*A Powerful Alternative*

# Why REITs?

PACER ETFs

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# What Are REITs?

Publicly traded real estate investment trusts (REITs) are corporations that own or manage a collection of real estate properties. Publicly traded REITs are traded like stocks in the market, offering investors greater liquidity over traditional private real estate.

Publicly traded real estate may offer investors:

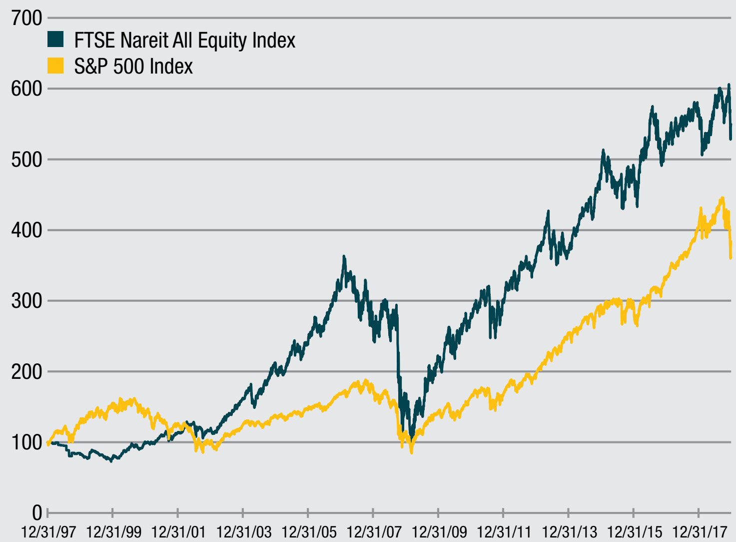
1. **Long-term capital appreciation**
2. **Diversification & liquidity**
3. **Dividend income**

# Why REITs?

## Capital Appreciation

REITs have outperformed the S&P 500® over the last 20 years.

**REITs vs. Equities** (12/31/97 - 12/31/18)




Source: Bloomberg

**Annualized Average Returns** (12/31/97 - 12/31/18)

| FTSE Nareit All Equity Index | S&P 500 Index |
|---|---|
| 8.45% | 6.61% |

Past performance is not indicative of future results. You cannot invest in an index.

## Diversification

Real estate is non-correlated to the market and may act as alternative during equity bear markets.

## Liquidity

Publicly traded REITs are more liquid than their counterparts because they are traded just like equities in the stock market.

## Public vs Private Real Estate

| Public | Private |
|---|---|
| Liquid<br>Lower Fees<br>Professional Management | Illiquid<br>Higher<br>Fees |

## Dividends

Due to the unique tax structure of REITs, investors historically have a higher potential for consistent dividends, although they are not guaranteed.

# Not All Real Estate Is Created Equal

As the digital world continues to rapidly develop along with ever changing consumer shopping habits, certain sectors in the real estate industry may be poised to benefit:

## Data and Infrastructure

5G is coming, along with artificial intelligence and autonomous vehicles. In order for these revolutionary technologies to function properly, the proper real estate must be in place with **data centers** and **cell towers**.

## Industrials

Every year, more and more consumer spending is allocated towards e-commerce. For packages to show up on your door step in 2 days or less, **industrial warehouses** must be built out extensively across the entire country.

## Retail

Even with the rapid growth of e-commerce, **brick and mortar retail** still accounts for the vast majority of consumer spending. Increased competition has forced certain retailers out and contrarily has left the others with some of the most unique and best located properties in the industry.

## Growth by the Numbers

**$20 Billion**
Invested in U.S. data center construction in 2017

**$325 Billion**
Increase in infrastructure spending for 5G by 2025

**$4 Trillion**
Estimated spending for e-commerce by 2020

**90%**
Of consumer spending occurs in store

Source: Forbes, CBRE, and E-Marketer as of 2017

## Get More Out of Your Real Estate Exposure

Real estate is considered a key asset class and an important piece of a diversified portfolio. Now, with the Pacer Benchmark Real Estate Sector ETFs, investors can gain exposure to the specific real estate sectors mentioned above.

**Data and Infrastructure**

Pacer Benchmark Data & Infrastructure Real Estate SCTR℠ ETF
**SRVR**

**Industrials**

Pacer Benchmark Industrial Real Estate SCTR℠ ETF
**INDS**

**Retail**

Pacer Benchmark Retail Real Estate SCTR℠ ETF
**RTL**

**Exposure to these sectors may offer investors unique benefits compared to broad based indexes, however, unique supply and demand risk factors are associated with each sector.**

The strategies discussed are for educational purposes and are not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy. There is no guarantee that any strategy will be effective.

Speak with your financial advisor today about how to incorporate REITs into your portfolio using the Pacer Benchmark Real Estate Sector ETFs (SRVR, INDS, RTL).

**For more information, 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.**

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 these funds are detailed in the prospectus and could include factors such as concentration risk, data and infrastructure real estate sector risk, equity market risk, high portfolio turnover risk, industrial real estate sector risk, international operations risk, large and mid-capitalization investing risk, new fund risk, non-diversification risk, passive investment risk, REIT investment risk, retail real estate sector risk, small-capitalization companies risk, tax risk and tracking risk.

Risks of Investing in the Data & Infrastructure Real Estate Sector.
Companies in the Data & Infrastructure Real Estate sector may be affected by unique supply and demand factors that do not apply to other real estate sectors, such as changes in demand for communications infrastructure, consolidation of tower sites, new technologies that may affect demand for communications towers, and changes in demand for wireless infrastructure and wireless connectivity.

Risks of Investing in the Industrial Real Estate Sector.
Companies in the Industrial Real Estate sector may be affected by unique supply and demand factors that do not apply to other real estate sectors. For example, industrial real estate may be more susceptible to changes in interest rates, macroeconomic trends, government regulation, and tax regulation than other real estate sectors. Industrial real estate may also be concentrated in logistics-related industries, which could expose industrial real estate companies to the risks of a downturn affecting logistics companies.

Risks of Investing in the Retail Real Estate Sector.
Companies in the Retail Real Estate sector may be affected by unique supply and demand factors that do not apply to other real estate sectors. Retail companies are particularly subject to changes in international, national, regional, and local economic conditions; tenant bankruptcies; the increasing use of the Internet by retailers and consumers; local real estate conditions; levels of consumer spending, changes in consumer confidence, and fluctuations in seasonal spending; increased operating costs; and perceptions by consumers of the safety, convenience, and attractiveness of retail properties.
The strategies discussed are for educational purposes and are not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy. There is no guarantee that any strategy will be effective.

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