Feeling Emotional? You're Not Alone.

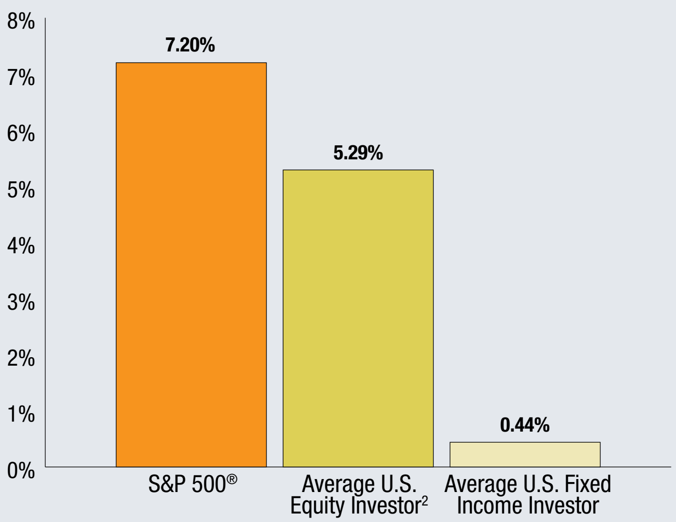
– Michael Mack, Portfolio Manager

To be an informed investor, it's important to keep up with world news and understand how current events can affect the market and your investments. However, sometimes news headlines can cause a knee jerk reaction resulting in poorly timed changes to a portfolio.

Investors who let their emotions dictate their investment decisions tend to buy when the market is high and sell when it is low. They often wait to get out until it is clear that the market is negative, and reinvest only when the market is definitely in an uptrend if they even reenter the market at all. These market timers tend to be less successful than those who stay in the market. Choosing the best investment for your portfolio is important, but understanding the kind of investor you are is also important.

In a study conducted by Dalbar, the average equity fund investor only earned 5.29% over time, while the market[1] saw a 7.20% return. This lag may be because investors reacted to their emotions when entering and exiting the market. Given how investors' poorly timed market movements resulted in lower returns, experts in the investment community encourage a "buy and hold" strategy suggesting short-term ups and downs will yield a positive return over the long haul.

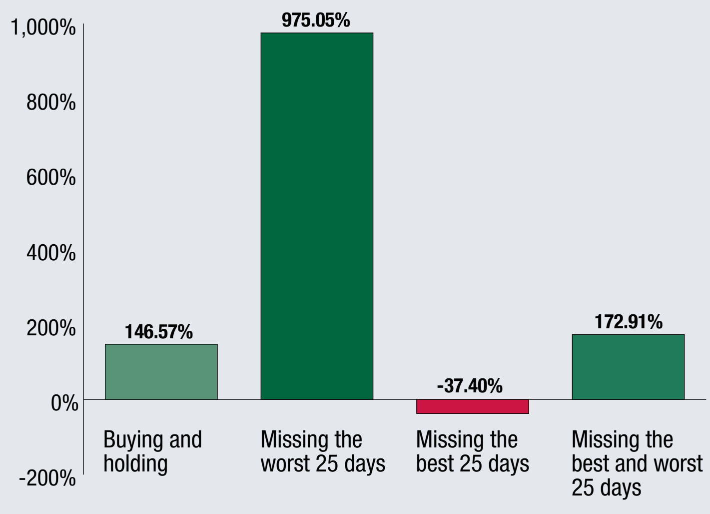
20-Year Annualized Returns
January 1, 1998 – December 31, 2017



Source: Dalbar

In the hypothetical scenario below, an investor who missed the 25 worst days in the market from 1999 to 2018 and participated in the rest of the timeframe, outperformed the market significantly. On the other hand, those who only miss the best 25 days underperform. Given that no one can predict the market and avoid only 25 specific days, both of these scenarios are very unlikely. A more likely scenario perhaps is missing both the best and worst days, a situation in which an investor still could outperform the market.

