Excerpt from Nasdaq.com, January 29, 2010
http://www.nasdaq.com/newscontent/20100129/do-good-guys-always-come-in-last-socially-responsible-etfs.aspx?storyid=20100129_20100129_dogoodguysalways_com_etf_jb_etfzone

Do Good Guys Always Come in Last? Socially Responsible ETFs

The financial crisis raises fresh questions about executive pay, corporate responsibility, capital stability and sustainability. Socially Responsible Investment (SRI) focusing on these areas has attracted as much as $2 trillion in capital. ETFs are a tiny part of the SRI universe. But SRI-focused ETFs are important because of their high profile accessibility, transparency, liquidity, and low cost.

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Another important approach to the challenge of building an SRI index is to offer exposure to the alternative "green" energy markets and emissions regulation. The 1-year chart below compares three green energy ETFs, PowerShares WilderHill Clean Energy (NYSEArca:PBW), …, … with the SPY.

As the chart shows, these funds are not as well correlated with the SPY. They are very different funds.

PBW holds companies that aim to be cost-competitive with fossil fuels but in general are not yet competitive and therefore dependent on government subsidy. Because of the perceived opportunity in these technologies PBW and PBD typically have higher P/E ratios (about 15 as compared to 10 for KLD), and are much smaller, with an average market cap of about 2 billion compared to about 20 billion for …. Despite their expense ratios 0.66 for PBW and 0.75 for PBD, these are well-run funds and probably belong in any diversified energy portfolio.

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