

# ***GROW YOUR GREEN BY GOING GREEN*** **WITH TIPS FROM *NEW YORK TIMES* BESTSELLING AUTHOR AND FINANCIAL GURU DAVID BACH**

## ***--How to Profit from the New “Green Wave” of Investing--***

The financial consequences of a changing climate and the global crisis it is presenting are staggering in their implications for both corporations and consumers. Those that adapt to become “eco-conscious” will flourish financially—and those that don’t may be financially devastated. The fact is, companies are already dedicating billions of dollars annually to becoming eco-friendly, and many of these companies are quickly returning millions of dollars to the bottom line as a result.

As David Bach points out in ***GO GREEN, LIVE RICH: 50 Simple Ways to Save the Earth (And Get Rich Trying)***, the emerging “green economy” presents the single greatest investment opportunity of the 21<sup>st</sup> Century. “Green investing is finally coming into its own, which is great news for the environment—and your ability to build wealth,” he says. “Green investing is simple, it’s about investing in opportunities, companies, and services that both support and promote efforts to reduce CO2 output, improve the environment, and turn the tide on global warming.”

To catch the “green investment wave,” Bach suggests investing in the new breed of SRI (Socially Responsible Investing) index funds and exchange-traded mutual funds (ETFs) that screen *out* companies that engage in ethically and environmentally destructive practices and screen *in* those that have embraced sustainability and have demonstrated a strong sense of environmental and social responsibility. While the number of “green funds” available will explode in the coming years, many of the funds already available have outperformed the S&P 500, proving that investing green is a viable strategy for becoming rich.

### **Here are some easy ways to “grow your green by going green”:**

- If you are eligible for a 401(k) plan at work, find out if your “investment menu” includes a green fund. If it doesn’t, speak to your plan administrator (usually someone in your company’s human resources department) and express your interest in having an SRI or a green fund added to your choices.
- Begin researching a few green funds (some of the best funds currently available are listed below). Many green funds have posted double-digit returns, and some were up over 30 percent in 2007. This does not mean you should invest your entire retirement savings in a green fund. Many of these funds are narrowly focused and volatile. Others are more broadly diversified. So before you invest, do your research carefully and consider green investing as a piece of your overall financial plan and

diversification. A great place to start your research is at [www.Morningstar.com](http://www.Morningstar.com), which evaluates funds, their diversification, and their levels of risk.

- Find out how your current investment holdings perform in terms of sustainability by visiting Climate Counts ([www.climatecounts.org](http://www.climatecounts.org)), a nonprofit organization funded by Stoneyfield Farm, Inc. that brings together companies and consumers in the fight against global warming. Climate Counts provides a scorecard for companies in eight sectors based on their commitment to fighting global warming.
- Find a financial planner who specializes in socially responsible investing. Go to Social Investments Forum ([www.socialinvest.org](http://www.socialinvest.org)) and click on “individual investors” to find a financial services directory and other tools.

**Here are some of the top “Green Funds” currently available:**

- Calvert Funds ([www.calvert.com](http://www.calvert.com)) is one of the largest active managers of SRI mutual funds, offering both index-based and actively managed socially conscious funds. **Calvert Large Cap Growth Fund [symbol: CLGAX]** has outperformed the S&P 500 over the last five years.
- Launched in 2001, **Winslow Green Growth** ([www.winslowgreen.com](http://www.winslowgreen.com)) [**symbol: WGGFX**] is annually the best performing green fund over the past five years. This small-growth fund invests in domestic companies that are either in specific green sectors or have shown strong environmental responsibility. Its creators are about to launch a second green fund, called the Winslow Green Solutions Fund.
- Founded in 1982, **The New Alternatives Fund** ([www.newalternativesfund.com](http://www.newalternativesfund.com)) [**symbol: NJALFX**] holds companies—both overtly green and less visibly so—that it believes “have a positive impact on the environment.” Many of its holdings are in the renewable-energy space, but it also invests in natural foods companies (like Whole Foods) and those involved in clean water and clean air.
- Green Century Funds ([www.greencentury.com](http://www.greencentury.com)) manages two green funds. Started in 1991, they offer the **Green Century Equity Fund [symbol: GCEQX]** and **Green Century Balanced Fund [symbol: GCLBX]**. Both funds seek to track the Domini 400 Social Index Fund, which screens *out* companies involved in socially or ethically unacceptable areas (alcohol, tobacco, firearms, etc.) and screens *in* companies with positive environmental, social and governance (ESG) performance. Green Century is nonprofit and promises that its fees and profits are used to preserve and protect the environment.
- **Powershares Wilderhill Clean Energy [symbol: PBW]** is an exchange-traded fund (ETF) that focuses on companies that promote cleaner energy. Founded in March 2005, the fund seeks to mirror the Wilder Hill Clean Energy Index. Other “green” ETFs currently available include **WilderHill Progressive Energy Portfolio [symbol: PUW]**, which focuses on companies that provide technologies that improve the use of existing fossil fuels, **PowerShares Cleantech Portfolio [symbol: PZD]**,

**Claymore/LGA Green ETF [symbol: GRN], Van Eck Global Alternative Energy ETF [symbol: GEX] and First Trust NASDAQ Clean Edge ETF [symbol: QCLN].**