

Long Water

Invesco Global Water ETF (PIO)

Current price: 34.53

Tenor: 12 months

Overview

- The investment seeks to track the investment results of the Nasdaq OMX Global Water IndexSM.
- The Fund generally will invest at least 90% of its total assets in companies listed on a global exchange that create products designed to conserve and purify water for homes, businesses and industries.
- I plan to buy this ETF now and hold it for 12 months.

Thesis

- Fresh water is growing more and more scarce.
- Almost 6 billion gallons of treated water are lost in the U.S. every year because of poor infrastructure.
- The companies who make up the ETF stand to grow as governments around the globe strive to stem expected water shortfalls.
- Population growth, climate change and pollution are disrupting the world's freshwater supplies.

Valuation

- Invesco are about 6% off their 52-week high in January, making it a good point of entry coming into the spring and summer months.
- I expect PIO to continue to grow further into 2021 as the supply of water decreases.
- Danaher corp, Ecolab Inc and Ferguson plc, which make up 25% of the ETF all expected to grow in 2021.

Catalysts

- Fresh water supply shortages.
- No perfect substitute for clean water exists.
- Water demand is increasing significantly for both human purposes and agricultural purposes. (600% increase in 1900's).
- Water demand grows about twice the rate that the population grows.
- PIO is a high-performing ETF.

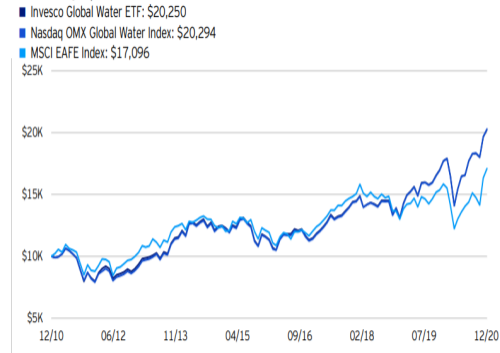
Risks & Logistical Concerns

- Water transport costs are very high.
- Scarce supply may eventually not be enough to meet increasing demand.
- Racial Justice Group slams trading of water as a commodity as harmful to communities of colour.
- People see water as essential to human life and that trading it is immoral.

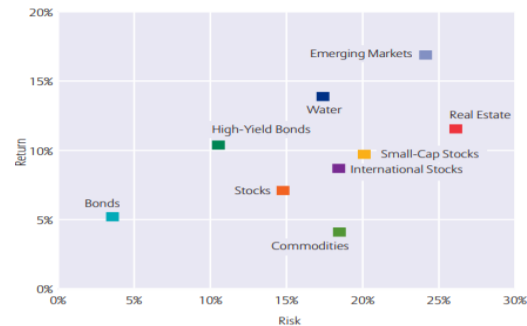
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Growth of \$10,000



This graph displays PIO outperforming other water focused ETFs over the past 10 years.



Over a 10-year period, water has provided significantly higher returns than stocks and bonds, with less volatility than most traditional equity indexes