

Schumacher likes new-energy firms

By TARA LOADER WILKINSON

Ingeborg Schumacher, director of business development in Kaiser Ritter Partner's responsible investing division, tells *The Wall Street Journal* how to benefit from new energy.

There is increasing evidence that sustainable investing—investing in companies with sustainable business models, and avoiding those most exposed to environmental and legal risks—pays off financially.

WEALTH MANAGER Q&A

Declining oil reserves and concerns about climate change, together with the increasing global demand for energy, are stimulating more and more demand for renewable sources of energy.

In 2009, more than 60% of the new electricity capacity created in [European Union] states was based on renewable resources. China, the U.S. and European countries are investing significant proportions of their stimulus packages in green infrastructure.

Regulation like feed-in tariffs for renewable energies have created confidence in stable revenue streams of renewable energy companies. The numerous IPOs and increasing market capitalization in this sector have attracted interest from investors who are looking for financial performance as well as



Kaiser Ritter Partner

Ingeborg Schumacher

ethical credentials.

There are a wide range of climate-change and new-energy funds, some of which also include the exposure to nuclear or gas companies—technologies which can be seen as part of the transition to a low-carbon future. Therefore investors can choose between very “pure” or broadly diversified, pragmatic approaches.

Careful manager selection is also critical in this sector. We recommend that clients choose active managers with close contacts to the management of the companies.