



AT A GLANCE

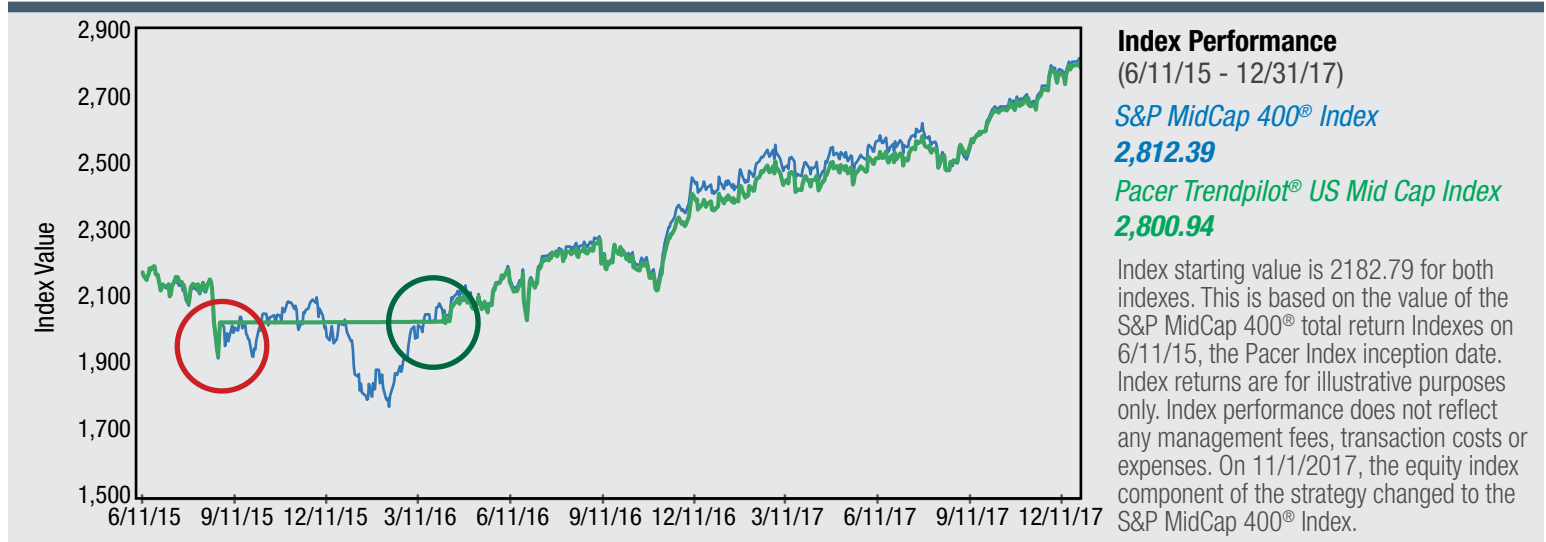
# Using Trend Following in a Mid Cap Strategy

## The Trendpilot® Strategy

A rules-based strategy that seeks to navigate market trends using the 200 day simple moving average and three indicators:

- **Equity Indicator** – Invests 100% in the market when the market is trending up.
- **50/50 Indicator** – Invests 50% in the market/50% in Treasury bills (T-Bills) when there is a negative market trend change.
- **T-bill Indicator** – Invests 100% in T-bills when the market is trending down.

Applying the Trendpilot® strategy, the Pacer Trendpilot® Index exited the market when the **T-Bill Indicator** was triggered in August 2015. It reentered the market in April 2016 when the **Equity Indicator** was triggered.



## Pacer Trendpilot® US Mid Cap ETF (PTMC)

Tracks the Pacer Trendpilot® US Mid Cap Index

As of 12/31/17	Fund Inception		Since Inception	YTD	1-Year
PTMC	6/11/15	NAV	9.50	17.58	17.58
		Market Price	9.53	17.79	17.79
Annual total expenses: 0.60%					

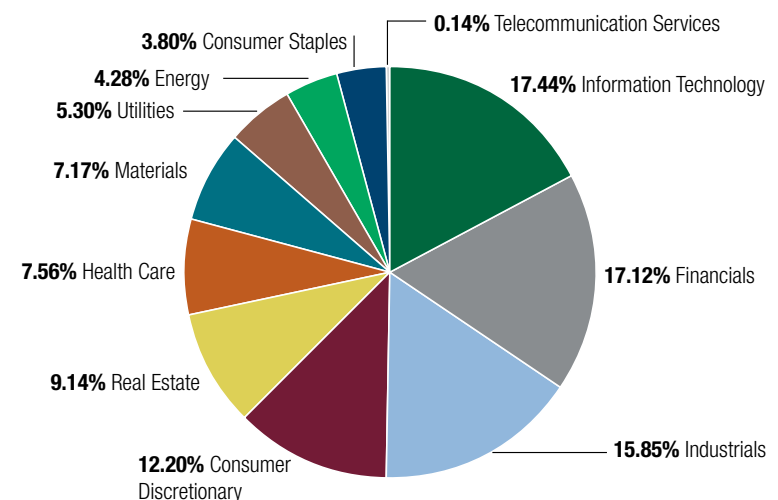
Source: US Bank

Top 10 Holdings	Sector	Weight (%)
Take-Two Interactive Software, Inc.	Info. Tech.	0.70
SVB Financial Group	Financials	0.69
NVR, Inc.	Cons. Disc.	0.68
MSCI Inc. Class A	Financials	0.64
Teleflex Incorporated	Health Care	0.63
Huntington Ingalls Industries, Inc.	Industrials	0.60
Cognex Corporation	Info. Tech.	0.59
Broadridge Financial Solutions, Inc.	Info Tech.	0.59
Trimble Inc.	Info. Tech.	0.57
Steel Dynamics, Inc.	Materials	0.57
<b>Total</b>		<b>6.26</b>

