

PSFD

Pacer Swan SOS Flex (January) ETF

Fund Description

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

FactSet Analyst Report

PSFD uses flex options in an effort to moderate losses on the SPY ETF over a one-year period starting each December. The fund foregoes some upside return of SPYs dividend as options are written on the price (not total) return version of the index. While PSFD hedges for the first 20% losses on SPY, shareholders will incur two times more losses as its underlying ETF if SPYs losses grow from -20% to -40%. Beyond -40%, the fund will experience all subsequent losses on a one-to-one basis. In exchange for preventing the realization of SPYs losses, investors also forego 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.