



CAMBRIDGE ASSOCIATES LLC

CAMBRIDGE ASSOCIATES RESEARCH REPORT

Investing in Clean Energy and Technology

Investments in clean energy and technology (cleantech) present an opportunity that could potentially offer lower correlation to and different risk characteristics than traditional investments. Cleantech investments incorporate some characteristics of private energy, infrastructure, and technology and biotech venture capital, and as such can provide unique portfolio diversification attributes. In addition, alternative energy investments may also hedge the risks of “clean energy” conversion or new carbon regulations on other parts of the portfolio.

This report presents an overview of the investment outlook for cleantech investing as well as analysis of market size and growth potential; performance characteristics; major risks; and implementation considerations, among other factors. While it is becoming easier to find specialized non-marketable cleantech managers or to gain access to the opportunity through generalist funds, it remains unclear whether diversified generalist funds with less cleantech industry expertise or newer dedicated cleantech managers will have stronger cleantech investing track records. As in many other investment areas, investors should look toward managers that have the skill and discipline to find attractively valued opportunities relative to their returns.

Full report available only to clients of Cambridge Associates.

