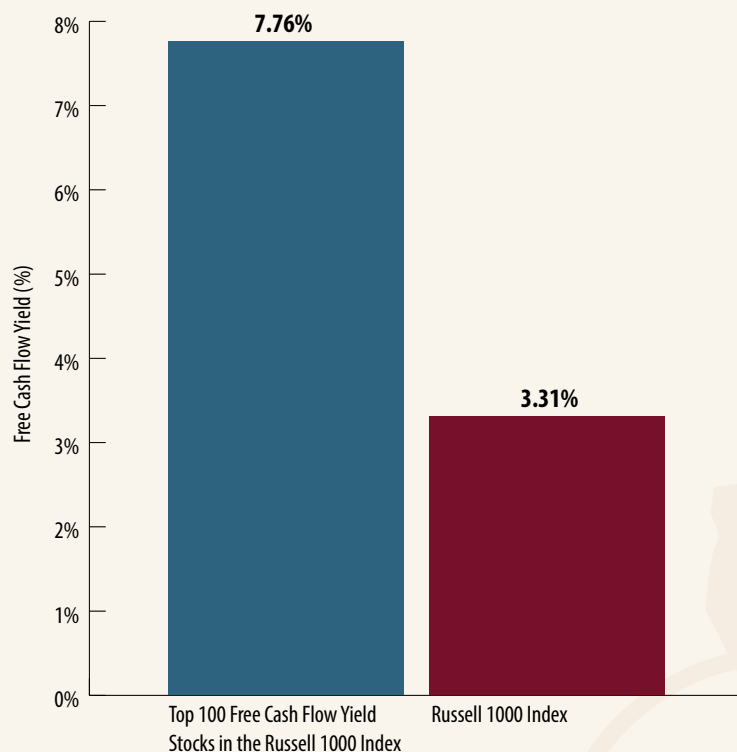


Pacer US Cash Cows 100 SMA

A strategy driven separately managed account that aims to provide capital appreciation over time by screening the Russell 1000 for the top 100 companies based on free cash flow yield.

- **Free cash flow** 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.
- The ability to generate a high **free cash flow yield** indicates a company is producing more cash than it needs to run the business and can invest in growth opportunities.

FREE CASH FLOW YIELD COMPARISON (as of 3/31/24)



1. HIGH QUALITY US LARGE-CAP COMPANIES

Focus on quality large-cap companies with high free cash flow yield.

2. TRADING AT A DISCOUNT

Exposure to opportunities in the market where high quality stocks are trading at a discount.

3. LONG-TERM CAPITAL APPRECIATION

Using free cash flow yield to measure the sustainability of a company may produce potentially higher returns and more attractive upside/downside capture over time.

Definitions

Free Cash Flow (FCF): A company's cash flow from operations minus capital expenditures (expenses, interest, taxes, and long-term investments)

Enterprise Value (EV): A company's market capitalization adjusted to eliminate any capital structure bias (i.e. by adding debt and subtracting cash or cash equivalents)

Free Cash Flow Yield (FCF/EV): Measures a company's total free cash flow relative to its enterprise value. This is an internal statistic and does not constitute investor yield.

ABOUT THE STRATEGY

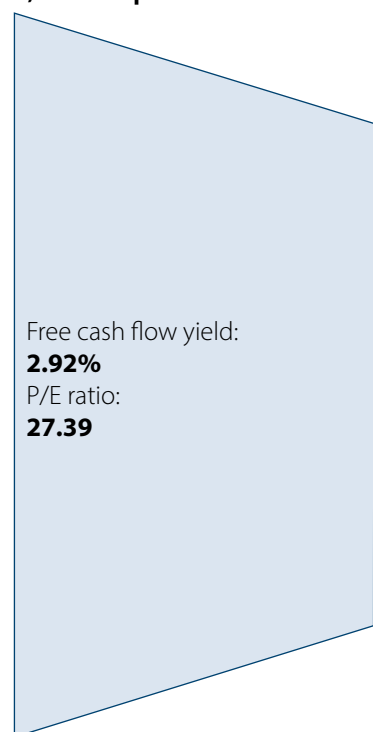
Pacer US Cash Cows 100

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

All data as of March 2024 quarterly rebalance.

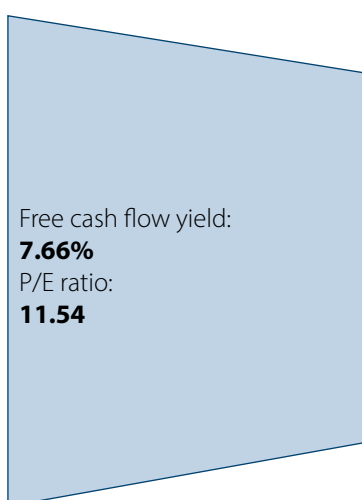
1 SECURITY SELECTION¹ Market Cap Weighted

RUSSELL 1000 INDEX² 1,000 Companies



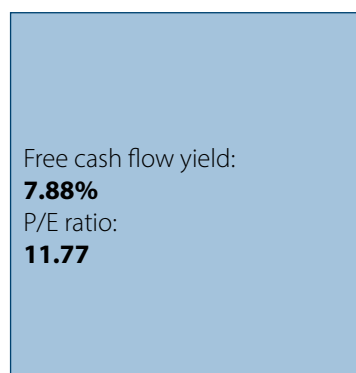
FREE CASH FLOW YIELD SCREEN 100 Companies

Ranked based on trailing
twelve month period.



2 WEIGHTED BY FREE CASH FLOW³ Capped at 2%

HIGHEST TRAILING 12 MONTH FREE CASH FLOW 100 Companies



3 THE STRATEGY

Top 100 large-cap companies with the highest free cash flow yield.

- **Weighted by free cash flow** (highest trailing twelve month)
- **Holdings capped at 2%** for each company at time of rebalance
- **Reconstituted and rebalanced** quarterly

⁽¹⁾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. ⁽²⁾Financial companies, other than real estate investment trusts (REITs), are excluded from the index universe. In addition, companies with negative free cash flow are excluded based on FactSet analyst consensus estimates for average projected FCF and earnings over the next two years. ⁽³⁾Remaining 100 companies are weighted by their trailing twelve month free cash flow. Free cash flow weighting is calculated as a company's operating cash flow minus capital expenditures. Companies are ranked in descending order based on their free cash flow in dollars.

Before investing you should carefully consider the strategy's investment objectives, risks, charges, and expenses.

Weighted average market cap is the sum of each company's weight multiplied by its market cap. **Russell 1000 Value Index** is a market-capitalization weighted index representing approximately 1000 large- and mid cap value stocks in the Russell 3000 Index. **Russell 1000 Index** is a market-capitalization weighted index representing the top 1000 large-cap stocks in the Russell 3000 Index. **P/E ratio** is 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. **Upside/Downside capture** Upside/downside capture ratio shows you whether a given fund has outperformed—gained more or lost less than—a broad market benchmark during periods of market strength and weakness.

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3/31/24