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## **A warming world or a rising tide?**

**Climate change could hit the global economy hard, but that also means savvy investors can win big.**

**By Will Shanley Denver Post Staff Writer**

Scientists and politicians worldwide are sounding alarms about global warming, arguing that a hotter planet could forever alter the environment. Whether the threat from global warming is real or overblown, it could also damage the world economy.

A report released last year by the treasury office of the United Kingdom estimated that global warming could eventually cause the world's combined gross domestic product to decline by up to 20 percent per year. "It could amount to significant losses," said Jonathan Pershing, a director at the World Resources Institute, an environmental think tank in Washington, D.C.

Yet those concerns also present a slew of investment possibilities ranging from individual stocks to entire sectors. Here are a handful of areas where big business and small-time investors are poised to benefit.

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### **Spread out sector's risk**

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Yet small-time investors might be well served opting for one or more exchange-traded funds, which are mutual funds that replicate specific sectors, said Fred Taylor, principal of Northstar Investment Advisors. The strategy minimizes risk while offering investors exposure to alternative-energy companies, he said. Taylor pointed to three alternative energy related funds - PowerShares WilderHill Clean Energy, PowerShares Cleantech, PowerShares Water Resources - which each have matched or outperformed the broader market so far this year.

"It's like the dotcom era: You just don't know if it's safe to make bets on just one or two companies," he said.

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