Item 1 – Cover Page

Part 2A of Form ADV:

Firm Brochure

Pacer Advisors, Inc.
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610 644-8100

March, 28, 2017

This "Firm Brochure" provides information about the qualifications and business practices of Pacer Advisers, Inc. ("PAI"). If you have any questions about the contents of this brochure, please contact us by telephone - 610 644-8100 and/or via e-mail - joe.thomson@pacerfinancial.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Also, please be advised that registration of an investment advisor or investment advisor representative does not imply any level of skill or training.

Additional information about Pacer Advisors, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

In the past, PAI has made available information about its qualifications and business practices on at least an annual basis. Pursuant to new SEC Rules, PAI will ensure that a summary of any materials changes to this and subsequent brochures will be made available within 120 days of the close of its fiscal year. PAI may further provide other ongoing disclosure information about material changes as necessary.

In addition, PAI will provide a new brochure as may be necessary, based on changes or new information and at any time without charge.

Currently, PAI's brochure may be requested by contacting Bruce A. Kavanaugh, Vice President by telephone 610 981-6204 or via e-mail bruce.kavanaugh@pacerfinancial.com.

Additional information about Pacer Advisors, Inc. is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with PAI who are registered, or are required to be registered, as investment adviser representatives of PAI.

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Item 4 – Advisory Business

Overview -

Pacer Advisors, Inc (PAI) was formed under the laws of the Commonwealth of Pennsylvania on March 23, 2005 as a for-profit corporation. PAI is a Registered Investment Advisor with the SEC effective April 30, 2014. Registration of an Investment Adviser does not imply any level of skill or training.

PAI provides investment management services to pension plans and retirement plans (not the participants) and Exchange Traded Funds ("ETFs") registered under the Investment Company Act of 1940. We provide professional investment services for a range of portfolio objectives. The separate account minimums are $10 million. There is no minimum for the ETFs.

We provide investment advice on a discretionary basis to separately managed institutional accounts using large, mid, and small sized capitalization stocks of both domestic and global companies. The global securities for the separate account are all ADR's (American Depository Receipts). See Item 8 for Methods of Analysis, Investment Strategies and Risk of Loss. The ETFs can hold foreign securities.

We begin by working closely with either the plan sponsor directly or through a consultant to understand the investment objectives, risk tolerance and if applicable, account restrictions. These investment parameters are formally documented in the client agreement between PAI and the client.

Based on the portfolio(s) selected by the client, we will purchase the securities that compile the Global Sales Weighted Strategies to make sure they comply with the rules of the index provider and with the management of the account based on the client agreement.

We maintain an Investment Committee to review and monitor the individual stocks as indicated by the methodology of S Index and their rules for security selection. Those securities are then purchased for the client account. The Investment Committee also works directly with the Index sponsors of the ETFs to create and maintain the Pacer Indexes. Index Design Group, LLC, a separate entity that owns the intellectual property of the Pacer Indexes, licenses the indexes from PAI. Our Portfolio Management Staff is separate of the investment committee. At least quarterly, you will be provided with a management report, which includes portfolio holdings, contributions and withdrawals and year to date performance. Meetings are held on an as needed basis (based on your preference), to discuss investment results, current market conditions and any changes to your needs or objectives. At least quarterly, you will receive a statement directly from your custodian showing all transactions, positions and credits / debits into or from your account.

This brochure provides information regarding PAI as well as its qualifications, business practices, and nature of services it provides that should be considered before becoming a Client.

Please contact Joe M. Thomson at 610-644-8100 if you have any questions about this narrative. Additional information about PAI is available on the Internet at http://www.adviserinfo.sec.gov. You can search using the "investment adviser search" function on this site by a unique identifying number, known as a CRD number. The CRD number for PAI is 137381. PAI also maintains a website at www.paceradvisors.com.

Item 5 – Fees and Compensation

Except for the Adviser’s Exchange Traded Funds, PAI currently does not charge management fees as a percentage of assets under management.

PAI charges performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). Our philosophy is to align our interests with those of the plan. Only when we outperform the indicated benchmark as picked by you the client will we receive a fee. See Item 6 for more detail.

