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# Can Investors Capitalise on Sustainability? – A Quantitative Analysis of Sustainable Portfolios

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MASTER'S THESIS

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## Abstract

Recent developments in the investment industry show that more and more investors incorporate sustainability considerations into their investment decisions. This raises the question whether the sustainability screenings actually lead to an improvement in terms of the financial performance of portfolios. To answer this question the author of this thesis constructs portfolios based on ESG ratings from Sustainalytics. The results show that while most sustainable portfolios based on best-in-class screenings do not provide statistically significant abnormal returns, they do offer some benefits in terms of reduced risk, especially as measured by higher moments such as skewness and kurtosis.