PDBC
10 years in the making

PDBC: Commodities ETF leader

For Invesco, 2014 marked the launch of our flagship commodity ETF, fondly known by its ticker, **PDBC**, or the **Invesco Optimum Yield Diversified Commodity Strategy No K-1 ETF**. PDBC offers a smart way to invest in broad-based commodities without a K-1.[1]

An enhanced way to navigate contango[2] and backwardation[3] in commodities

PDBC's underlying innovative index helps deal with the dreaded contango, leading to negative roll yield, and maximizes the wonderful backwardation, which brings positive roll yield potential to investors. Investors found that PDBC gave them an innovative way to invest in commodities without the high fees charged for comparable, actively managed commodity mutual funds.

A decade of leadership as the largest commodity ETF

With 10 years in the making, PDBC has risen to become **the largest broad-based commodity ETF in the US** based on AUM and has held onto this title since March 2020.[4] The years 2021 and 2022 were record-breaking — PDBC briefly reached $10B AUM.[5]

The largest broad-based commodity ETF in the US[4]

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Why commodities still matter

While commodities have been challenged since mid-2022 — current total US commodity ETF AUM sits at slightly over $13B (9/30/2024)[6] — as US inflation eased and focus turned to the Federal Reserve's (Fed) ability to nail a soft landing, here's why commodities may still deserve a role in your portfolio:

Hedge against geopolitical uncertainty
Geopolitics have been front and center for investors. Amid two major wars, escalation will likely have far-reaching consequences. Dissent between the West and China has grown, with the path forward filled with uncertainty. Lastly, the US election could have material implications on US foreign policy.

Participation in future trends
The energy transition and artificial intelligence (AI) movement are supportive of commodities. As global economies compete to secure future supplies, commodities may benefit from the inflationary effect.

Increased weather volatility
Weather is a key driver for both energy and agricultural commodities and will likely remain a source of volatility as the world continues to cope without Russian natural gas and disrupted Ukrainian grains.

Return potential during Fed easing cycles
Commodities have historically presented upside opportunities during Fed easing cycles.[7] Particularly, during the 1995 Fed easing cycle, commodities ticked up ~2% in the three months, ~14% in the six months, and ultimately ~32% in the nine months following the initial rate cut.[8]

Diversification potential
Interest in alternative investments like commodities has grown as investors look to diversify their portfolios. Commodities have historically exhibited low correlations with stocks and bonds.[9]

In summary, as the world becomes increasingly intertwined, whether through geopolitics or global initiatives like the energy transition, commodities may serve as a potential hedge. With the Fed easing also on its way, the overhang on risk assets should gradually ease, particularly in a soft-landing scenario.

Invesco's commitment to commodity investing

Invesco looks forward to supporting investors through their commodities investing journey. Commodities are often associated with volatility, but we remain committed to helping investors navigate through the turbulence. Thank you all for your support, and happy 10th anniversary to PDBC!

To learn more about how PDBC can fit into your portfolio, vist our website at **invesco.com**.

Average annual total returns performance (%) as of 9/30/2024

	YTD	1 year	3 year	5 year	10 year	Since Inception*
ETF - NAV	0.90	-6.37	5.13	9.72	—	0.99
ETF - Market Price	0.98	-6.42	5.10	9.71	—	0.98
DBIQ Optimum Yield Diversified Commodity Index ER	-2.34	-10.46	2.42	8.08	-0.27	0.23
DBIQ Optimum Yield Diversified Commodity Index TR	1.63	-5.56	6.30	10.70	1.43	1.96

Calendar year total returns (%)

	2015	2016	2017	2018	2019	2020	2021	2022	2023
ETF - NAV	-27.02	18.76	5.28	-13.20	11.61	-7.86	41.87	19.29	-6.01
DBIQ Optimum Yield Diversified Commodity Index ER	-26.72	19.15	5.17	-12.91	10.60	-7.87	42.53	18.80	-10.07
DBIQ Optimum Yield Diversified Commodity Index TR	-26.68	19.53	6.16	-11.18	12.94	-7.53	42.60	21.23	-5.33

* Inception date: 11/07/2014

Returns less than one year are cumulative. Performance data quoted represents past performance. **Past performance is not a guarantee of future results; current performance may be higher or lower than performance quoted.** Investment returns and principal value will fluctuate and Shares, when redeemed, may be worth more or less than their original cost. See invesco.com to find the most recent month-end performance numbers. Market returns are based on the midpoint of the bid/ask spread at 4 p.m. ET and do not represent the returns an investor would receive if shares were traded at other times. Fund performance reflects fee waivers, absent which, performance data quoted would have been lower.

Endnotes:

1. Schedule K-1 is a federal tax document used to report the income, losses, and dividends for a business' or financial entity's partners or an S corporation's shareholders.
2. Contango is when the futures price of an asset is higher than its current price.
3. Backwardation is when the current price, or spot price, of an underlying asset is higher than prices trading in the futures market.
4. Source: Source: Bloomberg L.P. as of September 30, 2024.
5. Source: Source: Bloomberg L.P. PDBC had an AUM of 10.01B on Jun 09, 2022. 2021 and 2022 performance is based on NAV total returns.
6. Source: Bloomberg L.P.
7. Bloomberg L.P. Commodities are represented by the S&P GSCI Excess Return Index (SPGSCIP). The S&P GSCI Excess Return Index measures the performance of a portfolio of commodity futures contracts. An investor cannot invest directly in an index. Past performance is not a guarantee of future results. The initial rate cuts occurred in July 1995, January 2001, September 2007, and July 2019. The periods are in reference to the initial rate cut dates. For example, "-9m" represents the 9-month period preceding, and "+9m" represents the 9-month period following the initial Fed rate cut. Past performance is not a guarantee of future results. Please keep in mind that high, double-digit and/or triple-digit returns are highly unusual and cannot be sustained.