PAI may also enter into written agreements with various investment managers whereby PAI will hire them to act as sub advisors. PAI’s compensation is predicated on the performance of its obligations under the written agreement, based on a specific formula as set forth in a separate schedule unique to each agreement. Additionally, in the event that PAI retains Sub-advisors, PAI may earn greater fees to the extent that it can negotiate lower fees with such Sub-advisors. PAI has no obligation to remit such fee reductions to Clients

Solicitation Arrangements and Fees -

The Adviser has entered into a solicitation agreement with Hibernia Sales Corporation.

Exchange Traded Funds (“ETFs”)

With respect to the ETFs, each Fund pays the Adviser a fee equal to a percentage of the Fund’s average daily net assets. PAI has agreed to pay all expenses of each Fund, except for: the fee paid to the Adviser pursuant to the Investment Advisory Agreement, interest charges on any borrowings, taxes, brokerage commissions and other expenses incurred in placing orders for the purchase and sale of securities and other investment instruments, acquired fund fees and expenses, accrued deferred tax liability, extraordinary expenses and distribution (12b-1) fees and expenses.

Item 6 – Performance-Based Fees and Side-By-Side Management

PAI currently charges out-performance fees (fees based on a share of capital gains/dividends on or capital appreciation of the assets of a client).

Quarterly Fee as a Percentage of Assets under Management	Quarterly Total Return Out-Performance fee against Benchmark Index
0% (Zero Basis Points)	20%

The Quarterly GSWI Out-Performance Fee will be calculated and payable quarterly in arrears and consists only of a Quarterly Total Return Out-Performance Fee. There is no Quarterly Maintenance Fee charged to the Client. See below for a description of the Quarterly Total Return Out-Performance fee calculation. For purposes of calculating the total fee calculation, additions and withdrawals made on the last trading day of each month will be disregarded.

The client may incur other fees and expenses associated with the management of their overall plan portfolio such as custodial fees, banking fees, or consulting fees that are not affiliated with the investment management services provided by PAI, Inc.

The Quarterly Total Return Out-Performance Fee shall be calculated as follows, with a separate calculation for the portion of the Portfolio invested with each GSWI Model Index as a reference index (if more than one GSWI Model Index is used)

1. Pacer shall obtain the time-weighted total return for the Portfolio over the calendar quarter using data obtained from the Client's custodian. The calculation of returns will be done through an independent portfolio accounting system, Advent Portfolio Exchange. The time-weighted total return is a method of calculating period-by-period returns that negates the effects of external cash flows during the measurement period including realized and unrealized appreciation. In making this calculation, all Portfolio assets shall be valued at their fair market value based on the closing values of the securities held in the Portfolio as reported by Advent. The calculation methodology requires an adjustment for the daily-weighting of cash flows; the formula reflects a weight for each external cash flow. The cash flow weight is determined by the amount of time

the cash flow is held in the Portfolio on a per-day basis. Return periods will be geometrically linked adjusting for flows during the period.

2. PACER shall obtain the total return of the GSWI Related Benchmark Index (i.e. MSCI ACWI Large Cap or S&P 400 or S&P 600) specified in Exhibit 1 in the client agreement, using reputable industry data and information services providers.

3. PACER shall calculate the excess, if any, of the actual time-weighted total return for the client Portfolio over the total return of the GSWI Related Benchmark Index (i.e. MSCI ACWI). If the time-weighted total return for the client Portfolio does not exceed the return of the GSWI Related Benchmark Index, then there shall be no Quarterly Total Return Performance Fee for that quarter. The parties acknowledge that the time-weighted total return for the Portfolio may exceed the return of the GSWI Related Benchmark Index, and a Quarterly Total Return Performance Fee be payable, even if the time-weighted total return for the Portfolio is negative. For instance, if the MSCI ACWI is down 8% and the applicable GSWI Model Index applied to the Customer's Portfolio is down 3%, Client will pay the Quarterly Total Return Out-Performance Fee related to the 5% of excess return reflected in the Portfolio

4. PACER shall multiply the excess so calculated by the applicable percentage for the Client, and then multiply such product by the average fair market value of each month's ending Portfolio account balance during the applicable quarter to determine the Quarterly Total Return Out-Performance Fee. As previously stated, for purposes of calculating the Quarterly Total Return Out-Performance Fee, additions and withdrawals made on the last trading day of each month will be disregarded.

5. The Quarterly Total Return Performance Fee shall be calculated separately for each quarter, without regard to the Portfolio's performance during prior periods.

