

Excerpt from Seeking Alpha, June 13, 2021

<https://seekingalpha.com/article/4434619-invesco-wilderhill-clean-energy-portfolio-optimism-should-prevail-over-the-long-term>

PBW: Optimism Should Prevail Over The Long Term

Summary

- PBW is a smart-beta thematic fund that offers a nicely balanced equity mix with exposure to six major green energy themes.
- PBW's investment mandate is to mirror the performance of the modified equal-weighted WilderHill Clean Energy index.
- Among 68 holdings, the top-ten group accounts for just slightly north of 20%. In the ... portfolio, the top-ten holdings have a 52.5% weight vs. 48% in the case of
- Earlier this year the green bubble has finally burst, with all clean energy-focused ETFs down significantly from their zenith touched in February. However, little has changed regarding the industry's prospects. So considering PBW for the long term certainly makes sense.

Invesco WilderHill Clean Energy Portfolio ETF ([PBW](#)) is a smart-beta thematic fund that offers a nicely balanced equity mix with exposure to six major green energy themes. With over \$2 billion in AUM, PBW has a small-cap & mid-cap growth tilt.

After a volatile decade, with some years like 2011 and 2016 marred by horrible losses as low as 50%, last year, its NAV was growing at an eye-watering pace, rising by 206% bolstered by multiple catalysts including the Biden presidency.

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Clean Energy Remains a Lucrative Long-Term Investment Theme. Risks Also Exist

It goes without saying that the global energy mix is changing and that this change attracts multi-billion-dollar investments that should translate into long-term capital gains for companies involved in this tectonic shift. The fact that green energy stocks pulled back from their historical highs does not mean that transition is no longer relevant, and gasoline-powered vehicles will still dominate the roads in 2060.

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Investment Strategy

PBW's investment mandate is to mirror the performance of the modified equal-weighted **WilderHill Clean Energy index**. The benchmark is rebalanced and, what is important, reconstituted four times a year, which implies the portfolio should have a higher turnover if compared to ... with semi-annual reconstitution.

A Deeper Look At Holdings

As a consequence of its smart-beta weighting methodology, PBW has a level of diversification that its closest peers cannot boast, which makes me conclude the fund is a safer option than other similar investment vehicles including the above-mentioned market-cap-weighted ... and the ... given lower volatility and better risk dispersion.

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Its sector mix is dominated by industrials that account for over **37%** of the NAV, followed by the consumer discretionary sector with its 21.5% weight

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Final Thoughts

It seems earlier this year the green bubble has finally burst, with all clean energy-focused ETFs down significantly from their zenith touched in February. However, little has changed regarding the industry's prospects. So considering PBW for the long term certainly makes sense.

Interestingly, the green energy funds are still enjoying quite a robust investor attention, with asset flows into PBW resilient enough to secure

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