

RB

ProShares Russell 2000 Dynamic Buffer ETF

Fund Description

RB tracks an index that invests in the Russell 2000 stocks while employing an options strategy designed to provide capped gains and buffer against the first 1% to 5% of Russell 2000s losses.

FactSet Analyst Report

RB is a passively managed fund that aims to provide exposure to the Russell 2000 Index while utilizing an options strategy that seeks to deliver capped gains and a buffer against the first 1%-5% of Russell 2000s loss each day. Particularly, the fund takes a long position in the Russell 2000 Index along with three different Russell 2000 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 Russell 2000 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 cap the upside participation in the Russell 2000 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.