



## **2007 Q2 Quarterly Report: WilderHill Clean Energy Index®. June 30, 2007**

Second Quarter of 2007 opened with the Index ([ECO](#)) at 197.43, and it ended at 216.96. Q2 thus had a positive return of 9.9%. Following second half of 2006 unusually dominated by ‘sideways movement’ a robust volatility more typical of clean energy as expected has returned: ECO showed sizable yet normal intra-Quarterly volatility over Q1 and Q2 2007.

### **ECO Index: The Addition of TSL, JASO, YGE, ARGN, POR, CBAK, COMV, NBF -- and Deletion of CPST, ANDE, CLRK, CY, KYO and EURO.**

For Q3 2007, we’ve added 8 components: Trina Solar (TSL), JA Solar (JASO), Yingli Green Energy (YGE), Amerigon (ARGN), Portland General Electric (POR), China BAK Battery (CBAK), Comverge (COMV), and Nova Biosource Fuels (NBF). This was an unusually large number reflecting to some extent a heightened activity as new enterprises in this sector go public. Deletions from the Index for Q3 were Capstone (CPST), Andersons (ANDE), Color Kinetics (CLRK), Cypress (CY) and Kyocera (KYO); also deleted was EuroTrust (EURO) that moved to a listing on European markets. The end-of-Q2 weightings are in Appendix I, and list of Q3 (ECO) additions, weightings and sectors are found below in Appendix II.

### **A first Global Index for Clean Energy is now tracked by a fund: Launch of a tracker for WilderHill New Energy Global Innovation Index (NEX)**

Notably on June 13, 2007, a new tracking fund launched that aims to mirror the [WilderHill New Energy Global Innovation Index \(NEX\)](#). The NEX Index went live on February 1, 2006, and was a first *global* clean energy Index (hence that tracker takes a *global* view as defined by NEX and is called the PowerShares Global Clean Energy Portfolio (PBD)).

Because a worldwide NEX arguably offers a fresh way of tracking this sector more broadly (even as its tracker creates new potential to follow clean energy space around the globe as defined by the NEX) we provide added data below on the NEX in Appendixes III, IV & V. We include a Fact Sheet, a Rule Book on NEX construction, and the Q3 2007 components. That Index (NEX) is a partnership between New Energy Finance based in London, Mr. Josh Landess of New Energy Research LLC based in the U.S., and Dr. Rob Wilder in the U.S.

Notably too the NEX Index has less than half its components listed in the U.S.: thus there’s considerable non-overlap and non-correlation with our original WilderHill Clean Energy Index® (ECO). Further the NEX has even less overlap with WilderHill Progressive Energy Index (WHPRO) which instead captures opportunities in decarbonizing the energy portrait and reducing pollution and CO2 from fossil fuels. NEX is centered on clean energy, albeit globally; it has a different Advisory Board from ECO, different Rules for minimum market capitalization, for small vs large-weighted stocks, and for required volume, liquidity etc.

In sum NEX is much different from ECO – and from WHPRO too – but those differences should make for fascinating results as to how they each track clean or new energy ahead.

## Website for the WilderHill Index (ECO)

Our website <http://www.wildershires.com> is being continuously refined and we monitor for glitches as this website develops and grows. Years of experience in posting live data on Indexing websites has taught us that glitches will surely happen, given software/hardware issues that inevitably arise. It's worth repeating the WilderHill Clean Energy Index (ECO) is always calculated independently and totally apart from our own website by the American Stock Exchange. And of course the exchange traded fund (PBW) that aims to track this Index is itself calculated in robust fashion and totally independently of our own website. More data on this Index ([ECO](#)) and a tracking fund ([PBW](#)) are on the site of the American Stock Exchange, <http://www.amex.com> Lastly we continue to upgrade our site with the aim of robust uptime and providing ample information: we welcome your suggestions.

## Summary

Second Quarter opened with Clean Energy Index<sup>®</sup> ([ECO](#)) at 197.43 and it ended at 216.96. Q2 thus had a positive return of 9.9%. Following a second half 2006 unusually dominated by 'sideways movement', the robust volatility that's typical of clean energy as expected has returned: ECO showed sizable yet normal intra-Quarterly volatility over Q1 and Q2. Eight new components TSL, JASO, YGE, ARGN, POR, CBAK, COMV, NBF were added to start Q3; there were six deletions of CPST, ANDE, CLRK, CY, KYO and EURO. Interestingly too the fund (PBW) tracking this Index (ECO) has passed its first \$1 billion in size in assets under management this Quarter, less than 2 ½ years after launch of PBW in March 2005.

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Sincerely,

*Robert Wilder*

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Disclaimer: The following is a reminder from the friendly folks at the WH Index who worry about liability. Performance figures quoted represent past performance only, and are no guarantee of future results. The views expressed here are those of just one of the managers of the WH Index. Views are not meant as investment advice, and should not be considered as predictive in nature. Any descriptions of a holding, applies only as of June 30, 2007. Positions within the Index can and do change thereafter. Discussions of historical performance do not guarantee, and are not indicative of future performance. The Index covers a volatile sector, and thus is volatile too, subject to well above-average changes in valuation. The WilderHill Clean Energy Index (ECO) is published by WilderShares, LLC. No financial instruments or products based on the Index are sponsored or sold by WilderShares LLC, and Wildershires, LLC makes no representation regarding the advisability of investing in such product(s).

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## Appendix I: The Index (ECO) Q2 Components

Following were Q2 Index weightings at roughly 10 days before Rebalancing to start Q3. After rebalancing, every stock floats according to its share price over the new Quarter.

