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Your Money: Funds for hedging against rising gas prices

If you have a long commute, or buy a lot of gasoline for leisure travel, there are ways to hedge against the painful cost of filling up the gas tank. Same thing if you own a business that uses thousands of gallons of gasoline per year.

Can you buy a gasoline hedge strategy? Yes, via a mutual fund or an exchange-traded fund.

American consumers are being hit twice by rising gasoline prices, because the value of the dollar has been eroding. Bob Landry, who covers the energy sector for USAA's Private Investment Management Group, notes that Americans have paid as much as \$4.50 per gallon this year. Compared with a year ago, the average cost of gas has jumped more than 37 percent - to \$3.93 a gallon. That price is uncomfortably near the highest *average* price on record - \$4.11, reached July 17, 2008.

Purchasing power has eroded with a weaker greenback, especially for those who live on a fixed income. For every \$100 worth of expenses seniors could afford in 2000, they can afford just \$68 today, according to a recent study by the Seniors League, which examined the increase in costs of 30 key items between 2000 and 2011.

Gas prices are, in part, driven by the cost of crude oil. West Texas Intermediate crude, a type of crude oil used as a benchmark in oil pricing, recently cost about \$97 a barrel, up about 6 percent this year. The crude price dropped nearly 12 percent the week that Osama bin Laden was killed but has risen since then. The 2 1/2-year high is \$115.

Landry says that crude prices have been rising because of the weak U.S. dollar, unrest in the Middle East and Africa, demand growth in developing nations such as China and India, and natural disasters like the Japanese tsunami, which have created uncertainty about supply and demand.

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For exposure to the energy sector much more broadly, One green-power ETF is **PowerShares' WilderHill Clean Energy (PBW)**.

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