

PCLO

Virtus Seix AAA Private Credit CLO ETF

Fund Description

PCLO is actively managed, seeking capital preservation and current income. The fund invests debt instruments that are backed by a pool of loans to private middle market companies. The investment strategy looks for higher quality CLOs that are undervalued by the market.

FactSet Analyst Report

PCLO is actively managed, the AAA in the funds name does not indicate the same credit quality as investment grade bonds. All CLOs are below-investment grade corporate loans and derive their credit quality based on their claim to cash flows. AAA CLOs are the highest in the CLO capital structure in case of default. Private credit CLOs tend to offer high income and lower volatility as compared to fixed income investments. PCLO relies on the investment managers expertise in the leveraged loan credit space, combining portfolio construction, disciplined trading strategy and risk management skills, to actively manage the underlying portfolio. The Fund may also invest up to 20% of assets in senior loans, broadly syndicated CLOs, variable-rate debt, ETFs, high yield, and investment-grade bonds. No more than 10% of assets are allocated to a single CLO.