	1995	2001	2007	2019	Average
-12m	-9.9	24.6	8.1	-10.5	3.1
-9m	-1.7	21.4	14.6	-9.1	6.3
-6m	2.3	12.1	10.4	2.6	6.8
-3m	-1.5	-0.2	10.2	-4.9	0.9
+3m	2.2	-1.3	10.6	-3.2	2.1
+6m	13.9	-11.6	20.9	-8.1	3.8
+9m	31.9	-25.1	54.9	-46.4	3.8
+12m	27.8	-32.6	10.1	-32	-6.7

8. Source: Bloomberg L.P. as of September 30, 2023. The initial rate cut in 1995 took place in July 1995.
9. Source: Bloomberg, L.P., as, of September 30, 2024. Correlation time period 12/31/1997 to September 30, 2024. Commodities are represented by the S&P GSCI Index Total Return. Stocks are represented by the S&P 500 Total Return Index. Bonds are represented by the Bloomberg US Treasury Bond Index. A correlation is any statistical relationship, whether causal or not, between two random variables or bivariate data. An investment cannot be made directly into an index.

About risk

There are risks involved with investing in ETFs, including possible loss of money. Actively managed ETFs do not necessarily seek to replicate the performance of a specified index. Actively managed ETFs are subject to risks similar to stocks, including those related to short selling and margin maintenance. Ordinary brokerage commissions apply. The Fund's return may not match the return of the 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.

The Fund is subject to management risk because it is an actively managed portfolio. The investment techniques and risk analysis used by the portfolio managers may not produce the desired results.

Risks of futures contracts include: an imperfect correlation between the value of the futures contract and the underlying commodity; possible lack of a liquid secondary market; inability to close a futures contract when desired; losses due to unanticipated market movements; obligation for the Fund to make daily cash payments to maintain its required margin; failure to close a position may result in the Fund receiving an illiquid commodity; and unfavorable execution prices.

In pursuing its investment strategy, particularly when "rolling" futures contracts, the Fund may engage in frequent trading of its portfolio securities, resulting in a high portfolio turnover rate.

Commodity-linked notes may involve substantial risks, including risk of loss of a significant portion of principal and risks resulting from lack of a secondary trading market, temporary price distortions, and counterparty risk.

Swaps are subject to leveraging, liquidity and counterparty risks, and therefore may be difficult to value. Adverse changes in the value or level of the swap can result in gains or losses that are substantially greater than invested, with the potential for unlimited loss.

Derivatives may be more volatile and less liquid than traditional investments and are subject to market, interest rate, credit, leverage, counterparty and management risks. An investment in a derivative could lose more than the cash amount invested.

To qualify as a regulated investment company ("RIC"), the Fund must meet a qualifying income test each taxable year. Failure to comply with the test would have significant negative tax consequences for shareholders. The Fund believes that income from futures should be treated as qualifying income for purposes of this test, thus qualifying the Fund as a RIC. If the IRS were to determine that the Fund's income is derived from the futures did not constitute qualifying income, the Fund likely would be required to reduce its exposure to such investments in order to maintain its RIC status.

The Fund's strategy of investing through it's Subsidiary in derivatives and other financially-linked instruments whose performance is expected to correspond to the commodity markets may cause the Fund to recognize more ordinary income. Particularly in periods of rising commodity values, the Fund may recognize higher-than-normal ordinary income. Investors should consult with their tax advisor and review all potential tax considerations when determining whether to invest.

Leverage created from borrowing or certain types of transactions or instruments may impair liquidity, cause positions to be liquidated at an unfavorable time, lose more than the amount invested, or increase volatility.

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.

The Fund currently intends to effect creations and redemptions principally for cash, rather than principally in-kind because of the nature of the Fund's investments. As such, investments in the Fund may be less tax efficient than investments in ETFs that create and redeem in-kind.

Diversification does not guarantee a profit or eliminate the risk of loss.

Forward-looking statements are not guarantees of future results. They involve risks, uncertainties and assumptions, there can be no assurance that actual results will not differ materially from expectations.

Past performance is not a guarantee of future results.

Investors should be aware of the material differences between mutual funds and ETFs. ETFs generally have lower expenses than actively managed mutual funds due to their different management styles. Most ETFs are passively managed and are structured to track an index, whereas many mutual funds are actively managed and thus have higher management fees. Unlike ETFs, actively managed mutual funds have the ability react to market changes and the potential to outperform a stated benchmark. Since ordinary brokerage commissions apply for each ETF buy and sell transaction, frequent trading activity may increase the cost of ETFs. ETFs can be traded throughout the day, whereas, mutual funds are traded only once a day. While extreme market conditions could result in illiquidity for ETFs. Typically they are still more liquid than most traditional mutual funds because they trade on exchanges. Investors should talk with their financial professional regarding their situation before investing.