

Pacer US Small Cap Cash Cows Index Consultation on Index Universe and Index Construction – Results

NEW YORK, MARCH 11, 2025: S&P Dow Jones Indices (“S&P DJI”) conducted a [consultation](#) with market participants on potential changes to the Pacer US Small Cap Cash Cows Index.

To enhance index liquidity and reduce concentration, S&P DJI is changing the reference index, number of constituents, data availability screens, and weighting scheme as detailed below.

Change	Methodology	
	Previous	Updated
Reference Index	S&P Small Cap 600 Index	S&P United States SmallCap Index
Constituent Selection and Weighting	Then the 100 securities with the highest Free Cash Flow Yield values are selected. These securities are then weighted by their <i>Free Cash Flow</i> _{T12M} . Stock weights are capped at 2% during each rebalance. Stock weights may exceed 2% between quarterly rebalances.	Then the 200 securities with the highest Free Cash Flow Yield values are selected. These securities are then weighted by their <i>Free Cash Flow</i> _{T12M} . Stock weights are capped during each rebalance. Stock weights may exceed the cap between quarterly rebalances. The weighting cap is determined by the minimum of 2% or a percentage value derived from 5% free float market capitalization assuming US\$ 20 billion index market cap. Min [2%, 5% * Free Float Market Capitalization (expressed in millions) / 20,000].
Number of Constituents	100	200
Data Availability Screens	<ol style="list-style-type: none"> Companies within GICS Financials Sector are removed. Prior to 18 November 2024, an additional filter was applied to the sector classification. For details, please refer to Appendix III. Companies with negative Forward Year Free Cash Flows Estimates and Forward Year Earnings Estimates are excluded. 	<ol style="list-style-type: none"> Companies within GICS Financials Sector are removed. Prior to 18 November 2024, an additional filter was applied to the sector classification. For details, please refer to Appendix III. The remaining eligible stocks are ranked by their 3-month average daily traded value and the top 75% are included (inclusive of the stocks at 75%). Companies with negative Forward Year Free Cash Flows Estimates and Forward Year Earnings Estimates are excluded.

IMPACTED INDICES

Index Name	Ticker
Pacer US Small Cap Cash Cows Index	CALF
Pacer US Small Cap Cash Cows Total Return Index	CALFTR
Pacer US Small Cap Cash Cows Net Tax Index	CALFNT

IMPLEMENTATION TIMING

S&P DJI is implementing the changes in conjunction with the upcoming March rebalancing, which takes effect prior to the market open on **Monday, March 24, 2025**. These changes will first be visible to clients in pro-forma files beginning on **Wednesday, March 19, 2025**.

For more information about S&P Dow Jones Indices, please visit www.spglobal.com/spdji.

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INDEX ANNOUNCEMENT