### **Index (ECO) Components as of: 06/19/2007. 40 stocks.**

<b>Company Name</b>	<b>Symbol</b>	<b>% Weighting</b>
Echelon	ELON	4.94%
Color Kinetics	CLRK	4.77%
Cree	CREE	4.35%
First Solar	FSLR	4.09%
American Superconductor	AMSC	3.72%
Zoltek	ZOLT	3.69%
Sunpower	SPWR	3.67%
Om Group	OMG	3.50%
Cypress Semiconductor	CY	3.36%
Universal Display	PANL	3.24%
Itron	ITRI	3.19%
Kyocera Corp Adr	KYO	3.15%
Applied Materials	AMAT	3.01%
Emcore	EMKR	2.82%
Suntech Power Holdings	STP	2.71%
MEMC Electronic Materials	WFR	2.68%
Maxwell Technologies	MXWL	2.68%
Praxair	PX	2.65%
Evergreen Solar	ESLR	2.62%
Ormat Technologies	ORA	2.61%
International Rectifier	IRF	2.54%
Air Products & Chem	APD	2.52%
Fuel Systems Solutions	FSYS	2.44%
Idacorp	IDA	2.28%
Puget Energy	PSD	2.26%
Energy Conversion Devices	ENER	2.23%
Andersons	ANDE	2.15%
MGP Ingredients	MGPI	1.96%
Plug Power	PLUG	1.95%
Pacific Ethanol	PEIX	1.82%
FuelCell Energy	FCEL	1.82%
Diversa (changed to Verenum)	DVSA/VRNM	1.81%
VeraSun Energy	VSE	1.67%
Medis Technologies	MDTL	1.64%
Ballard Power	BLDP	1.62%
Capstone Turbine	CPST	0.51%
Ultralife Batteries	ULBI	0.46%
Uqm Technologies	UQM	0.45%
Active Power	ACPW	0.41%
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## Appendix II: The Index (ECO) Components for Q3

INDEX (ECO) SECTORS & STOCK WEIGHTINGS AS OF FIRST DAY OF Q3 2007. 42 STOCKS.

Each stock freely floats according to its share price after rebalance.

\* Stocks \$50-\$200 million in size at the rebalance are banded at a 0.5% weight.

**Renewable Energy Harvesting** - 36% sector weight (12 stocks @3.0% each)

*Applied Materials*, AMAT. Solar PV fabrication, growing both thin film and crystalline.

*Emcore*, EMKR. Solar, ultra-efficient PV cells for satellites, and terrestrial use.

*Evergreen ESLR*. Unique string-ribbon solar PV with more efficient silicon-use.

*First Solar*, FSLR. Maker of thin film, CdTe solar panels that reduce silicon need.

*JA Solar*, JASO. Solar, China-based, sells its PV modules in Asia, Europe, U.S. etc.

*MEMC*, WFR. Producer of the polysilicon needed in many crystalline solar PV cells.

*Ormat*, ORA. Geothermal, works as well in recovered energy.

*SunPower*, SPWR. Solar, Efficient PV panels with all-rear-contacts cells.

*SunTech Power*, STP. Solar, a fast-growing major producer of PV based in China.

*Trina Solar*, TSL. Solar, produces ingots, wafers, solar PV modules; China-based.

*Yingli Green Energy*, YGE. Vertically-integrated solar PV manufacturer, China.

*Zoltek*, ZOLT. Wind, makes carbon fiber for wind blades and product 'lightening'.

**Power Delivery & Conservation** - 21% sector weight (7 stocks @2.93% each; +1 banded stock)

*American Superconductor*, AMSC. Superconductors 2G HTS and in Wind Power.

*Comverge*, COMV. Demand-side energy management for smarter grids.

*Cree*, CREE. LEDs, makes efficient lights, power-saving electronics.

*Echelon*, ELON. Networking for the management of whole energy systems.

*International Rectifier*, IRF. Efficiency-enabling electronics producer.

*Itron*, ITRI. Monitoring, designs energy measurement and management systems.

*Universal Display*, PANL. Organic light emitting diode OLED panel displays.

\**UQM Technologies*, UQM. Hybrid vehicle electrics; motor & power systems.

**Cleaner Fuels** - 15% sector weight (7 stocks @2.14% each)

*Air Products & Chemicals*, APD. Hydrogen, a supplier of many industrial gases.

*MGP*, MGPI. Biofuels, ethanol and fuel alcohol.

*Nova Biosource Fuels*, NBF. Biodiesel, refining and marketing renewable fuels.

*Pacific Ethanol*, PEIX. Aims to be a leading biofuels producer in Western U.S.

*Praxair*, PX. Hydrogen, a supplier of many industrial gases.

*VeraSun Energy*, VSE. Biofuels, one of the largest corn ethanol producers in U.S.

*Verenium*, VRNM (was DVSA). Enzymes to convert biomass, cellulosic feedstocks.

**Energy Storage** - 12% sector weight (4 stocks @2.62% each; +3 banded stocks)

\**Active Power*, ACPW. Flywheel power storage, a firm power alternative to batteries.

\**China BAK Battery*, CBAK. China-based large OEM manufacturer, lithium-based cells.

*Energy Conversion Devices*, ENER. Very diversified: in batteries, solar PV, also FCs.

*Fuel Systems Solutions*, FSYS. Gaseous fuels integrator for cleaner-fueled vehicles.

*Maxwell*, MXWL. Ultracapacitors, battery alternative such as for hybrid vehicles.

*OM Group*, OMG. Produces cobalt & precursors to Li-Ion rechargeable batteries, FCs.