PAI's interest in accounts charging out-performance fees creates certain potential conflicts of interest, in that it may create an incentive for PAI to select or recommend certain investments and/or provide preferential treatment to client accounts whom receive performance based fees. PAI manages the conflicts associated with side-by-side investing through its account review process which is described in item 13.

Item 7 – Types of Clients

Exchange Traded Funds ("ETFs") registered under The Investment Company Act of 1940, as amended.

Pension plans and retirement plans (not the participants).

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Global Sales-Weighted Index™ Program & Methodology

Pacer Advisors, Inc. believes that it is possible to outperform broad-based indexes by aligning an investment portfolio with a sales-weighted model index. The SWI™ Program consists of discretionary investment advisory services designed to track a proprietary equity indexing program consisting of four separate equity indexes: Global Sales-Weighted Index 500 Large Cap™ (GSWI 500 Large Cap), Global Sales-Weighted Index 500 Mid Cap™ (GSWI 500 Mid Cap), and Global Sales-Weighted Index 500 Small Cap™ (GSWI 500 Small Cap) (collectively, "GSWI" or "GSWI Model Index(es)," and the advisory services designed to track such reference indexes, "GSWI Program"), all of which are more fully described below. Pacer Advisors, Inc. will have discretionary authority to purchase and sell securities within your portfolio in accordance with the investment process methodology underlying each model index within the GSWI Program.

We offer investment management services whereby we manage your portfolio in accordance with the GSWI Model Index(es) you select. The performance of your portfolio is measured against a corresponding GSWI Related Benchmark Index specified below. We reconstitute and re-weight each GSWI Model Index annually. We monitor and maintain each GSWI Model Index according to a proprietary methodology licensed by S Index that employs quantitative factors, with a goal of outperforming its corresponding GSWI Related Benchmark Index. We offer no guarantee that this goal will be achieved.

Currently, we offer three types of equity portfolios that are managed as separate accounts in accordance with the GSWI Model Indexes. Each of which is described as follows:

(1) **Global Sales-Weighted Index 500 Large Cap™** (GSWI 500 Large Cap) is a proprietary sales-weighted model index of investable U.S. equities totaling 500 large-cap companies. We use the MSCI ACWI Large Cap Index as the benchmark index against which the performance of the GSWI 500 Large Cap model index and your portfolio are measured. The MSCI ACWI Large Cap Index captures large cap representation across 23 Developed Markets (DM) and 23 Emerging Markets (EM) countries*. With 1,194 constituents, the index covers about 70% of the free float adjusted market capitalization in each country.

(2) **Global Sales-Weighted Index 500 Mid Cap™** (GSWI 500 Mid Cap) is a proprietary sales-weighted model index of investable U.S. equities totaling 500 mid-cap companies. We use the S&P 400™ Index as the benchmark index against which the performance of the GSWI 500 Mid Cap model index and your portfolio are measured. The S&P 400 Index is a capitalization-weighted index that is widely used for mid- sized companies and covers over 7% of the U.S. equities market.

(3) Global Sales-Weighted Index 500 Small Cap™ (GSWI 500 Small Cap) is a proprietary sales-weighted model index of investable U.S. equities totaling 500 small-cap companies. The Advisor uses the S&P 600™ Index as the benchmark index against which the performance of the GSWI 500 Small Cap model index and your portfolio are measured. The S&P Small-Cap 600 Index is a capitalization-weighted index designed to be an efficient portfolio of companies that meet specific inclusion criteria to ensure that they are investable and financially viable and covers 3%-4% of the U.S. equities market.

We reconstitute and rebalance annually the constituent securities underlying each GSWI Model Index to reflect updated reported sales data for those companies eligible for inclusion in the GSWI Model Indexes. During December of each calendar year, we perform the selection process and identify new constituent securities for each GSWI Model Index based upon the last twelve months of reported sales data (from the four most recently reported quarters), for the universe of companies that would satisfy the market capitalization ranges established for each GSWI Model Index. Based upon the reported sales data, we may remove or replace certain existing securities within each GSWI Model Index with new securities. We will assign each constituent security underlying each newly reconstituted GSWI Model Index a percentage weighting. This percentage weighting will be based upon a proprietary calculation involving the reported sales data. We will then reconstitute and rebalance each GSWI Model Index to continue managing or to establish new client portfolios accordingly. Except as required for additions to and withdrawals from the portfolio and as may be required for the reinvestment of cash and dividend distributions, no other trading is generally required for client accounts until the GSWI Model indexes are reconstituted and rebalanced.

