

ROEN FINANCIAL REPORT

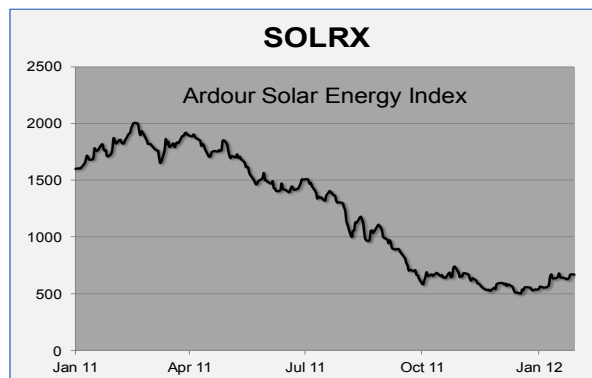
YOUR COMPREHENSIVE SOURCE FOR ALTERNATIVE ENERGY INVESTING

Shining a Light on Solar Stocks

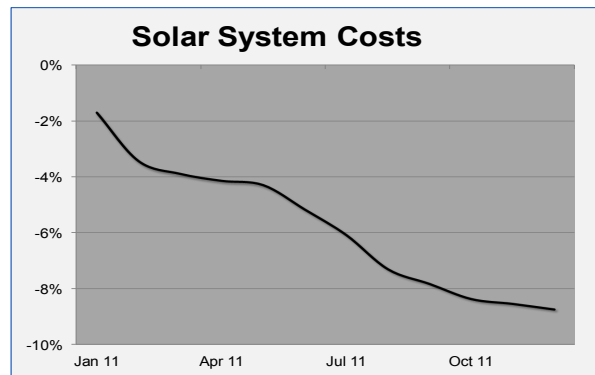
Solar is one of the most promising clean energy options available. Its power source, the sun, is abundant and universally available. Solar technologies are improving and prices are coming down. Without a doubt, solar will be integral to the world's energy future. This issue will look at what happened to solar last year, and where the best opportunities now lie.

2011 was an extremely hard year for solar investors. The chart below shows the Ardour Solar Energy Index (SOLRX), which rose at the beginning of the year but then dropped 66% by year's end.

Similar to other high-tech sectors, the solar manufacturing industry is all about moving large quantities of product, at a very small profit margin. Market realities, though, started hitting the industry hard. When the rate of solar installations started to slow, particularly in Europe (the dominant solar consumer in the last decade), an oversupply of photovoltaic



Solar stocks dropped 66% in 2011, but have posted a 23% gain so far in 2012.



Much of the reason for the decline in solar stocks in 2011 was the severe drop in pricing for solar systems. *Source: Solarbuzz®*

components occurred. This caused furious competition among manufacturers, in an already fiercely competitive global market.

Many companies dropped their prices to unload inventories at almost any cost. This dramatic drop in the cost of solar systems can be seen in the top chart on page 1. The already razor-thin margins for many companies suffered dearly, as did their stock prices.

First Solar, the largest U.S. solar firm, is a good example of the plight of solar stocks in the previous year. Due to a collision of multiple factors, the stock price of First Solar dropped 70% in 2011 to 33.76. It is now trading at a price almost 7 times lower than it was in the heady days

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Alternative Energy Mutual Funds

This issue marks the exciting debut of a new focus for the *Roen Financial Report*: ranking mutual funds that invest in the alternative energy industry. Two different types of funds are evaluated, open end mutual funds (MFs), and exchange traded funds (ETFs).

Funds are rigorously examined using many measures, including past returns, expenses and valuations of underlying securities in the funds. They are then ranked from 1 to 5 as to their overall appeal at present prices, with 1 being the most desirable funds. Some of the more important criteria are listed after the rank.

Fair Value shows how securities within the fund are estimated to be valued, looking at their price when compared to past and future earnings. Over valued funds are considered to be priced higher than they should be, while under valued funds are likely at a better price point. *Fees* show how high or low the overall fee structure is relative to other funds. *Tax Efficiency* reflects potential tax liabilities one can expect when annual distributions are made from the fund, which in some cases can be significant.