\**Ultralife Batteries*, ULBI. Batteries, advanced lithium ion, polymer rechargeable.

**Energy Conversion** - 10% sector weight (5 stocks @2.0% each)

*Amerigon*, ARGN. Thermoelectrics, has subsidiary in converting waste heat to power.  
*Ballard Power*, BLDP. Mid-size fuel cells R&D, PEM FCs such as for transportation.  
*FuelCell Energy*, FCEL. Large fuel cells are stationary high-temp. flex-fuel MCFCs.  
*Medis*, MDTL. Micro fuel cells, designed for liquid-fuels with unique electrolyte.  
*Plug Power*, PLUG. Mid-sized fuel cells for distributed generation, home power.

**Greener Utilities** - 6% sector weight (3 stocks @2.0% each)

*Idacorp*, IDA. Hydroelectric, Utility, significant hydroelectric with some small hydro.  
*Portland General Electric*, POR. Utility in hydro & thermal, growing renewables use.  
*Puget Energy*, PSD. Wind, Utility, PSD is growing its wind power base.

**Appendix III: Fact Sheet for WilderHill New Energy Global Innovation Index (NEX), a June 2007 update. <http://www.nex-index.com>**

## **WILDERHILL NEW ENERGY GLOBAL INNOVATION INDEX (NEX)**

**The NEX is a global index comprised in 2<sup>nd</sup> Quarter 2007 of 84 companies listed on 24 exchanges in 21 countries, whose innovative technologies and services focus on the generation and use of cleaner energy, conservation, efficiency and the advancement of renewable energy in general.**

### **The NEX Universe**

Companies worldwide active in wind, solar, biofuels, hydro, wave and tidal, geothermal and other renewable energy businesses, as well as energy conversion, storage, conservation, efficiency, materials, pollution control, emerging hydrogen and fuel cells. 45 industry analysts are researching the NEX Index Components

### **Index Methodology**

NEX is a rule-based index and uses equal-weighting methodology modified by sector and market capitalization bands to provide diversification across the clean energy industry. The index is rebalanced quarterly on the last business day of March, June, September and December, when the components and the initial weights are determined. At rebalancing no single component can exceed 5% weight.

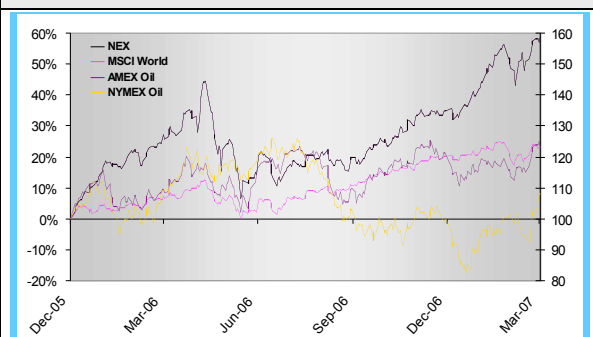
### **Eligibility Criteria for Index Constituents**

- Listed on a national exchange or primary listing market
- Three-month average market capitalization of at least \$100 million and significant daily trading volume
- At least 50% of the stocks outside the U.S.
- Bias to pure plays

### **Index Calculation and Dissemination**

The NEX is calculated by Dow Jones Indexes. The NEX closing values will be calculated on a 24-hour day that will end at 5:30 PM New York time. The end-of-day index calculations will use WM closing spot exchange rates as of 4 PM London time and each component stock's closing price on its primary market.

**NEX vs MSCI World, AMEX Oil and NYMEX Oil, 30 December 2005 – 31 March 2007**



Note: Data Re-based to 100 on 30 December 2005

Source: New Energy Finance

Index Tickers				
Tickers	USD	EUR	GBP	JPY
Price Return (every 15 seconds)	NEX	NEXEU	NEXBP	NEXJY
Total Return (summary only)	NEXUST	NEXEUT	NEXBPT	NEXJYT

## Wilderhill New Energy Finance LLC

WilderHill New Energy Finance, LLC is the publisher of the WilderHill New Energy Global Innovation Index (NEX). It is a

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partnership between New Energy Finance Limited, based in London, Josh Landess of First Energy Research, LLC based in the U.S., and Robert Wilder in the U.S.

Key Statistics		Index Performance		
No. of Constituents	84	Average Return*		14.5%
No. of Countries	21	Average Return –		6.2%
Total Market	\$348.7bn	Correlation with MSCI		84.3%
Largest Company	\$42.6bn			
Smallest Company	\$87.4m			
		<b>Annualised</b>	<b>NEX</b>	<b>MSCI</b>
Average Market	\$4.1bn	1 Year	38.6%	24.5%
Median Market	\$1.6bn	3 Year	34.5%	17.8%
Largest Company	2.71%			
Top 10 holdings	25.57%			

\* Since 29<sup>th</sup> December 2000

Weightings Distribution by Sector	Weightings Distribution by Region
<p>Hydrogen &amp; Fuel Cells (7), 4.7%</p> <p>Generation Efficiency &amp; Smart Distribution (7), 5.8%</p> <p>Services &amp; Suppliers (5), 7.0%</p> <p>Demand-Side Energy Saving (10), 7.0%</p> <p>Renewables - Other (7), 11.9%</p> <p>Renewables - Biofuels, Biomass &amp; WTE (14), 12.5%</p> <p>Renewable - Solar (16), 19.2%</p> <p>Renewable - Wind (12), 28.5%</p> <p>Power Storage (6), 3.4%</p>	<p>Asia &amp; Oceania 21.6%</p> <p>Americas 30.6%</p> <p>Europe, Middle-East &amp; Africa 47.8%</p>
Note: Weightings as of 30 March 2007	

Top 10 Holdings		
Company	Country	Weightings
Babcock & Brown Wind Partners	Australia	2.71%
Gamesa	Spain	2.65%
EDF Energies Nouvelles	France	2.62%
Vestas Wind Systems	Denmark	2.61%
Theolia	France	2.54%
Scottish & Southern Energy	UK	2.52%
REpower Systems	Germany	2.49%
Nordex AG	Germany	2.49%
Acciona	Spain	2.48%
Iberdrola	Spain	2.47%

Note: Weightings as of 30 March 2007



## Appendix IV: Rule Book, for WilderHill New Energy Global Innovation Index (NEX)

Version May 2007: Subject to Change.

