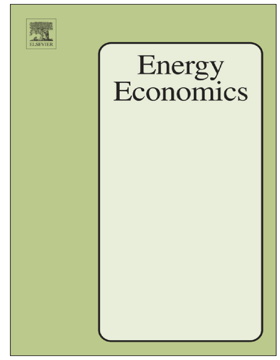

To Trust Or Not To Trust? A Comparative study of Conventional and Clean Energy Exchange-Traded Funds

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To Trust Or Not To Trust? A Comparative study of Conventional and Clean Energy Exchange-Traded Funds

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Abstract

In this paper we examine the performance of portfolios of energy-related ETFs, under periods of market turmoil and market uptrend, using groups of clean or conventional energy ETFs. We examine seven popular quantitative investment strategies for constant assets rotation, evaluate their performance with appropriate return and risk measures, and control of the robustness of their performance with different sets of parametrizations. The impacts of the 2008 financial crisis and the 2014 collapse in oil prices, as well as the interaction with exogenous to the energy industry ETFs are explored. We find that one portfolio of ALL ETFs in aggregate outperform two disaggregated portfolios with clean and conventional ETFs separately. We discuss the potential implications both from the perspective of potential investors but also on the potential on the future growth of clean energy related class of assets

***Keywords**:* Conventional energy ETFs; Clean energy ETFs; Investment strategies; Risk management; Shock Periods

JEL Codes: *G01,G11,Q02,Q42*