



Three Fixed Income Strategies Join Active ETF Lineup

Active ETFs can also serve as portfolio building blocks.

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KEY INSIGHTS

- T. Rowe Price launched three fixed income active ETFs, which provide access to our bond portfolio management expertise in a versatile format.
- We have expanded the ways that investors can access our core product—portfolio management expertise—to respond to changing client preferences.
- The ETFs can also serve as portfolio building blocks, offering exposure to bonds through a disciplined, active approach that we think can add value over time.

Fixed income exchange-traded funds (ETFs) are a natural evolution of T. Rowe Price's product offerings, providing access to our active fixed income management expertise in a versatile format that provides all of the benefits of ETFs. On September 29, T. Rowe Price launched Total Return, Ultra-Short Bond, and QM U.S. Bond ETFs, which join the firm's five equity ETFs introduced over the last year.

Providing Product Structures to Meet Investor Needs

Over the last several years, we have expanded the number of "wrappers" that we offer around our core product—rigorous investment research and portfolio management—to respond to changing client preferences and meet the needs of investors. We have long realized that ETFs are growing in popularity due to their low-cost structure, trading convenience, and tax efficiency. Our ETFs benefit from the investing

expertise of our actively managed strategies in addition to the advantages that the ETF wrapper provides.

ETFs generally have lower costs than traditional mutual funds because their client service, reporting, and operating expenses are more limited, making the ETF structure more streamlined from a cost perspective. T. Rowe Price's ETFs feature a unitary fee structure, meaning that we charge a single fee that covers all expenses rather than breaking the total up into a management fee and other expenses. We believe that our fixed income ETFs are competitively priced in the actively managed fixed income ETF marketplace.

The ETF format gives investors the built-in diversification they have come to expect from mutual funds, with the tradability of an individual stock. ETFs can be traded on exchanges at any point in the trading day, allowing investors to quickly respond to changes in the marketplace. In addition, the structure of ETFs can



Tim Coyne

Global head of exchange-traded funds



Scott Livingston, CFA

Head of exchange-traded fund strategy and capital markets

“Our ETFs benefit from the investing expertise of our actively managed strategies...”

“...our actively managed fixed income ETFs offer the flexibility to capture upside potential.

potentially reduce the impact of capital gains distributions in a client's portfolio relative to other wrappers by minimizing the impact of shareholder purchase and redemption activity.

Active Management Provides Upside Potential

Unlike passive ETFs that are tied to an index, our actively managed fixed income ETFs offer the flexibility to capture upside potential. Of course, they can also help limit downside risk relative to a benchmark index, which may be attractive in the current market environment, as yields are still quite low by historical standards.

All three fixed income ETFs are managed by the same investment teams using the same investment processes as their mutual fund counterparts. However, holdings in the ETF and the mutual fund may slightly differ, which could result in a small performance disparity over certain periods of time.

Building Blocks for Client Portfolios

T. Rowe Price's fixed income strategies offered as ETFs can also serve as

building blocks in client portfolios, offering exposure to specific areas of the bond market through a disciplined, active approach that we believe can add value over time. Both versions of a particular portfolio—the ETF and the mutual fund—provide exposure to a diversified basket of securities to help meet investor objectives. Our global team of industry-focused T. Rowe Price credit analysts informs the security selection in all of our fixed income portfolios.

Time-Tested Bond Strategies Available as ETFs

Making our time-tested fixed income strategies available via actively managed ETFs is one more way that we are delivering on our commitment to provide our investment management capabilities through products and vehicles that best meet the needs of our clients. T. Rowe Price is committed to developing a comprehensive suite of ETFs by expanding our ETF capabilities and offerings across asset classes.

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T. Rowe Price focuses on delivering investment management excellence that investors can rely on—now and over the long term. To learn more, please visit troweprice.com.

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Important Information

Call 1-800-225-5132 to request a prospectus or summary prospectus; each includes investment objectives, risks, fees, expenses, and other information you should read and consider carefully before investing.

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.

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Past performance is not a reliable indicator of future performance. All investments are subject to market risk, including the possible loss of principal.

Fixed-income securities are subject to credit risk, liquidity risk, call risk, and interest-rate risk. As interest rates rise, bond prices generally fall. All charts and tables are shown for illustrative purposes only.

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