

Pacer ETF's

Income from Foreign Sources Subject to Foreign Tax Credit:

For the year ended December 31, 2018, the Pacer Funds earned foreign source income and paid foreign taxes which they intend to pass through to their shareholders pursuant to Section 853 of the Internal Revenue Code.

See below to determine the foreign taxes paid and the foreign source income.

- 1) The shareholder's portion of foreign taxes paid (see Box 6 of your 1099-DIV statement for this information).
- 2) The shareholder's amount of foreign source gross income. This amount can be calculated as a percentage of your ordinary dividend shown in Box 1 of your 2018 Tax Form. Please see the information below for your foreign source gross income amount.

Fund Name	Foreign Source Gross Income (Use % listed below and apply to Ordinary Income as shown in Box 1 to compute)
Pacer Trendpilot European Index ETF	100 %
Pacer Developed Markets Intl Cash Cows 100 ETF	100%
Pacer Global Cash Cows Dividend ETF	68.78%

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Enclosed is the 2018 Tax Form for your account with the Pacer Funds. The Form provides information on any applicable 2018 distributions and proceeds from redemptions. Please note that all information contained in this Statement has been provided to the Internal Revenue Service. In addition to the tax information provided on your enclosed Tax Form, below is supplemental information to assist you with the preparation of your 2018 income tax returns. Please consult your tax advisor for the specific application of any items below relating to the preparation of your tax returns.

Income from U.S. Government Obligations

Some states do not tax their residents on income from a mutual fund that is earned from U.S. Government Obligations. The following table shows the percentage of total ordinary income dividends shown in Box 1 of your 2018 Tax Form that were attributable to interest earned from direct U.S. Government Obligations:

<u>Fund Name</u>	<u>% of Ordinary Income Attributable to Direct U.S. Govt. Obligation (see Box 1)</u>
Pacer Trendpilot European Index ETF	24.14%
Pacer Trendpilot 100 ETF	30.25%
Pacer Trendpilot US MidCap ETF	27.21%
Pacer Wealth Shield ETF	59.58%
Pacer Trendpilot Large Cap ETF	23.06%

Depending on your state's personal income tax laws, you may be entitled to declare the above portion of your 2018 ordinary income dividends (Box 1) as tax-exempt income on your state personal income tax return. However, some states do not allow the "pass through" of this exempt-interest income unless the percentage earned from U.S. Government Obligations exceeds certain thresholds or unless other requirements are met. Please consult your tax adviser or state authorities if you have any questions regarding the percentage of income you can exclude when calculating your state income tax.