The last three columns on the MF group show the “load” structure. *Front Load* shows funds that charge a percentage of your investment on purchase. Short Term Redemption (*ST Redem.*) stands for short term redemption fees, which many funds charge to discourage traders from rapidly moving in and out of funds. None of the funds listed have a long-term redemption fee (*LT Redem.*).

We hope you find value in this new section of the newsletter, and look forward to your comments.

Mutual Funds		Rank	Fair Value	Fees	Tax Eff.	Front Load	ST Redem.	LT Redem.
Ticker	Fund							
OPEN END MUTUAL FUNDS (MFs)								
	Calvert Global Alt Energy A	5	over	high	avg	*		
	Facility Sel Enrg and Alt Energy	5	high fair	high	poor			
	Calvert Global Alt Energy A	2	high fair	high	good	*	*	
	Facility Sel Enrg and Alt Energy	1	over	mid	avg		*	
	Calvert Global Alt Energy A	3	over	high	good		*	
	Facility Sel Enrg and Alt Energy	1	under	low	avg	*		
	Calvert Global Alt Energy A	1	high fair	mid	avg		*	
	Alger Green A	4	high fair	mid	poor	*	*	
	Gabelli SRI Green AAA	5	high fair	high	poor	*		
	Calvert Global Alt Energy A	5	over	mid	poor		*	
	Facility Sel Enrg and Alt Energy	4	over	mid	good		*	
EXCHANGE TRADED FUNDS (ETFs)								
	Market Vectors Global Alt Energy ET	3	fair	low	avg			
	First Tr NASDAQ Cln Edge Smit	1		low	avg			
	Market Vectors Global Alt Energy ET	2	high fair	mid	avg			
	First Tr NASDAQ Cln Edge Smit	2	high fair	mid	poor			
	iPath Global Carbon ETN	2		mid				
	iShares S&P Global Clean Energy	2	under	low	avg			
	Market Vectors Solar Energy ETF	3	fair	mid	avg			
	Market Vectors Solar Energy ETF	5	under	mid	poor			
	First Tr NASDAQ Cln Edge Smit	3	over	high				
	Market Vectors Solar Energy ETF	4	fair	mid	avg			
	PowerShares WilderHill Clean En	1	fair	mid	good			
	PowerShares WilderHill Progrsv E	2	fair	mid	avg			
	PowerShares Global Wind Energy	5	over	mid	avg			
	PowerShares Cleantech	2	high fair	mid	avg			
	First Tr Net NASDAQ Cln Edge Smit	2	fair	low	avg			
	First Tr Net NASDAQ Cln Edge Smit	3	over	mid	poor			
	Suggenorm Solar	2	fair	mid	avg			

Disclosure: At the time of publication, individuals involved with the *Roen Financial Report* and Swiftwood Press, LLC owned or controlled shares of *New Alternatives Fund*. Please see “Important Information” on page 7.

Shining a Light on Solar Stocks, continued from page 1

of mid 2008, when the price per share peaked to over 300. How did this change in outlook happen?

The company had seen exponential sales growth during the last decade - when revenues had virtually doubled each year between 2004 and 2009. Analysts love these types of numbers, which were reflected in a very optimistic stock price. Eventually a severe correction ensued.

Though 2011 was disappointing, we believe that solar stocks in general have over corrected. For example, the average price/earnings ratio (PE) for the 48 publically traded solar companies is 11.7. This is 26% lower than the averages in their industries, which is right around 15. The difference is likely due to the "price" side of the equation, having overshot to the low side.

Three out of four of the solar companies in the Paradigm Portfolio, First Solar, ReneSola and Trina Solar have PEs far below their industry averages. I see all these companies as exceptional values at current prices. MEMC Electronics is the exception; it has negative earnings and potential problems inherent in its business plan. This company will be closely watched for future developments.