### **WilderHill New Energy Global Innovation Index**

The WilderHill New Energy Global Innovation Index (“Index”) is comprised of companies worldwide whose innovative technologies focus on generation and use of cleaner energy, conservation, efficiency, and the advancement of renewable energy in general. In the past decade, and especially since the Kyoto Protocol, clean energy has seen significant growth outside the United States, with considerable activity now occurring in Europe and the Asia-Pacific region, hence the majority of companies included in the Index are listed on exchanges outside of the U.S. Components are limited to five percent (5%) of the index by weight at rebalancing.

The Index is mainly composed of companies focused in wind, solar, biofuels, hydro, wave and tidal, geothermal and other relevant renewable energy businesses, as well as energy conversion, storage, conservation, efficiency, materials, pollution control, emerging hydrogen and fuel cells.

The Index was created by, and is a service mark of WilderHill New Energy Finance, LLC (“Index Provider”). The NEX is calculated by Dow Jones Indexes (“Calculation Agent”).

### **Eligibility Criteria**

To adequately reflect the worldwide nature of the emerging lower-carbon sector, in general at least half of the companies comprising the WilderHill New Energy Global Innovation Index are listed on stock exchanges outside the United States.

For a stock to be included in the selection universe, the company must be identified as one that has a meaningful exposure to clean energy, either as a technology, equipment, service or finance provider, such that profitable growth of the industry can be expected to have a positive impact on that company’s performance. Generally, meaningful exposure is taken to mean that the company derives at least 10% of its market value from activities in clean energy, in the judgment of the Index Provider.

Stock selection for the Index is biased in favor of the “purer-play” companies in renewable energy, and those in cleaner energy generally. “Purer-play” in this context means those that, as estimated by the Index Provider, derive more than 50% of their market value from their clean energy activities. Consequently, and owing to the fact that the clean energy industry is in the early stages of its growth cycle, the smaller-cap and mid-cap companies may have a leading role in the composition of the Index. As new energy technologies are developed, these too may be added to the Index when significant to this sector.

## **Index Sectors**

Demand-Side Energy Saving  
Generation Efficiency & Smart Distribution  
Hydrogen & Fuel Cells  
Power Storage  
Renewables - Biofuels, Biomass & Waste-to-Energy  
Renewables - Other  
Renewable - Solar  
Renewable - Wind  
Services & Suppliers

Larger companies with diversified (including business lines outside clean energy) businesses may be included, but will only be considered in the following circumstances:

- Clean energy is a rapidly growing part of the business and is estimated to account for above 10% of the market value of the company.
- The company is already or closely positioned to be the dominant market player in the specific sector of the clean energy industry that it is operating in.
- The company is one of the very few quoted companies that offer exposure to a specific sector that has been chosen as an area of the clean energy industry to reflect the Index.
- However, the number of conglomerates will be capped to be less than 20% of the Index by component count.

The Index will not include the stocks of funds investing in quoted equities, as these can themselves qualify for direct inclusion in the Index. The Index may, however, include the stocks of companies or funds whose main activity is investing in or holding portfolios of renewable energy generating capacity or other infrastructure, as long as they meet the other criteria for inclusion. It may also include companies or quoted funds that invest in privately-held equity of qualifying companies.

To be included in the Index, components must meet the following criteria relating to liquidity and trading status:

### ***Listing on a National Exchange or Primary Listing Market***

They will be listed on a major international or national exchange: the NYSE, AMEX or NASDAQ (GS or GM) in the USA; in Europe one of the major exchanges such as London, Paris (Euronext), Madrid, Frankfurt (XETRA) or Copenhagen; in Asia these may include, but not be limited to the Australian Stock Exchange (ASX), Tokyo, Hong Kong, Shanghai, Shenzhen, Mumbai and the National Stock Exchange of India. Where an additional or secondary listing on a major international market is available (e.g. ADRs and GDRs) and such listing offers more attractive trading characteristics than the main listing on a domestic market, exposure to the company through the additional or secondary listing will be considered. Listing on bulletin-board or over-the-counter exchanges is not considered for inclusion in the Index.

***Three-month average market capitalization is at least \$100 million***

They will have three-month average market capitalization of at least USD 100m. Market capitalization is measured over the preceding 3-month period, and the average of the closing market capitalization on each trading day of that 3-month period is taken into account. The measurement period of 3 months may be reduced if a company has a trading history of less than 3 months, as typically encountered in the case of new IPOs. Market capitalization for a majority of Index stocks is typically USD 250m and above. To account for the notable but smaller companies sometimes significant to the clean energy field, a minority of Index stocks may have market capitalizations between USD 100m and USD 250m.