At the beginning of each month, the advisor will review the cash positions held in each client account. If appropriate, the advisor will buy an appropriate ETF similar to the strategy, i.e. SPY for the Large Cap, MDY for Mid Cap and IJH for Small Cap. The advisor will look at several factors such as the amount of cash held, cost to trade, etc. During the year, the advisor will also have the right to allocate cash to buy additional shares of the index for the client. This will be determined based on items such as the amount of cash and cost of trade to support the trade.

The investment process methodology for the GSWI Model Indexes is the exclusive property of, and proprietary to, S-Index, LLC ("S-Index"). As part of our authorization to manage our clients' accounts that track the model Global Sales-Weighted Indexes, we have entered into a license agreement with S-Index for the use of S-Index's proprietary process methodology for constructing, monitoring, and maintaining the Global Sales- Weighted Indexes. Additionally, we have entered into a license agreement with S-Index for the use of specific trademarks, service marks and logos owned by S-Index, for purposes of the marketing and sales of the GSWI Program, as well as managing and servicing client portfolios invested within the GSWI Program. We are solely responsible for S-Index's compensation, which is not dependent on the compensation received by us.

"Standard & Poor's®", "S&P®", "S&P 500®", "S&P Mid-Cap 400™" and "S&P Small-Cap 600™" are trademarks of the McGraw-Hill Companies, Inc. Standard & Poor's® shall have no liability for any errors or omissions in calculating the index price and/or performance for any model index within the GSWI Program. The GSWI Indexes are not endorsed or sold by Standard & Poor's®. Standard & Poor's® makes no representation regarding the advisability of investing in the GSWI Program.
MSCI Inc. is a leading provider of investment decision support tools to investors globally, including asset managers, banks, hedge funds and pension funds. MSCI products and services include indexes, portfolio risk and performance analytics, and ESG data and research. MSCI, Barra, RiskMetrics, ISS, FEA, EAFE and all other marks and logos used on the web site (including the names of all MSCI indexes and products) are trademarks and service marks of MSCI or its subsidiaries.

We may use sub-advisors in managing the GSWI Program.

GSWI General Risks

Risk of Loss: As stated above, there is no guarantee that the strategies will achieve their desired result of outperforming a stated benchmark. The portfolios are comprised of equity securities that represent ownership of companies that are either domiciled in the United States or through an ADR of a foreign company. Client accounts may lose money.

Interest-Rate Risk
Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

Market Risk
The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

Inflation Risk
When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

Business Risk
These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

Currency Risk
Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk. The portfolios will purchase ADR's representing companies in foreign markets which will reduce currency risk, but may not eliminate currency issues within a certain country.

Reinvestment Risk
This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

Liquidity Risk

Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

Financial Risk

Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Key Person Risk

The success of a Client's investment portfolio depends on efforts of the portfolio manager team. If a portfolio manager on the team ceases to be responsible for the Client's portfolio selection, the Client's portfolio could be adversely affected.

Investment Selection Risk

The success of a Client's investment portfolio strategy depends on the management, skill, and acumen of the portfolio team.

Pacer Exchange Traded Funds

Pacer's exchange traded funds seek to track the total return performance, before fees and expenses, of each of the ETF's underlying Pacer Index (the "Indices"). The Funds employ a "passive management" (or indexing) investment approach designed to track the total return performance, before fees and expenses, of each Index. The rules-based Indexes are based on a proprietary methodology developed by Index Design Group, LLC.

The Funds' Investment Strategy

Under normal circumstances, at least 80% of the Funds' total assets (exclusive of collateral held from securities lending) will be invested in the component securities of each Index. The Adviser expects that, over time, the correlation between each Fund's performance and that of the Index, before fees and expenses, will be 95% or better.

Each Fund will generally use a "replication" strategy to achieve its investment objective, meaning it will invest in all of the component securities of the Index, but may, when the Adviser believes it is in the best interests of the Fund, use a "representative sampling" strategy, meaning it may invest in a sample of the securities in the Index whose risk, return and other characteristics closely resemble the risk, return and other characteristics of the Index as a whole.

