5 ETFs to Invest in Clean Energy

With worries about climate change on the minds of many investors, many now want to invest in companies that are not contributing to the problem or that are finding solutions.

They want to own low carbon emitting companies, for instance. Or they want to own companies that are in solar, wind or other industries that are replacements for fossil fuels.

How can investors put their money behind their beliefs?

ETFs are Great for Investing in Niche Industries

Finding individual companies to invest in for clean energy is certainly possible, but who can really create a diverse portfolio that way?

The ETF industry is always adapting to trends so it's not surprising that there are a handful of ETFs devoted to clean energy and low carbon investing. One has been around since 2008.

But which one should you choose?

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• Invesco Wilder Hill Clean Energy ETF PBW has just 40 holdings of which a majority are small cap companies. This focus on small cap names means this ETF will be more volatile. It has a forward P/E of 51.8. It has the highest expense ratio of these 5 ETFs at 0.77%.

What else do you need to know about using ETFs to invest in the clean energy revolution?

Find out on this week’s podcast.