

PCR

Simplify VettaFi Private Credit Strategy ETF

Fund Description

PCR is actively managed, using swaps to provide exposure to private credit assets through BDCs/CEFs and hedge credit risks. The objective is to provide current income while pursuing long-term growth.

FactSet Analyst Report

PCR is an actively managed ETF employing two primary strategies: private credit exposure via index tracking, and a long/short equity hedge. The bulk of the assets are invested in publicly-traded business development companies and closed-end funds focused on private credit, as determined by an index. A proprietary scoring methodology for volatility and yield is used to select index holdings, favoring those with lower volatility and higher yield. Positions are weighted by trading volume, and the fund may hold larger allocations in fewer issuers. The index is reconstituted and rebalanced semi-annually. The credit hedging strategy uses total return swaps to go long on quality equities and short junk equities. The fund may take temporary defensive positions during adverse market conditions.