Each Fund may also invest up to 20% of its assets in certain index futures, options, options on index futures, swap contracts or other derivatives, as related to the Index and its component securities, cash and cash equivalents, other investment companies, as well as securities and other instruments not included in the Index but which the Adviser believes will help the Fund track the Index.

The NASDAQ-100 Trendpilot, Pacer 450 Trendpilot, Pacer 750 Trendpilot and Pacer Trendpilot European Index ETF Funds may be invested significantly in U.S. Treasury bills for extended periods of time.

ETF General Risks

You can lose money on your investment in the Funds. The Funds are subject to the risks summarized in the Prospectus and SAI. Some or all of these risks may adversely affect the Funds' net asset value per share ("NAV"), trading price, yield, total return and/or ability to meet its objectives. For more information about the risks of investing in the Fund, see the section in the Fund's prospectus entitled "Additional Risk Information about the Fund."

An investment in the Funds should be made with an understanding that the value of each Fund's portfolio securities may fluctuate in accordance with changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular security or issuer and changes in general economic or political conditions. An investor in each Fund could lose money over short or long periods of time.

An investment in the Funds should also be made with an understanding of the risks inherent in an investment in equity securities, including the risk that the financial condition of issuers may become impaired or that the general condition of the stock market may deteriorate (either of which may cause a decrease in the value of each Fund's portfolio securities and therefore a decrease in the value of Shares of each Fund). Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence and perceptions change. These investor perceptions are based on various and unpredictable factors, including expectations regarding government, economic, monetary and fiscal policies; inflation and interest rates; economic expansion or contraction; and global or regional political, economic or banking crises.

Holders of common stocks incur more risk than holders of preferred stocks and debt obligations because common stockholders, as owners of the issuer, generally have inferior rights to receive payments from the issuer in comparison with the rights of creditors or holders of debt obligations or preferred stocks. Further, unlike debt securities, which typically have a stated principal amount payable at maturity (whose value, however, is subject to market fluctuations prior thereto), or preferred stocks, which typically have a liquidation preference and which may have stated optional or mandatory redemption provisions, common stocks have neither a fixed principal amount nor a maturity. Common stock values are subject to market fluctuations as long as the common stock remains outstanding.

Although all of the equity securities in the Indexes are listed on major U.S. stock exchanges, there can be no guarantee that a liquid market for such securities will be maintained. The existence of a liquid trading market for certain securities may depend on whether dealers will make a market in such securities. There can be no assurance that a market will be made or maintained or that any such market will be or remain liquid. The price at which securities may be sold and the value of each Fund's Shares will be adversely affected if trading markets for each Fund's portfolio securities are limited or absent, or if bid/ask spreads are wide.
Events in the financial sector have resulted, and may continue to result, in an unusually high degree of volatility in the financial markets, both domestic and foreign. Domestic and foreign fixed income and equity markets experienced extreme volatility and turmoil in late 2008 and

throughout much of 2009. Issuers that have exposure to the real estate, mortgage and credit markets have been particularly affected, and well-known financial institutions have experienced significant liquidity and other problems. Some of these institutions have declared bankruptcy or defaulted on their debt. It is uncertain whether or for how long these conditions will continue. These events and possible continuing market turbulence may have an adverse effect on Fund performance.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of PAI or the integrity of PAI's management. PAI has no legal or disciplinary information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

PAI is affiliated, by common ownership, with Pacer Financial, Inc., a FINRA Registered broker-dealer and PF, LLC, a non-registered administration company.

Pacer Financial, Inc.'s business is focused on the wholesaling of certain investment vehicles such as Exchange Traded Fund (ETF) and Exchange Traded Note (ETN) products to financial institutions and investment professionals. It is the Medallion distributor/underwriter for the ETFs sponsored by Pacer Advisors. Pacer Financial Inc. Agency is also licensed in Pennsylvania to sell life and fixed annuities as well as variable life and variable annuity products.

PF, LLC's primary business function is to provide clerical, administrative, technical and staff support to both Pacer Financial, Inc. and Pacer Advisors, Inc.

Joe Thomson, President of PAI, as well as other associated persons of PAI are separately licensed as registered representatives of Pacer Financial, Inc. which is affiliated with PAI through common control and ownership.

