



FACT SHEET

QM U.S. Bond ETF (TAGG)

As of June 30, 2022



Portfolio Manager:

Rob Larkins

Managed Fund Since:

2021

Joined Firm:

2003

FUND INFORMATION

| | |
|--|-------------------------------------|
| CUSIP | 87283Q602 |
| Inception Date of Fund | September 28, 2021 |
| Exchange | NYSE |
| Benchmark | Bloomberg U.S. Aggregate Bond Index |
| Expense Information (as of the most recent Prospectus) | 0.08% |
| Fiscal Year End | October 31 |
| Total Annual Operating Expenses per \$1,000 | \$0.80 |
| Total Strategy Assets ¹ | \$2,637,278,369 (USD) ² |
| Beta (5 Years) | — |
| Weighted Average Duration (Yrs) | 6.5 |

¹ The combined QM U.S. Aggregate Bond Index Strategy assets managed by T. Rowe Price Associates, Inc. and its investment advisory affiliates.

INVESTMENT OBJECTIVE AND STRATEGY

The fund seeks to provide a total return that exceeds the performance of the U.S. investment-grade bond market.

- The portfolio manager selects a set of U.S. dollar-denominated bonds that represent key benchmark traits while attempting to exploit benchmark inefficiencies in an effort to generate a modest amount of outperformance over the index.
- Our proprietary approach emphasizes quantitative inputs like risk modeling and controls but also recognizes the importance of fundamental research to add potential value and help mitigate credit risk.

BENEFITS AND RISKS

- Aims to offer income investors a cost-effective way to seek to approximate the performance of the broad investment-grade bond market.
- Has an intermediate risk/reward profile and should typically offer a higher yield than less volatile short-term bond funds and a lower yield than more volatile longer-term funds.
- Yield and share price will vary with interest rate changes. If interest rates rise significantly from current levels, bond fund total returns will decline and may even turn negative in the short term.
- There is also a chance that one or more of the fund's holdings will have its credit rating downgraded or will default.
- The fund's strategy relies heavily on quantitative models to analyze data and construct investment portfolios. Relying on these models entails the risk that the models themselves may be limited or incorrect, that the data the models rely on may be incorrect or incomplete, and that the adviser may not be successful in selecting companies for investment or determining the weighting of particular securities.

PERFORMANCE

| | One Month | Three Months | Since Inception |
|-------------------------------------|-----------|--------------|-----------------|
| NAV | -1.59% | -4.87% | -10.56% |
| Market Price | -1.72 | -4.95 | -10.58 |
| Bloomberg U.S. Aggregate Bond Index | -1.57 | -4.69 | -10.25 |

Performance data quoted represents past performance and does not guarantee future results; current performance may be higher or lower than performance quoted. Investment returns and principal value will fluctuate and shares, when sold, may be worth more or less than their original cost. To obtain the most recent month-end performance, visit troweprice.com. Market returns are based on the midpoint of the bid/ask spread at market close (typically, 4 p.m. ET) and do not represent returns an investor would receive if shares were traded at other times. 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, call 1-855-405-6488 or visit troweprice.com. Read it carefully.

The average annual total return figures reflect the reinvestment of dividends and capital gains, if any.

For Sourcing Information, please see Additional Disclosures.

² Assets reported are as of March 31, 2022.

SECTOR DIVERSIFICATION

| | Corporate | Mortgage | U.S. Treasury | Government Related | CMBS | ABS | Equity & Other | Reserves |
|-------------------------|------------|------------|---------------|--------------------|------------|------------|----------------|------------|
| QM U.S. Bond ETF | 31.5% | 32.2% | 27.2% | 2.4% | 3.6% | 2.8% | 0.0% | 0.2% |
| Bloomberg USAgg Index | 24.4 | 27.8 | 40.8 | 5.4 | 1.1 | 0.3 | -- | 0.0 |
| Over/Underweight | 7.1 | 4.4 | -13.6 | -3.0 | 2.5 | 2.5 | 0.0 | 0.2 |

CREDIT QUALITY DIVERSIFICATION

| | U.S. Treas* | U.S. Govt Ag** | AAA | AA | A | BBB | Not Rated | Reserves |
|-------------------------|--------------|----------------|------------|------------|------------|------------|------------|-------------|
| QM U.S. Bond ETF | 27.2% | 29.1% | 6.6% | 5.3% | 15.1% | 16.5% | 0.0% | -0.2% |
| Bloomberg US Agg Index | 40.5 | 28.7 | 4.9 | 4.5 | 10.7 | 10.7 | -- | 0.0 |
| Over/Underweight | -13.2 | 0.4 | 1.7 | 0.8 | 4.4 | 5.8 | 0.0 | -0.2 |

*U.S. Treasury securities are issued by the U.S. Treasury and are backed by the full faith and credit of the U.S. government. The ratings of U.S. Treasury securities are derived from the ratings on the U.S. government.

**U.S. government agency securities are issued or guaranteed by a U.S. government agency, and may include conventional pass-through securities and collateralized mortgage obligations; unlike Treasuries, government agency securities are not issued directly by the U.S. government and are generally unrated but may have credit support from the U.S. Treasury (e.g., FHLMC and FNMA issues) or a direct government guarantee (e.g., GNMA issues). Therefore, this category may include rated and unrated securities.

MATURITY DIVERSIFICATION

| | 0-1 Year | 1-3 Years | 3-5 Years | 5-7 Years | 7-10 Years | 10-20 Years | 20-30 Years | 30+ Years |
|-------------------------|------------|-------------|------------|-------------|-------------|-------------|-------------|-------------|
| QM U.S. Bond ETF | 1.8% | 19.6% | 22.9% | 9.6% | 21.8% | 16.5% | 7.6% | 0.4% |
| Bloomberg US Agg Index | 0.0 | 21.3 | 16.3 | 18.2 | 26.2 | 6.6 | 10.6 | 0.8 |
| Over/Underweight | 1.8 | -1.7 | 6.6 | -8.7 | -4.5 | 10.0 | -3.0 | -0.5 |

For Sourcing Information, please see Additional Disclosures.

Not FDIC-Insured. May lose value. No bank guarantee.

INVEST WITH CONFIDENCE

Definitions

Beta: A measure of market risk of an investment option that shows how responsive the investment is to a given market index, such as the Standard & Poor's 500 Index. By definition, the beta of the benchmark is 1.00. An investment with a beta of 1.10 is expected to perform 10% better than the index in up markets and 10% worse in down markets. Usually, higher betas represent riskier investments. Figures are calculated using monthly data and are net of fees.

Weighted Average Duration: A calculation that seeks to measure the price sensitivity of a bond Fund to changes in interest rates. In general, the longer the average duration, the greater the Fund's sensitivity to interest rates.

Additional Disclosures

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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T. Rowe Price uses a custom structure for diversification reporting on this product. Diversification exhibits may not add to 100% due to exclusion or inclusion of cash.

Credit ratings for the securities held in the Fund are provided by Moody's, Standard & Poor's and Fitch and are converted to the Standard & Poor's nomenclature. A rating of "AAA" represents the highest-rated securities, and a rating of "D" represents the lowest-rated securities. If the rating agencies differ, the highest rating is applied to the security. If a rating is not available, the security is classified as Not Rated (NR). T. Rowe Price uses the rating of the underlying investment vehicle to determine the creditworthiness of credit default swaps and sovereign securities. The Fund is not rated by any agency.

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Source for Maturity Diversification: T Rowe Price.

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