



## PACER CASH COWS INDEX® SERIES

US Large-Cap & Mid-Cap

Data as of 3/31/19

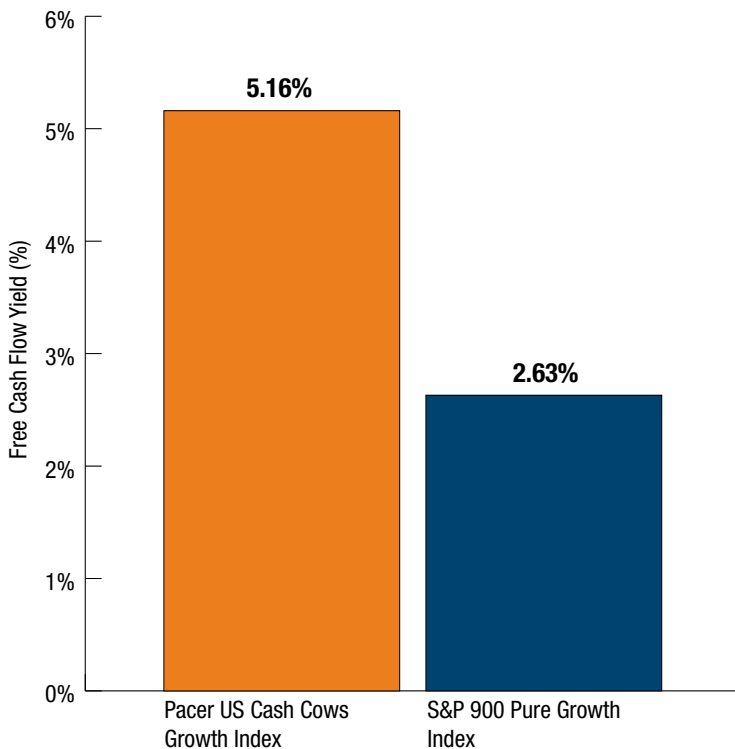
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### Pacer US Cash Cows Growth ETF

A strategy driven exchange traded fund that aims to provide capital appreciation overtime by screening the S&P 900® Pure Growth Index for the top 50 companies based on free cash flow yield.

- **Free cash flow** is the cash remaining after a company has paid expenses, interest, taxes, and long-term investments. It can be used to buy back stock, pay dividends, or participate in mergers and acquisitions.
- The ability to generate a high **free cash flow yield** indicates a company is producing more cash than it needs to run the business and can invest in growth opportunities.

### FREE CASH FLOW YIELD COMPARISON (as of 3/31/19)



#### 1. HIGH-QUALITY U.S. LARGE & MID CAP COMPANIES

Focus on quality large cap and mid cap companies with high free cash flow yield.

#### 2. GROWTH COMPANIES TRADING AT A DISCOUNT

Offers exposure to opportunities in the market where growth stocks are trading at a discount.

#### 3. LONG-TERM CAPITAL APPRECIATION

Using free cash flow yield to measure the sustainability of a company may produce potentially higher returns and more attractive upside/downside capture over time.

#### Definitions

**Free Cash Flow (FCF):** A company's cash flow from operations minus capital expenditures (expenses, interest, taxes, and long-term investments)

**Enterprise Value (EV):** A company's market capitalization adjusted to eliminate any capital structure bias (i.e. by adding debt and subtracting cash or cash equivalents)

**Free Cash Flow Yield (FCF/EV):** Measures a company's total free cash flow relative to its enterprise value. This is an internal statistic and does not constitute investor yield.



# PACER ETFs

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## PACER US CASH COWS GROWTH INDEX

### ABOUT THE STRATEGY

# Pacer US Cash Cows Growth Strategy Overview

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

All data as of March 2019 quarterly rebalance.

**1 SECURITY SELECTION<sup>1</sup>**  
Market Cap Weighted

**S&P 900 PURE GROWTH INDEX<sup>2</sup>**  
150 Companies

**FREE CASH FLOW YIELD SCREEN**  
50 Companies

*Ranked based on trailing twelve month period.*

Free cash flow yield:  
**3.32%**  
P/E ratio:  
**26.28**

Free cash flow yield:  
**5.58%**  
P/E ratio:  
**18.79**

**2 WEIGHTED BY MARKET CAP<sup>3</sup>**  
Capped at 5%

50 Companies

Free cash flow yield:  
**5.47%**  
P/E ratio:  
**17.83**

**3 THE INDEX**

**Top 50 large- and mid-cap companies with the highest free cash flow yield.**

- **Weighted by market cap**
- **Holdings capped at 5%** for each company at time of rebalance
- **Reconstituted and rebalanced** quarterly

### PACER US CASH COWS GROWTH INDEX Characteristics

as of 3/31/19

Weighted Average Market Cap (\$mil)	65,305.40
Dividend Yield (%)	1.52
Free Cash Flow Yield (%)	5.16
Price to Earnings (P/E) Ratio	19.54

Source: FactSet.