Item 11 – Code of Ethics

PAI has developed a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and based on the principal that all employees of PAI as well as certain other persons have a fiduciary duty to place the interests of clients ahead of their own and PAI's. This Code of Ethics applies to all "Access Persons," i.e. employees, directors, officers, partners or members of PAI who may have access to nonpublic information regarding Advisory

Clients' purchases or sales of securities or are involved in making securities recommendations to Advisory Clients. Client services or administrative personnel who regularly communicate with Advisory Clients also may be deemed to be Access Persons. Advisory Client means any person or entity for which PAI serves as investment advisor, renders investment advice, or makes investment decisions.

The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things.

PAI also acknowledges that protecting Clients' Privacy is very important to the Firm. PAI views shielding its customers' private information as a top priority and, pursuant to the requirements of the federal Gramm Leach Bliley Act, PAI has instituted policies and procedures to ensure that customer information is kept private and secure. PAI will not disclose any nonpublic personal information about its customers or former customers to any nonaffiliated third parties, except as permitted by law. In the course of servicing a Client's account, the Firm may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers.

PAI restricts internal access to nonpublic personal information about the Client to those associated persons of the Firm who need access to that information in order to provide services to the Client. PAI will never sell information about current or former customers or their accounts to anyone. It is also PAI's policy not to share information unless at the request of a customer or as may be required by law.

All supervised persons at PAI must acknowledge the terms of the Code of Ethics annually, or as amended.

PAI's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Ashlee Thomson, Sr. Vice President & Chief Compliance Officer by telephone 610 981-6214 or via e-mail Ashlee.thomson@pacerfinancial.com.

Item 12 – Brokerage Practices

Soft Dollars

When appropriate under our discretionary authority and consistent with our duty to obtain best execution, we may direct brokerage transactions for client accounts to broker dealers who provide us with research and brokerage services. The brokerage commissions used to acquire these services are known as "soft dollars." The Section 28(e) of the Securities Exchange Act of 1934 and related SEC interpretive materials provide a "safe harbor" which allows us to pay for research and brokerage services with soft dollars generated by your account transactions. Section 28(e) permits us, under certain circumstances; to cause your accounts to pay broker-dealers a commission for effecting portfolio transactions in excess of the commission another broker-dealer would have charged to effect such transactions. Broker-dealers typically provide a bundle of services, including research and execution. The services provided can be either proprietary (created and provided by the broker dealer, including tangible research products as well as access to analysts and traders) or third-party (created by third-party but provided by broker-dealer). We may use soft dollars to acquire either type. It is not generally possible to place a dollar value on the special executions or on the research services we receive from broker-dealers effecting transactions in portfolio securities. Accordingly, we may pay broker-dealers commissions for effecting your portfolio transactions in excess of amounts other broker-dealers would have charged for effecting similar transactions if we determine in good faith that such amounts are reasonable in relation to the value of the brokerage and/or research services provided by those broker-dealers, viewed either in terms of a particular transaction or our overall duty to its discretionary accounts. In determining whether a service qualifies as research or brokerage, we must evaluate whether the service or product provides lawful and appropriate assistance to it in carrying out its investment decision-making responsibilities. Brokerage and research services that may be provided under Section 28(e) include furnishing advice as to the value of securities and as to the advisability of investing in, purchasing or selling securities, and effecting securities transactions and performing functions incidental thereto (such as clearance, settlement, and custody). We will not enter into any agreement or understanding with any broker-dealer that would obligate us to direct a specific amount of brokerage transactions or commissions in return for such services. However, certain broker-dealers may state in advance the amount of brokerage commissions they require for certain services and the applicable cash equivalent. Receipt of research from brokers who execute client trades involves conflicts of interest. When we use client brokerage commissions to obtain research or other products or services, we receive a benefit because we do not have to produce or pay for the research, products or services. We may have an incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on your account receiving most favorable execution. We may use soft dollar benefits to service all of our clients' accounts, not just those that paid for the benefits, and we do not seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

Brokerage Services

We partner with several brokers including but not limited to KCG, ConvergEx Group, Cantor Fitzgerald, and AB (Alliance Bernstein) who serve the investment needs of institutional asset managers with global, multi-asset class execution capabilities across over 100 markets worldwide–together with sophisticated liquidity management tools, performance-driven technology solutions and industry-leading commission management and research services. We reserve the right to use multiple broker dealers not limited to those listed above.

