

PSCM

Invesco S&P SmallCap Materials ETF

Analyst Report

This ETF is one of many in the Materials ETFdb Category, offering exposure to the U.S. materials sector, a corner of the domestic stock market that may have appeal to investors looking to gain indirect exposure to commodity prices through the stocks of companies engaged in the extraction or production of natural resources. Because the materials sector generally accounts for a relatively small allocation within broad-based equity ETFs, some investors may be interested in adding this ETF to a long-term portfolio. PSCM may also be useful for establishing a tactical tilt towards the materials sector, and can be useful as part of a sector rotation strategy.

Unlike most of the other materials ETFs available to U.S. investors, PSCM focuses primarily on small cap stocks; funds such as XLB are generally dominated by large cap stocks in comparison. While these groups of companies are impacted by many of the same factors, there can be some significant differences in the risk/return profiles as well; small caps will generally feature greater volatility, but may offer greater potential for capital appreciation over the long run.

The small cap approach may have other benefits as well. PSCM, for example, features a relatively balanced portfolio; no one stocks accounts for a huge percentage of assets. XLB, on the other hand, has close to 10% of its assets in a handful of different stocks, and the top ten components account for well more than half of the total portfolio. For investors looking to establish materials exposure, this ETF is worth a close look; the balance of holdings and efficient cost structure make it one of many good options out there.

ESG Themes and Scores

5.78/10

ESG Rate

33.59%

Global Percentile

44.12%

Peer Percentile

Performance Data

	PSCM	ETF Database Category Average	Factset Segment Average
1 Month	-0.29%	10.12%	2.26%
3 Month	7.07%	12.18%	7.19%
YTD Return	2.31%	7.01%	4.55%
1 Year Return	14.22%	6.00%	10.72%
3 Year Return	7.17%	1.84%	5.49%
5 Year Return	10.41%	8.09%	9.42%

Top 5 Holdings

Symbol	Holding	% Assets
ATI	ATI Inc.	9.56%
SEE	Sealed Air Corporation	6.96%
BCPC	Balchem Corp	6.92%
FUL	H.B. Fuller Company	6.05%
AMR	Alpha Metallurgical Resources, Inc.	5.59%

Vitals

Issuer	Invesco
Brand	Invesco
Structure	ETF
Expense Ratio	0.29%
Inception	Apr 07, 2010
Index Tracked	S&P Small Cap 600 / Materials -SEC

ETF Database Themes

Category	Materials
Asset Class	Equity
Asset Class Size	Micro-Cap
Asset Class Style	Blend
Region (General)	North America
Region (Specific)	U.S.

FactSet Classifications

Segment	Equity: U.S. Materials
Category	Sector
Focus	Materials
Niche	Broad-based
Strategy	Vanilla
Weighting Scheme	Market Cap

