

HERD

Pacer Cash Cows Fund of Funds ETF

Fund Description

HERD tracks an index of five equally-weighted funds focused on companies in developed markets with high free cash flow yields.

FactSet Analyst Report

HERD is a fund-of-funds that offers exposure to five underlying ETFs, each emphasizing cash cows, or companies with high free cash flow yields and positive earnings. The fund specifically holds Pacer US Cash Cows 100, Pacer Global Cash Cows Dividend, Pacer Developed Markets International Cash Cows 100, Pacer US Small Cap Cash Cows, and Pacer US Cash Cows Growth. These funds focus on US large-caps, developed markets large-caps, developed ex-US stocks, US small-caps, and US growth stocks, respectively. The underlying ETFs screen out companies with negative projections for earnings or free cash flow as well as firms in the financial sector (except REITs). Remaining firms are ranked based on trailing 12-month free cash flow yield, selecting stocks with the highest value. The underlying funds weighting schemes are based on free cash flow, dividend, or market cap. At each quarterly rebalance, HERD equally weights its underlying ETFs, each having 20% weight of the portfolio.