

AISAURORA  
INVESTMENT SOLUTIONS  
Thinking Outside The Box

# ADDING SOME GREEN TO YOUR INVESTMENTS

## OVERVIEW :

- We have a positive outlook on the Renewable Energy Sector for 2023. We believe that Iberdrola and NextEra will be best positioned to take advantage of the tail winds outlined in this paper.
- The increasing demand as well as the cost competitiveness and utility and corporate commitments are factors that will put upward pressure on the demand for renewable energy.
- Moreover, investors are increasingly attracted to renewable energy, which offers transparent returns on mature technologies supported by tax credits with direct pay options.

## STRUCTURATION :

*100% K.G*

<b>Maturity</b>	3 Years
<b>Currency</b>	USD
<b>Exposure</b>	Worst of
<b>Underlyings</b>	NextEra Energy
	Iberdrola
<b>Capital Protection</b>	100%
<b>Participation</b>	165%
<b>Cap</b>	Uncapped





## **WHY NOW ?**

### **Renewable energy increasingly viewed as the way of the future:**

- Firstly, as the world's population continues to grow, traditional sources of fuel like coal, oil and natural gas are becoming more restricted and scarcer. Thus, investing in alternative sources of energy is becoming mandatory. Moreover, renewable energy derived from naturally replenished sources like wind, solar and water is better for the environment since it does not emit any kind of greenhouse gasses during its production process.
- Additionally, renewable energy has been outperforming fossil fuel in terms of returns on investment, with a 192.3% return over 10 years compared to 97.2% for fossil fuels. Renewable energy investment has also yielded higher returns over the past five years and is less volatile than fossil fuel portfolios. In fact, renewable energy portfolios have outperformed not only fossil fuel portfolios but also the S&P 500.

### **The renewable energy industry poised for strong growth in 2023:**

- Looking ahead to 2023, the renewable energy industry is driven by high demand and a range of incentives which will lead the industry's growth to accelerate, thanks to various factors, including:
  - Cost competitiveness: despite supply chain issues, wind and solar are likely to remain the most affordable energy sources in many areas, as conventional generation costs continue to rise faster than renewable costs.
  - Utility and corporate commitments: many of the largest US utilities have pledged to reduce carbon emissions and increase renewables, while corporate procurement of renewables is setting records.
  - Residential solar: demand for rooftop solar is growing rapidly, as households seek to reduce electricity costs and prepare for power outages.





## WHICH INVESTMENT VEHICLE?

- We have decided to choose Iberdrola and NextEra Energy Inc as potential investments due to their strong presence in the renewable energy market. Both companies have demonstrated a commitment to sustainable energy solutions, with a significant portion of their business focused on clean energy sources such as wind and solar power. In addition, the forecasts from industry analysts for these companies are very positive over the next 12 months, indicating a strong potential for growth and profitability. By investing in these renewable energy leaders, we aim to not only achieve financial gains but also contribute to a more sustainable future.

### **Iberdrola SA (IBE SQ)**

- Iberdrola is one of the largest utilities in the world with electric utility operations in nearly 40 countries. The company has a 52-gigawatt portfolio of hydro, wind, natural gas, and nuclear power plants. It is the largest owner of wind farms in the world, representing nearly 40% of its portfolio. Although the company has recently developed or acquired distribution and power generation assets in other geographic areas, Spain is still home to around 50% of its power generation capacity. Iberdrola also owns and operates electricity and distribution networks in Spain, the U.K., Brazil, and the U.S.

### **NextEra Energy Inc (NEE)**

- NextEra Energy's regulated utility, Florida Power & Light, is the largest rate-regulated utility in Florida. The utility distributes power to nearly 6 million customer accounts in Florida and owns 32 gigawatts of generation. FP&L contributes roughly 70% of NextEra's consolidated operating earnings. NextEra Energy Resources, the renewable energy segment, generates and sells power throughout the United States and Canada with more than 25 GW of generation capacity, including natural gas, nuclear, wind, and solar.

