Go Green in a Single Click

By Rick Aristotle Munarriz April 22, 2008

Want to keep the planet and your portfolio green? The Fool shows you how in our special series on <u>Earth-friendly investing</u>.

If this Earth Day finds you more in tune with clean energy than ever before, buying a hybrid car isn't the only way you can take action. Investing in alternative energy can come with a learning curve, but even if you don't know a photovoltaic cell from a wind turbine, there's still an easy way to participate in the sector's booming potential.

In a single purchase, you can snap up a basket of alternative-energy stocks through one of the many <u>exchange-traded funds</u> that specialize in clean energy. Your timing couldn't be better, since the industry's recent roughing up provides you with attractive entry points this year.

ETF	2008 Return
PowerShares WilderHill Clean Energy (AMEX: PBW)	(20.7%)
PowerShares Global Clean Energy (AMEX: PBD)	(12.2%)
	(10.5%)

With higher gasoline prices and elevated environmental concerns increasing clean energy's popularity on economic and ethical grounds alike, now's a great time to invest in the sector. The lower prices at which all three of the above funds trade, after suffering double-digit percentage dips early in 2008, is just the icing on the cake.

Let's take a closer look at the WilderHill fund, which David Gardner recommended to *Rule Breakers* subscribers two years ago. Even with this year's nearly 21% dip, the pick is still handily beating the market, fueled by a 60% surge in 2007.

The fund's biggest holdings are solar energy plays. Four of its largest investments -- **JA Solar** (Nasdaq: <u>JASO</u>), **Yingli Green Energy** (NYSE:

<u>YGE</u>), **Trina Solar** (NYSE: <u>TSL</u>) and **Suntech Power** (NYSE: <u>STP</u>) -- are all Chinese companies enjoying rapid growth by enabling our migration towards solar energy.

Given the pounding that Chinese equities have taken since peaking late last year, it's only natural for an ETF loaded with numerous Chinese stocks to falter. However, many of these companies have healthier fundamentals now than they did when their stocks peaked several months ago.

If you're an autopilot investor who likes to pick themes, then let seasoned managers handle the rest, ETFs like PowerShares WilderHill Clean Energy offer a simple way to piggyback on professional investors' expertise. It's a great time to make some green by thinking green.