

PXH

Invesco RAFI Emerging Markets ETF

Analyst Report

This ETF offers exposure to emerging markets, making it a potential cornerstone of any long-term portfolio and a useful tool for implementing shorter-term tactical overlays as well. While this ETF has considerable overlap with more popular EM ETFs such as VWO or EEM, there are some key distinctions that shape a very unique risk/return profile. PXH is linked to a RAFI-weighted index that determines components and individual security weightings based on fundamental measures such as book value and cash flow. As such, PXH breaks the link between stock price and security allocation and may have appeal as an alternative to market capitalization weighting systems that have numerous potential drawbacks. PXH features the same biases that are common in many EM ETFs, including big weightings to energy and financials. This fund does offer nicely balanced exposure, with about 300 components (though a few account for a big portion of assets). Other alternatives to cap-weighted ETFs include the equal-weighted EWEM or the dividend-weighted DEM, both of which have potential advantages and drawbacks. PXH is considerably more expensive than VWO, but for investors who believe in the merits of the RAFI methodology it may be a better way to achieve emerging markets exposure.

ESG Themes and Scores

6.46/10

ESG Rate

46.62%

Global Percentile

31.02%

Peer Percentile

Performance Data

| | PXH | ETF Database Category Average | Factset Segment Average |
|---------------|--------|-------------------------------|-------------------------|
| 1 Month | 2.73% | 4.64% | 6.31% |
| 3 Month | 8.00% | 12.45% | 15.29% |
| YTD Return | 14.23% | 18.81% | 22.51% |
| 1 Year Return | 34.74% | 37.09% | 42.29% |
| 3 Year Return | 21.88% | 17.65% | 15.25% |
| 5 Year Return | 9.17% | 5.22% | 4.43% |

Top 5 Holdings

| Symbol | Holding | % Assets |
|--------|--|----------|
| 2330 | Taiwan Semiconductor Manufacturing Co., Ltd. | 7.07% |
| PETR4 | Petroleo Brasileiro SA Pfd | 4.11% |
| 2317 | Hon Hai Precision Industry Co., Ltd. | 3.40% |
| 9988 | Alibaba Group Holding Limited | 3.13% |
| VALE3 | Vale S.A. | 2.60% |

Vitals

| | |
|---------------|---|
| Issuer | Invesco |
| Brand | Invesco |
| Structure | ETF |
| Expense Ratio | 0.47% |
| Inception | Sep 27, 2007 |
| Index Tracked | RAFI Fundamental Select Emerging Markets 350 Index - Benchmark TR Net |

ETF Database Themes

| | |
|-------------------|---------------------------|
| Category | Emerging Markets Equities |
| Asset Class | Equity |
| Asset Class Size | Large-Cap |
| Asset Class Style | Blend |
| Region (General) | Emerging Markets |
| Region (Specific) | Broad |

FactSet Classifications

| | |
|-----------|---|
| Segment | Equity: Emerging Markets - Total Market |
| Category | Size and Style |
| Focus | Total Market |
| Niche | Broad-based |
| Strategy | Fundamental |
| Weighting | Fundamental |

