

Investors Exchange Product Information Circular 2025 - 0052

Date: February 3, 2025

Re: Pacer PE/VC ETF

This Information Circular is being issued to advise you that the following securities have been approved for trading pursuant to unlisted trading privileges (“UTP”) on the Investors Exchange (“IEX” or the “Exchange”) as UTP Derivative Securities pursuant to IEX Rule 16.160. Compliance and supervisory personnel should note that, among other things, this Information Circular discusses the need to deliver a prospectus to customers purchasing shares of the exchange-traded funds. Please forward this Information Circular to interested persons within your organization.

Exchange-Traded Fund / Symbol

Pacer PE/VC ETF

PEVC

Issuer/Trust: Pacer Funds Trust

Issuer/Trust Website: www.pacerefs.com

Primary Listing Exchange: NYSE Arca

The purpose of this information circular is to outline various rules and policies that will be applicable to trading in these new products pursuant to the Exchange’s unlisted trading privileges, as well as to provide certain characteristics and features of the products. For a more complete description of the Issuer, the securities and the underlying market instruments or indexes, visit the Issuer Website, consult the Prospectus available on the Issuer Website or examine the Issuer Registration Statement or review the most current information bulletin issued by the Primary Listing Exchange.

Background Information on the Funds

Pacer Funds Trust (the “Trust”) is a management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”), consisting of several investment portfolios. This circular relates only to the Funds listed above (each, a “Fund” and together, the “Funds”). The shares of the Fund are referred to herein as “Shares”. For more information regarding the Fund’s investment strategy, please read the prospectus for the Fund.

Pacer PE/VC ETF (the “Fund”) employs a “passive management” (or indexing) investment approach designed to track the total return performance, before fees and expenses, of the FTSE PE/VC Index (the “Index”).

FTSE PE/VC Index

For both of the FTSE PE (Buyout) and VC indices, there is both a benchmark index (each, a “Benchmark Index”) and a tracking or investable Index.

The FTSE PE Buyout Benchmark Index includes nearly 5,400 private equity- backed companies with a total value of nearly \$5 trillion. The FTSE VC Benchmark Index includes over 13,000 venture capital backed companies valued at over \$2.5 trillion. Both Benchmark Indices have specific

investable indices that seek to track the performance of the FTSE Benchmark Indices through portfolios of liquid assets using proprietary econometric models. These “tracking” indices, the FTSE Private Equity Buyout Index and the FTSE Venture Capital Index, are both available on Bloomberg with daily pricing (tickers: TRPEI and TRVCI).

The Index is a rules-based index that aims to provide exposure to a portfolio that mimics the returns of a theoretical investment in a diversified pool of private equity and venture capital-backed companies. The Index is comprised of varying weights to the FTSE Private Equity Buyout Index (the “Buyout Index”) and the FTSE Venture Capital Index (the “VC Index”). The Buyout Index weight will be set at a range of 50% to 95%, with the balance allocated to the VC Index. The Index’s relative weights to the Buyout Index and VC Index are determined at each calendar month-end based on optimal relative weighting over recent time periods. The Index is calculated and published daily.

The Buyout Index seeks to replicate the return profile of the private equity buyout asset class by constructing a combination of sector portfolio returns that are designed to track the performance of private equity sector investments by holding liquid exchange traded instruments, including publicly traded equities, ETFs and futures contracts on equity indexes, rather than investing directly in private equity-backed firms. The FTSE PE Buyout Index seeks to track the medium-term performance of the FTSE PE Buyout Benchmark Index. The FTSE Venture Capital Index seeks to replicate the return profile of the venture capital industry by constructing a theoretical dynamic portfolio in public, liquid assets, including publicly traded equities, ETFs and futures contracts on equity indexes, that tracks the movements of the FTSE VC Benchmark Index, which in turn tracks the venture capital industry. The FTSE PE Buyout Benchmark Index and FTSE VC Benchmark Index attempt to measure the aggregate gross performance of the U.S. private equity and venture capital industries, respectively, by tracking private equity and venture capital funding transactions, which are not available for public investment. FTSE gathers data on these transactions at select times, including during leveraged buyouts, buyouts, initial and follow-on venture rounds, and exit events. For months in which there is not a new company valuation due to a funding round, the Benchmark Index has a valuation model that uses a combination of private market and public market variables to estimate the value of the company until the next round of funding or a transaction occurs. As new data is gathered each quarter by FTSE, the value of the applicable benchmark Index increases or decreases. The “tracking” Indices are accordingly updated each month as they seek to track the performance of the Benchmark Indices as closely as possible. The Buyout Benchmark Index and VC Benchmark Index are each calculated and published by FTSE quarterly.

