

TCAL

T. Rowe Price Capital Appreciation Premium Income ETF

Fund Description

TCAL is actively managed, utilizing a covered call options strategy with US stocks. The fund aims to make regular distributions, preserve capital, and offer potential capital appreciation.

FactSet Analyst Report

TCAL invests in US stocks while employing a covered call option writing strategy to generate additional income. The objective is to provide regular distributions through equity dividends and option premiums. Security selection is based on a bottom-up approach that identifies companies with strong risk-adjusted return potential, regardless of market capitalization. To enhance cash flow, the fund writes covered call options on its holdings, typically with one- to two-month expirations. This allows the fund to collect premiums in addition to stock dividends. Note that the effectiveness of this strategy depends on factors such as stock price movements and market volatility at the time of each option sale.