Fund in Focus

VRP

Invesco Variable Rate Preferred ETF

Underlying index:	Wells Fargo® Hybrid and Preferred Securities Floating and Variable Rate Index
Inception:	May 1, 2014
Expense ratio:	0.50%
AUM: *(as of June 30, 2019)*	$1.5 billion

Key features

As investors continue their pursuit of investment income, one question continues to emerge: how to realize income objectives while minimizing exposure to the risk of rising interest rates?

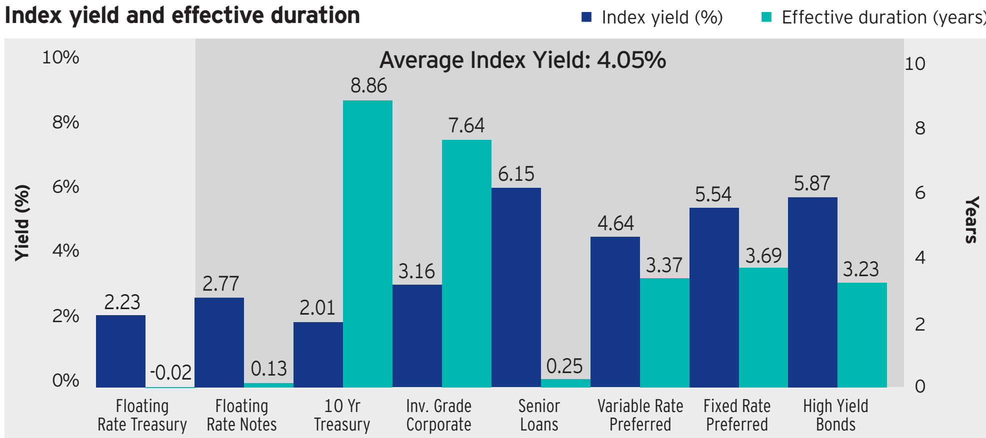
Consider three key features of VRP:

- **High current monthly income potential**
- **Portfolio income diversification[1] and potential for enhanced after-tax yield**
- **One of the purest exposures to variable rate preferred securities to help minimize interest rate sensitivity**

High current monthly income potential

The constituents in VRP's underlying index have an average yield of 4.64%. Relative to other segments of the income market with an average index yield of 4.05%, variable-rate preferreds may offer an attractive yield:

Index yield and effective duration



Source: Wells Fargo, Bloomberg L.P., as of June 30, 2019. Effective duration is a measure of the sensitivity of the price of a fixed income investment to interest rate and bond cash flow changes. Index yields do not represent fund yields. Fund yields can be found on invesco.com. An investor cannot invest directly in an index. ***Past performance cannot guarantee future results****. The following indexes were used to measure market yields: Variable rate preferreds: Wells Fargo Hybrid and Preferred Securities Floating and Variable Rate Index; Floating rate treasury: Bloomberg Barclays US Treasury Floating Rate Index; Floating rate notes: Bloomberg Barclays US Floating Rate <5 Years Index; 10-year Treasury: US Generic Government 10 Year Index; Investment grade corporate bonds: Bloomberg Barclays US Aggregate Corporate Index; Senior loans: S&P/LSTA US Leveraged Loan 100 Index; Fixed rate preferreds: ICE BofAML Core Plus Fixed Rate Preferred Securities Index; and High yield bonds: Bloomberg Barclays US Corporate High Yield Index. Please see Risk Information on page 2 for risks of investing in asset classes.*

VRP offers potential tax advantage, as more than 71% of its holdings offer qualified dividend income (QDI) (as of June 30, 2019). QDI is taxed at lower rates than ordinary income.

Portfolio income diversification[1] and potential for enhanced after-tax yield

Preferred securities are hybrid securities with income characteristics of both stocks and bonds. Similar to traditional equity securities, many preferred issuers pay qualified dividend income (QDI), which is taxed at a lower rate than ordinary income. As illustrated below, QDI from eligible preferred securities is taxed at a maximum rate of 23.8%, while the highest tax rate for ordinary income (including interest income from bonds) is 43.4%. On the other hand, like bonds, preferred securities have fixed coupon payment. These unique characteristics can help diversify a portfolio's income stream while also enhancing after-tax yield.

