

# Renewable Energy Asset Portfolio

Portfolio Management Course  
**Group 3**



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# TABLE OF CONTENTS

**01**

Strategy

**03**

Benchmark

**02**

Constraints

**04**

Backtest

# STRATEGY



## Investment target

Renewable energy and  
renewable energy equipments



## Client target

Pension funds



## Product

Equity

## Why?

- Interest of pension funds in investing in sustainable enterprises
- A market with good growth prospects for next years
- Willingness of pension funds to take risk for high returns
- Substantial return for the fund while concurrently contributing to energy self-sufficiency and security

# CHOOSING THE COMPANIES

**Welfare**



Exclusion of companies with negative impact on the environment or social welfare

**Norms**



Avoid companies that have violated or are likely to violate global norms and standards

**Positive impact**



Activities that contribute positively to environmental or social outcomes

**Carbon emission**



Companies committed to carbon emission reduction goals (SBTi)

**96**

**companies**

# CONSTRAINTS

## Liquidity



- Current ratio  $\geq 1$
- Market cap > \$500M

62

**companies**

## Financial health



- Debt to Equity Ratio  $\leq 150\%$
- Return on Equity (ROE) > 5%

40

**companies**

## ESG



- ESG Risk Rating Morningstar < 30 (medium risk)

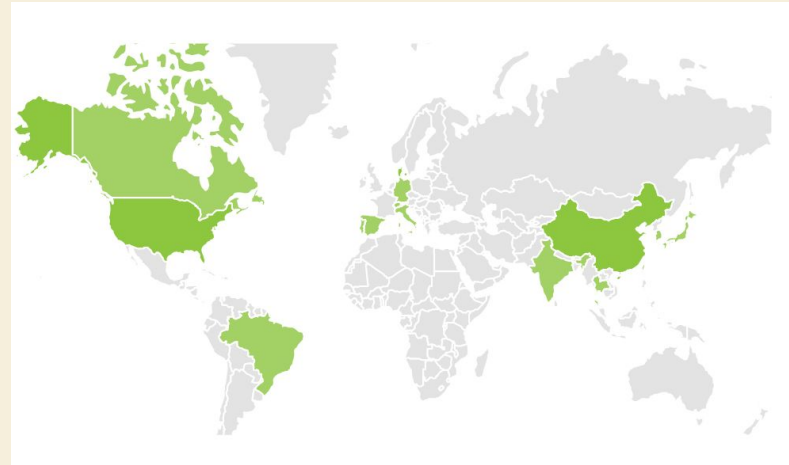
21

**companies**

# BENCHMARK

## iShares Global Clean Energy ETF (ICLN)

- Exposure to Renewable Energy Companies
- Global Clean Energy Stocks Access
- Global Sector View

