



THE T. ROWE PRICE ACTIVE ETF PROCESS

Putting our proven strategies to work for investors.

T. Rowe Price exchange-traded funds (ETFs) are designed to combine the flexibility and control of an ETF with access to our strategic investing expertise.

Our global investment professionals go beyond the numbers every day to evaluate markets and study opportunities. This depth of understanding helps inform better decision-making and prudent risk management for our clients' portfolios.

Our ETFs provide another way to access the strategies behind our mutual funds. To offer some of our actively managed strategies in the form of an ETF, we use a process designed to maintain accurate pricing and market liquidity while protecting our proprietary trading and intellectual property in the interest of our shareholders.

As a result of our process, here's what to expect from our ETFs:

- The same level of active management, regulatory oversight, and shareholder reporting as our time-tested mutual funds.
- The ability to trade like other exchange-traded products that are bought and sold throughout the day at market prices.
- Daily portfolio metrics and real-time market pricing data to allow accurate and efficient trading.

Our process shares traits with the traditional process used by many other ETFs in the market.

	T. Rowe Price Active ETF Process	Traditional ETF Process
Cost Effectiveness	✓	✓
Tax Efficiency	✓	✓
Trading Convenience	✓	✓
Real-Time Market Pricing	✓	✓
Portfolio Holdings	Daily Proxy Portfolio* Quarterly Full Holdings	Daily Full Holdings

Both processes offer:

Cost effective with fewer operational and shareholder expenses than some other investment vehicles.

Tax efficiency through the ETF structure that helps reduce the impact of shareholder activity on capital gains.

Convenience through intraday trading with no investment minimums.

*Refer to the back for more information about the daily proxy portfolio.

BOTTOM LINE: Our process provides a seamless way to access our proprietary investment strategies while seeking to maintain fair, liquid, and accurate market pricing by publishing relevant and timely portfolio information.

About the T. Rowe Price Active ETF Process

Many ETFs publish a daily list of their full holdings. This information is used to accommodate the institutional investors known as authorized participants (APs) and market makers who help to maintain orderly market prices to meet investor demand. With index-based strategies, the display of daily holdings is somewhat irrelevant since most index components are already widely published by the index providers.

However, in the best interests of shareholders, active investment managers like T. Rowe Price often keep their holdings and real-time trading activity confidential. This is done to prevent outside investors and competitors from using the information in a way that may be detrimental to performance.

The ability to establish and maintain confidential trading activity for the benefit of shareholders is one of the hallmarks of active investing.

The T. Rowe Price Active ETF Process publishes a **daily proxy portfolio**—a basket of securities that allows APs to confidently create and redeem shares while also maintaining the confidentiality of our proprietary trading information.

- The proxy portfolio is generally based on our most recent public quarterly holdings but can be adjusted as needed to minimize tracking error relative to the actual portfolio.
- Similar to many ETFs, an intraday net asset value (iNAV) is calculated and published every 15 seconds during market hours to show the real-time value of the actual portfolio.
- Portfolio metrics are also published daily to provide further clarity on the proxy basket's tracking relationship to the portfolio holdings.

All of this information is used by market makers and APs to facilitate efficient trading in our ETFs at market prices that are closely aligned to the portfolio's net asset value (NAV).

INVEST WITH CONFIDENCE®

**For more information, please call 877-561-7670
or visit troweprice.com.**

Consider the investment objectives, risks, and charges and expenses carefully before investing. For a prospectus or, if available, a summary prospectus containing this and other information, visit troweprice.com.

Important Information

All investments are subject to market risk, including the possible loss of principal. Additional risks vary depending on the investment objectives and strategies. Please refer to a prospectus for more information.

ETFs are bought and sold at market prices, not NAV. Investors generally incur the cost of the spread between the prices at which shares are bought and sold. Buying and selling shares may result in brokerage commissions, which will reduce returns.

T. Rowe Price ETFs publish a daily Proxy Portfolio, a basket of securities designed to closely track the daily performance of the actual portfolio holdings. While the Proxy Portfolio includes some of the ETF's holdings, it is not the actual portfolio. Daily portfolio statistics will be provided as an indication of the similarities and differences between the Proxy Portfolio and the actual holdings. The Proxy Portfolio and other metrics, including Portfolio Overlap, are intended to provide investors and traders with enough information to encourage transactions that help keep the ETF's market price close to its NAV. There is a risk that market prices will differ from the NAV. ETFs trading on the basis of a Proxy Portfolio may trade at a wider bid/ask spread than shares of ETFs that publish their portfolios on a daily basis, especially during periods of market disruption or volatility, and, therefore, may cost investors more to trade. The ETF's daily Proxy Portfolio, Portfolio Overlap, and other tracking data are available at troweprice.com.

Although the ETF seeks to benefit from keeping its portfolio information confidential, others may attempt to use publicly available information to identify the ETF's investment and trading strategy. If successful, these trading practices may have the potential to reduce the efficiency and performance of the ETF.

T. Rowe Price Investment Services, Inc.

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