

Energy Tracker

Companies to efficiently track and invest in the energy sector

Moderate Risk

Index Value
185.05

CAGR
9.86%

since March 3, 2014

smallcase rationale

The Indian energy sector is diversified with power and oil & gas companies. Sources of power generation in India range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural & domestic waste.

- Electricity demand in the country has increased rapidly and is expected to rise further in the years to come, which is why massive addition to the installed generating capacity is required
- Government's focus on attaining 'Power for all' has accelerated capacity addition in the country
- Total installed capacity of power stations in India stood at 334,146.91 MW as on February, 2018
- Annual growth rate in renewable energy generation has been estimated to be 27% and 18% for conventional energy
- Government initiatives like the Saubhagya Scheme to provide electricity connections to over 40 million families at a cost of USD 2.5 billion will also boost the sector
- Oil consumption has expanded at a CAGR of 3.3% during FY2008-16F to reach 4.0 mbpd by 2016
- India's economic growth is closely related to energy demand and the government has adopted several policies to fulfil the increasing demand, like allowing 100% FDI in many segments of the sector

This smallcase comprises coal, power transmission & distribution, power trading, gas distribution, power generation and oil & gas companies to allow investors to efficiently track and invest in the energy sector.

Created by **Windmill Capital** SEBI Reg. Number **INH200007645** Subscription Type **Free**

[Invest in this smallcase here](#)

Methodology



Defining the universe

All publicly traded companies on the National Stock Exchange of India, covering 90% market capitalization, are included in the universe



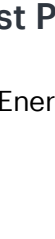
Research

The Windmill Capital team does an in-depth research, along with internal presentations and decides the sub-sectors and segments to be included in the tracker



Stock Screening

- Proprietary liquidity filters are applied to remove ill-liquid stocks from the universe
- A special check is applied to remove stocks, where a significant part of the promoter holdings are pledged, to define the investable universe
- All stocks in the investable universes, belonging to the selected sub-sectors are checked individually to ensure perfect theme fit
- Final stocks are selected on the basis of combined rank calculated using various parameters like valuations, market share growth, earnings growth, profitability, earnings quality, intrinsic value & institutional holdings



Weighting

The list of selected stocks is weighted such that the risk contribution of each stock in the smallcase is equal. By focusing on risk instead of marketcap or value, this weighting scheme provides better diversification and protection against market volatility



Rebalance

This smallcase has a quarterly rebalance schedule. Once every quarter, sector trackers are reviewed by our research team to ensure the current list of constituents and their weights remain true to the theme

Ratios

Ratio	smallcase	Equity Large Cap
PE Ratio	8.59	24.24
PB Ratio	1.27	3.25
Sharpe Ratio	0.78	1.11
Dividend Yield (%)	4.74	1.41

Important Fields

Inception Date **March 3, 2014** Launch Date **October 10, 2018** Marketcap Category **Equity Large Cap**

Review Frequency **Quarterly** Last Reviewed **September 16, 2020** Next Review On **December 16, 2020**

