

Top 5 Green Energy ETFs

Renewables: A new way of life and a new generation of wealth.

Renewable energies will play a decisive role in the solution of the main energy policy issues, on a global scale.

Build Your Own Personal Fortune off the coat tails of the Clean tech Industrial Revolution and help save the earth in the process! A vast amount of investment money is pouring into Clean tech businesses annually. This is definitely where the "smart money" is going. If you look at Venture Capital investment in Clean tech companies, it has increased 16 fold since 2001.

We have been dependent on fossil fuels for over 100 years. The major emerging crisis that the Copenhagen summit must now address is the crisis of dwindling crude reserves and the looming demise of cheap oil. The International Energy Agency (IEA) recently confirmed that every fossil fuel resource we rely on today will simply not be able to keep pace with demand. Our entire way of life and all of our current economic projections, are built around the assumption that there will always be more energy when we need it. But this is a flawed assumption and that's why we're about to see the biggest energy transition the World has ever witnessed!

Now all of the following have to be reconsidered:

- 1. The way we create electricity
- 2. The way we power our transport
- 3. The way we store and purchase our energy
- 4. The way we synthesize plastics
- 5. The way we build our homes and work places

We have 3 individual Clean tech companies already listed in our International portfolio. But, if you want to get more diversified exposure to Clean Tech and Alternative Energy companies, you could invest via an ETF (exchange traded fund).

Exchange traded funds are a good way to get exposure to a whole basket of shares in one fell swoop.

By investing through an ETF rather than directly into individual shares/stocks, you build in a hedge against individual share/stock volatility. For those who are unfamiliar with the

renewable energy sector, an Alternative Energy ETF could be a good way to gain your initial diversified exposure to this dynamic sector.

An ETF is a basket of shares in a particular sector that trades as one share. (See our learning centre or our Ebook for a full explanation of ETF's)

Below is a list of the top 10 holdings in what we consider to be the Top 5 Green Energy ETFs. They include funds that invest in solar, wind, water, and clean energy.

1. Market Vectors Solar Energy ETF (NYSE: KWT)

Market Vectors Solar Energy seeks to replicate the activity of the Ardour Solar Energy Index, SOLRX. This Index allows for an objective exposure of companies that derive at least 66% of their profits from solar energy.

Market Vectors Solar Energy lists these companies as its top ten holdings:

- Energy Conversion Devices (Nasdag:ENER)
- First Solar Inc.(Nasdag:FSLR)
- MEMC Electronic Materials Inc. (NYSE:WFR)
- Renewable Energy (Oslo:REC.OL)
- SMA Solar Tech (Berlin:S92.BE)
- SolarWorld (XETRA:SWV)
- SunPower Corp. (Nasdaq:SPWRA)
- Suntech Power Holdings (NYSE:STP)
- Trina Solar Limited (NYSE:TSL)
- Yingli Green Energy (NYSE:YGE)

2. Power Shares Wilder Hill Clean Energy ETF (NYSE: PBW)

The Wilder Hill Clean Energy Index recognizes companies that centre around greener and often renewable sources of energy. They also focus on the technology that complements cleaner energy.

Power Shares Wilder Hill Clean Energy identifies these companies as its top ten holdings:

- American Superconductor Corp. (Nasdag:AMSC)
- Applied Materials, Inc. (Nasdag:AMAT)
- Cosan Ltd. (NYSE:CZZ)
- Cree, Inc. (Nasdag:CREE)
- Echelon Corp. (Nasdag:ELON)
- Fuel Systems Solutions, Inc. (Nasdag: FSYS)
- International Rectifier Corporation (NYSE:IRF)
- SunPower Corporation (Nasdag:SPWRA)
- Trina Solar Ltd. (NYSE:TSL)
- Universal Display Corp. (Nasdaq:PANL)

3. Mkt Vectors Global Alternative Energy ETF (NYSE: GEX)

This ETF invests up to 80% of total assets in securities of non-US companies. The main focus of this index is companies who have engaged in generating power from environmentally friendly and non-traditional sources.

Market Vectors Global Alternative Energy identifies these companies as its top ten holdings:

- Oesterr Elektr Wirt (VER.VI)
- Covanta Holding Corporation (NYSE:CVA)
- Cree, Inc. (NYSE:CVA)
- EDP Renovaveis SA (XETRA:EDW.DE)
- First Solar Inc. (Nasdag:FSLR)
- GAMESA (MCE: GAM)
- Iberdrola Renovables (Nasdag:IBR)
- Kurita Water Industries Ltd. (XETRA:KWI.DE)
- MEMC Electronic (NYSE:WFR)
- Vestas Wind Systems (CPH:VWS)

4. PowerShares Cleantech ETF (NYSE: PZD)

The Cleantech Index, tracked by the PowerShares Cleantech Portfolio, identifies leading cleantech companies that among other things will offer the most beneficial investment returns.

In order to categorize a company as a cleantech company, it must obtain 50% or more of its revenue from respective cleantech businesses. Cleantech companies are ones that offer knowledge-based services and products that simultaneously reduce cost to add economic value and reduce negative impacts on the environment, through diminishing the consumption of resources.

Power Shares Cleantech ETF identifies these companies as its top ten holdings:

- ABB Ltd. (NYSE:ABB)
- Autodesk, Inc. (Nasdag:ADSK)
- Corning Inc. (NYSE:GLW)
- Gamesa (MCE: GAM.MC)
- Iberdrola Renewables(Nasdaq: IBR)
- Novozymes (XETRA:NZMB.DE)
- Roper Industries Inc. (NYSE: ROP)
- Schneider Electric (Paris: SU)
- SIEMENS AG-REG (Nasdag:SIE)
- Vestas Wind Systems (CPH: VWS)

5. First Trust Global Wind Energy ETF (NYSE: FAN)

This Index Fund is based upon the ISE Global Wind Energy Index. It is a modified market capitalization weighted index that indicates publicly traded companies active in

the wind energy industry around the globe. A company's place in this index is determined through the analysis of offered products and services.

First Trust Global Wind Energy lists these companies as its top ten holdings:

- Broadwind Energ, Inc. (Nasdaq:BWEN)
- EDP Renovaveis SA (Lisbon:EDPR.LS)
- FERSA (MCE:FRS.MC)
- GAMESA (MCE:GAM)
- Hansen Transmissions International (LON:HSN)
- Iberdrola Renovables (Nasdaq:IBR)
- Infigen Energy (XETRA:B4U.DE)
- Nordex (Frankfurt:NDX1)
- REpower Systems (XETRA:RPW)
- Vestas Wind Systems (CPH:VWS)

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