



# PEXL

## Pacer US Export Leaders ETF

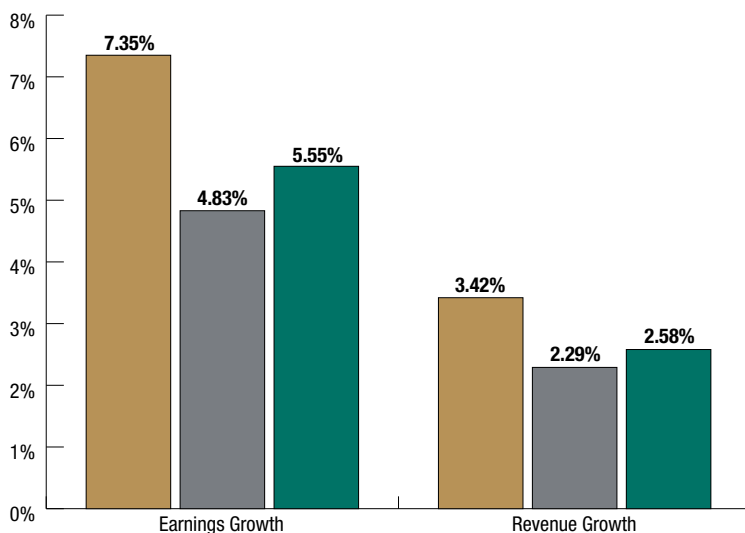
A strategy driven exchange traded fund that aims to capture global market growth by screening the S&P 900<sup>1</sup> for the top 100 large and mid capitalization US companies with a **high percentage of foreign sales and high free cash flow growth**.

- **High foreign sales** indicates a company is competitive in the global marketplace and has positioned itself to capture the benefits of global growth.
- **Free cash flow** is a company's cash flow from operations minus its capital expenditures. It 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.

### Companies with more than 50% of sales outside the U.S. have higher earnings growth & revenue growth.

as of 9/30/18

- S&P 900 Companies with more than 50% of sales **outside** the U.S.
- S&P 900 Companies with at least 50% of sales **inside** the U.S.
- S&P 900



Source: FactSet.

<sup>(1)</sup>Made up of the S&P 500<sup>®</sup> and S&P MidCap 400<sup>®</sup> Indexes

### 1. US QUALITY

The strategy targets U.S. companies with healthy balance sheets, capital and strong brand recognition.

### 2. GLOBAL REACH

The strategy offers exposure to companies with a high percentage of foreign trade and strong presence in the global emerging marketplace.

### 3. LONG-TERM GROWTH

Long-term free cash flow growth indicates a company is producing more cash than it needs to run its business and can invest in growth opportunities.



## PACER US EXPORT LEADERS INDEX

### ABOUT THE STRATEGY

# Pacer US Export Leaders Strategy Overview

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

All data as of September 2018 quarterly rebalance.

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

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

**FOREIGN SALES SCREEN**  
200 Companies  
*with highest annual foreign sales as a % of total sales*

**FREE CASH FLOW GROWTH SCREEN**  
100 Companies  
*with the highest change in free cash flow growth over the past 5 years*

Foreign Sales: **38.24%**  
5 Year Free Cash Flow Growth<sup>3</sup>: **15.60%**

Foreign Sales: **61.10%**  
5 Year Free Cash Flow Growth: **11.12%**

Foreign Sales: **63.19%**  
5 Year Free Cash Flow Growth: **22.83%**

## 2 EQUAL WEIGHTED

**EQUAL WEIGHTED**  
100 Companies

Foreign Sales: **67.05%**  
5 Year Free Cash Flow Growth: **28.00%**

## 3 THE INDEX

**Top 100 companies with the highest foreign sales as a percentage of total sales and highest change in free cash flow growth over the past 5 years.**

- **Equal weighted** at time of rebalance
- **Reconstituted and rebalanced** quarterly

### PACER US EXPORT LEADERS INDEX Characteristics

as of 9/30/18

Weighted Average Market Cap (\$mil)	57,297.95
Dividend Yield (%)	0.98
Free Cash Flow Yield (%)	4.26
Price to Earnings (P/E) Ratio	22.19

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>Made up of the S&P 500<sup>®</sup> and S&P MidCap 400<sup>®</sup> Indexes

<sup>(3)</sup>The 5-year free cash flow growth is determined by measuring the change between each company's most recent trailing 12 month free cash flow per share versus their trailing 12 month free cash flow per share 5 years ago.

## ABOUT THE FUND

# Pacer US Export Leaders ETF

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

Fund Details		Performance <sup>1</sup> (%)	Since Fund Inception (7/23/18)	YTD	1 Month	3 Month	1 Year
NAV	\$25.50	Pacer US Export Leaders ETF NAV	1.97	N/A	N/A	N/A	N/A
Fund Ticker	PEXL	Pacer US Export Leaders ETF Market Price	2.16	N/A	N/A	N/A	N/A
Index	Pacer US Export Leaders Index	Pacer US Export Leaders Index	2.14	9.20	0.31	4.78	N/A
Benchmark Index	S&P 900 Index	S&P 900 Index	4.01	10.35	0.45	7.44	17.65

Source: US Bank. 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 EXPORT LEADERS INDEX<sup>2</sup>

### Top 10 Holdings

Company	Weight (%)	Foreign Sales (%)	5 Year FCF Growth (%)
Murphy Oil Corporation	1.08	56.93	14.49
KBR, Inc.	1.07	52.39	16.32
News Corporation Class A	1.06	56.78	18.39
Syneos Health, Inc. Class A	1.06	56.34	26.80
Catalent Inc	1.06	51.84	67.10
Electronic Arts Inc.	1.05	54.84	47.93
Cooper Companies, Inc.	1.05	56.47	13.20
Apache Corporation	1.05	61.42	11.78
Broadcom Inc.	1.04	92.82	73.31
Chevron Corporation	1.04	57.50	61.26
<b>Total</b>	<b>10.56</b>		

### Sector Breakdown

Sector	Weight (%)
Information Technology	38.52
Health Care	17.21
Consumer Discretionary	12.94
Industrials	10.97
Materials	8.06
Communication Services	5.14
Energy	4.17
Consumer Staples	2.01
Real Estate	0.98
<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>S&P, 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 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.



PACER LEADERS SERIES

## Pacer US Export Leaders 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, foreign sales risk, large- and mid-capitalization investing risk, limited operating history risk, passive investment risk, sector 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.

**The S&P 500<sup>®</sup> Index** is a popular gauge of large-cap U.S. equities and includes 500 leading companies, capturing approximately 80% coverage of available market capitalization.

**The S&P MidCap 400<sup>®</sup> Index** is a benchmark for mid-sized companies, measuring the performance of mid-sized companies and reflecting the risk and return characteristics of this market segment.

**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.

The Pacer US Export Leaders Index was released on 11/7/17.

Pacer US Export Leaders Index (the "Index") is the property of Index Design Group, LLC which has contracted with S&P Opco, LLC (a subsidiary of S&P Dow Jones Indices LLC) to calculate and maintain the Index. The Index is not sponsored by S&P Dow Jones Indices or its affiliates or its third party licensors (collectively, "S&P Dow Jones Indices"). S&P Dow Jones Indices will not be liable for any errors or omissions in calculating the Index. "Calculated by S&P Dow Jones Indices" and the related stylized mark(s) are service marks of S&P Dow Jones Indices and have been licensed for use by Index Design Group, LLC. S&P<sup>®</sup> is a registered trademark of Standard & Poor's Financial Services LLC ("SPFS"), and Dow Jones<sup>®</sup> is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones").

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