Going Green With Exchange Traded Funds

Today's investors have access to a growing number of green ETFs, allowing them to incorporate environmentally friendly strategies into their investment decisions. Exchange traded funds (ETFs) are investment funds that trade on a stock exchange. Investors have a wide variety of ETFs from which to choose, from those that track a major market Index to ETFs that track a basket of foreign currencies. Another type of exchange-traded fund is the green ETF, which focuses on companies that support or are directly involved with environmentally responsible technologies, such as the development of alternative energy or the manufacturing of green technology equipment and devices.

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Broad Clean Energy ETFs

Broad clean energy exchange-traded funds are involved in the alternative, renewable and clean energy sectors. ETFs based on broad clean energy include:

 The PowerShares WilderHill Clean Energy Portfolio (PBW): This fund is based on the WilderHill Clean Energy Index and selects companies focused on greener and renewable energy sources and technology that facilitates cleaner energy. The fund has a large focus on holding small-cap firms and implements a growth strategy investment approach.

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This article highlights only some of the many green ETFs that are available to today's investors. Others include:

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• The PowerShares Global Clean Energy Portfolio (PBD)

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