October 2025

Spotlight ETF of the Month

Quick Facts

Invesco RAFI Strategic US ETF (IUS)
Morningstar --- ☆☆☆☆☆
Category --- US Fund Large Value
Total Assets --- $665.9 Million

Why We Like This ETF

The Invesco RAFI Strategic US ETF (IUS) seeks long-term capital appreciation through exposure to equity securities inside the United States based on both a size factor, as well as a proprietary quality factor. The quality factor emphasizes aspects like sales, operating cash flow, return on capital, and book value, preferring firms that rank higher in the universe of peers. The strategy is rebalanced once per year based on the factor-driven algorithm, which results in a consistent investment mandate, lower turnover, and a lower expense ratio when compared to competitors. This culminates in holding large cap companies, that exhibit low financial leverage, and a strong return-on-equity, which tend to have a more defensive tilt, and more value-like characteristics. The market cap weighting of the roughly 550 securities ensure that not only will clients get a diversified exposure, but they can also do so without taking on significant tracking error risk. The ETF, which was launched in 2019, has garnered an impressive track record, placing in the top quintile versus competitors on the 3-, and 5-year basis. They have also generated substantive alpha over the benchmark, and their peers over the same time frame. Strong performance from both an absolute, and risk-adjusted return perspective have in part led to a five-star Morningstar rating.

Where to Use

Diversification has been prudent during times of market volatility, and with many investors overweight to growth near record high valuations, the Invesco RAFI Strategic US ETF (IUS) is a strong candidate for those who want low cost exposure to value stocks, with an additional quality overlay and focus on business stability, return on capital, and cash flows. The ETF offers clients a fully diversified, consistent exposure to a crucial asset class for investors.

What are the Top-Rated Funds Lists?

The Top-Rated Mutual Funds and Exchange Traded Funds (ETF) Lists are resources that feature a list of equity, fixed income, and alternative mutual funds or ETFs that are selected by Osaic Research using proprietary screening criteria and selection methodology. The lists are designed to help you narrow the wide universe of funds available to a more manageable selection of higher-quality funds. Spectrums of asset class categories are covered. In most categories, you will find at least one risk-averse fund option and one option where the focus is geared more toward alpha generation, with the potential for higher volatility.

You can access the Top-Rated Funds Lists by visiting the Market Research page through Vision2020 or by reaching out to Research@Osaic.com.

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