<sup>(1)</sup>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. <sup>(2)</sup>The S&P 900 Pure Growth Index is made up of approximately 150 companies that exhibit strong growth characteristics from the S&P 500 and S&P MidCap 400. The initial universe of companies is screened based on their average projected free cash flows and earnings (if available) over each of the next two fiscal years. Companies with negative average projected free cash flows or earnings are removed from the Index universe. Financial companies, other than real estate investment trusts ("REITs"), are excluded from the Index universe. <sup>(3)</sup>At the time of each rebalance of the Index, the companies included in the Index are weighted in proportion to their current market capitalization.

**ABOUT THE FUND****Pacer US Cash Cows Growth ETF**

The Pacer US Cash Cows Growth ETF (the “Fund”) is an exchange traded fund that seeks to track the total return performance, before fees and expenses, of the Pacer US Cash Cows Growth Index (the “Index”).

Fund Details		Performance <sup>1</sup> (%)	Since Fund Inception (5/2/19)	YTD	1 Month	3 Month	1 Year
NAV	\$25.00	Pacer US Cash Cows Growth ETF NAV	N/A	N/A	N/A	N/A	N/A
Fund Ticker	BUL	Pacer US Cash Cows Growth ETF Market Price	N/A	N/A	N/A	N/A	N/A
Index	Pacer US Cash Cows Growth Index	Pacer US Cash Cows Growth Index	N/A	N/A	1.13	N/A	N/A
Benchmark Index	S&P 900 Pure Growth Index	S&P 900 Pure Growth Index	N/A	15.81	0.91	15.81	2.05

Source: US Bank and S&P. This is a new Fund and therefore has limited performance to report. 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 [www.paceretfs.com](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.

**PACER US CASH COWS GROWTH INDEX<sup>2</sup>****Top 10 Holdings**

Company	Weight (%)	Free Cash Flow Yield (%)
Broadcom Inc.	5.45	5.68
PayPal Holdings Inc	5.19	4.06
Cisco Systems, Inc.	5.06	5.90
Occidental Petroleum Corporation	5.05	4.74
HCA Healthcare Inc	5.00	4.03
CSX Corporation	4.99	4.18
Pfizer Inc.	4.97	5.26
ConocoPhillips	4.88	7.31
Boeing Company	4.32	6.13
AutoZone, Inc.	3.74	5.41
	<b>48.65</b>	

**Sector Breakdown**

Sector	Weight (%)
Information Technology	31.60
Industrials	18.94
Health Care	16.82
Energy	11.16
Consumer Staples	6.63
Communication Services	5.66
Consumer Discretionary	5.39
Utilities	1.75
Real Estate	1.14
Materials	0.91
<b>Total</b>	<b>100.00</b>

\*Source: US Bank and Bloomberg. ETF implied liquidity is a representation of how many shares can potentially be traded daily in an ETF as portrayed by the creation unit. This is defined as the smallest value of the IDTS (Implied Daily Tradable Shares) for each holding in the creation unit.

<sup>(1)</sup>Returns less than one year are cumulative.  
<sup>(2)</sup>FTSE, FactSet.

**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 NYSE 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.



PACER CASH COWS INDEX® SERIES

## Pacer US Cash Cows Growth ETF

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 concentration risk, equity market risk, high portfolio turnover risk, large- and mid-capitalization investing risk, new fund risk, non-diversification risk, passive investment risk, sector risk, style risk, tracking risk, and/or special risks of exchange traded funds.

**Weighted average market cap** is the sum of each company's weight multiplied by its market cap.

**S&P 900 Pure Growth Index** is made up of approximately 150 companies that exhibit strong growth characteristics from the S&P 500 and S&P MidCap 400.

**P/E ratio** a fundamental measure commonly used to determine if an investment is valued appropriately. Each holding's P/E is the latest closing price divided by the latest fiscal year's earnings per share. Negative P/E ratios are excluded from this calculation.

**Dividend yield** is the weighted average of each underlying holdings' dividend yield. There is no guarantee dividends will be paid.

**Upside/Downside capture ratio** shows you whether a given fund has outperformed--gained more or lost less than--a broad market benchmark during periods of market strength and weakness.

The Pacer US Cash Cows Growth Index was released on 2/19/19.

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