Excerpt from NASDAQ.com, April 14, 2023 https://www.nasdaq.com/articles/global-energy-crisis-can-supply-power-to-these-2-etfs also, on ETF Trends

## Global Energy Crisis Can Supply Power to These 2 ETFs

The global energy crisis could continue to provide fodder for investors to capitalize on the transition to renewable energy sources. This could propel a pair of exchange traded funds (ETFs): the **Invesco WilderHill Clean Energy ETF (PBW)** and the **Invesco Global Clean Energy ETF (PBD)**.

"The global energy crisis is driving a sharp acceleration in installations of renewable power, with total capacity growth worldwide set to almost double in the next five years, overtaking coal as the largest source of electricity generation along the way and helping keep alive the possibility of limiting global warming to 1.5 °C, the IEA says in a new report," <u>the International Energy Agency</u> (IEA) said in a blog.

This energy transition may have reached fever pitch the past year given the geopolitical forces like Russia's invasion of Ukraine. Additionally, more governments are supporting clean energy initiatives with additional spending to meet their respective goals of net zero.

## 2 Options for Clean Energy Exposure

PBW tracks the WilderHill Clean Energy Index, which is comprised of companies in the U.S. that focus on cleaner energy and conservation. The fund has more growth-oriented aspect, focusing on small cap growth that's almost 50% of the fund (as of April 11).

To get more diversified exposure internationally, PBD offers exposure to the global clean energy index, including both U.S. and international stocks in the underlying portfolio. PBD also diversifies across various types of clean energy — such as wind, solar, and hydro — making it an interesting option for those looking to bet on a clean energy boom but unwilling to make a concentrated bet on a specific sub-sector.

"Renewables were already expanding quickly, but the global energy crisis has kicked them into an extraordinary new phase of even faster growth as countries seek to capitalise on their energy security benefits. The world is set to add as much renewable power in the next 5 years as it did in the previous 20 years," said IEA Executive Director Fatih Birol. "This is a clear example of how the current energy crisis can be a historic turning point towards a cleaner and more secure energy system. Renewables' continued acceleration is critical to help keep the door open to limiting global warming to 1.5 °C."