

PTBD

Pacer Trendpilot US Bond ETF

Fund Description

PTBD tracks an index that uses a momentum-driven proprietary strategy that toggles between U.S. High Yield Corporate Bonds and 7-10 Year Treasury Bonds.

FactSet Analyst Report

PTBD is the first in the Trendpilot series to provide exposure to fixed income. The fund attempts to participate in an upward trending U.S. high yield corporate bond market and lessen exposure during downtrends. It accomplishes this via toggling feature that switches the weights between S&P US High Yield Corporate Bonds and S&P US Treasury 7-10 Year bonds. The fund will toggle between all High Yield Corporate bonds, all Treasury bonds or a 50/50 mix by comparing the 100-moving average to the ratio of the Corporate Bond Index and Treasury Bond Index. The risk toggle provides sell discipline but runs the risk of lagging the market on both sell and buy signals. Retail investors would be wise to check spreads before placing trades and use limit orders to control execution. Large institutional traders should use a liquidity provider before purchasing or selling this ETF. The strategy may also introduce increased capital gains risks.

