T. Rowe Price Resource Page

“Even the amateur investor who lacks training and time to devote to managing his investments can be reasonably successful by selecting the best-managed companies in fertile fields of growth, buying their shares and retaining them until it becomes obvious that they no longer meet the definition of a growth stock.” -- T. Rowe Price

T. Rowe Price: Background & bio

Thomas Rowe Price Jr., like Peter Lynch, was not a pure value investor. In fact, he was considered the father of growth investing. However, T. Rowe Price would not invest in high fliers that were abundant during the dotcom bubble.

He was a pure fundamental investor, who was contrarian by nature.

Originally, T. Rowe Price trained to become a chemist and received a degree in Chemistry from Swarthmore College from where he graduated in 1919.

After realizing his interest in investment, T. Rowe Price soon joined the world of Wall Street in the 1920s. He started off his career at Mackubin Goodrich, a Baltimore-based brokerage firm, now known as a famous company called Legg Mason. During his initial years in the financial markets, T. Rowe Price battled with the tumbling economy brought about by The Great Depression but this didn’t stop him. He had risen to the position of Chief Investment Officer at the firm before he moved on to establishing his own investment company.

He formed T. Rowe T. Rowe Price Associates in 1937. T. Rowe Price can be considered as having an unconventional personality as he not only adopted a contrarian investment approach, but his way of conducting business with his clients was untraditional as well.
Instead of charging his company’s clients on a basis of commission, he adopted a fee-based payment method believing that his firm will flourish if the interests of the clients are put first. Although, fee-based payments are prevalent in the financial industry today, at the time it was considered revolutionary.

In 1950, he established the T. Rowe Price Growth Stock Fund and was CEO until his retirement in late 1960s. It is one of today’s leading investment houses despite the fact that T. Rowe Price sold the company in late 1970s anticipating a meltdown.

In the late 60s, T. Rowe Price warned of the extreme valuations that investors were placing on stocks. He was proven right when the market tanked in 73-74.

After the world saw the truth in T. Rowe Price’s prediction, where the economy could not survive the market crash, he re-emerged in the early 1980s, with strong bond and value funds to match the original investment philosophy of growth stocks. After going public in 1986, the company is now run by a management committee of 7 members that is headed by George Roche. Roche, before becoming Chairman of T. Rowe Price Growth Stock Fund, joined the firm as an analyst in 1968 and had substantial experience working alongside T. Rowe Price.

During the 39 years from 1932 to 1972, T. Rowe Price’s company saw return of 15.4% annually, turning an initial investment of $1000 into $271,201! T. Rowe Price passed away at the age of 85 in 1983. His company T. Rowe Price Associates continues to serve clients throughout the world and facilitate successful long-term investment with proper embracing of investment ethics of T. Rowe Price himself.

**T. Rowe Price: Investment philosophy**

Rowe Price is known as ‘the father of growth stocks’. He presented an investment strategy that departed from the value investment approach as put forward by Benjamin Graham. According to the basic principles of growth investment, as mentioned by T. Rowe Price, the dividend payments, and market values increase as company earnings grow, at a faster pace than inflation. Such investments prove to be a good hedge against T. Rowe Price rises but only if companies have enhanced growth-oriented management.

Rowe Price believed the stocks, like humans, had life stages that included the growth, maturity, and the decline stage. What his philosophy highlights is the fact that the companies are the most profitable with high return on investment prospect during the growth phase.

During the time when investors were devotedly investing in steel, old rail, oil and other blue chip stocks, T. Rowe Price was keen on investing in companies which were in their initial stages, like IBM, Xerox, Honeywell, Coca-Cola and 3M.

His focus was on long-term investments. By the mid 1960s, his growth stock approach to investment gained such popularity that the stocks preferred or prioritized by T. Rowe Price were referred to as ‘T. Rowe Price stocks’.
Rowe Price learned much of his investment lessons during the time of The Great Depression and realized it is better to embrace stocks rather than avoid or stay out. Keeping in mind the cyclical nature of the stock market, what T. Rowe Price relied on was extensive research to determine potential good companies and diversification in order to reduce the risk.

In a nutshell, T. Rowe Price believed smaller companies in their initial stages of business were a relatively fertile ground with long-term earnings growth potential.

What he considered as primary factors to consider before indulging in long-term investment were rising price-to-earnings ratio, long-term earnings per share greater than inflation rate, and most importantly he only considered companies of the growing industries, old companies with new growing divisions, or companies with new or expanding product lines. As secondary factors, he kept in mind the management of the company, little governmental influence, financial soundness, absence of cut-throat competition and good workforce relations.

