

Putting The Magnifying Glass on The New Proshares Nanotechnology ETF

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Innovation comes in all sizes. Significant progress can involve discoveries at a small scale, and that's why the ProShares Nanotechnology ETF (NYSEARCA:TINY) shows promise, as TINY stock taps into a relatively underappreciated market.

ProShares is well-known for its broad variety of exchange-traded funds, which oftentimes can diversify a portfolio. Just as importantly, these funds can provide exposure to sectors and subsectors other funds typically don't explore.

The science of nanotechnology, as we'll see, has a wide range of real-life applications.

Before you delve into any fund however, you'll definitely want to "know what you own," as the saying goes. So let's pull out the microscope and see what this ETF is all about.

A Closer Look at TINY Stock

First of all, this fund is as fresh as it gets. We're talking about a ground-floor opportunity here, as the TINY ETF's inception date was October 26 of this year.

This fund trades on the well-known NYSE Arca exchange. And it's probably no coincidence that the ETF's operating expenses are tiny, at just 0.58%.

This is already starting to look very appealing. After all, keeping expenses low can typically contribute to better long-term results for the shareholders.

Also, the funds stated objective is to seek "investment results, before fees and expenses, that track the performance of the Solactive Nanotechnology Index."

That index includes a basket of nanotechnology-related stocks — 30 of them to be exact (as

of October 26).

As of that same day, the ProShares Nanotechnology ETF also included 30 nanotechnology-related stocks, which makes perfect sense.

What's Nanotechnology, Anyway?

Now that you know the basic facts about this fund, we can turn our attention to the subsector that TINY focuses on.

Nano-sized objects, as ProShares explains, are so small that they can't be seen through a conventional microscope.

Consider this: the components of a nano-robot can be about one-millionth the size of the average ant.

This is highly applicable technology, as ProShares explains:

"From sunscreen nanoparticles to undetectable nanorobots monitoring your body's health from the inside, production at the nanoscale lets companies manufacture smaller, smarter and more functional products."

Nanotechnology is not only useful across multiple industries, but is also a field in rapid growth mode.

Emergen Research, according to ProShares, expects the global nanotechnology industry to reach a whopping \$290 billion by 2028. That would imply an 18% annualized growth rate from 2021.

What's in the ProShares Nanotechnology ETF?

By now, you should be convinced that nanotechnology is an area worth exploring, and perhaps even investing in.

Again, however, it's essential to "know what you own." So, what types of companies are held

in the TINY ETF?

For one thing, these aren't all tiny companies. In fact, as of October 26, the average market capitalization of a component business in the fund is \$58 billion.

Furthermore, these companies are mostly based in the U.S. (66.52%).

It's an international fund, though, as there are also businesses in other countries such as [Israel](#) (7.05%), [Japan](#) (5.07%) and the [Netherlands](#) (4.99%) in the TINY ETF.

Additionally, there are familiar names in the fund that have a connection to nanotechnology, such as Moderna (NASDAQ:MRNA) and Advanced Micro Devices (NASDAQ:AMD), as well as some lesser-known but nonetheless intriguing businesses.

The Bottom Line

What we have here is another fresh offering from ProShares — and this one's in a field that's on a fast growth trajectory.

ETFs can make it easy to invest in an up-and-coming sub-sector such as nanotechnology.

The ProShares Nanotechnology ETF provides new exposure to a niche yet incredibly exciting sub-sector that's likely to grow in the coming years.

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