

BSMQ

Invesco BulletShares 2026 Municipal Bond ETF Analyst Report

The Invesco BulletShares 2026 Municipal Bond ETF tracks an index of U.S. municipal debt that matures in the indicated year. Municipal bonds are a popular segment because they are generally exempt from exempt from federal taxes. This makes munis especially appealing to investors in high tax brackets. BulletShares are different than traditional bond ETFs because once the scheduled maturity date is reached, the funds distribute the principal back to investors. Traditional bond ETFs continuously buy and sell their underlying bonds to maintain their target maturity. For this reason, BulletShares behave more like a traditional bond than like a bond fund. This appeals to investors who want to lock in a fixed coupon while still gaining the diversification that an ETF portfolio provides. BulletShares aims to invest fixed-rate, investment-grade municipal securities whose distributions are exempt from federal taxes including the alternative minimum tax. Municipal bonds are issued by state and local governments and agencies to pay for everything from road projects to school buildings. They are typically considered a relatively safe investment since the issuer can impose taxes to repay the debt, though defaults are not unheard of. As the maturity date nears, BulletShares ETFs roll the proceeds of their maturing bonds into other securities including cash, cash equivalents, fixed-income ETFs, derivatives and options. Investors should note that some fund distributions may be subject to federal income tax, capital gains or the AMT. As the fund's portfolio matures in the final year, its yields may decline. Investors who prefer to maintain their exposure to munis can sell their maturing ETF and buy a later-dated BulletShares muni fund. One popular strategy is "laddering" BulletShares across a range of maturity dates, which locks in fixed coupon payments and plans ahead for cash distributions at maturity. This makes them attractive to those who want the guaranteed income combined with the ease and diversification benefits an ETF can provide. For most investors, it's far easier and can it is for them to

ESG Themes and Scores

N/A

ESG Rate

N/A

Global Percentile

N/A

Peer Percentile

Performance Data

	BSMQ	ETF Database Category Average	Factset Segment Average
1 Month	0.22%	1.13%	0.19%
3 Month	0.45%	0.71%	0.29%
YTD Return	0.87%	1.49%	0.66%
1 Year Return	2.86%	5.50%	1.24%
3 Year Return	2.81%	2.40%	0.56%
5 Year Return	0.27%	0.41%	0.09%

Top 5 Holdings

Symbol	Holding	% Assets
Other	U.S. Dollar	3.24%
Other	Idaho Health Facs Auth Rev VAR 01-MAR-2048	0.94%
Other	New York N Y City Mun Wtr Fin Auth Wtr & Swr Sysrev	0.83%
Other	New York N Y 5.0% 01-AUG-2026	0.70%
Other	Maryland St Dept Transn Cons Transn 5.0% 01-OCT-2026	0.53%

Vitals

Issuer	Invesco
Brand	Invesco
Structure	ETF
Expense Ratio	0.18%
Inception	Sep 25, 2019
Index Tracked	Invesco BulletShares Municipal Bond 2026 Index

ETF Database Themes

Category	National Munis
Asset Class	Bond
Asset Class Size	N/A
Asset Class Style	N/A
Region (General)	North America
Region (Specific)	U.S.

FactSet Classifications

Segment	Fixed Income: U.S. - Government, Local Authority/Municipal Investment Grade Ultra-Short Term
Category	Government, Local Authority/Municipal
Focus	Investment Grade
Niche	Ultra-Short Term
Strategy	Bullet Maturity
Weighting	Market Value