S&P 500® Index
12/31/1999 – 12/31/2018



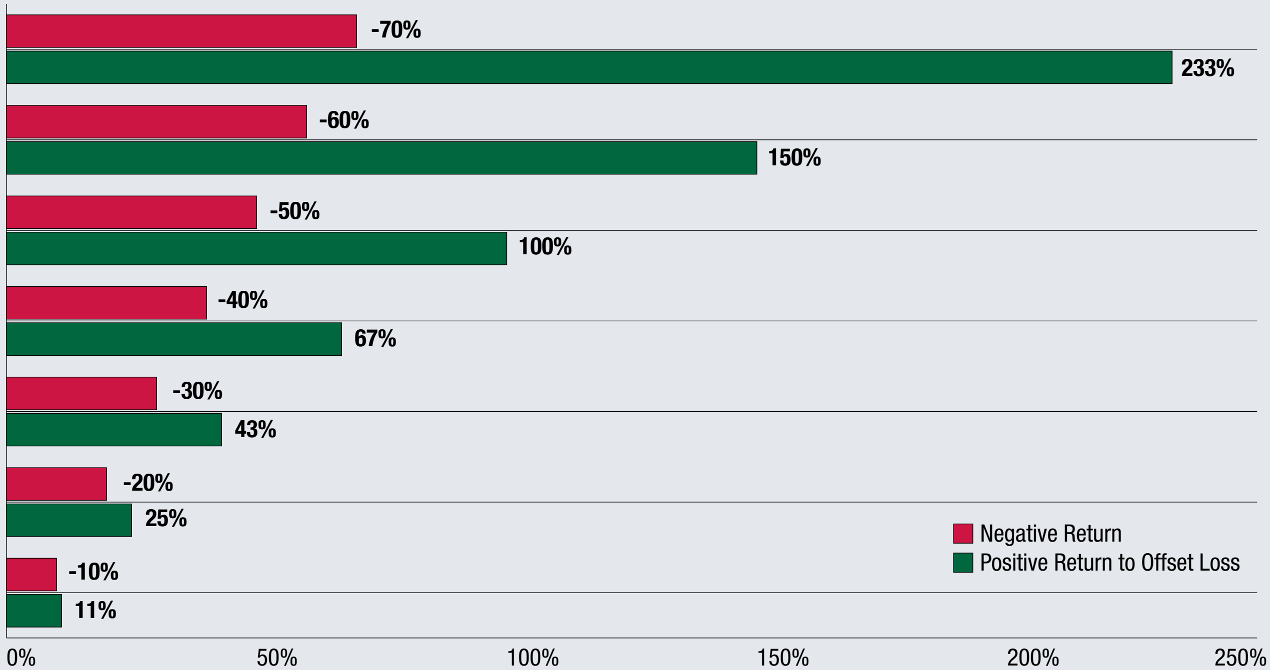
Source: S&P, Pacer Advisors

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS. YOU CANNOT INVEST IN AN INDEX.

(1)The market as represented by the S&P 500® (2)Average equity fund investor performance results are calculated using data supplied by the Investment Company Institute. Investor returns are represented by the change in total mutual fund assets after excluding sales, redemptions and exchanges. This method of calculation captures realized and unrealized capital gains, dividends, interest, trading costs, sales charges, fees, expenses and any other costs. After calculating investor returns in dollar terms, two percentages are calculated for the period examined: Total investor return rate and annualized investor return rate. Total return rate is determined by calculating the investor return dollars as a percentage of the net of the sales, redemptions and exchanges for each period.

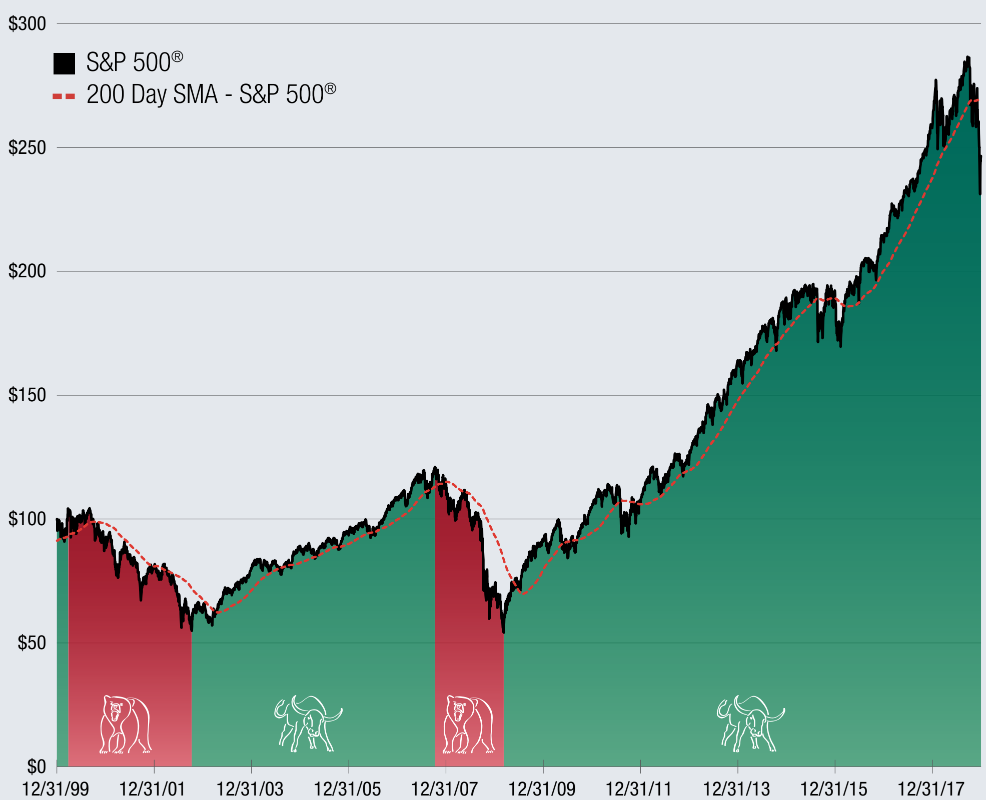
While a strategy that avoids the best and worst days might not yield the highest returns, it may help keep your losses manageable and easier to offset. As you can see below, the more you lose on an investment, the more substantial your gain must be to equalize the negative return. Preserving your initial investment is important to have higher returns over time.

