

Excerpt from Seeking Alpha, December 6, 2021
<https://seekingalpha.com/article/4473631-pbd-betting-on-the-future-of-clean-energy>

PBD: Betting On The Future Of Clean Energy

- According to the IEA, spending on clean energy must triple in next decade to meet the target of net-zero emissions of greenhouse gases by 2050.
- PBD has crushed the S&P 500 in the last two years. However, on a 10-year period, the S&P 500 outperformed PBD.

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Investment Thesis

Investing in clean energy is a hot topic nowadays. It is affecting every investor directly or indirectly as large key players in the financial industry are shifting their focus from traditional energy sources based on fossil fuels to modern clean energy sources.

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Strategy Details

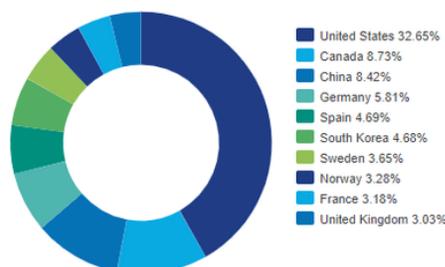
The Invesco Global Clean Energy ETF tracks the performance of the [WilderHill New Energy Global Innovation Index](#). The Index is composed of

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In my opinion, I think the ETF is pretty well balanced from a geographical perspective.

Top Country Allocation

as of 12/02/2021



Source: Invesco

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The fund is currently invested in 140 different stocks. The top ten holdings account for 11.7% of the portfolio, with no single stock issuer representing more than 1.4% of the fund.

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Is This ETF Right for Me?

.... I have compared below the price performance of PBD against the price performance of the iShares S&P Global Clean Energy Index ETF ([ICLN](#)) and the SPDR S&P 500 Trust ETF ([SPY](#)) over a 2-year period to assess which one was a better investment. Over the two-year period, PBD outperformed both SPY and ICLN. Compared to the S&P 500, PBD rose by more than 62 percentage points. To put it into perspective, a \$100 investment in PBD two years ago would now be worth \$208.85. This represents a compounded annual growth rate of 44.52% which represents a very good absolute return.

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However, if we compare the results over the past 10 years, it is worth noting that the S&P 500 has actually outperformed both clean energy strategies. In the chart below, we can see that the S&P 500 was actually outperforming by a margin of over 60 percentage points back in 2019, whereas today the difference in performance is much lower. The two clean energy strategies made up most of the past 10-years returns in the last two years. As a result, I think it is fair to say that the past two years are not the best proxy to estimate future returns and caution should be exercised before purchasing PBD or ICLN today.

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