

April 21, 2008

Sunny Days for New Solar Index and ETF

by Anne Moore Odell

Claymore Securities launches new ETF based on Melvin & Company's Global Solar Energy Index.

SocialFunds.com -- April showers bring May flowers, but this April, [Melvin & Company](#) and [Claymore Securities](#) are counting on the sun and solar energy to bring investors. On April 1st, Melvin & Company launched the MAC Global Solar Energy Index (Index Ticker: [SUNIDX](#)), developed and maintained by MAC Indexing. Then, on April 15th Claymore Securities launched the first solely solar exchange-traded fund (ETF) on the NYSE (ticker: [TAN](#)) tracking the new index.

Following 25 companies from around the world, the MAC Global Solar Energy Index has a combined market cap of almost \$100 billion. The solar sector is growing rapidly, with Melvin & Company reporting a recent annual growth rate for the sector of 47% with a projected growth rate of 40% for the next several years.

"Many accept that alternative energy is the way of the future," said Christopher C. Melvin, Jr., Melvin chairman and CEO. "Solar power offers one of the few current mass-scale solutions to meet the world's enormous demand for clean and renewable power without pollution or greenhouse gas emissions. Today's leading companies are developing more affordable and efficient technologies that will continue to fuel growth in the area for years to come," continued Melvin.

Companies in the MAC Global Solar Energy Index include solar power equipment producers and their suppliers. The Index also tracks companies that install, finance, and sell solar power. All companies in the Index must have minimum market capitalization greater than or equal to \$250 million and derive at least one-third of their revenues from solar.

The new Claymore Solar ETF (ticker: TAN) will attempt to replicate the MAC Global Solar Energy Index.

"TAN offers investors a pure investment in solar stocks," said Christian W. Magoon, president of Claymore. "Currently, there are about four ETFs that invest in clean energy and clean tech. But these also include fuel cells, biofuels, wind, and some traditional power generation companies that might also have an alternative element. What is different about this EFT is that it invests purely in solar companies."

The global distribution of the companies in the Index and the ETF are reflective of the overall domination of Asian and European companies in the solar sector. Seventy-four percent of the companies in TAN are from outside of the US. China and Germany are each headquarters for 29% of the companies in the Index while the US is the home country for 26.3% of the companies.

All market caps are represented in the Index with the average market cap being \$3.8 billion. Small caps weigh in at 42.65%, large caps at 27.68% and mid-caps at 29.67%.

The top fund holdings include First Solar Inc., Renewable Energy Corp, Q-Cells, Suntech Power Holdings, JA Solar Holdings, and Solarworld.

"One of the questions investors have about alternative energy/clean energy is, are these companies profitable?" said Magoon. "In 2007, 20 of the 25 companies in the Index were profitable."

It is important to note, however, that solar stocks can be volatile. Magoon told SocialFunds.com, "Because solar power is an emerging industry, because of shortages, because of factors in government subsidies--in the short term, these

stocks can be volatile. These companies don't behave like traditional fossil fuel companies."

When the TAN was launched last week shares started at \$25. At the close of the market on April 21, the TAN's market price was listed at \$26.98 with 1,120,000 shares outstanding and total managed assets of \$29,870,186.

TAN is only available to broker-dealers and institutional investors through the NYSE and the American Stock Exchange in blocks of 80,000 shares (a "Creation Unit").

Investors will incur an expense ratio of 65 basis points. Other Claymore ETFs have individual investors making up more than 50% of the ETFs' owners. At the end of December 2007, Claymore Securities had \$18.5 billion in assets under management, supervision, distribution and servicing.

© 2008 SRI World Group, Inc. All Rights Reserved.

[Order reprints](#) | [Send it to a friend](#) | [Print it](#) | [Save it](#)

Related Articles

- [New Energy Technologies Entice Investors](#)
- [EarthFolio Screens the Big SRI Picture](#)
- [Growing Interest In Green Investing](#)
- [Growing Up Green: Winslow Offers New Mid-Cap Green Mutual Fund](#)
- [Ardour Global Index Offers Unique Alternative Energy Universe](#)

[Top](#)

[Home](#) | [Individual Investors](#) | [Institutional Investors](#) | [Financial Professionals](#) | [Media Center](#)
[Do your own Research](#) | [Work with a Professional](#) | [News](#) | [Learning Center](#)
[home](#) | [about](#) | [search](#) | [register](#) | [login](#) | [contact](#)

© 1998-2007 SRI World Group, Inc. All Rights Reserved.

[Terms of Use](#) | [Privacy Statement](#) | [Reprint Policy](#) | [OneReport™ Network](#)