Source: FactSet

**PERFORMANCE QUOTED REPRESENTS PAST PERFORMANCE AND DOES NOT GUARANTEE FUTURE RESULTS. YOU CANNOT INVEST DIRECTLY IN AN INDEX.** Investment return and principal value will fluctuate, so shares may be worth more or less when redeemed or sold. Current performance may be lower or higher than the performance quoted. Visit <http://www.paceretfs.com> for the most recent month-end performance. Returns less than 1 year are cumulative. Returns greater than 1 year are annualized.

## Sector Breakdown



Holdings and sector breakdown as of 12/31/17

## The Mid Cap Opportunity

- Established companies in the growth phase of the business life cycle
- Historically has outperformed large cap and small cap stocks over time
- Less volatile than small cap stocks over time

Index	20-Year Average Annualized Return (%)	20-Year Standard Deviation (%)
S&P 500®	7.20	14.87
S&P MidCap 400®	10.58	17.43
S&P SmallCap 600®	9.73	18.81

as of 12/31/17

To learn more about how to incorporate PTMC into your portfolio, contact your financial advisor or visit [www.paceretfs.com](http://www.paceretfs.com).

**Annualized Standard Deviation** measures the average deviations of a return series from its mean, and is often used as a measure of risk.

**The S&P MidCap 400® Index** is a benchmark for mid-sized companies, measuring the performance of mid-sized companies and reflecting the risk and return characteristics of this market segment.

**The S&P 500® Index** Index is a popular gauge of large-cap U.S. equities and includes 500 leading companies, capturing approximately 80% coverage of available market capitalization.

**The S&P SmallCap 600® Index** measures the performance of 600 small sized companies in the US equity market, with market capitalization ranging from \$450 million to \$2.1 billion USD. The index does not overlap holdings with the S&P 500® or S&P MidCap 400®.

**NAV** (net asset value) is the value of one share of the Fund calculated daily. The NAV return is based on the NAV of the Fund. It may not reflect the actual return for the investor.

**Market Price** is the price investors can buy and sell ETF shares for in the stock market and is used to calculate market return. It is based on the price at the Cboe listed exchange market close. This is when NAV is determined for most ETFs. If shares trade at another time, the return may differ. Market and NAV returns assume that dividends and capital gain distributions have been reinvested in the Fund at Market Price and NAV respectively.

**Before investing you should carefully consider the Fund's investment objectives, risks, charges, and expenses. This and other information is in the prospectus. A copy may be obtained by visiting [www.paceretfs.com](http://www.paceretfs.com) or calling 1-877-337-0500. Please read the prospectus carefully before investing.**

An investment in the Funds is subject to investment risk, including the possible loss of principal. Pacer ETF shares may be bought and sold on an exchange through a brokerage account. Brokerage commissions and ETF expenses will reduce investment returns. There can be no assurance that an active trading market for ETF shares will be developed or maintained. The risks associated with this fund are detailed in the prospectus and could include factors such as equity market risk, fixed income risk, government obligations risk, high portfolio turnover risk, mid-capitalization investing risk, other investment companies risk, passive investment risk, tracking risk, trend lag risk, non-diversification risk, and/or special risks of exchange traded funds.

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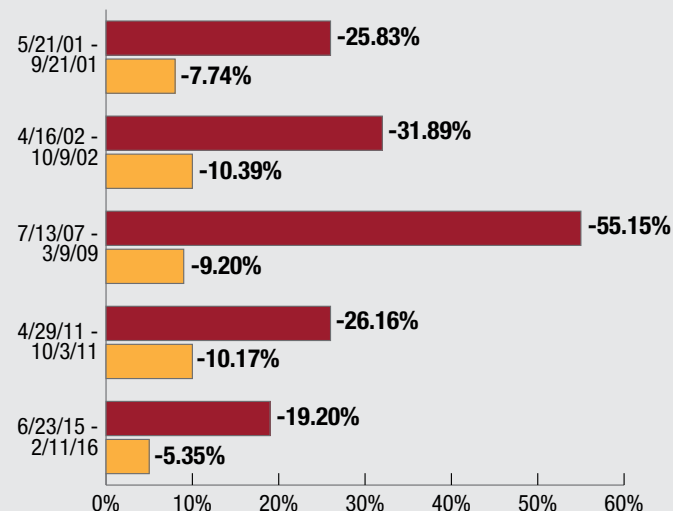
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**Trend following may allow you to participate in positive market trends and minimize losses in negative market trends.**

### Last 5 Bear Markets (2000 – 2017)

The 200 Day Simple Moving Average has proven to be an early indicator of a bear market.

- Total market loss
- Market loss before Index fell below 200 Day SMA



Source: Bloomberg. Data is based on the S&P MidCap 400®.



**PACER ETFs**

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