

PBFB

PGIM US Large-Cap Buffer 20 ETF - February

Fund Description

PBFB aims for specific buffered losses and capped gains on the SPDR S&P 500 ETF Trust over a specific holdings period. The actively managed fund holds options and collateral.

FactSet Analyst Report

PBFB uses options in an effort to moderate losses on shares of SPDR S&P 500 ETF Trust (SPY) over a one-year period, starting each February. The fund foregoes upside participation above a certain threshold, which resets annually in exchange for preventing the realization of the first 20% of SPYs losses, as well as the dividend component of SPY because the options are written on the price and not on the total return version of the shares. Should the value of SPY decline by more than 20%, the fund will experience subsequent losses on a one-to-one basis. The fund must be held to the end of the outcome period to achieve the intended results. Investors who buy at any time other than the annual reset day may have a different protection and buffer zone. Once established, the issuer publishes the interim levels for the cap on its website. Investors should note that the targeted cap and buffer do not include the funds expense ratio. The actively managed fund uses FLEX options exclusively.

