

PXH

Invesco FTSE 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

5.95/10

ESG Rate

35.16%

Global Percentile

28.26%

Peer Percentile

Performance Data

	PXH	ETF Database Category Average	Factset Segment Average
1 Month	1.64%	0.04%	0.25%
3 Month	9.79%	3.84%	3.73%
YTD Return	9.20%	4.44%	4.48%
1 Year Return	19.85%	8.38%	6.55%
3 Year Return	7.85%	2.78%	1.89%
5 Year Return	14.29%	9.25%	5.82%

Top 5 Holdings

Symbol	Holding	% Assets
9988	Alibaba Group Holding Limited	6.56%
2330	Taiwan Semiconductor Manufacturing Co., Ltd.	5.43%
700	Tencent Holdings Ltd.	4.07%
1398	Industrial and Commercial Bank of China Limited Class H	3.03%
939	China Construction Bank Corporation Class H	2.73%

Vitals

Issuer	Invesco
Brand	Invesco
Structure	ETF
Expense Ratio	0.49%
Inception	Sep 27, 2007
Index Tracked	FTSE RAFI Emerging

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

