

Excerpt from Globe and Mail, March 28, 2022

# How to invest in the supercharged renewable energy sector

Most investors understand that the energy market is susceptible to unpredictable swings. That holds double for the renewable energy sector, which isn't just sensitive to overarching energy price swings but to political support for greener technologies.

Russia's recent invasion of neighbouring Ukraine has supercharged the renewable or clean energy ETF space as Western governments reiterate the need for economies to wean their dependence on geopolitically sensitive fuels.

Renewable energy ETFs are hot right now, but they aren't for the faint of heart as public sentiment and support can play as much a factor in their valuations as private sector fundamentals. Most are still down from the start of 2022 but have rebounded noticeably since the start of Ukraine conflict.

"The renewable energy sector follows its own unique boom-bust cycle driven by government policies," says .... In fact, the sector was in a decade-long slump following the global financial crisis only to revive with the U.S. government's push for more green energy following the Biden administration's 2020 infrastructure plan.

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U.S.-listed clean energy ETFs generally did well in 2019 and 2020 and stumbled last year as the pandemic shook up global trade and the new U.S. administration faced delays implementing its infrastructure plan.

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... also likes the Invesco WilderHill Clean Energy ETF ([PBW-Q](#)), which charges 0.61 per cent, has US\$1.6-billion in assets and is off 8.9 per cent year to date. (It had a negative year in 2021 and great returns in the prior two years, like the other U.S. funds in the space).

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The transition to cleaner energy will move in fits and starts and test investors, the ... analyst says.

"So, if you can stomach the wild rides in between then some allocation makes sense," ....

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