S&P Kensho Cleantech ETF (CTEX): Companies Behind the Clean Energy Wave

**Key Takeaways:**

- **The cleantech investment opportunity** is cross sector, spanning companies in diverse disciplines, industries and market capitalizations.
- **Emerging solar, hydro, wind, geothermal and other clean power companies** will rely on the products, services and ideas of cleantech companies.
- **ProShares S&P Kensho Cleantech ETF (CTEX)** offers investors exposure to a diverse set of cleantech companies in a single ETF.

**What Is Cleantech?**

Essential to clean energy is a category of companies known as “clean technology” or “cleantech.” The products and services these diverse cleantech companies provide are critical to producing, supporting and storing clean energy. As a result, the cleantech category has the potential to be a growth investment opportunity for the long term.
Clean Energy Is Becoming Essential to Meeting Energy Demands

The demand for energy is outstripping supply. With a global population set to grow by 2 billion by 2050, greater urbanization and industrialization, rising incomes, and increasing demands for energy services, today’s energy systems are unlikely to be adequate in the coming decades.¹ In addition, since more than 50 countries and the entire European Union committed to net-zero carbon emissions by 2050,² dependence on oil may dramatically decrease.

For these reasons, a transition to clean energy—low-emission alternatives like solar, wind, hydro and geothermal energy—may be essential in the future. It’s estimated that this transition will require a spending surge of nearly $4 trillion by 2030¹ to achieve it.

Cleantech Could Be a Trillion-Dollar Market Opportunity

Manufacturers of wind turbines, solar panels, lithium-ion batteries, electrolyzers and fuel cells are anticipated to have an annual market opportunity rising well above $1 trillion by 2050,¹ especially as dependence on oil potentially decreases. As the chart below shows, cleantech (as defined by wind, solar, batteries, electrolyzers and fuel cells) is projected to rapidly accelerate, with a significant jump in growth expected to occur by 2030—which may make cleantech a growth investment opportunity that’s here to stay.

Cleantech may be poised for a sizable and lasting jump in International Energy Agency’s (IEA) net-zero scenario

![Cleantech vs Oil Market Growth Chart]

Source: International Energy Agency (IEA), 10/12/21. “Market size” is defined as anticipated average revenues of tradeable units of core technologies, rather than investment or spending estimates that include other costs such as installation costs.

Capturing the Cleantech Opportunity

While the cleantech investment opportunity may be substantial, capturing it has traditionally been challenging. That's because the kinds of firms that might be classified as cleantech companies are so diverse. In general, cleantech companies:

- Support a wide range of differing clean energy industries
- Have a range of different focuses, including technology, manufacturing or processes
- Vary in size and include small, niche companies or global corporate giants
- May have cleantech as their core business or a supplemental part of their offerings

Identifying these companies requires insight into a broad array of disciplines and industries. The S&P Kensho Cleantech Index seeks to achieve this by tracking and capturing the evolving cleantech opportunity. It uses a rules-based selection process and is reconstituted annually.

ProShares S&P Kensho Cleantech ETF

Access the Companies Behind the Clean Energy Wave

The ProShares S&P Kensho Cleantech ETF (CTEX) tracks the S&P Kensho Cleantech Index. CTEX provides a one-step, convenient way of tapping into the companies at the forefront of the clean energy revolution—companies that develop, produce and supply the technology essential to producing clean power.

CTEX gives investors the convenience of owning a diversified basket of companies providing exposure to this evolving industry and its increasing global demand—all within a single ETF.

Have Questions?

Financial professionals can contact ProShares at 866-776-5125 or email info@proshares.com for additional information about CTEX and our other ETFs.
This information is not meant to be investment advice. There is no guarantee that the strategies discussed will be effective. Investment comparisons are for illustrative purposes only and not meant to be all-inclusive.

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Investing is currently subject to additional risks and uncertainties related to COVID-19, including general economic, market and business conditions; changes in laws or regulations or other actions made by governmental authorities or regulatory bodies; and world economic and political developments.

**Investing involves risk, including the possible loss of principal.** This ProShares ETF is subject to certain risks, including the risk that the fund may not track the performance of the index and that the fund’s market price may fluctuate, which may decrease performance. Please see the summary and full prospectuses for a more complete description of risks. **There is no guarantee any ProShares ETF will achieve its investment objective.**

Investments in cleantech are subject to risks associated with a developing industry and there is no guarantee that these companies will be successful.

Cleantech companies may have limited product lines, markets, and resources. Such companies are subject to risks such as rapid changes in technology; intense competition; impairment of intellectual property rights; changing consumer preferences and product obsolescence; evolving industry standards and regulations; security and privacy failures or constraints; dependence on third-party vendors; fluctuations in pricing, and supply and demand, for renewable and conventional energy generation and commodities; reduction or elimination of economic incentives or policies; changes to exchange rates, imports, and availability of materials for production. The index theme may not be the primary driver of company, index or fund performance. Companies in the index may have significant unrelated business lines, which could have a significant negative impact on company, index and fund performance.

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Investments in emerging markets generally are less liquid, more volatile and riskier than investments in more developed markets and are considered to be speculative.

**Carefully consider the investment objectives, risks, charges and expenses of ProShares before investing. This and other information can be found in their summary and full prospectuses. Obtain them from your financial professional or ProShares.com. Read them carefully before investing.**

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