Market Cap Distribution



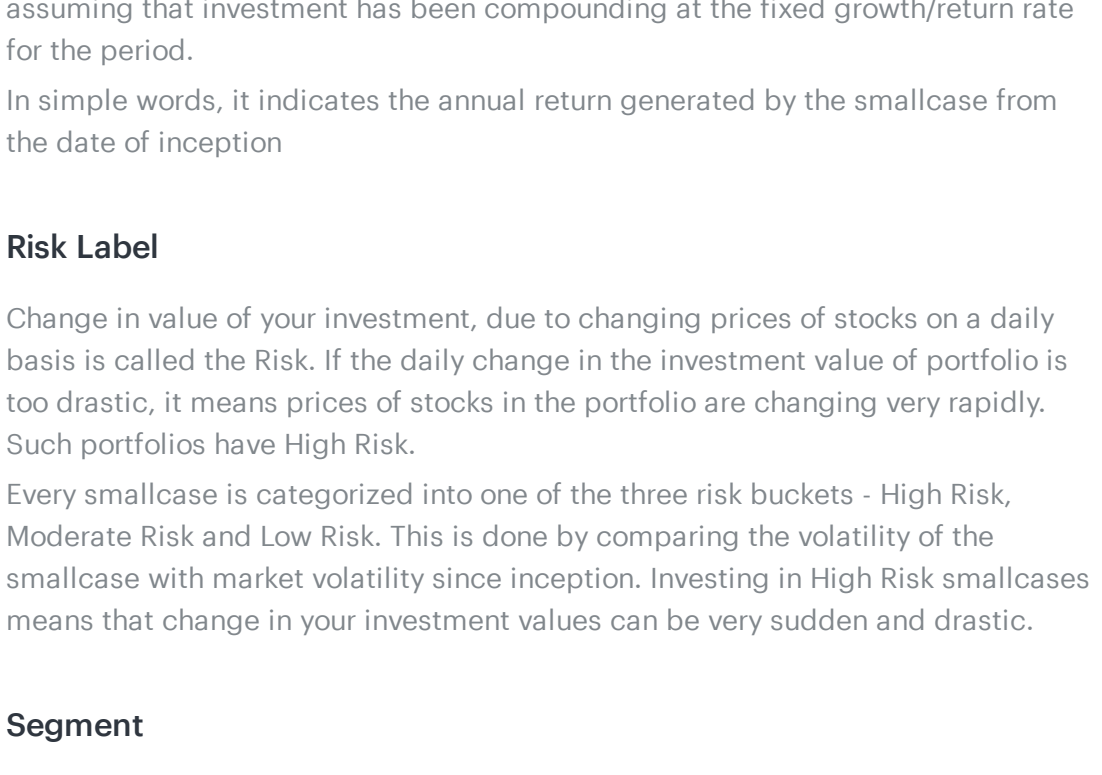
● Large Cap
54.95%

● Mid Cap
29.70%

● Small Cap
15.35%

Past Performance Comparison with Equity Large Cap

● Energy Tracker with ● Equity Large Cap



Returns over various periods

3M Returns	6M Returns	1Y Returns	3Y Returns
smallcase -5.39%	smallcase 5.35%	smallcase -13.07%	smallcase -17.18%
Equity Lar... 6.59%	Equity Lar... 26.52%	Equity Lar... 2.02%	Equity Lar... 10.82%

How to invest

Definitions and Disclosures

Index Value

Index value for all smallcases start from 100 since their inception date and helps investors easily calculate the returns generated since inception or between two specific dates. For example, if the current index value of the smallcase is 150, it means it has generated 50% since its inception. If the index value of a smallcase was 215 last month and the current index value is 245, it means it has generated $(245/215)-1 = 13.9\%$ return in last one month

CAGR

CAGR (compounded annual growth rate) is a useful measure of growth or performance of a portfolio. It represents the growth/return rate that gets you to the current value of the investment, starting from the initial investment value and assuming that investment has been compounding at the fixed growth/return rate for the period.

In simple words, it indicates the annual return generated by the smallcase from the date of inception

Risk Label

Change in value of your investment, due to changing prices of stocks on a daily basis is called the risk. If the daily change in the investment value of portfolio is too drastic, it means prices of stocks in the portfolio are changing very rapidly. Such portfolios have High Risk.

Every smallcase is categorized into one of the three risk buckets - High Risk, Moderate Risk and Low Risk. This is done by comparing the volatility of the smallcase with market volatility since inception. Investing in High Risk smallcases means that change in your investment values can be very sudden and drastic.

Segment

Stocks/ETFs belonging to a smallcase are categorized under different segments. Weightage of a segment is calculated as sum of weights of all stocks belonging to that segment. Suppose 4 stocks, with each having a weight of 10%, belong to the Food Products segment. Then the weight of the Food Product segment in the smallcase will be 40% (4*10)

Review

Rebalancing is the process of periodically reviewing and updating the constituents of a smallcase. This is done to ensure that stocks & weights in the smallcase continue to reflect the underlying theme or strategy

Market Cap Categorization of Stocks

All the stocks listed on NSE(National Stock Exchange) are arranged in decreasing order of Market Cap, so that the stock with the largest market cap gets 1st Rank. Stocks ranked equal to or below 100 are categorized as Large Cap. Stocks ranked below and equal to 250, but ranked above 100 are categorized as Mid Cap stocks. Stocks ranked above 250 are categorized as smallcap

Market Cap Categorization of smallcases

- If the sum of weights of constituent large cap stocks is greater than 50%, then smallcase is categorized as Largecap
- If the sum of weights of constituent mid cap stocks is greater than 50%, then smallcase is categorized as Midcap
- If the sum of weights of constituent small cap stocks is greater than 50%, then smallcase is categorized as Smallcap
- If the sum of weights of constituent large cap stocks is greater than 30%, sum of weights of mid cap stocks are greater than 30%, and sum of weights of large cap and mid cap stocks are greater than 80%, then smallcase is categorized as Large & Midcap
- If the sum of weights of constituent small cap stocks is greater than 30%, sum of weights of mid cap stocks are greater than 30%, and sum of weights of small cap and mid cap stocks are greater than 80%, then smallcase is categorized as Mid & Smallcap
- If none of the above conditions are met, then smallcase is categorized as Multicap
- Marketcap category of a smallcase might be different from the above mentioned, if the creator/manager of the smallcase specifically defines a particular category

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