

# SLT

## Pacer Salt High truBeta US Market ETF

### Fund Description

SLT tracks an equal-weighted index of US large-cap companies predicted to have high beta to the SPDR S&P 500 ETF (SPY).

### FactSet Analyst Report

SLT holds a basket of highly volatile US stocks making it a potential alternative to leveraged ETFs for bullish investors. The fund starts with a universe of the 1000 largest US companies. At each quarterly rebalance, it keeps the 500 most liquid stocks, and then uses machine learning to predict each stock's beta over the coming quarter. The top 100 stocks are selected and weighted equally. Stocks with low correlation to the fund's benchmark are screened out, with sector exposure capped at 30%. To calculate beta, SLT uses SPY as its benchmark, rather than the S&P 500 directly, but the distinction should not be significant. Using predicted beta, rather than historical, could be more consequential since a stock's beta changes over time. SLT's large starting universe gives it an advantage because it includes smaller, more volatile firms. On October 5, 2020 Pacer Financial entered into a distribution agreement with the fund, added Pacer to the ETF name and changed the expense ratio.

