

PSCJ

Pacer Swan SOS Conservative (July) ETF

Fund Description

PSCJ aims for specific buffered losses and capped gains on the SPDR S&P 500 ETF over a one-year period. The actively-managed fund holds options and collateral.

FactSet Analyst Report

PSCJ uses flex options in an effort to moderate losses on an ETF, SPY, over a one-year period starting each July. Using SPY is a slightly different approach than using S&P 500 index options, what is gained in favorable tax treatment may be lost in higher expense. Investors assume the risk of the first 5% decline. A buffer provides a hedge for further downside between -5% - 30%. Investors assume SPYs realized losses should the price of the shares fall below the buffer. Investors also forego the upside participation above a certain threshold, which is reset annually. Investors who buy at any other time than the annual reset day may have a very different protection and buffer zone. The issuer publishes effective interim levels daily on its website. The fund must be held to the end of the period to achieve the intended results. The targeted buffers and caps do not include the funds expense ratio. The fund is actively managed and resets annually.