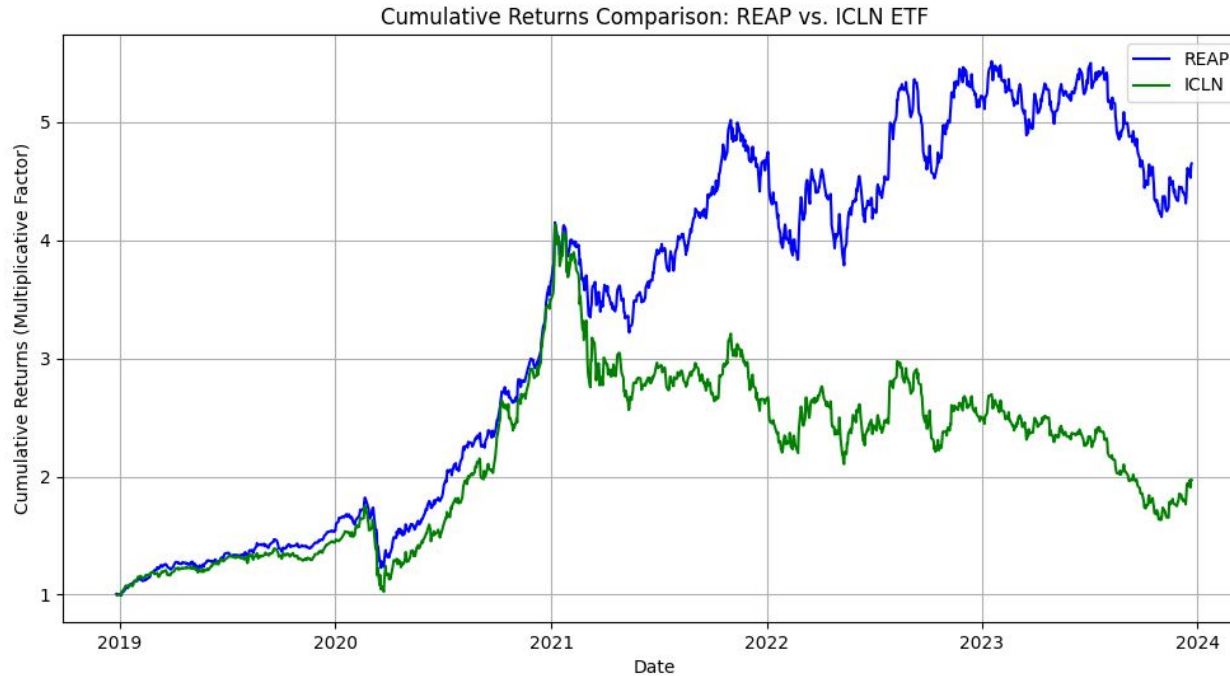


# BACKTEST RESULTS

	Portfolio	ICLN
Cumulative return	365%	97,18%
Annualized return	36,62% per year (avg)	22,56% per year (avg)
Volatility	22%	32%
Sharpe ratio	1,52	0,61

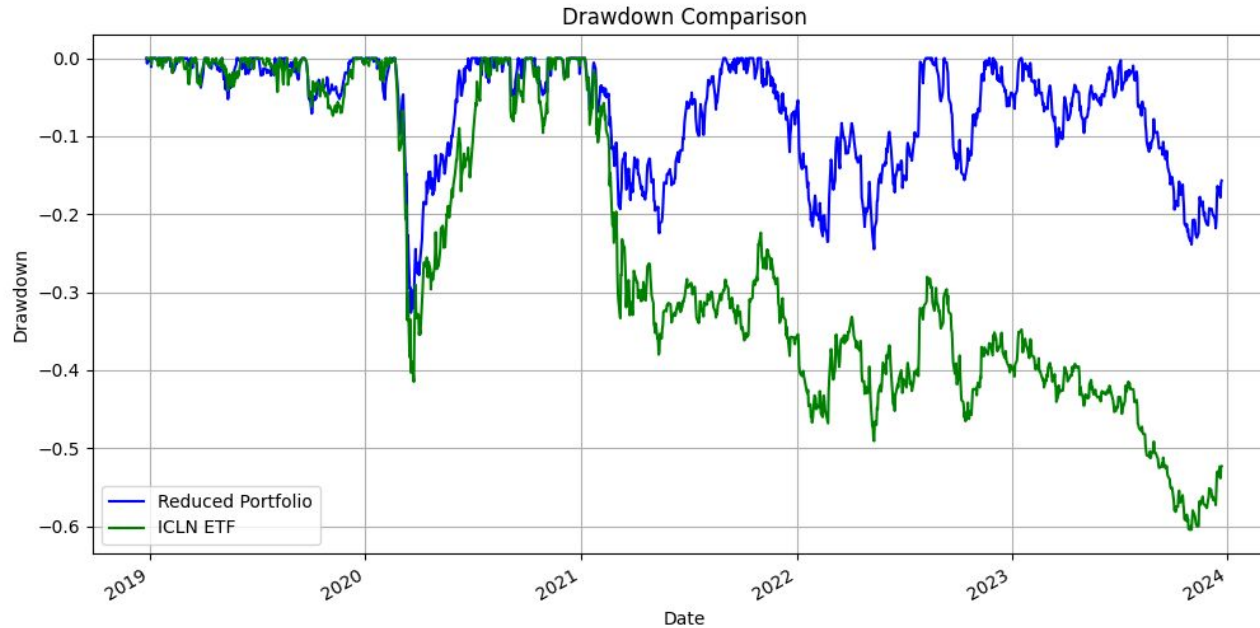
\* These values may change slightly depending on the date the backtest is run, as it takes a 5-year window from the moment the code is executed.

# BACKTEST RESULTS





# BACKTEST RESULTS



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# THANKS!

Does anyone have any questions?

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