business **,** ~~and transmit data~~ could **also** be subject to ~~a successful cyberattack~~ **cyberattacks** or other data security ~~event~~ **events** , and we cannot ensure that such third parties have all appropriate controls in place to protect the **integrity and** confidentiality of **our** data **that is** in ~~the~~ **their** custody ~~of those third parties~~ or to allow them to continue their business operations, including their services to us, in a timely manner. There have been increasing numbers of publicized cybersecurity incidents in recent years impacting ~~other~~ financial services firms as well as firms in other industries. Our use of third- party service providers and cloud technologies **20Page 23** could heighten this risk. Should the technology operations on which we rely be compromised, we may have to make significant investments to upgrade, repair or replace our technology infrastructure or third- party service providers and may not be able to make such investments on a timely basis. Although we maintain insurance coverage **, under terms** that we believe ~~is~~ **are** reasonable, prudent and adequate for the purpose of our business, it may be insufficient to protect us against all losses and costs stemming from breaches of security, cyberattacks and other types of unlawful activity, or any resulting disruptions from such events. ~~20Page 25~~ We could be subject to losses if we fail to properly safeguard and maintain confidential data. As part of our normal operations, we maintain and transmit confidential data about our clients, associates and other parties, as well as ~~,~~ proprietary data relating to our business operations **. Our business operations rely on such data being available as and when needed and not being subjected to loss or unauthorized access or alteration** . We maintain a system of internal controls designed to provide reasonable assurance that both inadvertent errors and fraudulent activity, including misappropriation of assets, fraudulent financial reporting, and unauthorized access to sensitive or confidential data, is either prevented or detected in a timely manner. We also leverage cloud-based solutions for the transmission and storage of ~~this~~ data. Our systems, or those of **the** third- party service providers we ~~may~~ use to maintain ~~and~~ **or** transmit such data, could be ~~victimized~~ **accessed** by unauthorized users or corrupted by computer viruses or other malicious software code. Additionally, authorized persons could inadvertently or intentionally release or alter confidential or proprietary data. ~~Such disclosure~~ **Any of these types of events** could, among other things: • seriously damage our reputation, • result in a loss of confidence in our business and products, • allow competitors access to our proprietary business data, • **materially impair our business operations, •** subject us to liability for a failure to safeguard data of clients, associates, and other parties, • result in the termination of contracts by our existing clients, • subject us to **disclosure obligations,** regulatory investigations, actions or fines, and potential litigation involving regulators, stockholders, or other members of the public, and • require significant capital and operating expenditures to investigate and remediate the breach, and organizational costs to mitigate against future incidents. Furthermore, if any person, including any of our associates, negligently disregards or intentionally overrides or circumvents our established controls with respect to confidential data, or otherwise mismanages or misappropriates that data, we could be subject to significant monetary damages, regulatory enforcement actions, fines and / or criminal prosecution in one or more jurisdictions. As noted above, we are subject to numerous laws and regulations ~~designed to~~ **governing privacy and the** ~~protect~~ **protection** ~~confidential~~ **of personal or other** data **in the** ~~, such as~~ U. S. ~~federal and state laws and foreign laws and regulations governing the privacy and protection of personal or other confidential data~~ , ~~such as the~~ EU ~~' s General Data Protection Regulation and similar types of laws enacted in several U. S. states~~ and other jurisdictions **we operate** in ~~Asia~~ . Any failure to properly safeguard and maintain confidential data creates risk that we could be found to be in violation of ~~various~~ laws and regulations **and subject us to disclosure obligations, regulatory investigations, actions or fines, and litigation** .