Directed Brokerage

Separate Accounts-You direct us as to where your assets are to be custodied and where your trades are to be Executed (brokerage). You provide this direction on the Exhibit 1, included in your Investment Advisory Contract with us. Not all advisors require their clients to direct brokerage. **You direct your brokerage in one of the following ways:**

Option 1
You direct your brokerage business to our full service brokerage arrangement with one of our brokers.
If you choose this option, we will benefit monetarily. Providing multiple services may be viewed as creating a potential conflict of interest. Similar services may be offered at higher or lower prices elsewhere. Under this option we provide a negotiated commission rate – our full commission rate is available upon request. We ask you to carefully consider the services offered relative to the brokerage commissions being paid based on your individual needs.

Option 2
You direct your brokerage to a custodian and/or broker other than us, with whom you have negotiated custodian charges and/or commission.
There is no monetary benefit to us if you choose this option.
If you choose this option you have negotiated a commission schedule with a broker on your own. These brokers may be affiliated with the consulting firm that introduced you. We ask you to carefully consider the services offered relative to the brokerage commissions being paid based on your individual needs. The commission costs that you negotiate with your broker may be higher than the commission costs we could negotiate if we had discretion to direct the brokerage.
If you select option (2) we will not monitor for best price and execution, because you have negotiated your own commission schedule with the broker.

To provide Best Execution when executing your orders we will take into account all of the following factors, not just on price alone:

- Price
- Cost of execution
- Speed of execution
- Likelihood of execution and settlement
- Size and nature of the order

We maintain a list of approved brokers that we have selected based on the full range and quality of their services. We monitor the approved brokers on a semi-annual basis using criteria which may include:

- Order flow (rotation)
- Execution capability
- Commission rate
- Financial responsibility
- Responsiveness to us as the advisor Order Flow

- Gross compensation paid to each broker dealer Execution Capabilities
- Ability to execute orders in a timely fashion without affecting the market
- Ability to settle trades in a timely manner
- Ability of the broker dealer to handle a mix of trades, i.e. block trades and odd lots
- Ability and willingness of a broker to work large or difficult trades for our clients so as to obtain best executions
- Ability of the broker dealer to fill orders completely
- Statistics on securities executions and the frequency of trading errors
- Whether the broker dealer is equipped to handle electronic trade entry and reporting links with us Commission Rates.
- Competitiveness of commission rates and spreads Financial Responsibility
- Financial strength (net capital) of broker-dealers
- Statistics or other information by independent consultants on relative quality of executions/financial services by broker-dealers Responsiveness
- Ability to respond promptly to our inquiries during volatile markets
- Broker's responsiveness to requests for trade data and other financial information
- How well the broker dealer serves us and our clients

Trade Rotation
Since we manage assets for accounts at numerous institutions, we can alternate the order for placing trades in an effort to achieve fairness with respect to the timing of execution. This is to ensure that no client receives an unfair advantage or disadvantage with respect to the timing of execution. It is recognized that depending on the type of trade, market conditions, portfolio manager availability and time constraints, we may be forced to deviate from the normal rotation.

Aggregating Trades
We often group similar orders together in an effort to achieve an average price (aggregated trades). While orders are aggregated for average price, you pay your individually negotiated commission rate, as previously agreed upon. As a result, you will not achieve savings in commissions from block trades.

Principal Trades
We do not trade on a principal basis.

Trade Errors
In the event of an error, we are responsible for any loss/gain incurred while trading your account(s). While this could create a potential conflict of interest we have in place policies and procedures to minimize trade errors.

Item 13 – Review of Accounts

PAI will review client accounts on a monthly, quarterly, and annual basis or on an as needed basis by the client. Clients will receive performance reports on a quarterly basis. The advisor will review on an annual basis that there will be no preferential treatment with regard to trading for any client.

Item 14 – *Client* Referrals and Other Compensation

Pacer has a solicitor agreement with Hibernia Sales Corporation for only the Global Sales Weighted Indexes. The advisor will pay Hibernia 20% of the quarterly outperformance fee it receives from a client. At the time of solicitation, the solicitor must deliver a written disclosure statement (ADV part 2) and the solicitors written disclosure statement.

