

THEQ

T. Rowe Price Hedged Equity ETF

Fund Description

THEQ is an actively managed fund-of-funds, investing in US companies of any size and derivatives. The funds overall strategy is to reduce overall portfolio volatility and manage tail risk.

FactSet Analyst Report

THEQ is a fund-of-funds that seeks long-term capital growth by combining a long equity strategy with a derivatives-based hedging overlay. The fund primarily invests in T. Rowe Price-managed and third-party ETFs, with a significant allocation to the T. Rowe Price U.S. Equity Research ETF (ticker: TSPA). Stock selection is based on a bottom-up approach. As part of the strategy, the fund holds index futures, treasury futures, and index options to reduce volatility and protect against extreme market downturns (tail risk). These derivatives help mitigate market fluctuations, protect against downside risk, and optimize risk-adjusted returns. Positions vary based on overall market conditions and risk assessments.