

Stay Trendy with this ETF from Pacer

You've probably heard the phrase "Buy low and sell high". It makes intuitive sense, but when it comes to investing, "The trend is your friend" might be a better piece of wisdom to keep in mind. Identifying the current trend and adjusting a portfolio accordingly may significantly benefit an individual's portfolio over time.

For example, the 200-day Simple Moving Average (SMA), a well-followed indicator of the long-term trend, has proven to be a prescient indicator of large equity market drawdowns. In the last six bear markets, most of the losses occurred after stocks had fallen below their respective 200-day SMA.

Trend-following investors who reduced their exposure when markets fell below their 200-day SMA could minimize the brunt of the pain.

With the Pacer Trendpilot® 100 ETF (NASDAQ: [PTNQ](#)), adhering to a trend-following strategy is now more accessible than ever for individual investors. Using three straightforward rules, the ETF adjusts its exposure between two holdings, the Nasdaq-100 Index® and U.S. Treasury bills, in one of the following combinations:

- 100% exposure to the Nasdaq-100®
- 50%-50% Nasdaq-100®/3-month U.S. Treasury bills, or
- 100% exposure to 3-month U.S. Treasury bills

These rules are aimed at giving the ETF exposure to the growth-tilted Nasdaq-100 Index® when equities are in a rising trend. The Nasdaq-100 comprises many of the world's largest and most well-known information technology, social media, and pharmaceutical companies. Unlike the Dow Jones Industrial Average, the Nasdaq-100® is a tech-heavy index with no financial services components. Additionally, the Nasdaq-100® includes some international companies, while the Dow is strictly made up of U.S.-based stocks.

On the other hand, when stocks start to weaken, the goal of the Pacer Trendpilot® 100 ETF is to seek shelter by way of short-term U.S. Treasury bills, which are often seen as a safe haven in times of elevated market volatility. The fund can also help investors get back into stocks as a new bull market emerges, rather than staying put on the sidelines. For those who appreciate analogies, think of PTNQ as going to the beach on a sunny day (equities) but having an umbrella on hand in case it rains (Treasury bills). Whatever the market weather, PTNQ aims to have you covered.

Conclusion

Markets, like fashion, cars, and music, tend to trend. And once a trend starts, it can continue for quite a while. Everyone wants to sell at the peak and buy right at the bottom, of course. But in addition to being nearly impossible to do, that sort of exact market timing isn't necessary. What's crucial to portfolio performance is capturing the bulk of an upside move once it starts.

Being on the right side of a trend offers investors the potential for gains while avoiding negative trends can limit their losses. Rather than the DIY approach, investors can access a powerful trend-following approach with the Pacer Trendpilot 100 ETF. In a world of increasing market volatility, being trendy has never been more important.

Disclosure

Before investing you should carefully consider the Fund's investment objectives, risks, charges, and expenses. This and other information is in the [prospectus](http://www.paceretfs.com). A copy may be obtained by visiting www.paceretfs.com or calling 1-877-337-0500. Please read the prospectus carefully before investing.

An investment in the Funds is subject to investment risk, including the possible loss of principal. Pacer ETF shares may be bought and sold on an exchange through a brokerage account. Brokerage commissions and ETF expenses will reduce investment returns. There can be no assurance that an active trading market for ETF shares will be developed or maintained. The risks associated with this fund are detailed in the prospectus and could include factors such as calculation methodology risk, concentration risk, equity market risk, ETF risks, fixed income risk, government obligations risk, large-capitalization investing risk, non-diversification risk, passive investment risk, sector risk, tracking risk, trend lag risk, and/or special risks of exchange traded funds.

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