



## Beyond Compute: How TRFK Continues to Capture the AI Infrastructure Buildout

*Danke Wang, CFA, FRM, Portfolio Manager*

### Looking Beyond the Benchmark...

In our November 2025 Pacer Perspective, *Infrastructure for Innovation: How TRFK Supports AI & Beyond*, we argued that the long-term AI opportunity extends beyond the companies developing AI applications. Instead, we focused on the broader data center ecosystem that enables the creation, transmission, storage, processing, and protection of data.

The Pacer Data and Digital Revolution ETF (TRFK) was built around this idea. The strategy seeks exposure across the key layers of digital infrastructure, including semiconductors, networking and hardware, software, and power and cooling systems. Each layer plays a critical role in supporting the digital economy.

Early investor attention around AI focused primarily on chips and compute capacity. More recently, however, conversation has broadened to include the infrastructure required to support AI deployment at scale. Memory capacity, storage performance, networking bandwidth, power availability, and cooling efficiency have become increasingly important considerations, as AI models become larger and more sophisticated. In many respects, the market is recognizing that AI is not supported by compute alone, but by a much broader set of technologies.

This broader infrastructure opportunity is precisely what TRFK was designed to capture. As AI investment accelerates, spending will increasingly extend beyond processors and benefit multiple layers of the data infrastructure.

The latest TRFK reconstitution reflects that trend, highlighting areas benefiting from accelerating AI infrastructure spending. Two of the clearest examples can be found in memory and storage infrastructure, as well as power and electrical systems.

## Memory & Storage Become Increasingly Critical

One of the clearest themes emerging from the rebalance was increased exposure to memory and storage companies, including SK hynix, Micron, Sandisk, and Kioxia.

### Memory & Data Storage Names in TRFK

5/15/2026

Weight (%)

SK hynix Inc.	5.97	New
Micron Technology, Inc.	5.65	New
Sandisk Corporation	2.61	New
Seagate Technology Holdings PLC	2.23	
Western Digital Corporation	2.08	
Kioxia Holdings Corporation	1.91	New
NetApp, Inc.	0.30	
Rubrik, Inc. Class A	0.13	
Silicon Motion Technology Corporation Sponsored ADR	0.11	
Commvault Systems, Inc.	0.06	

Source: Pacer Advisors, FactSet

While GPUs often receive the most attention, they cannot operate efficiently without access to large amounts of memory and storage. Training and deploying AI models requires enormous datasets that must be stored, accessed, and transferred at increasingly high speeds. As AI adoption expands, memory and storage are becoming as important as compute in determining overall AI capability.

Among the additions, Sandisk highlights how investor perceptions of AI infrastructure continue to evolve. Historically, investors viewed Sandisk primarily as a cyclical NAND flash supplier serving smartphones, PCs, and enterprise storage markets. Following its February 2025 separation from Western Digital, the company became a pure-play flash storage business. The narrative began to shift in late 2025 as the company is increasingly being recognized for its role in supporting the high-performance storage requirements of modern AI data centers.

SK hynix and Micron reinforce the theme from the memory side of the AI stack. Both companies are among the leading suppliers of High Bandwidth Memory (HBM), a critical technology that enables AI accelerators to process massive datasets efficiently, helping address one of the key bottlenecks in AI performance.

## The Growing Importance of Power Infrastructure

Although AI is often discussed as a software or semiconductor story, the reality is that modern AI data centers are becoming increasingly dependent on physical infrastructure. Arguably, AI data centers are becoming industrial projects as much as technology projects. Higher computing density translates directly into higher power consumption, a greater need for reliable electrical capacity, and more sophisticated thermal management.

Not surprisingly, industry conversations have shifted toward issues such as power availability, grid capacity, electrical distribution, and cooling efficiency. These challenges are becoming central considerations for hyperscalers and enterprises seeking to deploy AI at scale. Companies operating in these areas are becoming important beneficiaries of the broader AI buildout.

TRFK's latest reconstitution increased exposure to companies supporting these critical areas through additions such as ABB, Schneider Electric, Eaton, and Vertiv.

