

Excerpt from Seeking Alpha, January 29, 2025

<https://seekingalpha.com/article/4752821-invesco-wilderhill-clean-energy-etf-pbw-stay-away>

## PBW: Stay Away from this ETF

- I am downgrading the Invesco WilderHill Clean Energy ETF due to concerns with its composition and the overall challenges in the clean energy sector.
- The ETF's stock selection is based on non-financial criteria like relevance to climate change and biodiversity, leading to a seemingly arbitrary mix of companies.
- The fund's valuation metrics are poor, with negative P/E ratios and return on equity, indicating unprofitability and poor performance across various timeframes.
- The clean energy sector faces significant risks, including technological uncertainty, intense competition, and price pressures from dominant Chinese manufacturers.

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### ETF Overview

PBW invests in U.S.-listed companies that are engaged in advancing cleaner energy or are essential to developing clean energy. It tracks the "[WilderHill Clean Energy Index](#)." The yearly expense ratio is 0.65%, which is relatively high for an ETF. Currently, it has \$279M in assets under management. As of 01/24/2025, the ETF contains 69 stocks (according to Invesco's fund details - you can see the complete list [here](#)), with top 10 representing about 20%; these are: ...

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### Why I don't like the composition

Looking at the top 10 positions above, you can see that several small, relatively unknown companies are included. Overall, it seems to be a relatively wild mix of companies: raw materials, utilities, hydrogen, etc. [The current top position, "Amprius Technologies" \(AMPX\), is a tiny company with only \\$21M in revenue in 2024. The second biggest position, "MP Materials" \(MP\), produces rare earth metals.](#) This leads to another aspect I don't like. ....

The vagueness of the term "clean energy." Theoretically, it could also include car manufacturers like General Motors, which is building electric vehicles. ....

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### Dividend growth

The 5-year dividend growth rate (CAGR) is 5.24%, but it is worth noting that the dividend fluctuates strongly. As seen on the graph, it reached high points in 2022 and 2023 but recently fell sharply back to the region of the previous long-term lower average. The current dividend yield is 2.75%, but note that this is not the forward yield; ....

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