

Excerpt from Barron's, August 7, 2020

<https://www.barrons.com/articles/etfs-that-could-climb-no-matter-who-wins-the-election-51596826845>

Trump or Biden? These ETFs Should Climb Either Way.

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.... If the Democrats win the White House and Congress, ... strategist ... expects aggressive environmental legislation to pass, including strong emissions standards across several industries, new fuel-economy standards, mandated future levels of clean-energy production, and a “cap and trade” program.

That’s great for clean-energy stocks, but the group should be positioned to deliver strong returns even without a Biden win. “Clean-energy stock prices used to ebb and flow with political winds based on whether they’ll be subsidized and supported or not. That has pretty much evaporated” as the industry has matured, says

Many companies have finally turned profitable over the past two to three years, ..., and their stock performance is now more about fundamentals than the macro backdrop. Public support for sustainable investing has also picked up, pushing much of the private sector to roll out decarbonization plans even absent government regulation. Friendly policies, of course, would offer additional tailwinds, but won’t be as determinative on the clean-energy industry as they were 10 years ago.

... \$484 million Invesco WilderHill Clean Energy ETF (PBW) offer diversified exposure to stocks in areas like renewable energy, electric cars, battery technology, and biofuels. Both funds have track records of more than 10 years, have returned an annualized 18% over the past five years, and gained 50% and 48%, respectively, in 2020 alone. They are quite concentrated, owning just about 40 stocks. The Invesco WilderHill ETF is equal weighted, and hence tilts more toward smaller, cheaper stocks.

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Another relatively safe bet, regardless of who wins the White House, is infrastructure companies.

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