### **Significant trading volume**

They will reach the minimum average daily trading volume – USD 1m over the preceding 30 days. In addition, at least 250,000 shares were traded each of the last 6 months. Newly IPO'd stocks may be included, but will only be considered in certain circumstances. For stocks quoted on US exchanges strong preference is given to stocks with a price of over USD 3.00 per share. In exceptional circumstances prices of between USD 1.00 and USD 3.00 may be considered.

A small number of Index constituents may at any time not meet these criteria. The Index Provider will have complete discretion over which companies are included in the Index, their weightings, and the definitions and weightings of the sectors. The Index Provider may at any time and from time to time, change the number of Index constituents by adding or deleting one or more components, or replacing one or more companies contained in the Index with one or more substitute stocks of its choice, if in Index Provider's opinion such addition, deletion or substitution is necessary or appropriate to maintain the quality and/or character of the industry groups to which the Index relates.

### **Index Methodology**

The Index is calculated using a modified equal-dollar weighting methodology. At the time of rebalancing each Index sector is assigned an overall weight in line with that sector's market capitalization within the NEX's component selection universe, adjusted if necessary to avoid problems of illiquidity or over-concentration on any individual sector.

Each sector's components are divided into two categories, large and small. Large components are given three and half times the weight of small components within their sector, and are defined as having an individual market capitalization over \$750 million. Components may be reassigned between large and small categories within their relevant sectors at the discretion of the Index Committee in order to alleviate concerns of individual component liquidity or restricted availability. Components quoted on those markets that restrict ownership or trading by foreign investors will not be excluded altogether but may be allocated to the small component category within their respective sectors.<sup>1</sup>

All components are limited individually to five percent (5%) of the Index by weight at rebalancing notwithstanding any other rules.

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<sup>1</sup> As of the March 2007 rebalance, India and China restrict ownership or trading by foreign investors.

## Index Rebalancing

This Index is rebalanced on the last business day of each March, June, September and December.

Changes to the Index composition typically take effect after the close of trading on the next to last business day of each calendar quarter month ("Rebalance Date"). The components will be determined and announced at the close of trading two days prior to the Rebalance Date.

After the Stock Selection Committee meeting for each quarterly rebalancing, the Index Provider will provide to the Calculation Agent the constituents of the Index with determined additions and/or removals as well as sector weights and other related changes for the next quarter at least five business days prior to the Rebalance Date.

The Index divisor was initially determined to yield a benchmark value of 100.00 at the close of trading, December 30, 2002. At each quarterly rebalancing, each stock's index weight is determined and then floats over that quarter according to share price. The individual weights float (are rebased) from one trading day to the next as follows:

- The new weight is obtained by dividing the value represented by that specific component (its index shares multiplied by its share price at the end of the trading day) by the total value of the Index at the end of the same trading day. The new weight is applied to the open share prices of the individual components on the next trading day.
- Thus, if the share price of one Index component moves by +5% on a trading day, whereas the Index in aggregate moves by +1%, the new weight for that specific component will be the previous weight multiplied by  $(1+0.05)$  divided by  $(1+0.01)$ .

## Corporate Actions

The Index Provider may substitute components or change the number of issues included in the index, based on changing conditions in the industry or in the event of certain types of corporate actions, including mergers, acquisitions, spin-offs, and reorganizations subject to eligibility requirements as defined above in the section "Listing on a National Exchange or Primary Listing Market"

In the event of component or share weight changes to the Index portfolio, the payment of dividends other than ordinary cash dividends, spin-offs, rights offerings, re-capitalization, or other corporate actions affecting a component of the Index; the Index divisor may be adjusted to ensure that there are no changes to the Index level as a result of non-market forces.

### Mergers and acquisitions

Surviving components are reviewed for eligibility by the index committee. In the event of a merger between two components, the share weight of the surviving entity may be adjusted to account for any shares issued in the acquisition.

Spin-offs and reorganizations	Each corporate action is reviewed by the index committee to determine if the resulting securities are eligible for continued inclusion.
Share issuance or buybacks	The Index is not adjusted for changes in shares outstanding.
IPOs	IPOs in-between the quarterly reviews can be included in the Index at the next rebalancing.
Stock Splits	Stock Splits and Stock Dividends are routine index actions which result in no impact to the index level.
Stock Deletion	If any of the corporate events result in a stock deletion from the Index, the leaving stock will not be replaced until the next quarterly review. The weight of the deleted components will be redistributed amongst their respective weights upon the ex-date of the deletion.
Special Dividends	Special Dividends, non-routine dividend payments and return of capital distributions will cause a price adjustment and divisor change on exdate resulting in reinvestment of the distribution across the index. Normal Dividends will be captured in the total return index level.
Bankruptcies	If the company has filed from bankruptcy the stock will be deleted from the Index. The weight of the deleted component will be redistributed to the remaining components amongst their respective weights upon the ex-date of the bankruptcy.

## Governance

The Index is managed by the Index Provider, WilderHill New Energy Finance LLC with input from the following two bodies:

An Advisory Board, made up of prominent individuals from the worlds of finance, climate science, technology, politics and communications (sample membership: Spring 2007);

- Christopher T. Walker, Managing Director, Swiss Re Financial Services Corp; Head, Swiss Re's Sustainability Business Development
- James Cameron, Vice Chairman of Climate Change Capital (CCC)
- Honorable Claudine Schneider, Served in the U.S. Congress 1980 to 1990; Global energy expert
- Professor Jessica Wallack, University of California at San Diego, IRPS
- Dr. Sameer Maithel, The Energy and Resources Institute (TERI), India
- Joyce Ferris, Founder and Managing Partner of Blue Hill Partners (specialist clean energy VC investor)
- George Patterson, Director, New Product Development of the American Stock Exchange LLC

A Stock Selection Committee, made up of individuals with knowledge of companies and markets that make up the clean energy industry.