The Buyout Index and VC Index are each comprised of six sector portfolios. Each sector portfolio represents a specific business subsector within the private equity or venture capital markets (e.g., consumer, technology, etc.). Each sector portfolio includes a set of equity securities, exchange-traded funds (“ETFs”) and futures contracts that are intended to replicate the returns of the corresponding sector within the Buyout Index or VC Index, respectively. The sectors are then weighted to mirror the distribution of investments across the private equity or venture capital markets, as applicable.

The sectors included in the Buyout Index are:

- Consumer Noncyclical
- Consumer Cyclical
- Energy, Utilities and Industrials

- Health Care
- Technology
- Financials

The sectors included in the VC Index are:

- Materials, Industrials, Energy and Utility
- Consumer Services
- Health Care
- Technology Equipment
- Software and Tech Services
- Telecommunications

Securities are selected for the Buyout Index and VC Index sector portfolios using a systematic process that begins with the universe of securities included in the corresponding FTSE publicly traded sector indices. From each FTSE publicly traded sector index securities are selected in order based upon market capitalization size until a desired beta and correlation to the sector index is achieved. Security weights within each sector portfolio correspond to their relative market capitalization, subject to a maximum weight of 4.5% for any name, within the portfolio.

Once the sector portfolios of the Buyout Index or VC Index have been established, proprietary models are run that provide the additional outputs that are incorporated into the portfolios. These models use statistical and/or econometric techniques and information from the macroeconomic environment, financial markets, and the universe of private equity and venture capital-backed firms to construct portfolios that seek to match the risk/return exposures of the private firms that make up the FTSE PE Buyout Benchmark Index or FTSE VC Benchmark Index, as appropriate. The outputs of these models include potential leverage adjustment (levels ranging from 0x to 2x) and inter-sector weighting adjustments. The adjustments within a sector portfolio seek to more precisely mimic sector risk exposures reflected in the FTSE PE Buyout Benchmark Index or FTSE VC Benchmark Index by increasing or decreasing the relative weights to the sectors. The leverage adjustments do not change the selected total leverage to the portfolio but they may increase or decrease the effective risk exposures of the individual sector portfolio. Leverage and weights are computed after the market close of the final trading day in a calendar month and applied at the market close on the first day of trading of the new month. Sector weights and leverage may change over the course of each month due to performance, and the models do not require trading away from the naturally arising weights and leverage until the rebalance at the end of the month.

The Index was established in 2024 and is owned and maintained by the Index Provider.

As described more fully in the Trust's prospectus and Statement of Additional Information, the Fund will issue and redeem Shares on a continuous basis at their net asset value ("NAV") only in large blocks of Shares (each, a "Creation Unit"). Creation Units will be issued and redeemed principally in-kind for securities included in the underlying index. Except when aggregated in Creation Units, the Shares may not be redeemed with the Fund.

Shares are held in book-entry form, which means that no share certificates are issued. The Depository Trust Company or its nominee is the record owner of all outstanding Shares and is recognized as the owner of all Shares for all purposes.

The NAV of the Fund is generally determined as of the close of trading (normally 4:00 p.m., Eastern Time) on each day the New York Stock Exchange is open for business. The NAV of the Fund is calculated by dividing the value of the net assets of the Fund (i.e., the value of its total assets less total liabilities) by the total number of outstanding shares of the Fund, generally rounded to the nearest cent.

