

Excerpt from CNBC TV, May 11, 2021

<https://www.cnbc.com/2021/05/11/clean-energy-will-win-out-over-decades-not-days-etf-manager-says.html>

Clean energy will win out 'over decades, not days,' ETF manager says as trade loses steam

Long-term investors don't need to worry about the cracks forming in the clean energy trade this year, says one market watcher.

Popular exchange-traded funds focused on sustainable energy including the [Invesco Solar ETF \(TAN\)](#) and the [Invesco WilderHill Clean Energy ETF \(PBW\)](#) have lost significant momentum this year, down about 30% and 26%, respectively.

But after a red-hot 2020 for both funds — TAN climbed nearly 234% and PBW gained over 202% — this bump in the road is natural, said ... , Invesco's head of ETFs and indexed strategies for the Americas.

"When you think about the transformation to clean energy, we think about it over decades, not days," ... told CNBC's "[ETF Edge](#)" on Monday. "The trend to cleaner energy, solar power, water resources, greener buildings, these are long-term themes here ... that we're seeing play out."

Because the push toward sustainable energy is global, the overall market has significant room to grow, ... said, adding that the total market capitalization of all of the companies in PBW excluding [Tesla](#) was roughly the size of [Johnson & Johnson's](#).

"We think there's still a fair amount of headroom in this space, especially as this transformation to clean energy plays out," he said.

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With almost 100 ETFs tied to environmental, social and governance themes now available to U.S. investors, momentum is picking up in this space, said ... , head of exchange-traded products at the New York Stock Exchange.

"Europe's really dominated the ETF space in ESG investing, but we're catching up," with some \$11 billion flowing into these funds, Y... said in the same "[ETF Edge](#)" interview.

"BlackRock joined the fray, if you will, earlier this year. They launched two ESG ETFs and actually broke the record on first-day assets under management,"

The key is greater institutional adoption, ... said.

"Some of the advisor conversation now is, 'Should this be part of my core and not just thematic?'" ...