### Powering & Cooling Names in TRFK

5/15/2026

	Weight (%)	
ABB Ltd.	2.38	New
Schneider Electric SE	2.21	New
Eaton Corp. Plc	1.94	New
Vertiv Holdings Co. Class A	1.78	New
Trane Technologies plc	1.29	
Johnson Controls International plc	1.09	
Carrier Global Corp.	0.67	
Legrand SA	0.58	
nVent Electric plc	0.34	
AAON, Inc.	0.14	
SPX Technologies, Inc.	0.13	
Munters Group AB	0.05	New
Standex International Corporation	0.04	New
Atkore Inc	0.03	
AQ Group AB	0.03	New
LS Eco Energy Ltd.	0.02	New

Source: Pacer Advisors, FactSet

Each company plays a distinct role within the data center ecosystem. ABB and Schneider Electric provide electrical equipment, automation systems, and power management solutions. Eaton provides intelligent power management solutions spanning power distribution, backup power, and data center infrastructure, while Vertiv focuses on data center power and cooling technologies.

Together, these businesses support the physical foundation on which modern AI systems operate. The growing representation of these companies within the portfolio reflects the rising importance of power infrastructure within the broader AI investment landscape.

## Takeaways

The latest TRFK reconstitution highlights an important evolution in the AI investment landscape. While the first phase of AI spending was centered on compute, the next phase is shifting toward the broader operational infrastructure required to support the deployment at scale.

The additions to the portfolio reinforce this idea. Increased exposure to memory, storage, power, and electrical infrastructure reflects the growing importance of the technologies that enable AI systems to operate efficiently.

Importantly, the latest reconstitution does not represent a change in the TRFK investment philosophy. It is a continuation of the theme that has guided the strategy since inception. The rebalance simply reinforces exposure to where AI-related spending appears to be accelerating and highlights the technologies supporting the next phase of AI deployment.

PACER TRFK PERFORMANCE as of 5/31/26				Total Returns (%) as of 5/31/26			Total Returns (%) as of 3/31/26			
	Total Expenses	Fund Inception		1 Month	3 Month	YTD	1 Year	3 Year	5 Year	Since Fund Inception
Pacer Data and Digital Revolution ETF	0.49% <sup>1</sup>	6/8/22	NAV	25.72	61.64	59.29	39.33	32.70	N/A	26.95
			Mrkt. Price	25.98	62.40	59.95	39.91	32.68	N/A	27.05
Pacer Data Transmission and Communication Revolution Index				25.99	62.09	59.80	39.81	33.23	N/A	27.39

Source: US Bank; <sup>(1)</sup>Effective August 1, 2025, the investment adviser lowered its management fee for the Fund from 0.60% to 0.49%.

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 [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.

**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.

To learn more about how to incorporate TRFK into your portfolio, contact your financial advisor or visit [www.paceretfs.com](http://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](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 associated risks of data and digital revolution companies, calculation methodology risk, concentration risk, currency exchange rate risk, equity market risk, ETF risks, foreign securities risk, geographic concentration risk, international operations risk, large-capitalization investing risk, mid-capitalization investing risk, non-diversification risk, passive investment risk, sector risk, tracking error risk, and/or special risks of exchange traded funds.

The Pacer Data Transmission and Communication Revolution Index is the property of Index Design Group, LLC which has contracted with Solactive AG to calculate and maintain the Index.

The financial instrument is not sponsored, promoted, sold or supported in any other manner by Solactive AG nor does Solactive AG offer any express or implicit guarantee or assurance either with regard to the results of using the Index and/or Index trade mark or the Index Price at any time or in any other respect. The Index is calculated and published by Solactive AG. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards the Issuer, Solactive AG has no obligation to point out errors in the Index to third parties including but not limited to investors and/or financial intermediaries of the financial instrument. Neither publication of the Index by Solactive AG nor the licensing of the Index or Index trade mark for the purpose of use in connection with the financial instrument constitutes a recommendation by Solactive AG to invest capital in said financial instrument nor does it in any way represent an assurance or opinion of Solactive AG with regard to any investment in this financial instrument.

**NAND** is a type of storage memory that retains data even when the power is off; it is used in SSDs, USB drives, and smartphone storage.

© 2026, Pacer Financial, Inc., All rights reserved.

Distributor: Pacer Financial, Inc., member FINRA, SIPC, an affiliate of Pacer Advisors, Inc. and Index Design Group, LLC

Not FDIC Insured

May Lose Value

Not Bank Guaranteed



**PACER ETFs**

877-337-0500 ■ [www.paceretfs.com](http://www.paceretfs.com)