

PAAA

PGIM AAA CLO ETF

Fund Description

PAAA is an actively managed fund that holds USD-denominated collateralized loan obligations with AAA credit rating. Securities are selected using both top-down analysis and bottom-up research.

FactSet Analyst Report

PAAA provides exposure to collateralized loan obligations dominated in USD in seeking to maximize total return through current income and capital growth. It mainly focuses on the senior tranches of CLOs which have the highest ratings, the lowest risk, and minimal yields. Securities selected are typically with floating rates and AAA ratings, although it may hold lower ratings no less than A- up to 20% of the portfolio. The fund also maintains its diversification by not investing more than 10% in any single CLO and capping its fixed-rate CLOs. In managing the fund, top-down economic analysis is paired with bottom-up research to develop views on economic, policy, and market trends, as well as internal rating and outlook on issuers. The fund may also utilize derivatives including futures, forwards, options, and swaps to hedge investment risks. Due to the funds active management, investment decisions are at the discretion of the manager.

