

Excerpt from Wall Street Journal, January 15, 2021
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The Story Behind the Market's Hottest Funds

Thematic ETFs allow investors to bet on trends and concepts—but their narrow focus increases their risk

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Often called thematic ETFs, these funds cut across industries, trying to capitalize on ideas like alternative energy, cloud computing or

Assets in these funds have grown at an average of 45% annually over the past three years, says

In the fourth quarter of 2020 alone, thematic ETF assets shot up 78% to \$104 billion, according to

One reason is performance. Invesco WilderHill Clean Energy ETF gained 205% last year. returned 181%, and

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In 2020, with investors stuck at home, trends hit home. “People now understand themes like cloud computing and in ways they might not have appreciated before,” says “All of a sudden, here they were. It was like, ‘Invest in what you know.’”

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