

PQOC

PGIM Nasdaq-100 Buffer 12 ETF - October

Fund Description

PQOC aims for specific buffered losses and capped gains on the Invesco QQQ Trust over a specific holdings period. The actively managed fund holds FLEX options.

FactSet Analyst Report

PQOC uses options in an effort to moderate losses on shares of Invesco QQQ Trust (QQQ) over a one-year period, starting each October. The fund foregoes upside participation above a certain threshold, which resets annually in exchange for preventing the realization of the first 12% of QQQs losses, as well as the dividend component of QQQ because the options are written on the price and not on the total return version of the shares. Should the value of QQQ decline by more than 12%, 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.