

# Fund in Focus



Invesco S&P 500 High Dividend Low Volatility ETF



<b>Index</b>	S&P 500® Low Volatility High Dividend Index
<b>Inception</b>	Oct. 18, 2012
<b>Total expense ratio</b>	0.30%
<b>AUM</b> (as of March 31, 2019)	\$3.1 Billion
<b>Methodology</b>	Screen for yield and volatility
<b>Weighting</b>	Yield weighted

## Key features

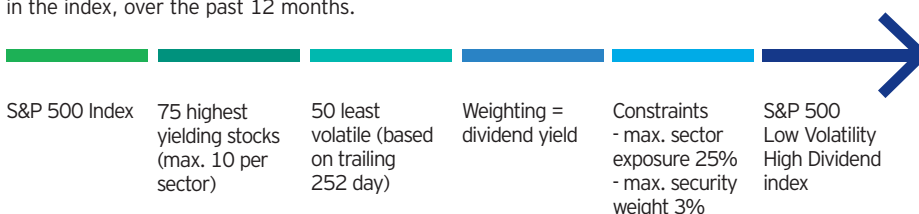
The Invesco S&P 500® High Dividend Low Volatility ETF seeks investment results that generally correspond (before fees and expenses) to the price and yield of the S&P 500® Low Volatility High Dividend Index.

Consider three key features of SPHD:

- Highest income producers in the S&P 500**
- Low volatility overlay, seeking to avoid value traps among high dividend stocks**
- Enhanced income with reduced interest rate sensitivity**

## Highest Income producers in the S&P 500

The initial screen in the S&P 500 Low Volatility Index methodology seeks the highest dividend paying companies within the S&P 500 Index by first screening for the highest 75 dividend yielding securities in the index, over the past 12 months.



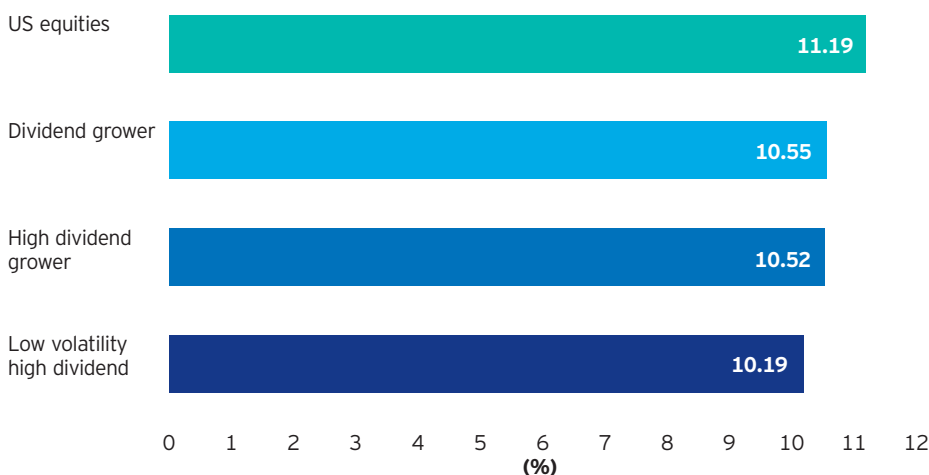
*For illustrative purposes only.*

Screening for both yield and volatility, the index methodology may help reduce the volatility associated with dividend strategies.

## Low volatility overlay, seeking to avoid value traps among high dividend stocks

The final screen in the security selection process selects the 50 securities that have demonstrated the lowest volatility over the trailing 12 months, potentially reducing volatility associated with dividend strategies by helping avoid names that have fallen into a value trap scenario.

**Five-year annualized volatility: March 31, 2014 to March 31, 2019**



Source: Morningstar Research Inc., as of March 31, 2019. See notes on back for indexes used to measure stocks. **Past performance cannot guarantee future results.** Volatility is measured by the standard deviation.

The following indexes were used to measure volatility and market yields: Low volatility high dividend: S&P 500 Low Volatility High Dividend Index; High dividend grower: S&P High Yield Dividend Aristocrats Index; Dividend grower: S&P 500 Dividend Aristocrats Index; US equities: S&P 500® Index; 10-year Treasury bonds: US Generic Government 10-Year Yield Index; US aggregate bonds: Bloomberg Barclays US Aggregate Bond Index; US IG corporate bonds: Bloomberg Barclays US Corporate Bond Index.