Research into North American companies is led by the US-based members of WilderHill New Energy Finance, LLC; research into international companies is led by New Energy Finance Limited in London.

### Index Dissemination

The closing value of the index is calculated on a 24-hour day that ends at 5:30 PM New York time. The end-of-day index calculations uses WM closing spot exchange rates as of 4 PM London time and each component stock's closing price on its primary market.

Whenever practical, in conjunction with the Index Provider, the Calculation Agent will pre-announce stock additions and/or deletions as well as certain Index share weight changes at least two trading days prior to the Rebalance Date.

Tickers	USD	EUR	GBP	JPY
Price Return (every 15 seconds)	NEX	NEXEU	NEXBP	NEXJY
Total Return (summary only)	NEXUST	NEXEUT	NEXBPT	NEXJYT

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**For more information on the NEX global clean energy stock market index:**

[www.nex-index.com](http://www.nex-index.com)

## **About Wilder Hill New Energy Finance, LLC**

The WilderHill New Energy Global Innovation Index is published by WilderHill New Energy Finance, LLC, a partnership between New Energy Finance Limited, based in London, Josh Landess based in the U.S., and Robert Wilder based in the U.S.

## **About New Energy Finance**

New Energy Finance is the world's leading independent provider of research to investors in renewable energy, biofuels, low-carbon technologies and the carbon markets. The company's research staff of 50 (based in London, Washington, New York, Beijing, Shanghai, New Delhi, Tel Aviv and Perth) tracks deal flow in venture capital, private equity, M&A, public markets, asset finance and carbon credits around the world.

New Energy Finance covers all sectors of clean energy: renewables (wind, solar, marine, geothermal, mini-hydro, biomass); biofuels; energy architecture (supply-side and demand-side efficiency, energy-smart buildings smart distribution, power storage, carbon capture & sequestration); hydrogen & fuel cells; carbon markets and services.

Services include news, newsletters and reports. The New Energy Finance Desktop is the world's most comprehensive subscription database of investors and investments in clean energy. New Energy Finance's Insight Services provide deep market analysis to investors in Wind, Solar, Biofuels, Biomass, China, VC/PE, Public Markets and the US. New Carbon Finance, a division of the company, provides analysis and price forecasting for the European, global (Kyoto) and emerging US carbon markets. The company also undertakes bespoke research and consultancy, and runs senior-level networking events.

New Energy Finance published the world's first global index of clean energy companies, the GEIX, from December 2004 to January 2006. It was discontinued when the company teamed up with Messrs Landess and Wilder to create the NEX.

New Energy Finance was founded early in 2004 by Michael Liebreich. Michael has a Masters in Engineering from Cambridge University and an MBA from Harvard Business School, where he was a Baker Scholar and Harkness Fellow. Before founding New Energy Finance, he worked for McKinsey & Company, the Associated Press and Groupe Arnault. He is a former member of the British Olympic Ski Team.

For more information on New Energy Finance:

[www.newenergyfinance.com](http://www.newenergyfinance.com)

For more information on New Carbon Finance:

[www.newcarbonfinance.com](http://www.newcarbonfinance.com)

## **About Josh Landess**

Josh Landess is a pioneer in the creation of alternative energy stock market indexes, creating his first in February 2000. In September 2000, he and Rob Wilder teamed up and renamed one of Josh's indexes as The WilderHill Fuel Cell Index, collaborating in researching, maintaining and improving that index.

In 2004, Landess and Wilder, with the help of the American Stock Exchange, led the team that created the WilderHill Clean Energy Index<sup>®</sup> (ticker: ECO). This was the first clean energy stock market index to be distributed over tape.

In January of 2006, Landess and Wilder collaborated with New Energy Finance to create The WilderHill New Energy Global Innovation Index. It was the first global index of activity in New Energy that was put out over the tape. Index development was again assisted by the American Stock Exchange.

Josh is based in Rio Rico, AZ, and owns First Energy Research, LLC. Aside from indexing work, he seeks to maintain, as time permits, an advocacy and learning role in areas including transportation efficiency, sustainable development and consumer rights.

### **About Dr. Rob Wilder**

Dr. Wilder is Manager of the WilderHill Clean Energy Index<sup>®</sup> (ECO), the first index of companies quoted on the US exchanges for renewable energy, better energy efficiency and low-carbon solutions. It is tracked by the PowerShares WilderHill Clean Energy Portfolio ([PBW](#)), which has amassed roughly \$1 billion in assets since its launch in 2005, <http://www.wildershires.com>

Rob is also Manager of the WilderHill Progressive Energy Index (WHPRO), the first Index of US-quoted companies capturing opportunities found in decarbonizing coal, oil, and natural gas in response to global climate change and for improving dominant energy sources of today. WHPRO is tracked by a Fund ([PUW](#)) launched by PowerShares in 2006, <http://www.whprogressive.com>

Rob is also part-time faculty at University of California at San Diego, and President of the Hydrogen Fuel Cell Institute. He holds J.D. and Ph.D. degrees and has been a Fulbright Fellow, AAAS/ EPA Fellow in Environmental Science & Technology, a National Academy of Sciences Young Investigator (twice) and a California Sea Grant Fellow. He is author of the 1998 book, *Listening to the Sea: The Politics of Improving Environmental Protection* and widely published such as in Nature, Institutional Investor, UCLA Journal of Environmental Law and Policy, Engineering News-Record, the Journal of Alternative Investments and elsewhere. He has been on faculty at University of California at Santa Barbara, the University of Massachusetts, coordinated a national program for The Nature Conservancy and is presently a Trustee for the Society for Conservation Biology. He lives in a solar-powered home in Encinitas, California.