# Capital Protected Product On Euro Stoxx 50 Pr

**100% CAPITAL PROTECTED ON** *NextEra Energy Inc (NEE)*  
*Iberdrola (IBE SQ)*  
**165% PARTICIPATION ON THE UPSIDE**  
**UNCAPPED**

*Adding some green to your portfolio*

Issuer	A -
Maturity	3 Years
Currency	USD
Underlying	NextEra Energy Inc (NEE) Iberdrola (IBE SQ)
Capital Protection	100%
Participation	165%
Cap	Uncapped
Observation	At Maturity
Format	EMTN (Euro Medium Term Note)

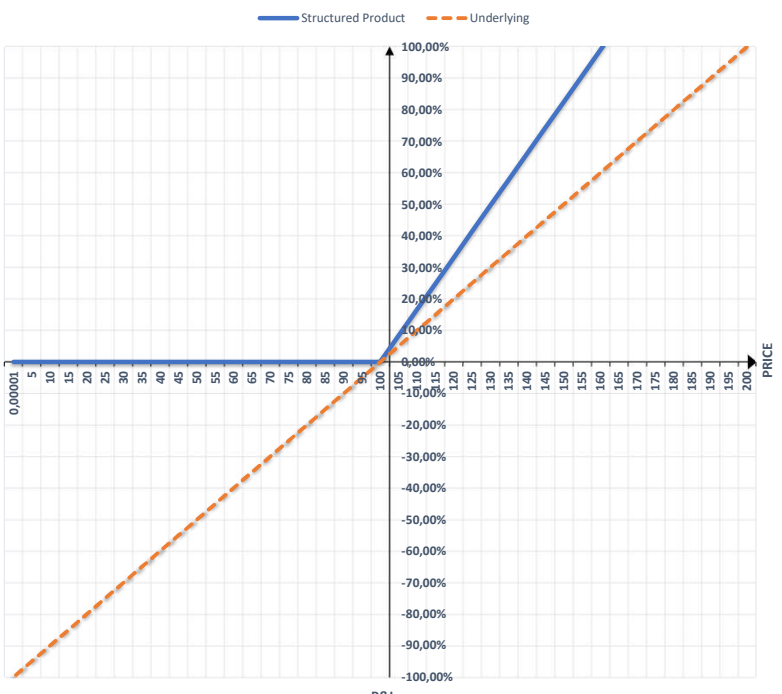
Product Description	Risk Analysis
<p>This is a capital protected product with the underlying being the NextEra Energy Inc (NEE) and Iberdrola (IBE SQ).</p> <p>2 Scenarios Possible:</p> <p>1) At maturity the investor will receive: 100% of the initial capital + 1,65x positive performance of underlying</p> <p>2) At maturity the investor will receive: 100% of the initial capital, if the underlying is below or equal to 100% of its initial level.</p>	<p><b>Pros:</b></p> <p>100% capital protection at maturity If the level of the underlying is below 100% of its initial level.</p> <p>Participation to the positive performance of the underlying is uncapped</p> <p><b>Cons:</b></p> <p>The product only offers capital protection at maturity. The redemption value of the product may be lower than the amount of the initial investment during the lifetime of the product.</p> <p>The investor takes a credit risk on the issuer, i.e. the insolvency</p>

Underlying	Coupon Trigger/ Capital Barrier (%)	Memory Coupon (p.a)
Phoenix Auto- Call Memory	70%	11,82%

Redemption Mechanism	
Underlying	Structured Product
100%	165%
90%	149%
80%	132%
70%	116%
60%	99%
50%	83%
40%	66%
30%	50%
20%	33%
10%	17%
0%	0%
-10%	0%
-20%	0%
-30%	0%
-40%	0%
-50%	0%
-60%	0%
-70%	0%
-80%	0%
-90%	0%
-100%	0%

Graphical Demonstration	
	



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