

All disclosures in this term sheet regarding the Pacer NASDAQ-100 Trendpilot™ Index (USD) (the “**Index**”) have been derived from the index methodology and prospectus. The information summarizes the index methodology as published by Index Design Group (“IDG” or the “Index Sponsor”) and may be changed by IDG. Additional information on the Index is available at www.indexdesigngroup.com

Overview

The Index uses an objective, rules-based methodology to implement a systematic trend following strategy that directs the Index’s exposure to either 100% NASDAQ-100® Index, 50% NASDAQ-100® Index and 50% 3-Month US Treasury bills, or 100% 3-Month US Treasury bills. The Index aims to mitigate, to some extent, the volatility of the NASDAQ-100® by tracking 3-Month US Treasury bills when the NASDAQ-100® TR is in a negative trend.

The 200 Day Simple Moving Average of the respective Total Return Index, calculated by adding the closing price of the security for a number of time periods and then dividing this total by the number of time periods, is used to determine the Index’s exposure.

The Index was established on June 3, 2015 with an Index closing level equal to 253.31. NASDAQ or another party designated by the Index Sponsor will act as the calculation agent (the “**Index calculation agent**”) for the Index.

Indicators

Equity Indicator

When the NASDAQ-100® Return Index closes above its 200-day moving average for five consecutive business days, the exposure of the Index will be 100% to the NASDAQ-100®, effective on the second business day following the date of the Equity Indicator.

50/50 Indicator

When the NASDAQ-100® TR closes below its 200-day moving average for five consecutive business days, the exposure of the Index will be 50% to the NASDAQ-100® and 50% to 3-Month US Treasury bills, effective on the second business day following the date of the 50/50 Indicator.

Once the 50/50 Indicator has been triggered, the exposure of the Index will next change to either be 100% to the NASDAQ-100® if the Equity Indicator is triggered or 100% to 3-Month US Treasury bills if the T-Bill Indicator is triggered, effective on the second business day following the date of the indicator.

T-Bill Indicator

When the NASDAQ-100® TR’s 200-day moving average closes lower than its value from five business days earlier, the exposure of the Index will be 100% to 3-Month US Treasury bills, effective on the second business day following the date of the T-Bill Indicator.

Once the T-Bill Indicator has been triggered, the exposure of the Index will next change to be 100% to the NASDAQ-100® if the Equity Indicator is triggered, effective on the second business day following the date of the indicator. Once the T-Bill Indicator has been triggered, the Index will not return to its 50/50 position unless the Equity Indicator is first triggered, followed by the 50/50 Indicator being triggered.

Selection Criteria

Selection criteria is described for the NASDAQ-100[®] Index and T-bill Index

NASDAQ-100[®] Index Construction Criteria

The NASDAQ-100[®] Index includes 100 of the largest non-financial securities listed on The NASDAQ Stock Market based on market capitalization. The NASDAQ-100[®] Index comprises securities of companies across major industry groups, including computer, biotechnology, healthcare, telecommunications, and transportation. It does not contain securities of financial companies, including investment companies. The NASDAQ-100[®] Index was developed by NASDAQ OMX.

T-bill Index Construction Criteria

The 3-month US T-Bill Index is an equal weighted index designed to act as a US dollar-denominated cash position through the use of nine 3-month US Treasury-Bills (T-Bills) ranging from 30-91 days in duration.

1. Eligibility criteria
 - a. Index eligibility is limited to active 3-month United States Treasury Bills with duration greater than 30 days and less than 91 days.
2. Index evaluation criteria
 - a. Inclusion: Up to nine 3-month US T-Bills with maturities between 30 and 91 days remaining will be selected for Index
 - b. Each Thursday, at the open of trading, the Index will be reviewed to determine the Index Security with the last amount of maturity remaining.
 - c. The Index change will become effective prior to market open on the following Monday.
3. Index Rebalance
 - a. The Index employs an equal-weighted methodology and will be set to equal weighted at the Index launch. At each weekly Evaluation, the removed Index Security will be replaced at the same weight as the new Index Security.

Index Calculation

The Index calculation agent will calculate the Index Level for each Index business day. The Index Level will be displayed on Bloomberg page "X" by no later than 6:00 p.m. EST on each Index business day. Intraday Index levels will be published by the Index calculation agent under ticker symbol "XNDXTRND". All numerical values for the Index will be rounded to fifteen decimal places.

In the event that the Index calculation agent or the Index Sponsor determines that a material error has occurred in the calculation of the Index (**index disruption event**), the Index calculation agent will correct such error on a date agreed to by the Index Sponsor.

If the Index is no longer calculable in accordance with the Index Methodology, due to any event or condition giving rise to the right to so adjust, amend, delete or alter the Index, an **Index adjustment event** may be made to correct or supplement any ambiguity or defective provision contained in the Index Methodology.

Changes to index methodology

Should a circumstance arise including, fiscal, market, regulatory, juridical, and financial or other circumstances, the Index Sponsor can make a modification of, or change to, the Index Methodology.