

IIGD

Invesco Investment Grade Defensive ETF

Analyst Report

The Invesco Investment Grade Defensive ETF tracks a proprietary index of bonds issued by investment-grade U.S. companies, then applies a quality tilt. The index targets bonds with at least \$600 million in face value outstanding, and two to 10 years remaining until maturity. The index applies a quality score based on credit rating and the remaining maturity, giving higher scores to bonds that have less time remaining until maturity. Those bonds with the highest scores are selected for inclusion. The result is an investment-grade portfolio that's largely tilted toward issuers rated A and higher, with the bulk of the bonds maturing in one to five years. The result is a portfolio with a shorter effective duration than some other intermediate bond ETFs, which may reduce vulnerability to interest rate increases but is also likely to sacrifice some yield. Duration is a measure of sensitivity to interest rates. Bond prices typically fall when interest rates rise because inflation erodes the value of interest income. Longer-duration bonds typically come with higher yields but are more sensitive to interest rates hikes. So reducing duration may appeal to investors who worry that strengthening economic growth and rising inflation could lead to rising rates, which will drag down the value of their fixed income portfolio. While that may be useful, rate-sensitive investors might be able to achieve similar results with ETFs that invest in short-term corporate debt. Investors who are worried about both credit and rate risk should also look at mixing short- and intermediate-term sovereign debt ETFs. Fund fees are reasonable, though higher than some rival short- and intermediate-term debt ETFs. It's worth comparing fees, liquidity, returns, credit quality and duration against other intermediate- and short-term ETFs investing in investment grade U.S. corporates and even those that invest in a mix of investment-grade and high-yield debt.

ESG Themes and Scores

6.75/10	57.89%	88.24%
ESG Rate	Global Percentile	Peer Percentile

Performance Data

	IIGD	ETF Database Category Average	Factset Segment Average
1 Month	-0.17%	0.25%	-0.04%
3 Month	-0.73%	-0.20%	-0.48%
YTD Return	0.32%	0.83%	0.32%
1 Year Return	4.56%	5.50%	4.63%
3 Year Return	5.26%	4.63%	2.26%
5 Year Return	1.67%	1.02%	0.39%

Top 5 Holdings

Symbol	Holding	% Assets
Other	Duke Energy Carolinas, LLC 4.95% 15-JAN-2033	0.67%
Other	PACCAR Financial Corp. 4.6% 31-JAN-2029	0.67%
Other	Altria Group, Inc. 4.8% 14-FEB-2029	0.66%
Other	Ventas Realty Limited Partnership 4.4% 15-JAN-2029	0.66%
Other	Xilinx, Inc. 2.375% 01-JUN-2030	0.65%

Vitals

Issuer	Invesco
Brand	Invesco
Structure	ETF
Expense Ratio	0.13%
Inception	Jul 25, 2018
Index Tracked	Invesco Investment Grade Defensive Index

ETF Database Themes

Category	Corporate Bonds
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. - Corporate, Broad-based Investment Grade Intermediate
Category	Corporate, Broad-based
Focus	Investment Grade
Niche	Intermediate
Strategy	Fundamental
Weighting	Market Value

