

HBRD

Invesco U.S. Hybrid Bond ETF

Fund Description

HBRD tracks a market-cap weighted index of USD-denominated hybrid corporate debt issued in the US. Hybrid corporate bonds have both debt and equity features.

FactSet Analyst Report

HBRD provides exposure to the US fixed income market by tracking an index of USD-denominated hybrid corporate debt. Hybrid corporate bonds combine features of both bonds and equity. To be eligible, securities must be rated AAA to BB2, have a minimum of 18 months to maturity at issuance, at least one year remaining to maturity at rebalancing, a fixed coupon schedule, and a minimum outstanding amount of \$250 million per maturity. Securities must also have risk exposure to FX G10 countries, Western Europe, or US territories. The funds investments comprise original issue zero coupon bonds, Rule 144A securities, and fixed-to-floating rate securities that are callable within the fixed rate period. Hybrid capital securities with cumulative or non-cumulative coupon deferral provisions and alternative coupon satisfaction mechanisms are also included. Finally, the index weights constituents by market cap, with individual capping of 4.85%. Index rebalancing is done monthly.

