

PTEU

Pacer Trendpilot European Index ETF

Fund Description

PTEU tracks an index of large- and mid-cap eurozone equities selected and weighted by market cap. Stocks can be mixed with or replaced by US Treasury bills based on momentum.

FactSet Analyst Report

PTEU applies a momentum-based cash toggle to Eurozone equities. Like other ETFs whose focus is solely on the Eurozone, PTEU ignores the large equity markets in the UK, Switzerland and Sweden. PTEUs market-cap-weighting causes the portfolio to tilt towards France and Germany. The fund screens out small-caps too. However, its the cash toggle (a common feature of TrendPilot ETFs from Pacer) that truly sets PTEU apart from segment peers. The fund moves half way into cash (T-bills) in a death cross between the 200-day simple moving average (SMA) and the daily level of the stock-only FTSE index. The index has to be below the 200-day SMA for 5 days for the 50% allocation to T-bills to go into effect. It reverts to equity after 5 days of the index level closing above the 200-day SMA. PTEU can also go into all cash if the 200-day SMA level closes below where it was 5 days earlier. The fund only exits the 100% cash position to a 100% equity position (not to the 50/50 state).