Offsetting a Loss



Source: Pacer Advisors

200-Day Simple Moving Average



Source: Pacer Advisors and S&P.

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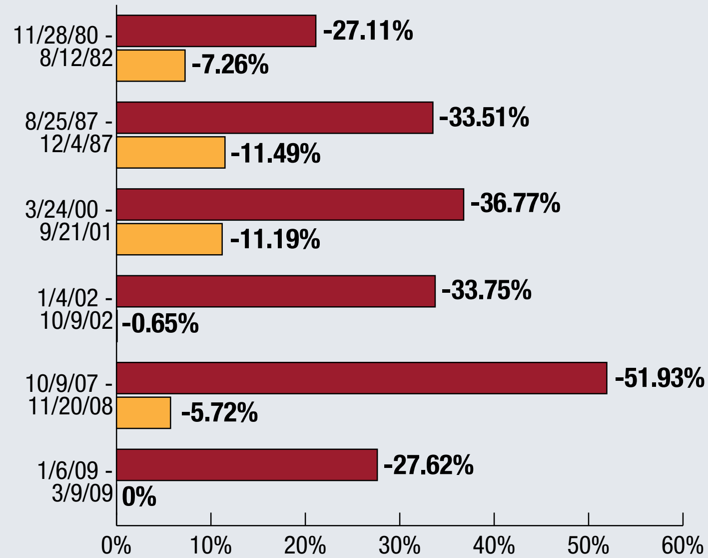
Comparing the market to its 200-day simple moving average (SMA) gives investors insight on what is happening and what may be next. Because the 200-day simple moving average computes the mean of roughly the last 10 months of performance, it indicates if the market is doing better or worse than it has in its recent history. If the market is below its 200-day SMA, the trend is negative. If it is above the 200-day SMA, the trend is positive.

Last 6 Bear Markets 1980 - 2018

The 200-day simple moving average has proven to be an early indicator of a bear market. Evaluating the last 6 bear markets with losses of 20% or more, the majority of market loss was after the Index fell below the 200-Day SMA.

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



1980 – 2018 S&P 500®.
Source: Bloomberg

Throughout its history, the market spent most of its time above the 200-day SMA. It does better during positive trends than negative trends, showing both better return and lower volatility in positive trends.

10/16/28 - 12/31/18	All	Above the 200-day SMA	Below the 200-day SMA
# of Days	23,535	15,782	7,753
Average Daily Return	0.0268%	0.0658%	-0.0540%
Annualized Return	5.40%	11.25%	-5.29%
Annualized Volatility	18.27%	13.83%	24.05%

10/16/1928 - 12/31/2018. The S&P 500® Price Return Index was created on 12/30/1927. 10/16/28 is the first day where the 200-day SMA is available for the index.
Annualized volatility is based on monthly returns from the most recent date indicated on the page and expressed as a standard deviation percentage. Standard deviation is a measure of volatility and illustrates the extent of variation (whether higher or lower) that exists from the average given set of results. A low standard deviation indicates that the results tend to be very close to the average result (a low degree of volatility). In contrast, a high standard deviation indicates that the results are spread out over a large range of outcomes (a high degree of volatility). Because the standard deviation is based on historical data, it may not predict variability in annualized performance in the future.
Annualized return represents the calculated hypothetical rate of return that, if cumulatively applied to each relevant annual period during the time period indicated, would result in the actual cumulative rate of return for the entire period.

While it's unlikely to avoid all of the downside and participate in all of the upside, using the 200-day SMA as an indicator can help you keep your emotions at bay and may produce higher returns than an average buy and hold strategy over time. The Trendpilot® strategies use three indicators based on the 200-day SMA aiming to help you avoid negative trends and participate in the positive ones.

Check your emotions at the door and consider the Trendpilot® Series to gain exposure to large-cap, mid-cap, NASDAQ-100®, and Eurozone with some built in risk management.

PACER TRENDPILOT® US LARGE CAP ETF **PTLC**	PACER TRENDPILOT® US MID CAP ETF **PTMC**	PACER TRENDPILOT® 100 ETF **PTNQ**	PACER TRENDPILOT® EUROPEAN INDEX ETF **PTEU**

Consulting a financial advisor in your investment decision is a wise choice. They will help calm concerns when emotions cloud usually logical reasoning.

To learn more about the importance of trend following & the Pacer Trendpilot® ETFs, talk to 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.

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S&P 500® Index measures the performance of the large capitalization sector of the U.S. equity market and is considered one of the best representations of the domestic economy. Utilizing a market-cap weighting structure, this index invests in the 500 largest U.S. firms.

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