Purchases and Redemptions in Creation Unit Size

IEX Members are hereby informed that procedures for purchases and redemptions of Shares in Creation Units are described in the Trust's Prospectus and SAI and that Shares are not individually redeemable but are redeemable only in Creation Unit aggregations or multiples thereof.

Principal Risks

Interested persons are referred to the discussion in the prospectus for the Fund of the principal risks of an investment in the Fund. These may include, but are not limited to, asset class risk, authorized participant concentration risk, concentration risk, currency risk, cyber security risk, equity securities risk, fluctuation of net asset value risk (NAV), index risk, industry/sector risk, issuer risk, management risk, market maker risk, market risk, market trading risk, non-correlation risk, non-diversification risk, passive investment risk, replication management risk, securities lending risk, tracking error risk, trading issues risk, and valuation risk.

In addition, the market prices of the Shares will fluctuate in accordance with changes in NAV as well as the supply and demand for the Shares. As a result, the Shares may trade at market prices that may differ from their NAV. The NAV of the Shares of the Fund will fluctuate with changes in the market value of the Fund's holdings.

Exchange Rules Applicable to Trading in the Shares

Trading in the Shares on IEX is subject to IEX trading rules.

Trading Hours

The value of the Index underlying the Shares will be disseminated to data vendors every 15 seconds during the Regular Trading Session. The Shares will trade on IEX between 8:00 a.m. and 5:00 p.m. Please note that trading in the Shares during the Exchange's Pre-Market and Post-Market Sessions ("Extended Market Sessions") may result in additional trading risks which include: (1) that the current underlying indicative value may not be updated during the Extended Market Sessions, (2) lower liquidity in the Extended Market Sessions may impact pricing, (3) higher volatility in the Extended Market Sessions may impact pricing, (4) wider spreads may occur in the Extended Markets Sessions, and (5) because the indicative value is not calculated or widely disseminated during the Extended Market Sessions, an investor who is unable to calculate an implied value for the Shares in those sessions may be at a disadvantage to market professionals.

Delivery of a Prospectus

Exchange Members should be mindful of applicable prospectus delivery requirements under the federal securities laws with respect to transactions in the Fund. Prospectuses may be obtained through the Fund's website. The Prospectus for the Fund does not contain all of the information set forth in the Funds Registration Statement (including the exhibits to the Registration Statement),

parts of which have been omitted in accordance with the rules and regulations of the SEC. For further information about the Fund, please refer to its Registration Statement.

In the event that the Fund relies upon an order by the SEC exempting the Shares from certain prospectus delivery requirements under Section 24(d) of the 1940 Act and in the future make available a written product description, Exchange Rules require that Exchange Members provide to all purchasers of Shares a written description of the terms and characteristics of such securities, in a form prepared by the Issuer of the Fund, no later than the time a confirmation of the first transaction in the Shares is delivered to such purchaser. In addition, Exchange Members shall include such a written description with any sales material relating to the Shares that is provided to customers or the public. Any other written materials provided by an IEX member to customers or the public making specific reference to the Shares as an investment vehicle must include a statement in substantially the following form: "A circular describing the terms and characteristics of [the UTP Derivative Securities] has been prepared by the [open-ended management investment company name] and is available from your broker. It is recommended that you obtain and review such circular before purchasing [the UTP Derivative Securities]."

An Exchange member carrying an omnibus account for a non-member broker-dealer is required to inform such non-member that execution of an order to purchase Shares for such omnibus account will be deemed to constitute agreement by the non-member to make such written description available to its customers on the same terms as are directly applicable to such Exchange member under this rule. Upon request of a customer, Exchange Members also shall provide a copy of the Prospectus.

Suitability

Trading in the securities on the Exchange will be subject to the provisions of IEX Rule 3.170 and other applicable suitability rules. Members recommending transactions in the securities to customers should make a determination that the recommendation is suitable for the customer.

Trading Halts

The Exchange will halt trading in the Shares of a security in accordance with the Exchange's Rules. The grounds for a halt include a halt because the intraday indicative value of the security and/or the value of its underlying index are not being disseminated as required, a halt for other regulatory reasons or due to other conditions or circumstances deemed to be detrimental to the maintenance of a free and orderly market.

