Thematic Opportunities

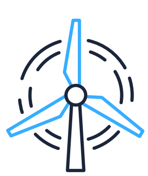
S&P Kensho Cleantech ETF (CTEX): Companies Behind the Clean Energy Wave

Key Takeaways:

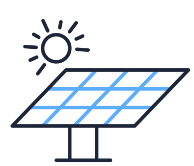
- **The cleantech investment opportunity** is cross sector, spanning companies in diverse disciplines, industries and market capitalizations.
- **Emerging solar, hydro, wind, geothermal and other clean power companies** will rely on the products, services and ideas of cleantech companies.
- **ProShares 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.



It's the turbine blade manufacturer



It’s the maker of the panels

It's the energy storage battery

Clean Energy Is Becoming Essential to Meeting Energy Demands

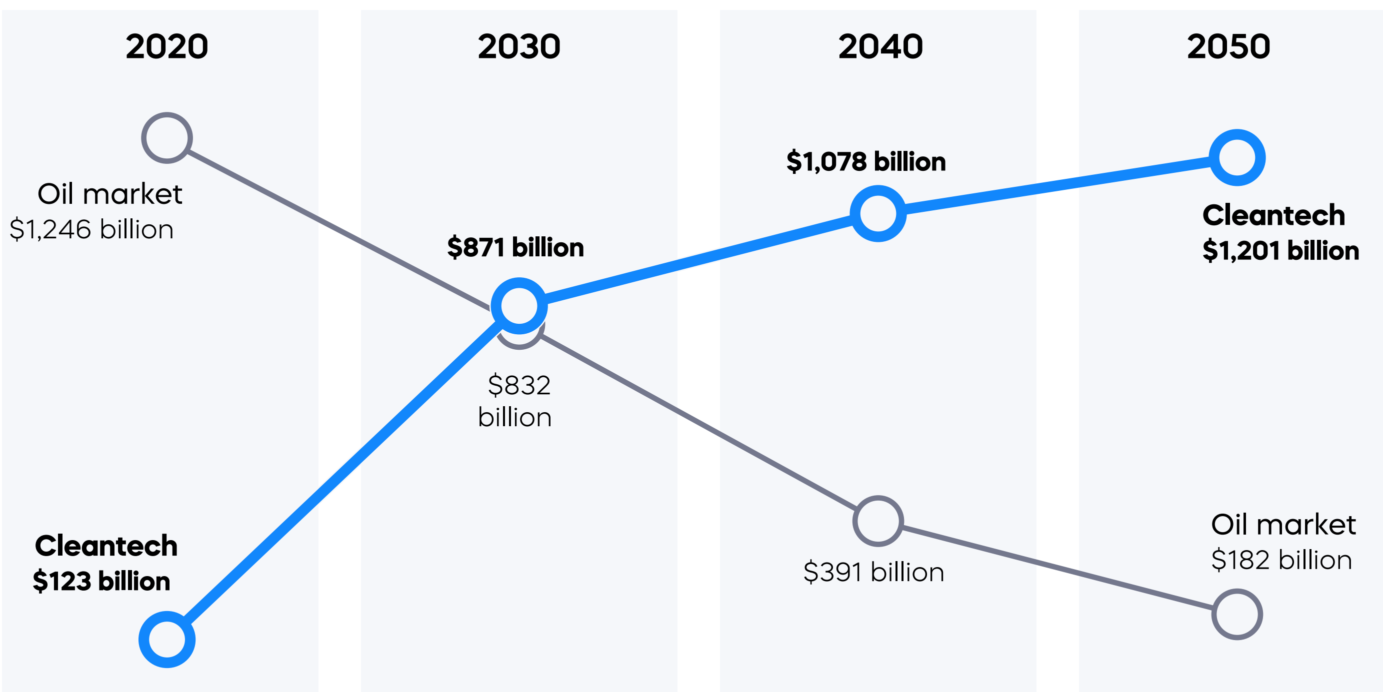
The demand for energy is outstripping supply. With a global population set to grow by 2 billion by 2050, greater urbanization and industrialization, rising incomes, and increasing demands for energy services, today's energy systems are unlikely to be adequate in the coming decades.[1] In addition, since 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 2030[1] 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



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.

[1] International Energy Agency (IEA), World Energy Outlook, "Report Extract: A New Energy Economy Is Emerging," 2021.
[2] IEA, "Estimated market sizes of oil and selected clean energy technology equipment in the Net Zero Scenario, 2020-2050," 10/12/21.

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
- Vary in size and include small, niche companies or global corporate giants
- Have a range of different focuses, including technology, manufacturing or processes
- 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.

S&P Kensho Cleantech Index

Energy Capture
Hardware, software or materials technologies used for clean energy capture from sources such as solar, wind, geothermal and hydro.

Energy Storage
Advanced energy storage devices.

Installation
Installation of clean energy capture technology for use in residential or commercial applications.

Generation and Production
Technologies used for green hydrogen production and energy generation, including electrolyzers and stationary fuel cells.

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.

This fund may be subject to risks associated with the semiconductor and semiconductor equipment industry. A more complete discussion of risks is found in the prospectus. This fund is non-diversified and concentrates its investments in certain sectors. Non-diversified and narrowly focused investments typically exhibit higher volatility. Investments in non-U.S. securities may involve risks different from U.S. securities, including risks from geographic concentration, differences in valuation and valuation times, unfavorable fluctuations in currency, differences in generally accepted accounting principles, and from economic or political instability.

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.