

WHY PACER US SMALL CAP CASH COWS STRATEGY?

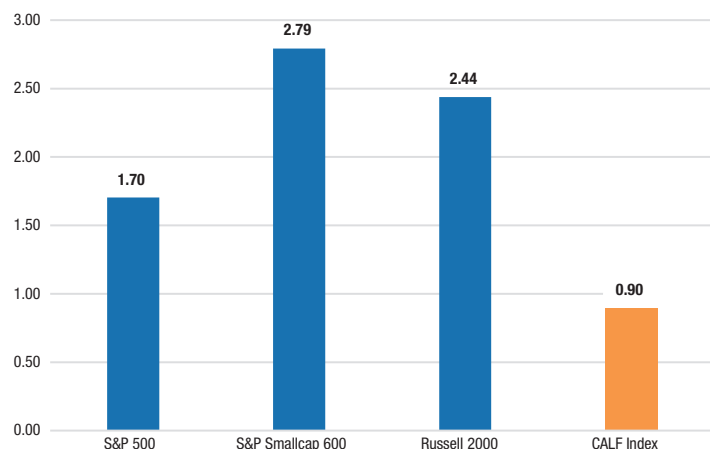
As of 12/31/23

Why Now?

Historically small cap companies have more debt and higher interest expenses as a share of debt than other asset classes. The small cap companies in the Pacer US Small Cap Cash Cows Index (CALF Index) have debt levels and interest expenses more in line with the large cap companies in the S&P 500.

Net Debt/EBITDA (Weighted Average)

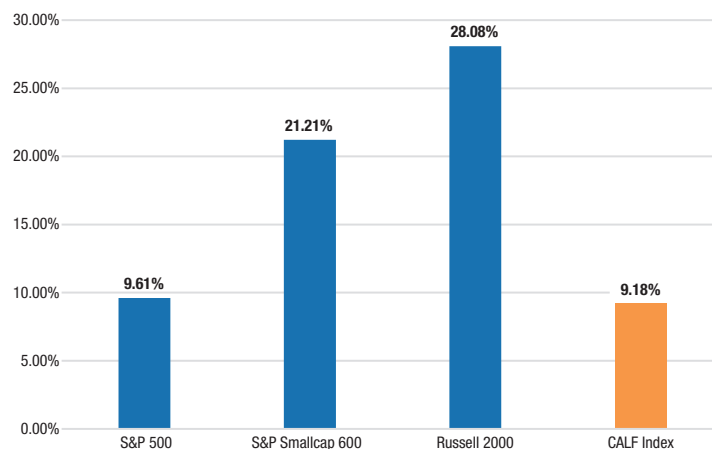
as of 12/31/23



Source(s): Pacer Advisors and FactSet.

Interest Expense as a Share of EBITDA (Weighted Average)

as of 12/31/23



The Strategy

An objective rules-based methodology that uses a value screen to select the top companies in the index universe.

All data as of December 2023 quarterly rebalance.

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SECURITY SELECTION¹

Market Cap Weighted

S&P SMALLCAP 600 INDEX²

600 Companies

Free cash flow yield:
4.29%
P/E ratio:
14.95

FREE CASH FLOW YIELD SCREEN

100 Companies

Ranked based on trailing twelve month period.

Free cash flow yield:
13.20%
P/E ratio:
10.02

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WEIGHTED BY FREE CASH

FLOW³ – Capped at 2%

HIGHEST TRAILING 12 MONTH FREE CASH FLOW

100 Companies

Free cash flow yield:
14.40%
P/E ratio:
9.32

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THE INDEX

Top 100 companies with the highest free cash flow yield.

- **Weighted by free cash flow** (highest trailing twelve month)
- **Holdings capped at 2%** for each company at time of rebalance
- **Reconstituted and rebalanced** quarterly

If you like the free cash flow story in small cap, you may be interested in our portfolio strategies that also use free cash flow...

U.S. Large Cap | U.S. Large Cap Growth | International | Global | Emerging

⁽¹⁾The individual components of the index are weighted by their total market capitalization. Market capitalization is determined by multiplying each company's market price by their total outstanding shares. Companies are ranked in descending order based on their market cap in dollars.

⁽²⁾All financial companies are excluded from the index universe. Real Estate is considered a separate sector from Financials. In addition, companies with negative free cash flow (FCF) are excluded based on FactSet analyst consensus estimates for average projected FCF and earnings over the next two years. A minimum of one estimate from an analyst captured by FactSet data is required for a consensus estimate. There is a risk that analyst estimates may be subjective. Estimates may be inaccurate, flawed, or biased. Investors should be aware that companies may be excluded as a result of these estimates.

⁽³⁾Remaining 100 companies are weighted by their trailing twelve month free cash flow. Free cash flow weighting is calculated as a company's operating cash flow minus capital expenditures. Companies are ranked in descending order based on their free cash flow in dollars.

Performance
as of 12/31/23

					Total Returns (%) as of 12/31/23			Total Returns (%) as of 12/31/23			
	Ticker	Total Expenses	Fund Inception		1 Month	3 Month	YTD	1 Year	3 Year	5 Year	Since Fund Inception
Pacer US Small Cap Cash Cows 100 ETF	CALF	0.59%	6/16/17	NAV	11.56	15.47	35.54	35.54	17.33	17.37	12.20
				Market Price	11.52	15.58	35.43	35.43	17.32	17.32	12.17
Pacer US Small Cap Cash Cows Index					11.68	15.56	35.66	35.66	17.92	17.81	12.56

Returns less than 1 year are cumulative. Returns greater than 1 year are annualized. Performance quoted represents past performance and does not guarantee future results. 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. Index returns are for illustrative purposes only. Index performance does not reflect any management fees, transaction costs, or expenses. You cannot invest directly in an index.

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 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.




Morningstar Rating™

Overall rating out of 456 funds included in Morningstar Small Value category, based on risk-adjusted returns as of 12/31/23.

The Pacer US Small Cap Cash Cows 100 (CALF) ETF

Past performance is no guarantee of future results.

CALF Overall Morningstar Rating 5 stars: Class ETF Shares, Small Value category; 456 funds. 3-year rating 4 stars; 456 funds. 5-year rating 5 stars; 427 funds. 10-year period not rated. Ratings reflect risk-adjusted performance. Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year (if applicable) Morningstar Rating metrics.



To learn more about how to incorporate the Cash Cows into your portfolio, contact your financial advisor or visit www.paceretfs.com.

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 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 calculation methodology risk, concentration risk, equity market risk, ETF risks, high portfolio turnover risk, smaller companies risk, passive investment risk, tracking risk, sector risk, style risk, and/or special risks of exchange traded funds.

EBITDA: Earnings before interest, taxes, depreciation, and amortization; is calculated by adding interest, tax, depreciation, and amortization expenses to net income.

Russell 2000 Index: The Russell 2000 Index refers to a stock market index that measures the performance of the 2,000 smaller companies included in the Russell 3000 Index.

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

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®.

S&P SmallCap 600® Value Index measures value stocks using three factors: the ratios of book value, earnings, and sales to price. S&P Style Indices divide the complete market capitalization of each parent index into growth and value indices. Constituents are drawn from the S&P SmallCap 600®.

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The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales load. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three- year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

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