Exemptive, Interpretive and No-Action Relief Under Federal Securities Regulations

The Securities and Exchange Commission (the "SEC") has issued letters granting exemptive, interpretive and no-action relief from certain provisions of rules under the Securities Exchange Act of 1934 for exchange-traded securities listed and traded on a registered national securities exchange that meet certain criteria.

AS WHAT FOLLOWS IS ONLY A SUMMARY OF THE RELIEF OUTLINED IN THE NO-ACTION LETTERS REFERENCED ABOVE, THE EXCHANGE ADVISES INTERESTED PARTIES TO CONSULT THE NO-ACTION LETTERS FOR MORE COMPLETE INFORMATION REGARDING THE MATTERS COVERED THEREIN AND THE APPLICABILITY OF THE RELIEF GRANTED IN RESPECT OF TRADING IN SECURITIES. INTERESTED PARTIES SHOULD ALSO CONSULT THEIR PROFESSIONAL ADVISORS.

Regulation M Exemptions

Generally, Rules 101 and 102 of Regulation M prohibit any “distribution participant” and its “affiliated purchasers” from bidding for, purchasing, or attempting to induce any person to bid for or purchase any security which is the subject of a distribution until after the applicable restricted period, except as specifically permitted in Regulation M. The provisions of the Rules apply to underwriters, prospective underwriters, brokers, dealers, and other persons who have agreed to participate or are participating in a distribution of securities.

The SEC has granted an exemption from Rule 101 under Regulation M to permit persons participating in a distribution of Shares of the above-mentioned Fund to engage in secondary market transactions in such Shares during their participation in such a distribution. In addition, the SEC has granted relief under Regulation M to permit persons who may be deemed to be participating in the distribution of Shares of the above-mentioned Fund (i) to purchase securities for the purpose of purchasing Creation Unit Aggregations of Fund Shares and (ii) to tender securities for redemption in Creation Unit Aggregations. Further, the SEC has clarified that the tender of Fund Shares to the Fund for redemption does not constitute a bid for or purchase of any of the Funds’ securities during the restricted period of Rule 101. The SEC has also granted an exemption pursuant to paragraph (e) of Rule 102 under Regulation M to allow the redemption of Fund Shares in Creation Unit Aggregations during the continuous offering of Shares.

Rule 14e-5

An exemption from Rule 14e-5 has been granted to permit any person acting as a dealer-manager of a tender offer for a component security of the Fund (1) to redeem Fund Shares in Creation Unit Aggregations from the issuer that may include a security subject to such tender offer and (2) to purchase Fund Shares during such tender offer. In addition, a no-action position has been taken under Rule 14e-5 if a broker-dealer acting as a dealer-manager of a tender offer for a security of the Fund purchases or arranges to purchase such securities in the secondary market for the purpose of tendering such securities to purchase one or more Creation Unit Aggregations of Shares, if made in conformance with the following:

1. such bids or purchases are effected in the ordinary course of business, in connection with a basket of 20 or more securities in which any security that is the subject of a distribution, or any reference security, does not comprise more than 5% of the value of the basket purchase; or
2. purchases are effected as adjustments to such basket in the ordinary course of business as a result of a change in the composition of the underlying index; and
3. such bids or purchases are not effected for the purpose of facilitating such tender offer.

SEC Rule 15c1-5 and 15c1-6

The SEC has taken a no-action position with respect to Rule 15c1-5 and Rule 15c1-6 as to the required disclosure of control by a broker or dealer with respect to creations and redemptions of Fund Shares and secondary market transactions therein. (See letter from Catherine McGuire, Chief Counsel, SEC Division of Market Regulation, to Securities Industry Association, Derivative Products Committee, dated November 21, 2005.)

This Information Circular is not a statutory prospectus. Members should consult the Prospectus for a security and the security’s website for relevant information.

Please contact IEX Regulation at 646-343-2000 with any inquiries regarding this Information Circular.