**S&P 500 Dividend Aristocrats Index** is designed to measure the performance of S&P 500 index constituents that have followed a policy of consistently increasing dividends every year for at least 25 consecutive years. **S&P High Yield Dividend Aristocrats Index** is designed to measure the performance of the 50 highest dividend yielding S&P Composite 1500 constituents which have followed a managed dividends policy of consistently increasing dividends every year for at least 25 years. **S&P 500® Index** is an unmanaged index considered representative of the US stock market. **S&P 500 Low Volatility High Dividend Index** consists of 50 securities traded on the S&P 500® Index that historically have provided high dividend yields and low volatility. **US Generic Government 10 Year Index** tracks the yield of the 10 Year US Treasury. **Bloomberg Barclays US Corporate Bond Index** measures the investment grade, fixed-rate, taxable corporate bond market. **Bloomberg Barclays US Aggregate Bond Index** is an unmanaged index considered representative of the US investment-grade, fixed-rate bond market.

**Standard deviation** is a measure of the dispersion of a set of data from its mean. It is applied to the annual rate of return of an investment to measure the investment's volatility.

#### Risk Information

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.

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

Securities that pay high dividends as a group can fall out of favor with the market, causing such companies to underperform companies that do not pay high dividends. There is no assurance that the fund will provide low volatility.

Shares are not individually redeemable and owners of the shares may acquire those shares from the fund and tender those shares for redemption to the fund in creation unit aggregations only, typically consisting of 10,000, 50,000, 75,000, 80,000, 100,000, 150,000 or 200,000 Shares.

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

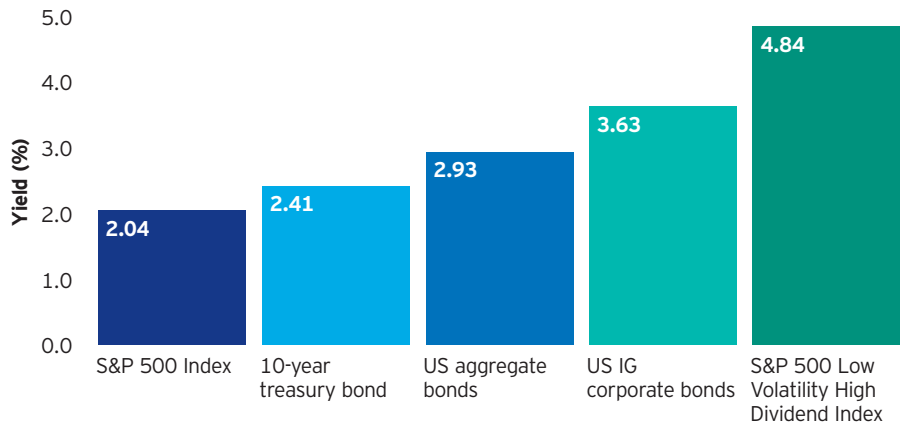
Note: Not all products available through all firms.

**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, investors should ask their advisor(s) for a prospectus or download one at [invesco.com](http://invesco.com).**

## Enhanced income with reduced interest rate sensitivity

The S&P 500 Low Volatility High Dividend Index methodology has shown the ability to enhance portfolio income levels relative to traditional fixed income.

#### Yield vs other asset classes



Source: Bloomberg L.P., as of March 31, 2019. See notes for indexes used to measure yields. An investor cannot invest directly in an index. **Past performance cannot guarantee future results**

During this period of rising 10 year yields from the trough of 1.36% on July 8, 2016 to the high of 3.11% on May 17, 2018, SPHD demonstrated a low correlation to traditional fixed income as measured by Bloomberg Barclays US Aggregate Bond Index and the Bloomberg Barclays US Corporate Bond Index as well as to treasuries as measured by Bloomberg's Barclays Treasury Index.

#### Low correlation during "Taper Tantrum"

	S&P 500 Index	Bloomberg Barclays US Aggregate Bond Index	Bloomberg Barclays US Corporate Bond Index	Bloomberg Barclays Treasury Index
SPHD	0.82	0.07	0.11	0.04

Source: Bloomberg L.P., daily correlation from July 8, 2016 to May 17, 2018.