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http://etflistonline.com/green-etf/

Green ETF

As popular the trend is becoming for going green, investment market has not stayed behind in the trend. ETFs holding energy stocks or stocks of companies that are supporting production and services with less impact on the environment are called Green ETFs.

Green ETFs are suitable for long term investors as they lack diversification and are usually focused on alternative energy stocks. Such stocks are more volatile in nature than broad sector funds since they are driven by news and sentiments. For short term investors they can be an attraction since they are less risky than individual stocks. Another important aspect of Green ETFs is that they tend to have a higher expense ratio.

Alternative energy ETFs are produced by companies that are still in the early stages of environmental development. So this makes these ETFs a long term investment rather than an immediate opportunity. Solar power, water, wind, clean energy and nuclear energy are the possible sectors that many companies have ventured into leading to their respective ETFs. However, alternative energy remains the fastest growing market segment for ETFs. Investment in this sector has increased by 230% since 2005.

Many of the green subsectors rely on governmental policies to form regulations regarding Green ETF trading. However this is also dependant on the support provided by the current leaders of the economy.

There are currently over 30 Green ETFs in the green sector with an estimated asset value of $3 billion. …

Green ETFs provided by PowerShares include the following:

- PowerShares WilderHill Clean Energy Portfolio (PBW)
- PowerShares WilderHill Progressive Energy Portfolio (PUW)
- PowerShares Global Clean Energy Portfolio (PBD)

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Investors interested in Green ETFs should consider certain factors that can make the ETFs worthwhile. Expense ratio, index composition, index weighting, turnover and the availability and liquidity of exchange trade options are the points that can provide information on the structure of the ETF. This can also provide the surety of them being liquid and reasonable to invest in.