Hypothetical comparison

	Preferred Stock	Bond
Coupon	5%	5%
Highest Income Tax Rate*	23.8%	43.4%
After-Tax Coupon	3.8%	2.8%

**Includes Medicare surtax of 3.8%.*
For illustrative purposes only. Invesco does not offer tax advice. Please consult your own tax adviser for information regarding your own tax situation.

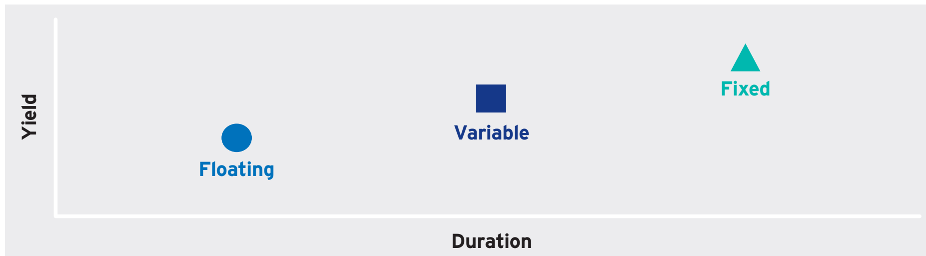
1 Diversification does not ensure a profit or protect against loss.

One of the purest exposures to variable rate preferred securities to help minimize interest rate sensitivity

VRP is the only ETF to offer pure exposure to variable rate preferred securities. The fund generally will invest at least 90% of its total assets in the securities that comprise the Wells Fargo Hybrid and Preferred Securities Floating and Variable Rate Index (underlying index). The underlying index is a market capitalization-weighted index designed to track the performance of preferred stock, as well as certain types of "hybrid securities" that are functionally equivalent to preferred stocks, that are issued by US-based or foreign issuers and that pay a floating or variable rate dividend or coupon. It consists primarily of variable rate (fixed-to-floating) preferreds, with a small percentage invested in floating rate preferreds. Fixed-to-floating rate preferreds are callable on the same day that their coupon changes from fixed to floating, so they trade on a yield-to-call basis, rather than on a current yield or yield-to-maturity basis. When a security trades on a yield-to-call basis, it trades as though it has a shorter maturity. As a result, it exhibits less interest-rate sensitivity than it would otherwise.

Fixed-to-floating rate preferreds offer the potential for a meaningful rate of income relative to the floating rate preferreds, but with less duration than fixed rate preferreds.

Yield/Duration relationship



For illustrative purposes only. Duration is a measure of a bond's sensitivity to interest rate changes that reflects the change in a bond's price given a change in yield.

Wells Fargo Hybrid and Preferred Securities Floating and Variable Rate Index is a market capitalization-weighted index that tracks the performance of preferred stocks, as well as certain types of "hybrid securities" that are functionally equivalent to preferred stocks, that are issued by US-based or foreign issuers and that pay a floating or variable rate dividend or coupon. **Bloomberg Barclays US Treasury Floating Rate Index** measures the performance of floating rate public obligations of the US Treasury. **Bloomberg Barclays US Floating Rate Note <5 Years Index** is an unmanaged index considered representative of US dollar-denominated, investment grade floating rate notes with less than 5 years remaining to maturity. **US Generic Government 10 Year Index** tracks the yield of the 10 Year US Treasury. **Bloomberg Barclays US Aggregate Corporate Index** is an unmanaged index considered representative of publicly issued, fixed-rate, investment-grade debt securities. **S&P/LSTA US Leveraged Loan 100 Index** is representative of the performance of the largest facilities in the leveraged loan market. **ICE BofAML Core Plus Fixed Rate Preferred Securities Index** tracks the performance of fixed-rate US dollar-denominated preferred securities and fixed-to-floating rate securities that are callable prior to the floating rate period and are at least one year from the start of the floating rate period. **Bloomberg Barclays US Corporate High Yield Index** is an unmanaged index considered representative of fixed-rate, noninvestment grade debt.

