

PATN

Pacer Nasdaq International Patent Leaders ETF

Fund Description

PATN seeks to track an index of the top 100 international large- and midcap growth companies, as measured by patent valuations. Holdings are weighted by market capitalization.

FactSet Analyst Report

PATN uses a different measure to invest in innovative companies, patent valuations. Companies are initially screened from a global ex-US large- and midcap stock index for research and development spending and patents held. Patent portfolios are ranked and valued by a third-party data provider. Using a proprietary methodology, each company is evaluated based on intangible assets, such as intellectual property, research and development activities, and patents held. The process includes data from patent offices, corporate filings, economic data, and actual values from previously traded patents. The valuation model provides an estimated dollar value for each company's patent portfolio. The top 100 stocks, based on patent portfolio value, are selected for the fund's underlying index. The fund is non-diversified, therefore more assets may be concentrated within certain sectors and countries. The index is reconstituted and rebalanced semi-annually in June and December.