Press Release
For immediate release

Invesco launches Wind Energy and Hydrogen Economy ETFs as demand grows for thematic clean energy funds

12 Sept 2022

The rising cost of fuel and energy is among the biggest concerns for many people across the globe, and Invesco believes it strengthens the case for renewable energy beyond the need to reduce harmful carbon emissions. Moving away from the current over-reliance on fossil fuels will require substantially more investment in the full range of clean energy technologies. The launches of the Invesco Wind Energy UCITS ETF and Invesco Hydrogen Economy UCITS ETF offer investors targeted exposure to two of the most important solutions for achieving a net-zero carbon economy.

Gary Buxton, Head of EMEA ETFs and Indexed Strategies at Invesco, said: "Almost half of European ETF flows this year have been into products with an ESG classification, and 40% of those assets were into funds with climate objectives or thematic exposures such as clean energy[1]. A theme that is relatively new and largely unknown can offer strong growth potential but requires expertise to identify those companies with meaningful exposure to the theme. That's true for active and passive strategies alike. We selected these WilderHill indices as they offer our ETF investors access to one of the most experienced firms in clean energy index solutions."

Dr Rob Wilder, CEO and Co-founder of WilderHill Indexes, said: "The renewable energy space is largely unrecognisable from when I first became involved some 30 years ago, but most of this change has occurred over the last decade. Technological improvements and greater economies of scale have made clean energy much more competitive especially in terms of utility-scale production. For example, it's now cheaper to produce a gigawatt hour of electricity from an offshore wind farm than from new power plants run on the cheapest fossil fuels. The priority going forward will be to increase the capacity for onshore and offshore wind as part of the overall global energy mix but also to improve the efficiency and durability of the wind turbine components."

The Invesco Wind Energy UCITS ETF aims to provide the total return of the WilderHill Wind Energy Index through full physical replication. The index is composed of global companies focused on improving wind turbines and blades, providing materials used in wind energy, modernising the grid, facilitating greater wind energy deployment or expanding its use. It includes companies involved in onshore and offshore wind energy.

Dr Wilder continued: "Hydrogen might be fairly new to many investors, perhaps unsurprising given it is at a much earlier stage of development compared to other clean energy technologies. But hydrogen power will be critical in decarbonisation especially for shipping and heavy industries where electrification is not really feasible. You will hear different types of hydrogen with colour

[1] Source: Invesco using Bloomberg data, year to end-July 2022.

codes based on the process used to provide the energy. Green hydrogen is the cleanest form as it does not use fossil fuel or produce any harmful by-products. Blue hydrogen is not as environmentally friendly but has potential to make the most immediate impact. It uses natural gas but aims to capture and store the carbon emitted during the process."

The WilderHill Hydrogen Economy Index is composed of companies involved in hydrogen activities which include improvements in hydrogen generation, storage, conversion, uses in transportation, innovation, and the advancement of fuel cells; with a focus on maximising green hydrogen exposure.

The constituents in both WilderHill indices are equally weighted, which is designed to provide more meaningful exposure across the index rather than the high concentration in the largest names that typically results from a market-cap-weighted approach. The indices each have approximately 50 constituents with representation across the size spectrum. For example, 23% of names in the WilderHill Wind Energy Index are large-cap stocks, while 33% are mid-caps and 44% smaller[2]. Companies are excluded if they have significant exposure to fossil fuels or are involved in activities that have adverse impacts on societies and ecosystems from an environmental, social and governance standpoint.

Chris Mellor, Head of EMEA Equity and Commodity ETF Product Management at Invesco, said: "As the world begins returning to normality, we should re-focus attention on decarbonisation and increasing our use of cleaner energy sources. Global capacity for wind will need to increase by more than 500% by 2050 versus pre-pandemic levels, while hydrogen could have even higher growth potential given a lack of alternative clean energy sources for these industries. The two new Invesco ETFs, in addition to our existing Solar Energy ETF, offer investors effective targeted exposures to these powerful themes. Investors wanting broader exposure across the various clean energy technologies may wish to consider our Invesco Global Clean Energy UCITS ETF."

Product details

	Invesco Wind Energy UCITS ETF	**Invesco Hydrogen Economy UCITS ETF**
ETF main ticker	WNDE	HYDE
Base currency	USD	USD
Trading currency*	USD	USD
Dividend treatment	Accumulating	Accumulating
Management style	Passive	Passive
Annual charge	0.60%	0.60%
SFDR	Article 9	Article 9

*Other share classes available: GBP on LSE; EUR on Xetra and Borsa Italiana; and CHF on SIX Swiss Exchange.

ENDS

Investment risks

[2] Source: WilderHill, as at 1 June 2022.

For complete information on risks, refer to the legal documents.

The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested. As a large portion of the ETFs are invested in less developed countries, investors should be prepared to accept a higher degree of risk than for an ETF that invests only in developed markets. As the ETFs invest primarily in small-sized companies, investors should be prepared to accept a higher degree of risk than for an ETF with a broader investment mandate. The value of equities and equity-related securities can be affected by a number of factors including the activities and results of the issuer and general and regional economic and market conditions. This may result in fluctuations in the value of the ETFs. The ETFs may use Stock Connect to access China A Shares traded in Mainland China. This may result in additional liquidity risk and operational risks including settlement and default risks, regulatory risk and system failure risk. Investments into the clean energy sector are considerably exposed to investment trends focused on environmental factors and may have sensitivities towards ESG related government regulations and tax implications.

Important information

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UCITS ETF's units / shares purchased on the secondary market cannot usually be sold directly back to UCITS ETF. Investors must buy and sell units / shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current net asset value when buying units / shares and may receive less than the current net asset value when selling them.

For the full objectives and investment policy please consult the current prospectus.

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