Risk Information

Investing in stock involves risks, including the loss of principal and changes in dividend policies of companies and the capital resources available for dividend payments. Although bonds generally present less short-term risk and volatility than stocks, investing in bonds involves interest rate risk; as interest rates rise, bond prices usually fall, and vice versa. Bonds also entail credit risk and the risk of default, as well as greater inflation risk than stocks. Treasury bills are guaranteed by the full faith and credit of the US government as to the timely payment of principal and interest; however, this guarantee does not eliminate market risk. Corporate bonds may offer a higher yield than government bonds but are often considered riskier because they're not issued by the government. Senior loans tend to be less liquid than the other asset classes listed. Compared to fixed-rate debt instruments, variable and floating rate securities can help hedge against a rise in interest rates.

There are risks involved with investing in ETFs, including possible loss of money. Shares are not actively managed and are subject to risks similar to those of stocks, including those regarding short selling and margin maintenance requirements. Ordinary brokerage commissions apply. The fund's return may not match the return of the underlying index. The fund is subject to certain other risks. Please see the current prospectus for more information regarding the risk associated with an investment in the fund.

Preferred securities may be less liquid than many other securities, and in certain circumstances, an issuer of preferred securities may redeem the securities prior to a specified date.

An issuer may be unable to meet interest and/or principal payments, thereby causing its instruments to decrease in value and lowering the issuer's credit rating.

Interest rate risk refers to the risk that bond prices generally fall as interest rates rise and vice versa.

Convertible securities are subject to the risks associated with both debt and equity securities. As with equity securities, declining common stock values may cause the value of the fund's investments to decline. A debt security tends to decrease in value when interest rates rise. Many convertible securities are subject to the same risks as lower rated debt securities.

Hybrid securities are potentially more volatile than traditional equity securities and may carry credit and liquidity risks.

The fund may hold illiquid securities that it may be unable to sell at the preferred time or price and could lose its entire investment in such securities.

Perpetual subordinated debt typically has lower credit ratings and lower priority than other obligations of an issuer during bankruptcy, presenting greater risk of nonpayment and increasing as the priority of the obligation becomes lower.

The risks of investing in securities of foreign issuers can include fluctuations in foreign currencies, political and economic instability, and foreign taxation issues.

Stocks of small- and mid-sized companies tend to be more vulnerable to adverse developments, may be more volatile, and may be illiquid or restricted as to resale.

The fund's use of a representative sampling approach will result in its holding a smaller number of securities than are in the underlying Index, and may be subject to greater volatility.

The fund is non-diversified and may experience greater volatility than a more diversified investment.

Investments focused in a particular industry are subject to greater risk, and are more greatly impacted by market volatility, than more diversified investments.

Shares are not individually redeemable and owners of the shares may acquire those shares from the funds and tender those shares for redemption to the funds in creation unit aggregations only, typically consisting of 100,000 shares.

Note: Not all products, materials or services available at all firms.

Trademarks & Other Information

Wells Fargo is the index provider for the fund. The Wells Fargo® Hybrid and Preferred Securities Floating and Variable Rate Index is a service mark of Wells Fargo & Company and has been licensed for use by the Adviser. The fund is not sponsored, issued or advised by Wells Fargo & Company, Wells Fargo Securities, LLC or their subsidiaries and affiliates (collectively, "Wells Fargo") and Wells Fargo makes no representation regarding the advisability of investing in the fund. The fund is entitled to use the underlying index pursuant to a sub-licensing agreement with the Adviser.

This does not constitute a recommendation of any investment strategy or product for a particular investor. Investors should consult a financial professional before making any investment decisions.

Before investing, investors should carefully read the prospectus/summary prospectus and carefully consider the investment objectives, risks, charges and expenses. For this and more complete information about the fund call 800 983 0903 or visit invesco.com for prospectus/summary prospectus.