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[http://www.thestreet.com/story/11457902/1/the-best-clean-energy-etfs-arent-the-cleanest.html?cm\\_ven=GOOGLN](http://www.thestreet.com/story/11457902/1/the-best-clean-energy-etfs-arent-the-cleanest.html?cm_ven=GOOGLN)

## The Best Clean Energy ETFs Aren't the Cleanest

Name	Total Ret 3 Mo (Mo-End) Base Currency	Total Ret 1 Yr (Daily) Base Currency	Total Ret Annlzd 2 Yr (Daily) Base Currency	Total Ret Annlzd 3 Yr (Daily) Base Currency	Total Ret Annlzd 5 Yr (Daily) Base Currency
First Trust NASDAQ Cln Edge Smrt Grd Inf (GRID)	13.76	-14.51	-0.79		
PowerShares WilderHill Clean Energy (PBW)	4.31	-44.45	-21.81	-3.87	-20.44
PowerShares Water Resources (PHO)	9.68	-0.72	7.18	20.21	1.14
Market Vectors Environmental Svcs ETF (EVX)	6.56	0.66	9.93	22.02	4.13
PowerShares Cleantech (PZD)	7.32	-12.07	2.81	18.06	-1.35
PowerShares WilderHill Progrsv Energy (PUW)	14.66	-6.54	8.79	29.13	1.06
First Trust NASDAQ Cln Edg Green En Idx (QCLN)	5.89	-34.91	-13.78	5.78	-11.35
Market Vectors Gib Alternative Energy ETF (GEX)	2.26	-39.01	-23.16	-9.04	
Guggenheim S&P Global Water Index (CGW)	8.36	3.68	10.81	23.28	
First Trust ISE Water Idx (FIW)	10.19	6.31	12.22	23.53	
PowerShares Global Clean Energy (PBD)	6.20	-33.11	-17.84	-0.49	
PowerShares Global Water (PIO)	9.00	-7.75	2.75	20.86	
Market Vectors Solar Energy ETF (KWT)	7.56	-64.45	-37.19	-20.51	
ELEMENTS CS Global Warming ETN (GWO)	9.71	-6.56	8.78	24.41	
Guggenheim Solar (TAN)	3.77	-61.75	-36.76	-16.74	
iShares S&P Global Clean Energy Index (ICLN)	5.91	-41.66	-24.89	-12.02	
First Trust Global Wind Energy (FAN)	-0.72	-19.79	-19.93	-4.67	
PowerShares Global Wind Energy (PWND)	3.27	-26.53	-24.02	-8.71	

Source: Morningstar. Performance return data through 2/29/2012

Clean energy exchange-traded funds have grown up parallel to the larger explosion in the ETF universe, and now with at least three years of history, it's possible to take a look at whether these investments make good long-term bets.

The general conclusion that can be drawn is that the best clean energy ETFs for the long haul are not necessarily the "cleanest."

Top-performing ETFs that fit the Morningstar clean energy category include water resources and energy services [funds](#) (see chart above), while the long-term laggards are the purer-play clean energy investments, primarily solar funds.

It's no surprise that solar stocks can dominate clean energy indexes,

and the more volatile indexes, given the number of public offerings in the sector relative to the rest of the clean energy universe. It's also no surprise that the investment wisdom with clean energy ETFs mirrors the case to be made for clean energy stocks on an individual basis: Pick your spots with momentum plays like solar coming off a bottom and you can profit, but holding any fund weighted to the solar sector for too long hasn't worked yet.

The worst-performing clean energy ETFs over the past three years, through the end of February, are the **Market Vectors Solar Energy ETF(KWT)** and the **Guggenheim Solar(TAN)** ETF.

Meanwhile, the best-performing clean energy ETF over the past three years is the **PowerShares WilderHill Progressive Energy(PUW)** ETF.

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The top three holdings in the Wilderhill Progressive Energy ETF are India's **Tata Motors**, **Clean Energy Fuels(CLNE)**, a builder of natural gas vehicle refueling infrastructure, and **Methanex**, which produces methanol, not just found in biodiesel but products from windshield washer fluid to recyclable plastic bottles, plywood floors and paint.

Uranium miner **Cameco(CCJ)** and Brazilian utility **Companhia Energetica de Minas Gerais**, are also among the top 20 holdings in this top-performing ... fund. ....