

PFIG

Invesco Fundamental Investment Grade Corporate Bond ETF Analyst Report

This ETF offers exposure to investment grade U.S. corporate bonds, an asset class that many investors and advisors believe should hold a core position in long-term, buy-and-hold portfolios. This asset class has the potential to offer a significant yield upgrade from Treasuries without exposing investors to the risk that often accompanies high yield bonds. While corporate debt is often included in total bond market ETFs such as AGG and BND, it is noted that allocations are often on the small side. As such, a position in products such as PFIG might make sense as complementary additions to a long-term portfolio.

PFIG distinguishes itself from other products in the Corporate Bonds ETFdb Category by the weighting methodology employed by the underlying index. Most bond ETFs are linked to cap weighted indexes that give the largest allocations to the biggest issuers of debt and to the most expensive securities. That approach has multiple potential drawbacks; the biggest debtors receive the highest weightings, and there exists a tendency to overweight overvalued securities. PFIG offers an alternative to cap weighted bond ETFs that may have appeal to investors looking to break the link between security weightings and the level of debt maintained. Rather, PFIG is constructed with the goal of giving the largest weightings to the companies with the greatest ability to service their debt. This is accomplished by scoring issuers based on four fundamental measures of size, including dividends and cash flow. The result is a portfolio that is similar to more popular products such as LQD, but backed by a more sound construction methodology.

It should be noted that CBND shares a generally similar objective, but uses slightly different metrics to score the issuers of debt. One potential drawback of PFIG is the slightly above average expense ratio; investors will pay a higher fee than they would for the exposure to the

ESG Themes and Scores

6.66/10 54.6% 78.16%
ESG Rate Global Percentile Peer Percentile

Performance Data

	PFIG	ETF Database Category Average	Factset Segment Average
1 Month	0.30%	0.52%	0.55%
3 Month	-0.30%	0.26%	-0.16%
YTD Return	3.79%	4.38%	3.26%
1 Year Return	7.00%	7.31%	6.50%
3 Year Return	0.09%	0.23%	-0.73%
5 Year Return	1.39%	0.83%	0.56%

Top 5 Holdings

Symbol	Holding	% Assets
Other	JPMorgan Chase & Co. 2.95% 01-OCT-2026	1.00%
Other	Bank of America Corporation 3.248% 21-OCT-2027	0.81%
Other	Wells Fargo & Company 4.15% 24-JAN-2029	0.69%
Other	Apple Inc. 1.65% 08-FEB-2031	0.49%
Other	Apple Inc. 3.25% 23-FEB-2026	0.44%

Vitals

Issuer	Invesco
Brand	Invesco
Structure	ETF
Expense Ratio	0.22%
Inception	Sep 15, 2011
Index Tracked	RAFI Bonds US Investment Grade 1-10 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
Category	Corporate, Broad-based
Focus	Investment Grade
Niche	Broad Maturities
Strategy	Fundamental
Weighting	Fundamental

