



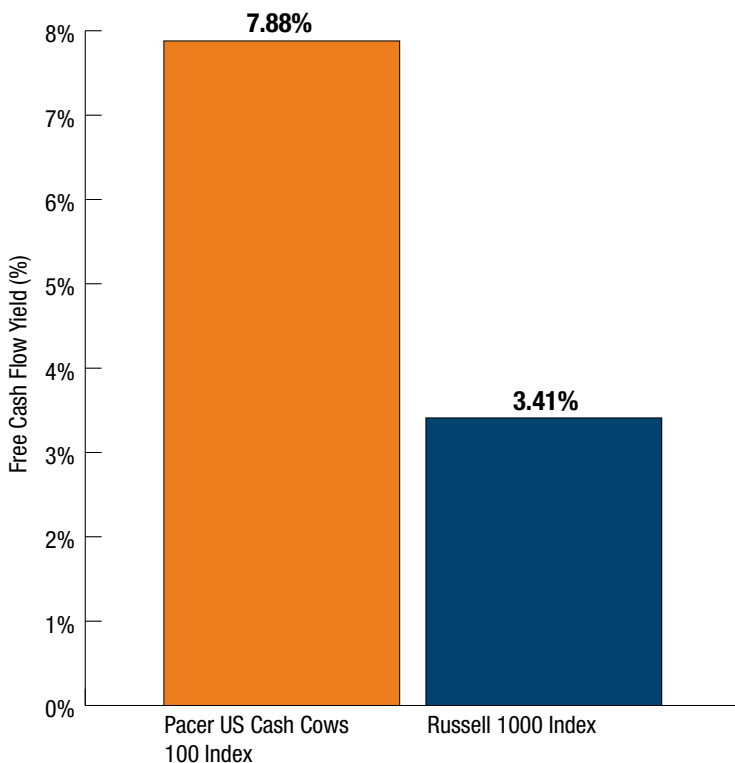
COWZ

Pacer US Cash Cows 100 ETF

A strategy driven exchange traded fund that aims to provide capital appreciation over time by screening the Russell 1000 for the top 100 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 9/30/18)



1. HIGH QUALITY US LARGE-CAP COMPANIES

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

2. TRADING AT A DISCOUNT

Exposure to opportunities in the market where high quality 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 US CASH COWS 100 INDEX

ABOUT THE STRATEGY

Pacer US Cash Cows Strategy Overview

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

All data as of September 2018 quarterly rebalance.

1 SECURITY SELECTION¹
Market Cap Weighted

RUSSELL 1000 INDEX²
1,000 Companies

Free cash flow yield:
3.40%
P/E ratio:
22.11
3-year dividend growth³:
9.40%

FREE CASH FLOW YIELD SCREEN
100 Companies

Ranked based on trailing twelve month period.

Free cash flow yield:
6.77%
P/E ratio:
17.31
3-year dividend growth:
11.76%

2 WEIGHTED BY FREE CASH FLOW⁴
Capped at 2%

HIGHEST TRAILING 12 MONTH FREE CASH FLOW
100 Companies

Free cash flow yield:
7.48%
P/E ratio:
13.12
3-year dividend growth:
9.38%

3 THE INDEX

Top 100 large-cap 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**

PACER US CASH COWS 100 INDEX Characteristics

as of 9/30/18

Weighted Average Market Cap (\$mil)	51,811.31
Dividend Yield (%)	2.32
Free Cash Flow Yield (%)	7.88
Price to Earnings (P/E) Ratio	12.55

Source: FactSet.

⁽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⁾Financial companies, other than real estate investment trusts (REITs), are excluded from the index universe. In addition, companies with negative free cash flow are excluded based on FactSet analyst consensus estimates for average projected FCF and earnings over the next two years.

⁽³⁾The 3-year dividend growth is a weighted average of each company's 3-year dividends per share growth rate. The growth rate is determined by measuring the change between each company's most recent trailing 12 month dividends per share versus their trailing 12 month dividend per share 3 years ago.

⁽⁴⁾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.

ABOUT THE FUND

Pacer US Cash Cows 100 ETF

The Pacer US Cash Cows 100 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 100 Index (the “Index”).

Fund Details		Performance ¹ (%)	Since Fund Inception (12/16/16)	YTD	1 Year	3 Year	5 Year
NAV	\$30.83	Pacer US Cash Cows 100 ETF NAV	14.43	7.87	15.68	N/A	N/A
Fund Ticker	COWZ	Pacer US Cash Cows 100 ETF Market Price	14.47	7.35	15.64	N/A	N/A
Index	Pacer US Cash Cows 100 Index	Pacer US Cash Cows 100 Index	14.97	8.33	16.36	N/A	N/A
Benchmark Index	Russell 1000 Value Index	Russell 1000 Value Index	9.39	3.92	9.45	13.55	10.72
Intraday NAV (IIV)	COWZ.IV	Russell 1000 Index	17.54	10.49	17.76	17.07	13.67
CUSIP#	69374H881						
Fund Inception	12/16/16						
Total Expenses	0.49%						
Exchange	Cboe Listed						
Implied Liquidity* (Shares)	40.26M						
Implied Liquidity* (USD)	\$1,242.09M						

Source: US Bank and FTSE Russell. 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 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 100 INDEX²

Top 10 Holdings

Company	Weight (%)	Free Cash Flow Yield (%)
Oracle Corporation	2.13	7.17
Gilead Sciences, Inc.	2.12	8.22
Walgreens Boots Alliance Inc	2.12	6.93
Boeing Company	2.11	5.76
Broadcom Inc.	2.10	6.44
Freeport-McMoRan, Inc.	2.09	12.85
Amgen Inc.	2.09	7.64
Express Scripts Holding Company	2.07	7.88
HP Inc.	2.06	9.09
Biogen Inc.	2.06	6.47
Total	20.95	

Sector Breakdown

Sector	Weight (%)
Information Technology	31.36
Consumer Discretionary	18.84
Health Care	18.62
Materials	7.58
Industrials	7.01
Consumer Staples	5.11
Energy	4.97
Real Estate	3.48
Communication Services	3.03
Total	100.00

*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.

⁽¹⁾Returns less than one year are cumulative.

⁽²⁾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 Cboe 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 100 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 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, limited operating history risk, passive investment risk, tracking risk, sector risk, style risk, non-diversification 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.

Russell 1000 Value Index is a market-capitalization weighted index representing approximately 1000 large- and mid cap value stocks in the Russell 3000 Index.

Russell 1000 Index is a market-capitalization weighted index representing the top 1000 large-cap stocks in the Russell 3000 Index.

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 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 100 Index was released on 12/8/16.

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