### **DISCLAIMER**

The WilderHill New Energy Global Innovation Index (“NEX”) is published by WilderHill New Energy Finance, LLC and is calculated by Dow Jones Indexes. Any financial product(s) or instrument(s) based on the NEX are not sponsored, endorsed, sold or promoted by WilderHill New Energy Finance, LLC or Dow Jones Indexes, and WilderHill New Energy Finance, LLC and Dow Jones Indexes make no representation regarding the advisability of investing in such product(s).

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**APPENDIX V: The Components for NEX Index in Q3.**

Q3 2007. The WilderHill New Energy Global Innovation Index (NEX) rebalances quarterly on the last trading day of March, June, September and December.

Component Change - Rebalance

**NEX Constituents And Weightings For Q3 2007. 87 components.**

CNTRY	CURR	NAME	DJGI ID	SEDOL	TICKER	Sctr & Weight
ES	EUR	Abengoa S.A.	717482	7174823	eDABG	RB 1.35%
ES	EUR	Acciona S.A.	423932	5579107	eDANA	RW 2.29%
IT	EUR	Actelios S.p.A.	731544	7315440	eIACT	RB 0.39%
JP	JPY	Aisin Seiki	601070	6010702	jT7259	SS 1.58%
US	USD	American Superconductor	AMSC	2032722	AMSC	GE 0.63%
CN	CNY	Anhui BBKA Biochemical	930	6162766	js000930	RB 0.39%
TW	TWD	Arima Optoelectronics	668397	6683977	jJ6289	DS 0.32%
US	USD	Aventine Renewable	AVRH	B1429P6	AVR	RB 0.39%
AU	AUD	Babcock & Brown Wind	BOLN82	BOLN825	jXBBW	RW 2.29%
US	USD	Baldor Electric	BEZ	2072621	BEZ	GE 2.20%
CA	CAD	Ballard Power	T.BLD	2072717	TBLD	HF 0.49%
CH	CHF	BKW FMB Energie AG	739160	B09G2Y6	eZBKWN	RO 0.44%
BR	BRL	Brasil Ecodiesel	B1H6C1	B1H6C12	zGECOD3	RB 1.35%
HK	HKD	BYD	653665	6536651	jB1211	PS 0.53%
CA	CAD	Canadian Hydro Devel.	217522	2175229	TKHD	RO 1.54%
US	USD	Capstone Turbine	CPST	2606246	CPST	GE 0.63%
addition		Centrotec Sustainable AG	5576067	557606		DS 0.32%
JP	JPY	Chugai Ro	619632	6196323	jT1964	GE 0.63%
US	USD	Color Kinetics	CLRK	B00VTW		DS 0.32%
addition		Comverge	COMV	B1W397		DS 0.32%
DE	EUR	Conergy AG	706672	7066726	eiCGY	RS 1.47%
NZ	NZD	Contact Energy	615252	6152529	jZCEN	RO 1.54%
BR	BRL	Cosan S/A Industria	B0P72G	B0P72G5	zGCSAN3	RB 1.35%
US	USD	Cree	CREE	2232351	CREE	DS 1.13%
DE	EUR	CropEnergies AG	B1FHFF	B1FHFF2	eiCE2	RB 1.35%
US	USD	Diversa/Verenium	VRNM	2544971	DVSA	RB 0.39%
JP	JPY	Ebara	630270	6302700	jT6361	HF 1.72%
US	USD	Echelon	ELON	2285377	ELON	DS 0.32%
FR	EUR	EDF Energies Nouvelles	B1HL12	B1HL121	eQEEN	RW 2.29%
US	USD	Energy Conversion	ENER	2315467	ENER	RS 1.47%
AU	AUD	Energy Developments Ltd.	630738	6307385	jXENE	RB 0.39%
DE	EUR	ErSol Solar Energy AG	B0LGLV	B0LGLV4	eiES6	RS 1.47%
US	USD	Evergreen Solar	ESLR	2676294	ESLR	RS 1.47%
US	USD	First Solar	FSLR	B1HMF22	FSLR	RS 1.47%
FI	EUR	Fortum Oyj	557955	5579550	ehFUM1V	RO 1.54%
US	USD	FuelCell Energy	FCL	2315111	FCEL	HF 0.49%
ES	EUR	Gamesa Corporacion S.A.	462338	B01CP21	eDGAM	RW 2.29%
addition		Greentech Energy A/S	5411555	541155		RW 0.65%
JP	JPY	GS Yuasa	674425	6744250	jT6674	PS 0.53%
addition		Gurit Holding AG	570379	570379		SS 0.45%
ES	EUR	Iberdrola S.A.	442464	4424640	eDIBE	RW 2.29%
US	USD	International Rectifier	IRF	2465384	IRF	DS 1.13%
US	USD	Itron Inc.	ITRI	2471949	ITRI	DS 1.13%
addition		JA Solar Holdings (ADS)	JASO	B1QMYF		RS 1.47%
addition		Japan Wind Development	6591081	659108		RW 0.65%
IE	EUR	Kingspan Group PLC	449123	4491235	eNKSP	DS 1.13%
addition		LDK Solar (ADS)	LDK	B1XG3H		RS 1.47%
JP	JPY	Marubeni	656946	6569464	jT8002	RW 2.29%
US	USD	Maxwell Technologies	MXWL	2573771	MXWL	PS 0.15%
US	USD	Medis Technologies	MDTL	2593780	MDTL	HF 0.49%
JP	JPY	Meidensha	657590	6575900	jT6508	GE 2.20%
US	USD	MEMC Electronic	WFR	2580113	WFR	RS 1.47%
DE	EUR	Nordex AG	B06CF7	B06CF71	eiNDX1	RW 2.29%
DK	DKK	Novozymes A/S	465853	4658535	ecNZYM-	RB 1.35%
US	USD	Ormat Technologies	ORA	B03L311	ORA	RO 1.54%
US	USD	Pacific Ethanol	FPGP	2310310	PEIX	RB 0.39%
US	USD	Plug Power	PLUG	2508386	PLUG	HF 0.49%
addition		PNOC Energy Development	B1GHQN	B1GHQN		RO 1.54%

