



What is Targeted Alpha?

Investment strategies are typically benchmarked against an index as a measure of performance. Passive strategies usually try to replicate the holdings and performance of their benchmark, but active strategies generally strive for outperformance, also known as alpha. However, not all active strategies are designed to seek the same degree of alpha.

The less a strategy adheres to its benchmark index, the greater the potential for performance variation. Some active strategies are designed to intentionally align closely to their benchmark. Others target a higher range of alpha by seeking greater upside returns or implementing strict downside risk controls—or a mix of both.

As illustrated below, T. Rowe Price offers active strategies that cover a range of alpha targets designed to align with a variety of investment objectives.

Passive Index	T. Rowe Price Equity Investment Research		
Neutral Range	Low Range	Mid Range	High Range
Returns that seek to match the index Process: Security selection attempts to mirror the index	Returns that seek to modestly outperform the index Process: Security selection systematically optimized against the index	Returns that seek to moderately outperform the index Process: Security selection broadly aligned with index weightings	Returns that seek to considerably outperform the index Process: Security selection with benchmark-aware construction
Example			
Index-Based Strategies	Active Core Strategies	Structured Research and Integrated Equity	Fundamental Research



For illustrative purposes only. All investments involve risk, including possible loss of principal. The risk and return characteristics for individual investment strategies will vary. Investors should refer to a prospectus for more information about investment strategies and risk considerations.

T. Rowe Price Active Core ETFs

Targeted Alpha Range: Low

T. Rowe Price Active Core ETFs are designed to go beyond the limitations of index-based passive strategies. We believe Active Core ETFs represent a differentiated, cost-effective approach to access foundational core portfolio building blocks with the flexibility to seek additional sources of alpha through security selection and disciplined risk controls.

TACU

T. Rowe Price
Active Core U.S. Equity ETF

Cost-effective access to a core U.S. equity portfolio that closely aligns to the Russell 1000 Index benchmark but with the investment flexibility to seek modest outperformance from active management.

0% Fees

Waived until January 30, 2027, and 0.14% thereafter.

TACN

T. Rowe Price
Active Core International Equity ETF

Cost-effective access to a core international equity portfolio that closely aligns to the MSCI EAFE Index (Net) benchmark but with the investment flexibility to seek modest outperformance from active management.

0% Fees

Waived until January 30, 2027, and 0.20% thereafter.

To learn more about T. Rowe Price Active ETFs, visit troweprice.com/ExploreETFs

Important Information:

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, visit troweprice.com.

ETFs are bought and sold at market prices, not net asset value. 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.

Range of Targeted Alpha categories are based on tracking error and fee levels. Levels of tracking error and fees in Neutral, Low, Mid, and High ranges were determined by segmenting T. Rowe Price core investment strategies into regional/style focus categories: US Large Cap, US SMID, International and Global.

This material is provided for informational purposes only and is not intended to be investment advice or a recommendation to take any particular investment action.

Visit troweprice.com/glossary for definitions of financial terms.

Risk Considerations:

All investments are subject to market risk, including the possible loss of principal. Quantitative models: The fund's reliance on quantitative models and the analysis of specific metrics in constructing the fund's portfolio could cause the adviser to be unsuccessful in selecting companies for investment or determining the weighting of particular stocks in the portfolio. Large-cap stocks: Securities issued by large-cap companies tend to be less volatile than securities issued by small- and mid-cap companies. However, large-cap companies may not be able to attain the high growth rates of successful small- and mid-cap companies, especially during strong economic periods, and may be unable to respond as quickly to competitive challenges. Sector exposure: Issuers in the same economic sector may be similarly affected by economic or market events, making the fund more vulnerable to unfavorable developments in that economic sector than funds that invest more broadly. Foreign investing: Non-U.S. securities tend to be more volatile and have lower overall liquidity and trading volume than investments in U.S. securities and may lose value because of adverse local, political, social, or economic developments overseas, or due to changes in the exchange rates between foreign currencies and the U.S. dollar. See the prospectus for more detail on the fund's principal risks.

T. Rowe Price Investment Services, Inc.

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