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# The Sun Shines Brightly On Clean, Green ETF

It can be easy being green -- if you look in the right place.

For investors with a piece of PowerShares WilderHill Clean Energy (NASDAQ:CLNE) Fund PBW, in fact, it's a breeze. The small-cap growth exchange traded fund tracks the performance of the WilderHill Clean Energy Index, which focuses on clean and renewable energy providers. Founded by former environmental technology researcher Robert Wilder, the two-year-old fund holds 43 stocks with an average market cap of \$1.2 billion. It's the largest of its kind. While it has been a volatile performer over the past year because of its tight focus, it was the best performing ETF last week. The fund's year-to-date return, as of Monday, was slightly more than 22%.

## Outperformer

The fund's IBD Relative Strength Rating has jumped from 55 in April to 86 as of Monday. This is in spite of the fund's earnings per share falling 14% this year, from \$22.38 in 2006 to \$19.29 in 2007. So what's with the strong performance? The top-10 holdings have taken a slight hit the past couple of days along with the rest of the market.

But analysts note there's an ever-increasing demand for alternative energy, especially with traditional fuel source prices so high. To a company, every one of this ETF's top holdings has helped keep a strong wind in this fund's sails.

Take one of its largest holdings, American Superconductor (NASDAQ:AMSC) AMSC. The company makes products that improve the cost, efficiency and reliability of electric power systems used in wind farms and ship propulsion. It has posted negative earnings for years, but the company's burly 99 RS reflects recent new highs and management's announcement that revenue will increase this year. Another top holding, Emcore (NASDAQ:EMKR) EMKR, last week announced a record-breaking conversion efficiency for its multi-junction solar cells. Emcore officials also said they are increasing solar-cell production capacity to meet growing

demand. The news pushed the stock to new highs as it surged off the 10-week line.

### Solar Company

SunPower SPWR is another of the fund's strong performers. Its stock reached an all-time high Thursday after the company announced it raised \$167.4 million with an equity offering to fund growth and pre-payments for a new silicon deal.

In June, the San Jose, Calif.-based maker of high-performance solar electric technology signed a 10-year silicon supply agreement with Hemlock Semiconductor, with deliveries beginning in 2010. SunPower's earnings growth has remained in triple digits for the past three quarters. The company has a 98 RS.

Chinese manufacturer of solar modules Trina Solar (NYSE:TSL) TSL, another top holding, has been shining. The firm is expanding quickly, trying to make its solar modules more effective. Though earnings have slowed, it's seen an increase in revenue despite high raw materials prices.

