

KBWR

Invesco KBW Regional Banking ETF

Analyst Report

This ETF offers exposure to regional banks, delivering targeted exposure to a unique corner of the U.S. financials sector. Given the narrow focus of KBWR, this fund might be most useful for investors looking to implement a shorter term tactical tilt towards this corner of the market, though it can certainly also be used as a component of a long-term portfolio as well.

KBWR's portfolio is unique from the most popular ETFs in the Financials Equities ETFdb Category; this ETF is designed to focus on firms that do business as regional banks or thrifts, and as such does not include Wall Street titans that make up funds such as XLF. Moreover, it should be noted that these smaller regional banks often maintain risk/return profiles that differ considerably from their large cap peers; though impacted by some of the same factors, regional banks generally depend more heavily on traditional banking functions to drive profits.

KBWR's portfolio is reasonably deep, consisting of about 50 individual holdings. And this ETF features a nice degree of balance as well; no one name accounts for a huge portion of assets. For investors looking to target this corner of the market, the competitive expense ratio and balanced portfolio make KBWR a potentially appealing option. Alternative ETPs covering the same corner of the market include KRE (which is linked to an equal-weighted index) and IAT, while ProShares offers a pair of leveraged ETFs targeting regional banks (KRS, KRU).

ESG Themes and Scores

4.53/10

ESG Rate

8.99%

Global Percentile

13.47%

Peer Percentile

Performance Data

	KBWR	ETF Database Category Average	Factset Segment Average
1 Month	18.67%	12.42%	18.94%
3 Month	7.16%	5.51%	7.78%
YTD Return	-10.63%	5.06%	-14.28%
1 Year Return	-17.52%	-0.32%	-20.47%
3 Year Return	7.83%	8.48%	3.88%
5 Year Return	1.52%	5.05%	0.00%

Top 5 Holdings

Symbol	Holding	% Assets
WBS	Webster Financial Corporation	4.21%
CFR	Cullen/Frost Bankers, Inc.	3.74%
CBSH	Commerce Bancshares, Inc.	3.74%
NYCB	New York Community Bancorp Inc	3.05%
BOKF	BOK Financial Corporation	2.82%

Vitals

Issuer	Invesco
Brand	Invesco
Structure	ETF
Expense Ratio	0.35%
Inception	Nov 01, 2011
Index Tracked	KBW Nasdaq Regional Banking Index

ETF Database Themes

Category	Financials Equities
Asset Class	Equity
Asset Class Size	Small-Cap
Asset Class Style	Blend
Region (General)	North America
Region (Specific)	U.S.

FactSet Classifications

Segment	Equity: U.S. Regional Banks
Category	Sector
Focus	Financials
Niche	Regional Banks
Strategy	Multi-factor
Weighting	Tiered