Item 15 – Custody

PAI does not hold, maintain or have custody for any client accounts. U.S. Bank serves as the custodian of each Exchange Traded Fund's assets. The custodian holds and administers the assets in a Fund's portfolios. Pursuant to the Custody Agreement, the custodian receives an annual fee from the Adviser based on the Trust's total average daily net assets.
Clients should receive at least quarterly, statements from the broker dealer, bank or other qualified custodian that holds and maintains the client's investment assets. PAI urges that clients carefully review such statements and official custodial records when received from the providers. Accounts using the GSWI strategies utilize their own custodian.

Item 16 – Investment Discretion

We obtain written discretionary authority from you with respect to the purchase or sale of securities. Trading is done as outlined in the client agreement which may include any restrictions requested by you. This discretionary authority is included in our Investment Advisory Contract and becomes effective once that contract is signed by you and approved by our Chief Investment Officer. This authority does not include the withdrawal or transfer of funds or securities. In instances where we have been given discretion to choose the broker, we operate on a best price and execution basis in accordance with our fiduciary duties.

Item 17 – Voting *Client* Securities

In general, proxies will be voted by us as the investment manager unless otherwise directed by the client.

Proxy Voting Policy

It is our policy as a fiduciary to vote proxies that would be consistent with the best economic interests on behalf of our clients. In the event that a client requests us not to do so, we will honor that request. We have a proxy voting service agreement with Broadridge. They have provided us with our proxy voting guidelines to vote client proxies for accounts that direct us to do so.

Our policy and practice includes:
The responsibility to monitor, receive and vote client proxies.
Disclosure to client's of any potential conflicts of interest.
Making information available to clients about how proxies were voted.
Maintaining relevant and required records.

Responsibility
The Chief Compliance Officer or his Designee has the responsibility for the implementation and monitoring of our proxy voting policy, practices, disclosures and record keeping, including outlining our voting guidelines in our procedures.

Procedure
We have adopted procedures to implement our policy and we review to ensure that our policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

Voting Procedures
We are utilizing the ProxyEdge service from Broadridge. It is an online system for voting and record keeping of all proxies. The Chief Investment Officer or his Designee will determine the frequency to monitor the account. The Chief Investment Officer or his Designee will determine how we should vote the proxy in accordance with applicable voting guidelines, complete the proxy and vote the proxy in a timely and appropriate manner.

Voting Guidelines
In the absence of specific voting guidelines from the client, we will vote proxies in the best interest of each particular client. We have adopted the Glass Lewis Investment manager Guidelines. They are designed to vote in a manner consistent with such managers' active investment decision making. Our policy is to vote all proxies from a specific issuer the same way for each client, absent qualifying restrictions from a client.
Clients are permitted to place reasonable restrictions on our voting authority in the same manner that they may place such restrictions on the actual selection of account securities. Clients may direct our vote in a particular solicitation.
We will generally vote in favor of routine corporate housekeeping proposals such as the election of directors and selection of auditors absent conflicts of interest raised by an auditor's non-audit services. We will generally vote against proposals that cause board members to become entrenched or cause unequal voting rights.
In reviewing proposals, we will further consider the opinion of management, the effect on management, the effect on shareholder value and the issuer's business practices.
Client Requests for Information
All Client requests should be directed to our Compliance Department at 610-644-8100. In response to any request the CCO or his designee will prepare a written response to the client with the information requested, and as applicable, will include the name of the issuer,

the proposal voted upon, and how we voted the client's proxy with respect to each proposal about which client inquired.

Conflicts of Interest

We will identify any conflicts that exist between the interests of the advisor and the client by reviewing the relationship that we have with the issuer of each security to determine if we or any of our employees have any financial, business or personal relationships with the issuer. If a material conflict of interest exists, the Chief Compliance Officer or his Designee will determine whether it is appropriate to disclose the conflict to the affected clients, to give the clients an opportunity to vote the proxies themselves, or to address the voting issue through other objective means such as voting in a manner consistent with a predetermined voting policy or receiving an independent third party voting recommendation. We will maintain a record of the voting resolution of any conflict of interest.

Item 18 – Financial Information

Registered investment advisers such as PAI are required in this item to provide certain financial information or disclosures about their financial condition. In response to that requirement, PAI states that it has no financial commitment that impairs its ability to meet contractual and/or fiduciary commitments to clients and has not been the subject of any bankruptcy proceeding.

Item 19 – Requirements for State-Registered Advisers

There are no State requirements applicable to Pacer Advisers, Inc. is an SEC Registered Investment Adviser.