



NEWS RELEASE

T. ROWE PRICE RECEIVES APPROVAL FOR ACTIVE EXCHANGE-TRADED FUNDS

Four equity ETFs to make debut using long-standing strategic investing approach; funds will list on NYSE Arca, Inc., launch date to be determined

Baltimore: July 6, 2020

NEWS

- T. Rowe Price (NASDAQ-GS: TROW) announced that the U.S. Securities & Exchange Commission (SEC) has granted the remaining approvals necessary for the firm to bring to market four active exchange-traded funds (ETFs), which will be listed on NYSE Arca, Inc. These latest milestones clear the path for T. Rowe Price to introduce ETFs in an active management format that has characterized the firm's investment approach for more than 80 years.
- Constructed similarly to investment strategies that have served clients well for decades, the first T. Rowe Price active ETFs will include the Blue Chip Growth ETF, the Dividend Growth ETF, the Equity Income ETF, and the Growth Stock ETF.
- The active ETFs will use the same investment strategies and portfolio managers as their corresponding mutual funds. While many existing ETFs track passive indexes, the T. Rowe Price active ETFs will employ the firm's established strategic investing approach, characterized by rigorous research and risk awareness, and carried out by more than 600 investment professionals around the globe.
- ETFs will diversify and complement T. Rowe Price's traditional mutual fund offerings for investors who prefer the intraday trading, tax efficiency, and cost structure ETFs provide. However, the firm believes mutual funds will remain a key vehicle for many investors.
- The T. Rowe Price active ETFs will offer the key features associated with existing ETFs, including continuous daily trading, real-time market determined pricing, and tax efficiency, but with the opportunity for investors to pursue returns in excess of market indexes.
- T. Rowe Price's active ETFs will feature a proprietary portfolio disclosure process that will ensure market makers have enough information to quote prices with a high degree of confidence, while it also protects the intellectual property of the firm's investment professionals and the interests of its funds shareholders.
- Over time, T. Rowe Price plans to deliver a robust ETF product lineup covering investments in various asset classes.
- Through strategic alliances, T. Rowe Price plans to offer its active ETF model to other asset managers interested in bringing their own active ETFs to market.
- T. Rowe Price anticipates launching its active ETFs in 2020.

QUOTES

Rob Sharps, Head of Investments, Group Chief Investment Officer

"By securing all of the necessary approvals for our active ETFs, we have reached a significant milestone that will enable us to bring T. Rowe Price's time-tested investment management capabilities to the ETF marketplace. When launched, these ETFs will be the only ones in the market informed by T. Rowe Price's strategic investing approach and supported by our global research platform of more than 600 investment professionals. We believe this makes them distinct."



Tim Coyne, Head of Exchange-Traded Funds

“Today, active ETFs from T. Rowe Price are a step closer to reality. As the ETF industry evolves to include active ETFs, T. Rowe Price is on the path to deliver flagship investment strategies in this new way. We believe that financial advisors and investors seeking the benefits of the ETF structure will find T. Rowe Price’s active ETFs to be compelling as we work to deliver quality offerings that meet a range of needs.”

George Riedel, Head of U.S. Intermediaries

“The pending launch of our active ETFs gives us a new way to meet investors’ evolving needs while still tapping the investment expertise of a skilled and experienced portfolio management team, which across the firm has an average of 22 years of industry experience, including 17 years with T. Rowe Price. Through this new vehicle, RIAs, private banks, broker dealers, and individual investors alike will have access to the building blocks that will help them develop foundational investment portfolios.”

Scott Livingston, Head of Global ETF Product

“We know that one size doesn’t fit all for investors, so the new active ETFs will complement T. Rowe Price’s current offerings and broaden the appeal of our investment capabilities. Whether seeking to fill portfolio gaps, reduce costs, or deliver a long-standing active investment approach, the new T. Rowe Price active ETFs will extend our capacity to meet client needs. We are grateful to the SEC and the NYSE for their roles in getting us to this point.”

T. ROWE PRICE ETFS’ PATH TO APPROVAL

- T. Rowe Price has been engaged in constructive communication with the SEC about the potential launch of semitransparent active ETFs for several years, having initiated dialogue in 2010 and submitted its first private filing in 2011.
- In 2013, T. Rowe Price applied to the SEC for exemptive relief to bring to market actively managed equity ETFs with a less frequent holdings disclosure policy than what is currently required for transparent ETFs.
- Since that application, T. Rowe Price has had constructive dialogue with the SEC, resulting in the amendment of their application several times over the past few years in response to SEC comments.
- On December 10, 2019, the SEC granted exemptive relief to the firm’s version of active ETFs; the following day, the NYSE Arca filed for 19b-4 trading approval on behalf of T. Rowe Price, coinciding with T. Rowe Price’s filing of initial prospectuses with the SEC.

ABOUT T. ROWE PRICE

Founded in 1937, Baltimore-based T. Rowe Price Group, Inc. (NASDAQ-GS: TROW), is a global investment management organization with \$1.19 trillion in assets under management as of May 31, 2020. The organization provides a broad array of mutual funds, subadvisory services, and separate account management for individual and institutional investors, retirement plans, and financial intermediaries. The organization also offers a variety of sophisticated investment planning and guidance tools. T. Rowe Price’s disciplined, risk-aware investment approach focuses on diversification, style consistency, and fundamental research. For more information, visit [troweprice.com](https://www.troweprice.com), [Twitter](#), [YouTube](#), [LinkedIn](#), [Instagram](#), or [Facebook](#).



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