

# CAFG

## Pacer US Small Cap Cash Cows Growth Leaders ETF

### Fund Description

CAFG tracks a price momentum-weighted index of 100 small-cap US companies that exhibit the highest growth characteristics.

### FactSet Analyst Report

CAFG utilizes a rules-based methodology in constructing its view for a quality stock portfolio. Beginning with the S&P SmallCap 600, and excluding the stocks in the financial and real estate sectors, the fund identifies top growth securities by screening for above-average projected free cash flows and earnings over the next two years. The securities are then ranked by their trailing 12-month free cash flow margin, and the top 100 stocks are selected. The theory is that stocks with the highest free cash flow margin over time may produce higher current and future sales and earnings growth. Index holdings are weighted based on 6-month price momentum with a 5% capping on each company for diversification purposes. The index rebalancing and reconstitution are done quarterly in March, June, September, and December.

