

Excerpt from Morningstar, November 9, 2021

3 Solid Climate Tech Funds for Investors

These strategies should play only a bit part in a diversified portfolio.

Mentioned:Invesco WilderHill Clean Energy ETF (PBW)

Bill Gates has said that the next generation of FANGs [Meta], Amazon.com, Netflix, and Google [Alphabet]) will be climate tech companies. You can bet that a large number of the leaders at last week’s headline-grabbing climate summit in Glasgow, COP26, agree

The question for Main Street investors is: How do I get a piece of that action? Last week, world leaders convened in Glasgow to discuss ways that countries can work together to reduce carbon emissions to forestall further human-caused global warming. One frequently mentioned theme was the need for investment and innovation in climate technology, such as renewable energy like solar

The good news is that if you believe that innovation in climate technology is set to take off, the investment industry has introduced a raft of new funds globally. The bad news is that many are unproven and much more volatile than diversified equity funds. Climate tech funds with at least a three-year track record have an average three-year standard deviation ... versus 18.4 for the Vanguard 500 fund. (Standard deviation is a measure of risk. The higher the number, the riskier the asset has been in the past.)

In addition, investment funds must own publicly traded companies. But there are very few of these, relative to privately held companies, and they are concentrated in competitive industries such as solar-panel manufacturing and mining commodities such as lithium....

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	Inception	Index Fund	Fund Size USD Mil	Prosp Net Expense Ratio	Stnd Dev 3 yr
Invesco WilderHill Clean Energy ETF	3/3/2005	Yes	2.074	0.61	45

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