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Clean Water Initiatives Are Vital for Infrastructure ETFs.

Commodities don't have the panache of most equities but it's an opportunity investors can consider when it comes to investing in needs versus wants. In the case of water, something the world obviously needs, clean water initiatives can be vital for exchange-traded funds (ETFs) that focus on infrastructure.

Today's contentious times amid the pandemic stress the importance of ensuring water resources are untainted. One mechanism for this water is the S&P Global Water Index, which tracks 50 of the largest publicly traded companies involved in water-related business activities.

"As these demands for clean water increase, companies involved in water-related business activities stand to grow in the coming years," wrote Tianyin Cheng, Senior Director, Strategy and Volatility Indices at S&P Dow Jones Indices. "Allocation to water can be systematically captured by rules-based, transparent index construction. Market participants could utilize index-linked water strategies to gain exposure to water, manage water risk, express their sustainability views, or allocate as part of a broader natural resource theme."

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ETF TRENDS

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