US	USD	Power One	PWER	2110877	PWER	DS	0.32%
IN	INR	Praj Industries Ltd.	610091	B0FHS89	jY522205	RB	0.39%
US	USD	Puget Energy	PSD	2701884	PSD	RO	1.54%
DE	EUR	Q-Cells AG	B0LD4L	B0LD4L6	eiQCE	RS	1.47%
NO	NOK	Renewable Energy ASA	B01VHW	B01VH	eoREC	RS	1.47%
DE	EUR	REpower Systems AG	732584	7325847	eiRPW	RW	2.29%
FR	EUR	Saft Groupe S.A.	B09YFD	B09YFD0	eQ1020816	PS	0.53%
JP	JPY	Sanyo Electric Co. Ltd.	677676	6776769	jT6764	PS	0.53%
addition		Schmack Biogas AG	B14PTT	B14PTT		RB	0.39%
GB	GBP	Scottish & Southern PLC	79087	790873	ILSSE	RW	2.29%
DE	EUR	SGL Carbon AG	481835	4818351	eiSGL	SS	1.58%
JP	JPY	Sharp	680060	6800602	jT6753	RS	1.47%
addition		Solar Millennium AG	B0FBSD	B0FBSD		RS	0.42%
DE	EUR	SolarWorld AG	581986	5819869	eiSWV	RS	1.47%
DE	EUR	Solon AG fuer Solartech.	745073	7450738	eiSOO1	RS	0.42%
US	USD	SonPower	SPWR&	B0PFWC5	SPWR	RS	1.47%
US	USD	Suntech Power ADS	STP	B0P01N4	STP	RS	1.47%
IN	INR	Suzlon Energy Ltd.	B0DX8R	B0DX8R8	jY532667	RW	0.65%
addition		Takuma Co. Ltd.	6013		687076	RB	0.39%
DE	EUR	Techem AG	589928	5899281	eiTNH	DS	1.13%
FR	EUR	Theolia	737488	7374883	eQ18481	RW	2.29%
US	USD	Ultralife Batteries	ULBI	2909064	ULBI	PS	0.15%
BE	EUR	Umicore S.A.	400500	4005001	eaUMI	SS	1.58%
US	USD	VeraSun Energy	VSE	B16YD14	VSE	RB	1.35%
DE	EUR	VERBIO BioEnergie AG	B1FQQK	B1FQQK1	eiVBK	RB	0.39%
AT	EUR	Verbund AG	466160	4661607	ejVER	RO	1.54%
DK	DKK	Vestas Wind Systems A/S	544489	5964651	ecVWS	RW	2.29%
addition		Yingli Green Energy(ADS)	YGE	B1XG39		RS	1.47%
US	USD	Zoltek	ZOLT		ZOLT	SS	1.58%

#### Additions

NAME	DJGI_ID	SEDOL	NEX Sector
Comverge	COMV	B1W397	DS
Centrotec Sustainable AG	5576067	557606	DS
Takuma Co. Ltd.	6013	687076	RB
Schmack Biogas AG	B14PTT	B14PTT	RB
Yingli Green Energy (ADS)	YGE	B1XG39	RS
Solar Millennium AG	B0FBSD	B0FBSD	RS
LDK Solar Co. Ltd. (ADS)	LDK	B1XG3H	RS
JA Solar Holdings (ADS)	JASO	B1QMYF	RS
Greentech Energy Systems A/S	5411555	541155	RW
Japan Wind Development Ltd.	6591081	659108	RW
PNOC Energy Development	B1GHQN	B1GHQN	RO
Gurit Holding AG	570379	570379	SS

#### Removals

CNTRY_CURR_	NAME	DJGI_ID	SEDOL	Ticker	
US	USD	Avista	AVA	2942605	AVA
CN	CNY	TBEA Co. Ltd.	600089	6003973	jh600089
IN	INR	Bharat Heavy Electricals	612952	6129523	jY500103
GB	GBP	Johnson Matthey PLC	47640	476407	ILJMAT
US	USD	Hydrogenics	HYGS	2673905	HYGS
CN	CNY	Baoding Tianwei Baodian	600550	6334101	jh600550
CA	CAD	ATS Automation Tooling	360061	2002587	TATA
DE	EUR	Wacker Chemie AG	B11Y56	B11Y568	eiWCH
JP	JPY	Toho Tenax Co. Ltd.	689554	6895545	jT3403

#### SECTORS

Demand Side Energy Savings	DS	7.56%
Generation Efficiency And Smart Distribution	GE	6.28%
Hydrogen And Fuel Cells	HF	3.68%
Power Storage	PS	2.42%
Renewable - Solar	RS	22.87%
Renewable - Wind	RW	27.17%
Renewables - Biofuels, Biomass, Waste-To-Energy	RB	11.99%
Renewables - Other	RO	11.25%
Services And Suppliers	SS	6.78%