One of the more promising investment areas for solar is in concentrated solar power (CSP). These are large arrays of mirrors that focus heat to a tower that then generates steam to turn a turbine. The chart on this page shows how the generating capacity of CSP has risen rapidly, from 862 gigawatts in 2009 to an estimated 1,475 gigawatts in 2011. Many utilities prefer this type of generation to large photo-

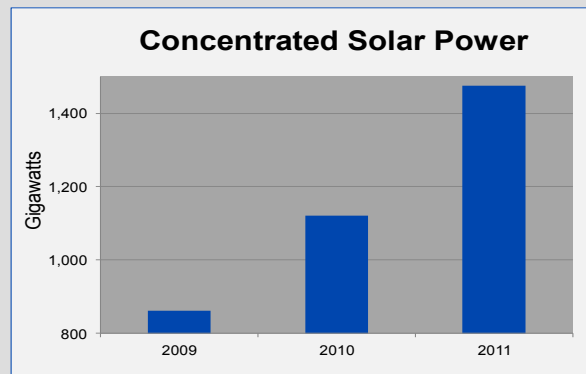
voltaic arrays for several reasons. One is that power is generated using the conventional steam turbines, a technology with which the industry has much experience. This type of power generation is much easier to integrate into the electrical grid, making CSP more desirable until smart grid developments become more standard.

Another attribute of CSP is that it can address an inherent problem with solar. Obviously, photovoltaics can only generate power during the day. A new capacity being developed will allow for 24 hour power generation by storing

some of the heat that is being produced. This technology uses molten salt to store heat, as recently demonstrated by the German company RWE at their Andasol power plant in Spain. While thermal storage can add an additional 11% in construction costs for a power plant, the augmented generating capacity can greatly increase profits.

Though CSP remains desirable, it may not continue the growth that it has had. Because of the drop in the cost of solar panels, over 2 gigawatts of CSP was switched to photovoltaics last year as it became a cheaper option.

It is hard to invest directly in CSP. Though utilities such as Southern California Edison (EIX) are generating power with CSP, it is a tiny percentage of EIXs overall generating capacity. One company I think is worth looking at is United Technologies (UTX). UTX has a subsidiary, Pratt & Whitney Rocketdyne, which is one of the leaders in deploying thermal energy storage. UTX is one of the companies in the Paradigm Portfolio, which has returned 59% since it was added.



Generating capacity of concentrated solar power is growing rapidly. *Source: Swedish Institute of Steel Construction (SBI).*

Paradigm Portfolio Surges in January

The upward trend that the Paradigm Portfolio started 4 months ago has accelerated significantly since the beginning of the year. As some fears of the plight of alternative energy companies were dissipated and investors started finding value, buyers started moving in. This is evidenced by the surge in volume of clean energy stocks in mid-December.

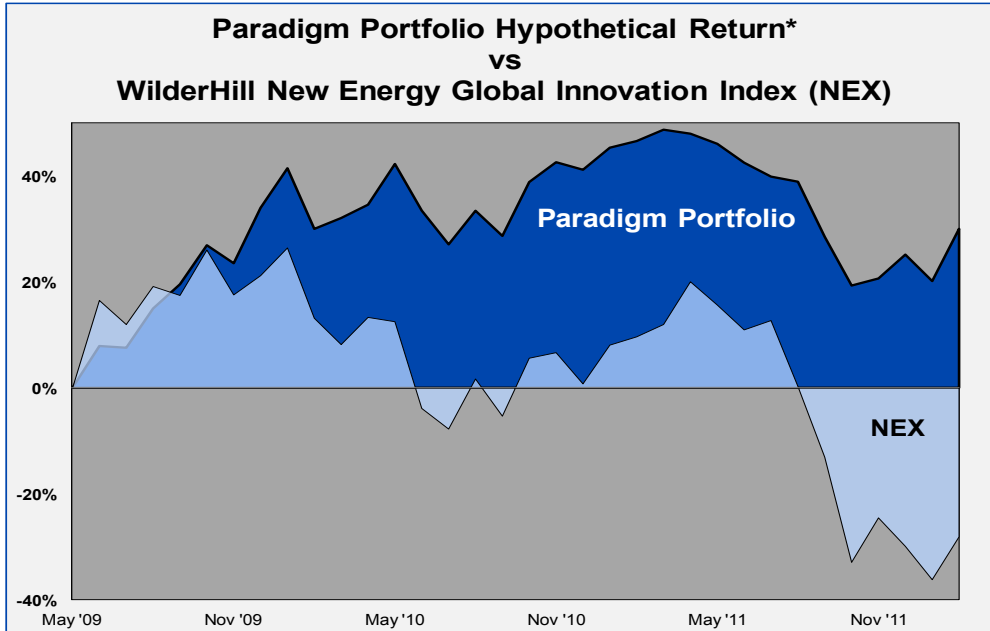
The average value of companies in the portfolio **grew 14.6%** in January. This is one third again more than the gain in the widely watched WilderHill New Energy Global Innovation Index (NEX), which bounced 8.1% off its lows. 30 out of 38 companies in the portfolio were gainers. This compares to a 4.4% increase in the S&P 500 over the same time period.

