



FB

ProShares S&P 500 Dynamic Buffer ETF

Fund Description

FB tracks an index that invests in the S&P 500 stocks while employing an options strategy designed to provide capped gains and buffer against the first 1% to 5% of S&P 500s losses.

FactSet Analyst Report

FB is a passively managed fund that aims to provide exposure to the S&P 500 Index while utilizing an options strategy that seeks to deliver capped gains and a buffer against the first 1%-5% of S&P 500s loss each day. Particularly, the fund takes a long position in the S&P 500 Index along with three different S&P 500 Index options that have one day to expiration. First, the fund purchases and sells put options to measure the performance of approximately at-the-money and out-of-the-money S&P 500 Index put options, respectively. These put options create and limit the size of the buffer. Then, the fund writes out-of-the-money call options to create a cap on the upside participation in the S&P 500 Index returns. Both the cap and the buffer vary each day based on expected volatility. The fund will not directly write or purchase options but instead will obtain exposure to the index's options component through swap agreements. The index rebalances and reconstitutes daily.