

PYZ

Invesco Dorsey Wright Basic Materials Momentum ETF Analyst Report

This ETF offers exposure to the U.S. materials sector, a corner of the domestic economy that includes companies engaged in the extraction and production of various natural resources (and therefore potentially useful as a means of establishing "indirect" commodity exposure through commodity-intensive companies). Given the sector-specific focus, PYZ likely doesn't deserve a core allocation, but may be useful as a means of implementing a tactical tilt towards the materials sector. PYZ is unique within this category due to the nature of the underlying index; this fund is part of the PowerShares Intellidex suite, seeking to replicate an index that employs quant-based screening techniques to identify companies deemed to maintain the greatest potential for capital appreciation. In return for exposure to this strategy, which has historically delivered impressive returns, investors can expect to pay a bit more; PYZ's expense ratio is about 40 basis points higher than low cost options for materials exposure such as FBM and XLB. The unique index construction methodology has some other potential advantages; PYZ maintains much lower concentration of top holdings than do cap-weighted funds such as FBM and XLB. That means that performance isn't as dependent on a handful of large cap stocks, potentially giving a better way to access materials. For those who believe in the merits of the Intellidex methodology and willing to pay a little extra for a shot at alpha, PYZ might be worth a closer look (First Trust's FXZ maintains a similar objective; a comparison of these two funds and a third cap-weighted or equal-weighted option from the Materials ETFdb Category is probably a good idea for those considering an investment). Those looking to keep a cap on expenses and simply own the broader market have cheaper options available to them.

ESG Themes and Scores

5.97/10	31.4%	46.04%
ESG Rate	Global Percentile	Peer Percentile

Performance Data

	PYZ	ETF Database Category Average	Factset Segment Average
1 Month	1.72%	0.63%	0.27%
3 Month	-0.72%	-7.44%	-0.34%
YTD Return	19.08%	12.29%	14.37%
1 Year Return	49.30%	55.38%	27.75%
3 Year Return	19.81%	22.63%	10.94%
5 Year Return	8.10%	8.84%	5.02%

Top 5 Holdings

Symbol	Holding	% Assets
CRS	Carpenter Technology Corporation	6.81%
ATI	Allegheny Technologies Incorporated	5.30%
CF	CF Industries Holdings, Inc.	4.89%
AA	Alcoa Corporation	4.55%
STLD	Steel Dynamics, Inc.	4.13%

Vitals

Issuer	Invesco
Brand	Invesco
Structure	ETF
Expense Ratio	0.60%
Inception	Oct 12, 2006
Index Tracked	Dynamic Basic Materials Sector Intellidex Index

ETF Database Themes

Category	Materials
Asset Class	Equity
Asset Class Size	Multi-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	Momentum
Weighting Scheme	Momentum

