

Excerpt from Wealth Builder, June 1, 2010

<http://www.wealthmanagerweb.com/News/2010/6/Pages/Green-ETFs-Trading-at-Bargain-Prices.aspx>

## GREEN ETFS TRADING AT BARGAIN PRICES

*There's more than one way to add a little green to your portfolio.*

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The rise in interest about sustainability issues has been noticed by providers of exchange traded funds as well, who have created more than a dozen “green investing” ETFs that own stocks of companies involved with clean energy, energy efficiency, water purification, waste management, and recycling. There are also “socially responsible” ETFs that own shares of companies scoring highly on a list of issues such as community relations, diversity, employee relations, and human rights.

After surging in 2008 as oil prices neared \$150 a barrel, many green investing ETFs suffered badly when the recession cut oil prices in half. Several ETFs are currently trading below their initial offer price. The reemergence of growth in the world economy, however, may serve to refocus attention—lost during the recession—on sustainability issues and could lead to better performance from this group.

One of the oldest sustainable investment ETFs is the PowerShares WilderHill Clean Energy Portfolio ..., which was launched in March 2005, and currently has about \$500 million in assets. It has suffered a negative 8.5% annual rate of return since inception through May 10, though other alternative energy ETFs have fared far worse. The ETF owns a broadly diversified portfolio of 54 stocks including alternative energy equipment manufacturers and producers, utilities, technology companies, and even chemical manufacturers. Its three largest holdings as of May 10, according to the PowerShares website, together represented just over 9% of the fund, and were JA Solar Holdings ... and ReneSola ..., China-based manufacturers of solar cells, and Rubicon Technology ..., an Illinois-based manufacturer of electronic materials used in light emitting diodes and other products.

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Several ETFs are focused on “cleantech”—products that improve the efficiency or reduce the impact of traditional energy resources. The \$58 million **PowerShares WilderHill Progressive Energy Portfolio ...**, targets companies that are “involved in transitional energy bridge technologies, with an emphasis on improving the use of fossil fuels,” according to its prospectus. Such companies including top holdings (as of May 10) Owens Corning (OC; NR), an

insulation maker; GrafTech International (GTI; NR), which makes graphite for energy and industrial applications; and South Africa's Sasol (SSL; NR), which is pioneering the use of coal gasification and development of synthetic fuels.

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