Some of the strongest returns were on solar stocks. ReneSola (SOL), American Superconductor (AMSC),

First Solar (FSLR), Trina Solar (TSL) and MEMC Electronics (WFR) all gained over 15% year to date. As a group, the average gain was 31%. Mesa Energy (MSEH) had extreme gains for the year so far at 138%, which can happen with penny stocks.

Other good performers in January include Advanced Battery Technologies, posting a 40% gain. This company is an excellent play on what is sure to be an increasing market for electric and hybrid cars. Also, PowerSecure (POWR), a strong player in the smart grid industry, gained 31% so far for 2012.

It is often the case for stocks that January performance reflects the trend for the year. Of course no one knows the future, but we believe this January surge is a good sign for renewable energy stocks.



Disclosure: At the time of publication, individuals involved with the *Roen Financial Report* and Swiftwood Press, LLC owned or controlled shares of Advanced Battery Technologies Inc, Google Inc, Mastec Inc, MEMC Electronics Materials Inc, Nextera Energy Inc, Trina Solar Ltd. (ADR), United Technologies Corp and Valmont Industries Inc. In the interest of full disclosure, Mesa Energy was brought to my attention and may use my recommendation in shareholder marketing efforts. I would not endorse Mesa, however, if I did not have full confidence through my own independent analysis.

The Paradigm Portfolio posted significant increases in January, up 14.2% since the beginning of the year.

Portfolio Update: EMC Corp. (EMC) has been added as a Large Cap Legacy (see story on page 6). Telvent Git, S.A (TLVT) and Nalco Holding Company (NLC), have been removed from the portfolio. TLVT was acquired by Schneider Electric SA (SCHN.PA); NLC was acquired by Ecolab Inc. (ECL).

*Hypothetical gain from portfolio recommendations through January 31, 2012. Positive gains appear in bold. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities on this list. See "Important Information" on page 7. Always consult with your financial professional before investing.

Large Cap Legacy (LCL)					Added		1/31/12		P/E	Yield	Comment
Ticker	Company name	Industry	Size	State	Price	Date	Price	Gain*			
		Transportation	Mid	FL	21.64	12/1/11	22.55	4.2%	14.1	2.1	
		Technology	Mid	MA	---	2/1/12	25.76	---	23.5	---	Add
		Industrial	Large	CT	12.74	5/1/09	18.71	46.9%	15.6	3.6	
		Software	Mid	CA	528.04	6/1/11	580.11	9.9%	30.9	---	
		Industrial	Mid	NJ	31.17	5/1/09	58.04	86.2%	17.9	2.6	
		Industrial	Mid	WI	19.95	6/1/09	31.77	59.2%	13.1	2.3	
		Utilities	Mid	FL	54.13	5/1/09	59.85	10.6%	16.3	3.7	
		Electronic Instruments & Controls	Mid	Foreign	66.94	5/1/09	94.29	40.9%	9.7	4.1	
		Industrial	Mid	CT	49.27	5/1/09	78.35	59.0%	14.4	2.5	