T. Rowe Price Associates

**Invest With Confidence**

T. Rowe Price

From [TRowePrice.com](http://TRowePrice.com):

T. Rowe Price Company Overview at a Glance

- Founded in 1937 by Thomas Rowe Price Jr.
- Managing $746.8 billion in assets*(as of December 31, 2014)*
- Serving individuals, financial intermediaries, and institutions
- Offering a full range of investment strategies
- Independent company with considerable employee ownership
- Headquartered in Baltimore, Maryland, with offices in 14 countries around the world
- Employing over 5,800 associates

INVESTMENT APPROACH. Our approach to managing investments is rooted in fundamental research, distinguished by discipline, and carried out by experienced professionals.

**Research is the lifeblood of our investment organizations**
We believe that fundamental, proprietary research drives value-added, active management. To put this belief into practice, we maintain a powerful global research platform that includes interconnected teams of research analysts.

It starts with bottom-up analysis. One hundred eighty-five specialized analysts across the globe focus on finding opportunities for our clients. These are bright and capable professionals, driven to find insights—both qualitative and quantitative—that support investment recommendations and, ultimately, decisions.

But what makes this platform so effective is the culture that supports it—one in which ideas are shared and debated, and knowledge is transferred across geographies and sectors. The result: Ideas translate into well-informed investment decisions.

**Discipline has distinguished our approach for over seven decades**

T. Rowe Price has been managing assets for clients since 1937. Through all types of market environments, we have kept our heads down, fine-tuned our process, and focused on long-term results.

Consistency is a hallmark of our investment process. By adhering to stated investment objectives and style, regardless of market conditions or fashion, we help ensure the long-term integrity of client portfolios.

We are also keenly focused on risk management. Our professionals assess risk and potential rewards at the security and portfolio level for all strategies. All portfolios are managed to provide long-term reward commensurate with risk accepted.

**A seasoned investment team means continuity for our clients**

There is no substitute for experience. T. Rowe Price portfolio managers have an average of 19 years' investment experience and 13 years' tenure with the firm.

Because of this individual expertise and collective experience, we can keep rapidly evolving markets in historical perspective. We are able to hone our investment approach through changing economic conditions. And we are able to thoughtfully focus on our ultimate goal—consistent, competitive performance for our clients.

**T. Rowe Price Associates: Investment perspectives**

- Europe: Opportunities are being created as investors overreact to Europe's woes
- Indian Elections: A mandate for change?
- Frontier Markets: Traveling through the Mekong Region
- Global Market Outlook 2015
- T. Rowe Price Navigates Puerto Rico's Troubled Waters
- ECB: Into Uncharted Waters
- Indian Elections: A mandate for change?
- To Boldly Go... Corporate Japan Makes History
China: Financial Deleveraging Is Inevitable But Beijing Should Be Able to Control the Pace
Balancing Pitfalls and Potential in Emerging Markets
Roth IRAs Offer Many Benefits for Retirement Investors
Outlook Promising for Rejuvenated Japan
Earnings Recovery Key to Further Gains in Europe
Brazil and Mexico: Reversal of Fortune
Why High Yield Bonds Remain Attractive This Year
U.S. Equity Market Remains Attractive Despite Greater Challenges
Speaking Globally: Our investment professionals share their outlook

T. Rowe Price: Articles

1965- T. Rowe Price to Sell His Interest In Firm (Limited View)
1965- Chairman Is Selling Control of T. Rowe Price Concern (Limited View)
1969- T. Howe Price Announces Creation Of Mutual Fund (Limited View)
1969- Market Place: About Goodrich And Northwest (Limited View)
1970- Market Place: U.S. Prosperity: Optimistic View (Limited View)
1970- Market Place:; T. Rowe Price Views Inflation (Limited View)
1970- Market Place:; Doubting Cadre On Wall Street (Limited View)
1973- One Does Not Need to Know Lot About Stocks to Earn Money
1973- Market Place (Limited View)
1973- ‘Successful philosophy’ offered (Limited View)
1974- The money scene (Limited View)
1977- Market Place: T.Rowe Price Views Growth Stocks (Limited View)
1977- Market Place: Measure of Success: Return on Capital (Limited View)
1983- T. Rowe Price, Stock Market Wizard, Dies (Limited View)
2000- Looking for the Best Returns? Go With Growth Stocks Over the Long Term
2005- To Invest in Growth Stocks, Keep Your Eye on the Moving Target - …