T.RowePrice®
INVEST WITH CONFIDENCE

March 20, 2019

Ms. Vanessa Countryman
Acting Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington DC 20549

Re: File No. S7-26-18 (Release Nos. 33-10588 and 34-84842); Request for Comment on Earnings Releases and Quarterly Reports

Dear Ms. Countryman:

We appreciate the opportunity to comment on the above-referenced release (the "**Release**"). The Release seeks public comment on the nature and timing of disclosures companies must provide in their Form 10-Q and other interim reports, including when the Form 10-Q disclosure requirements overlap with companies' disclosures voluntarily provided in earnings releases furnished on Form 8-K.

Healthy capital formation and well-functioning, transparent capital markets are of critical importance to T. Rowe Price[1] - both from our perspective as a publicly traded corporate issuer and as a global investment management firm investing in thousands of U.S. companies. Given the nature of the issues the Commission seeks comment on in this Release, our remarks will primarily reflect the needs and experiences of our investment advisory business.

As further detailed below, we: (a) find both earnings releases and Form 10-Q filings to be valuable components of our investment process; (b) believe earnings release guidance should not be prohibited or further regulated; and (c) strongly support retaining the current frequency requirements to file interim financial statements on a quarterly basis.

I. Use of earnings releases and 10-Q reports

It is the practice of most of the U.S. issuers in our portfolios to disclose both a voluntary earnings release on Form 8-K and the required quarterly earnings report on Form 10-Q. The information contained in both of these disclosures is highly valued by our firm's investment analysts and portfolio managers.

The most valuable content provided to us in earnings releases includes descriptive breakdowns of the sources of the company's revenue growth; certain non-GAAP data items that are relevant to the company's business, such as customer-related metrics; reconciliations of those

[1] T. Rowe Price serves as investment adviser to a wide variety of clients, from individual savers to large institutions and funds. As of February 28, 2019, T. Rowe Price and its affiliates managed $1.06 trillion in assets, based on preliminary data.

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non-GAAP data points into GAAP figures; and quotes from the Chief Executive or other corporate officers offering their perspectives on the period.

The content provided in 10-Q reports of most value to us includes standardized, XBRL-tagged, GAAP data that we ingest into numerous data systems; information on the performance of business segments; and confirmation of the trends or indicators described by management in the release.

The opportunity to participate in the conference calls offered by many issuers in connection with earnings releases and 10-Q reports is also a valued source of insight for our analysts.

While we make use of both types of quarterly reports when they are made available, it is not our view that quarterly earnings releases should be required reports, nor would we advocate for them to be subject to audit; that is, we prefer that these disclosures remain 'furnished,' not 'filed.' It's not necessary for every company to use both types of disclosure. A flexible framework where companies and their investors use private ordering to determine the range of disclosures is the optimal arrangement, in our view.

II. Quarterly earnings guidance

Our experience with quarterly earnings guidance in the U.S. market is mixed. At times, such target-setting by management is a useful signaling tool and can provide insights on conditions and/or uncertainty within an industry. However, in most cases we agree with the sentiment expressed by advocacy groups such as Commonsense Principles[2] that the practice of disclosing guidance on a quarterly basis amplifies the atmosphere of short-termism already present in this market.

As an issuer, we would note that T. Rowe Price Group, Inc., has elected not to provide regular quarterly guidance, and we believe this decision is well understood and accepted by our investors and other stakeholders. Despite our reservations about the value of this type of issuer-investor communication, we do not believe it is advisable to consider imposing regulation prohibiting it.

III. Frequency of reporting

Quarterly earnings releases and 10-Q reports are the means by which we monitor the performance of the companies in our clients' portfolios against our expectations for them. They also, in some cases, provide an important disciplining mechanism for company management. For

[2] The Commonsense Principles are a series of corporate governance principles for public companies, their boards of directors, and institutional shareholders (both asset managers and asset owners). Representatives of various corporations, institutional investors, and asset managers, including T. Rowe Price, are signatories to these principles, which provide a basic framework for sound, long-term oriented governance. Regarding guidance, the principles note that a company should not feel obligated to provide quarterly guidance and should consider whether providing guidance does more harm than good for the company's shareholders. The principles go on state that the company should be realistic and avoid inflated projections to the extent guidance is provided.

example, even long-term oriented investors such as T. Rowe Price need to closely monitor the quarterly financial reports of companies undergoing a turnaround, because these short-term progress reports increase our confidence in our ability to predict the company's long-range outcome.

In our view, any move to reduce the frequency of required financial reporting would be disadvantageous and disruptive for investors without sufficient counter-balancing benefits for corporations. In fact, we believe over time U.S. corporations choosing to report less frequently (assuming the Commission were to introduce flexibility into the reporting calendar) would undoubtedly experience more negative effects than positive, including potential adverse impacts on price formation and increased volatility. Smaller companies would see further declines in their coverage by sell-side analysts - a trend already well under way due to global regulatory pressures on such research. We would also expect a higher cost of capital for these companies and they would naturally come to be perceived as less transparent in providing information to their investors.

For these reasons, we would strongly oppose any market-wide decision to replace quarterly with semiannual reporting as doing so would be harmful to investors and many issuers. Similarly, we are highly skeptical that any tiering approach (such as an exception for Emerging Growth Companies) or voluntary framework allowing some U.S. issuers to choose semiannual reporting would produce successful outcomes over the long term.

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We appreciate the opportunity to provide our comments on this matter. Should you have any questions regarding this letter, please feel free to contact us.

Sincerely,

Eric Veiel, Vice President
Co-Head of Global Equity

Andrew McCormick, Vice President
Head of Fixed Income