Small Cap Appreciation (SCA)					Added		1/31/12		P/E	Yield	Comment
Ticker	Company name	Industry	Size	State	Price	Date	Price	Gain*			
		Electrical equipment	Micro	NY	2.76	5/1/09	0.61	-77.9%	0.8	---	
		Software	Small	CA	43.07	4/1/11	36.00	-16.4%	29.9	---	
		Software	Micro	PA	52.68	2/1/11	60.49	14.8%	31.3	---	
		Technology	Small	KY	22.96	11/1/11	30.86	34.4%	15.0	---	
		Manufacturing	Micro	NC	54.67	9/1/10	25.43	-53.5%	47.7	---	
		Industrial	Small	PA	22.37	9/1/11	28.98	29.5%	11.8	---	
		Industrial	Micro	CA	3.59	11/1/10	2.48	-30.9%	---	---	
		Transportation	Micro	CA	15.45	5/1/09	20.84	34.9%	116.4	---	
		Electronic Instruments & Controls	Small	NY	17.12	8/3/09	12.87	-24.8%	6.8	2.1	
		Electronic Instruments & Controls	Small	WA	57.65	12/1/10	38.79	-32.7%	---	---	
		Industrial	Micro	MI	31.32	5/1/09	34.12	8.9%	21.0	2.4	
		Construction Services	Small	FL	12.46	5/1/09	16.29	30.7%	11.8	---	
		Semiconductors	Micro	CA	21.36	5/1/09	35.98	68.4%	30.1	0.5	
		Electrical Equipment	Small	FL	55.59	3/1/10	93.39	68.0%	22.3	0.6	
		Manufacturing	Small	CA	35.12	5/1/09	53.20	51.5%	13.1	0.9	
		Transportation	Small	OH	22.85	5/1/09	30.66	34.2%	15.8	2.0	
		Commercial Services & Supplies	Small	CA	19.54	7/1/10	23.12	18.3%	15.7	---	
		Semiconductors	Small	NY	48.59	7/1/11	24.41	-49.8%	4.2	---	
		Construction - Supplies and Fixtures	Small	NE	64.43	5/1/09	104.91	62.8%	18.1	0.7	

Paradigm Pure Play (PPP)					Added		1/31/12		P/E	Yield	Comment
Ticker	Company name	Industry	Size	State	Price	Date	Price	Gain*			
		Electrical equipment	Micro	MA	33.92	11/1/09	5.05	-85.1%	---	---	
		Utilities	Small	NJ	14.05	5/1/09	14.29	1.7%	27.1	2.2	
		Business Services	Micro	MA	27.30	3/1/10	9.15	-66.5%	---	---	
		Semiconductors	Small	AZ	112.22	6/1/10	42.28	-62.3%	6.3	---	
		Production	Micro	TX	1.19	2/1/10	0.32	-72.8%	---	---	
		Electrical equipment	Micro	NC	4.16	5/1/09	6.33	52.2%	7.0	---	
		Semiconductors	Small	Foreign	9.85	3/1/11	2.37	-75.9%	2.1	---	
		Semiconductors	Small	Foreign	22.30	8/1/10	8.04	-63.9%	3.6	---	
		Semicond and Semicond Equipment	Small	MO	16.33	5/1/09	4.57	-72.0%	---	---	
		Utilities	Micro	Foreign	1.97	2/1/10	1.94	-1.5%	---	---	

Removed from Portfolio					Added		Removed		Gain*	Comment
Ticker	Company name	Industry	Size	State	Price	Date	Price	Date		
TLVT	Telvent Git, S.A	Information Technology	Micro	Foreign	40.00	1/4/10	35.50	12/19/11	-11%	Acquired
NLC	Nalco Holding Company	Chemical Manufacturing	Small	IL	22.24	6/1/10	38.80	12/1/11	74%	Acquired



Company Profile

EMC Corporation (EMC)

One of the most important transformations to occur in the coming years will be the upgrading of our electrical system to a “smart grid.” The benefits of adding a robust two-way communication system to the power grid are enormous. These include more efficient power distribution, energy saving smart appliances, and better integration of intermittent renewable generation.

Because of these advantages, the change is all but inevitable. EMC Corporation (EMC) is a well-run company in the business of data management, which will be a crucial component of implementing the smart grid.

EMC is a Massachusetts based company with about 48,500 employees and over \$19 billion in annual sales. It is a full service company that provides hardware, software and services in storage, back-up and security. More importantly, EMC provides “information intelligence” services, where the company becomes a vital partner to utilities that endeavor to manage the galaxies of data that smart grid applications generate.

