

Isabelle Delvaux

ADVERTISEMENT

INVESTMENT  
WEEK  
Professional Adviser

ESG hub

# Sustainable & ESG Investment Awards finalist's interview: Active Solar fund

## Finalist in Best Sustainable & ESG Thematic Fund category

Investment Week

🕒 21 October 2021 • 4 min read

SHARE





**Image:** Pascal Rochat of Active Solar fund

The Active Solar fund was a finalist in the Best Sustainable & ESG Thematic Fund category award at the Investment Week Sustainable & ESG Investment Awards 2021.

Here, *Investment Week* hears from Pascal Rochat, CEO & fund manager of ActiveNiche Funds SA, about the team running the fund, key elements of the investment process and opportunities for the strategy in the future.

**What is the objective of the fund and how could the strategy fit in investors' portfolios?**

Active Solar invests in listed solar PV companies throughout the value chain, that is from polysilicon and wafer to cells, modules and installation, including the key equipment providers. The investment universe is global but focused on companies that generate at least half of their revenue with solar.

Solar has quickly become the leader of the power sector with more than half of all new generating capacities installed every year in the world. There is now a consensus within the energy sector, including utilities and oil majors, that solar is the undisputed winner of the energy transition. Hence it makes sense to have a clean exposure to the solar sector and not to dilute this exposure with other less performing green investments.

Active Solar offers investors exposure to the solar energy revolution to their portfolios, diversifying away from traditional energy stocks such as oil & natural gas, as an energy fund, as a decarbonisation fund or as an impact and ESG fund.

**Can you give an overview of the team running the fund and wider internal/external resources available?**

The fund is managed by Pascal Rochat and Arnaud Chambaud. Pascal is a founding partner of Active Niche Funds and managing director of Active Solar since inception in 2008. Formerly, Pascal was chief risk officer of EOS (that became Alpiq), one of the largest utilities in



Switzerland. Arnaud joined in 2012 and is in charge of fundamental analyses and modelling on all the solar companies; he is managing the portfolio together with Pascal.



The investment team is working in tight collaboration with Professor Christophe Ballif who's heading the research on solar photovoltaics at the Polytechnical School of Lausanne (EPFL) and is also director of the PV-Center at CSEM. Professor Ballif supervises a team of 130 scientists, is author or co-author of more than 500 scientific papers and patents and was honoured with the prestigious Becquerel award in 2016. His technological expertise is extremely valuable to the investment team, as well as his many contacts with the industry.

### What is key to your investment process on the fund and demonstrating excellence in terms of sustainable and ESG investing?

Our investment process takes into account both our in-depth knowledge of the industry (top-down approach) and the valuation models and financial analyses we developed in-house (bottom-up approach). The key metric we are using for weighting our investments is the risk/return profile of each company. The results of our ESG analyses are part of the assessment of risk.

For each of our companies, we developed an in-house ESG analysis where we rate individually several environmental, social and governance factors (13 factors altogether). The final ESG rating can exclude a company from our universe if the rating is too low. Within the portfolio, our ESG rating has an impact on the weighting of each company.

Moreover, solar PV is now broadly accepted as one of the main drivers of decarbonisation. By 2030, solar could generate 20% of the world's electricity (from 4% in 2021). The US targets full decarbonisation of the power sector with solar accounting for 40% of electricity production by 2035.

In 2020 and 2021, Active Solar was crowned the 'Best Thematic Equities' fund at the Swiss Sustainable Funds Awards. These awards are fully independent and take into account all funds being distributed in Switzerland. Winners are being granted on risk-adjusted returns over three years together with the ESG ratings of the portfolio.

### Where are the big opportunities for the strategy in the future?

The Active Solar fund has returned 301% over the past five years versus 86% for the MSCI ACWI (C USD class as at 30/09/21). This performance has been achieved when the solar energy revolution was only just getting started and there is still a long way to go. Solar PV is now recognised as the leading renewable source of energy and from only 4% of global power production today, solar PV is set to generate at least 20% by 2030 and as much as 50% by the middle of the century.

Decarbonisation leads to an increased electrification of the economies; therefore, electricity consumption is expected to expand massively and account for the largest part of the total final energy consumption by 2050 (as opposed to today where oil accounts for 37% and electricity for 20%). For parts of the economy that cannot be electrified, hydrogen is likely to be another energy carrier. Green hydrogen is produced with water going through electrolysis, which requires again a lot of green electricity mainly generated by solar PV. Therefore, we expect to see a lot of exciting opportunities for solar PV continuing.

SHARE



#### Related Topics

[ESG](#) | [Funds](#) | [Active Solar](#) | [Interview](#) | [finalist's interview](#) | [awards](#) | [ESG](#) | [Pascal Rochat](#) | [Arnaud Chambaud](#) | [` Best Thematic](#)



ADVERTISEMENT

Equities | [Swiss Sustainable Funds Awards](#)

#### PREVIOUS ARTICLE

**Partner Content: Going beyond - How are funds standing out in a crowded ESG sector?**

#### NEXT ARTICLE

**Stock spotlight: Supply chain issues weigh heavy but ASOS still good fit for 'patient investor'**

## More on ESG





**FUNDS****BlackRock Continental European Income added to Hargreaves Lansdown Wealth Shortlist**

'Resilient and defensive nature'

**Eve Maddock-Jones**

30 August 2022 • 2 min read

**ESG****Banking on the transition: No net zero without lenders' support**

## Banking on the transition. No net zero without lenders' support

Role of banks is critical

**Rupert Welchman**

🕒 26 August 2022 • 4 min read



ESG

## Ninety One's Nelson: A windfall tax 'is not the right way to go'

PM of Energy and Natural Resources fund



**Elliot Gulliver-Needham**

🕒 26 August 2022 • 5 min read

## Most read

**01 Former Artemis head of communications Leckie convicted of assault**

24 August 2022 • 2 min read

**02 Investors eye absolute return despite continued poor performance since Brexit**

25 August 2022 • 4 min read

**03 Jackson Hole predictions: Higher interest rates for longer as the Fed maintains hawkish rhetoric**

24 August 2022 • 3 min read

**04 Hipgnosis Songs Capital submits bid for Pink Floyd catalogue - reports**

25 August 2022 • 1 min read

**05 Ninety One's Nelson: A windfall tax 'is not the right**

**06 Senior fund managers and economists discuss how to**

## 06 Sep

United Kingdom

CONFERENCE

**Scotland & N.I. Investment Roadshow 2022**

**Register now**



## way to go'

26 August 2022 • 5 min read

## utilise leveraged finance

24 August 2022 • 1 min read

Contact Us

Marketing Solutions

About Incisive Media

Privacy Settings

Terms & Conditions

Policies

Careers

### FOLLOW US



© Incisive Business Media (IP) Limited, Published by Incisive Business Media Limited, New London House, 172 Drury Lane, London WC2B 5QR. Registered in England and Wales with company registration numbers 09177174 & 09178013. Part of Arc network, [www.arc-network.com](http://www.arc-network.com)

#### DIGITAL PUBLISHER OF THE YEAR