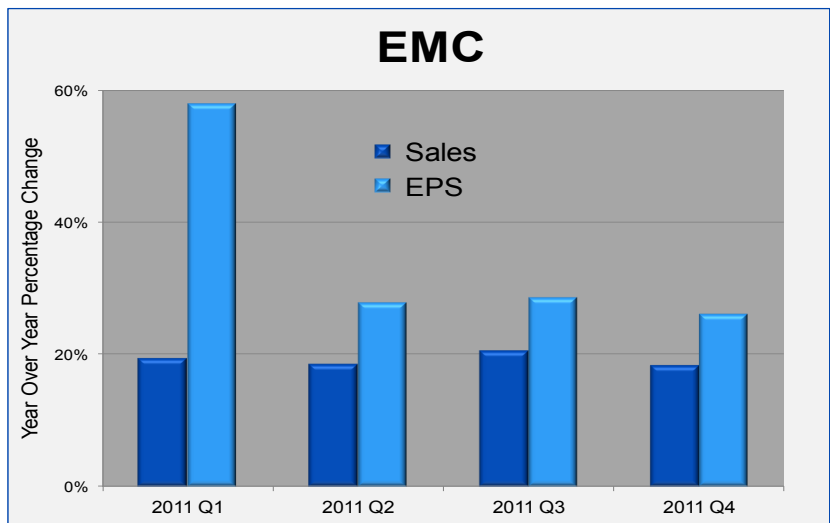
For example, EMC has a product called *Silver Springs Network*, which is a specific application directed to electric utilities. It is a secure network that has algorithms to analyze billions of points of raw data and turn them into information utilities can use for demand side management, advanced metering and distribution automation. Some large utilities, including Baltimore Gas and Electric and Florida Power and Light,

“Financially, EMC has one of the strongest balance sheets we have seen in a while.”

are already using this EMC product.

Financially, EMC has one of the strongest balance sheets we have seen in a while. The chart below shows the percentage increase in sales and earnings per share (EPS) compared to the same time period the previous year. In every quarter, sales were up double digits year-over-year. The increase in EPS did even better. This generated record profits for the company in 2011, achieving all-time highs for revenue, net income, EPS and cash flow. The company also has low debt, and \$11 billion in cash and liquid investments.

In addition to the reasons stated above, EMC is being added to the Paradigm Portfolio this month because it looks undervalued when its stock price compared to past and projected earnings. All in all, EMC is a good call for the long-term investor.



EMC had huge year-over-year percentage growth in both sales and earnings per share (EPS) each quarter of 2011.

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Harris Roen, Publisher

Harris Roen is a financial writer with a passion for understanding the economic activity of our interconnected world. His previous experience of over 15 years as a professional portfolio manager helps him cut through the hype using independent research and analysis, providing valuable information for his readers.

He has a depth of expertise in the alternative energy arena, analyzing trends in important emerging technologies such as wind, solar, and smart grid that are destined to change the way the world uses energy. He then seeks out high-quality companies that are building a future less dependent on foreign oil and polluting coal.

Harris' goal is to present expert content in a useful, affordable newsletter that adds value for investors. Harris is not a financial advisor, and no one at Swiftwood Press acts as a broker for any investment product.

He strives to give you, the reader, valuable information so you can make better investment decisions based on clear, deliberate strategies in an understandable, helpful manner.

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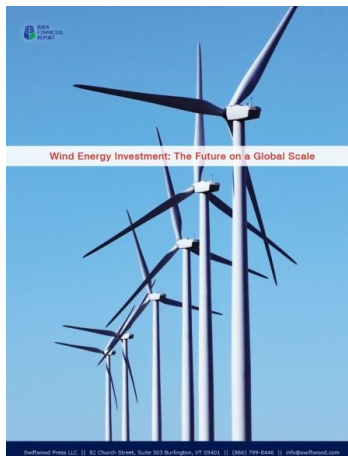
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New Wind Investment Report Available

Wind power is one of the most economical forms of renewable energy on the market today. This new special report *Wind Energy Investment: The Future on a Global Scale* offers expert guidance on the dynamic and growing field of wind energy.

Guest author Spencer Newman, a strategic consultant for the renewable energy industry, answers questions critical to understanding wind as an investment. These include: what key drivers are impacting the wind industry, domestically and abroad; why does it pay to think globally



when investing in wind; and why individual stocks might not be your best play in the wind industry.

By understanding how the wind industry works, you will be in a much better position to make informed decisions on where and how to invest. For example, it is important to know why wind energy is taking off in developing countries at the same time growth is slowing in the United States.

For your copy of *Wind Energy Investment* please visit investinwind.net to download your free report today!