

Emit Capital Climate Finance Equity Fund

March 2024 Report

Monthly: +6.49%

Unit Price: A\$0.8872

Inception: -11.28%

Fund Overview

Portfolio Management	Roger McIntosh, Matt Dever
APIR Code	OMF3304AU
Investments	Global Listed Equities
Strategy	Climate Finance, Long only
No. of Stocks	20-50
Benchmark	MSCI ACWI
Minimum Investment	A\$100,000
Liquidity	Monthly
Time Horizon	5+ years
Currency	Unhedged
Fee Structure	Management fee: 1.25%. Performance fee: 20% over Benchmark, subject to HWM



Fund Commentary

The Emit Capital Climate Finance Equity Fund had a net loss of -0.98% in March, while the Benchmark MSCI ACWI gained +2.80%.

Some of the best performers in March were Verbio, a German bioenergy company (+12%), GS Yuasa, a Japanese company that focuses on energy efficiency (+12%), Acciona, a Spanish renewable leader (+9%) and First Solar, a US based solar company (+10%).

Europe-Middle East-Africa (EMEA) and Japan were the regions that performed the best and generated steady returns. North America and UK also increased but the region that did the worst was Asia-Pac, mainly because of a big drop in Li Auto.

Looking at the climate finance themes, Energy Efficiency stocks remained the best performer, but our valuations indicate they might have reached their highest point. Energy Transformation also rose, as European companies performed well. The Transport & Infrastructure and Critical Minerals themes performed the worst, as the EV market fell and affected the lithium producers related to batteries.

The carbon footprint of the Fund continues to outperform the benchmark and other major global indices. The absolute emissions of the Fund are approximately one-fifth of the MSCI ACWI and importantly, measured on a weighted average carbon intensity (WACI) basis, the Fund represents 70% of the ACWI value. Given the Fund's strategy of investing in companies that align with the Paris Accord and a net zero target, we remain comfortable with the current portfolio composition.

Market Commentary

Inflation and expectations continue to dominate markets going into Q2 of 2024. Sticky prices in the US, particularly in the services sector, have seen many economists alter their rate cut expectations for 2024 from 6 down to 2. All data points to a robust US economy as evidenced by the USD/JPY which is at 30 year highs.

Whilst valuations appear high, it appears this strength is concentrated in a few names only (namely the magnificent 7 or fantastic 4)! Given these facts, the average stock in the US should be supported by the stronger economy and this should be borne out as we start earnings season.

Our preference for Q2 is a shift in exposure out of the US into Asia-Pac and Japan. Whilst our US holdings remain geared to the interest rate environment, we are seeing good opportunities in the Chinese renewable and energy efficiency sectors. We believe China will be a significant driver of climate finance and their green economy development will be a major catalyst to the turnaround in the Chinese economy.

Fund Performance

Performance as at 31 March 2024

	1mth	3mths	6mths	1yr	S.I. **
ECCFEF [^]	-0.98%	-1.15%	-4.65%	-16.85%	-12.15%
MSCI ACWI	2.80%	12.89%	18.46%	23.15%	38.35%
S&P GCEI ^{^^}	1.60%	-10.48%	-3.82%	-28.27%	-36.07%

[^] The Emit Capital Climate Finance Equity Fund - total return net of fees

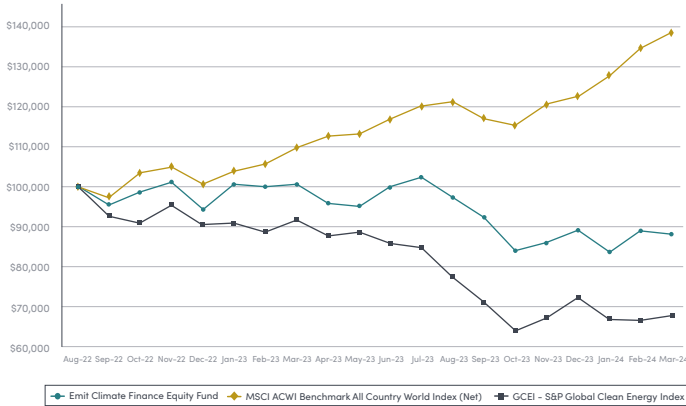
** S.I. - Since Inception (30/08/2022) Beyond 1yr is per annum

^{^^} The S&P Global Clean Energy Index



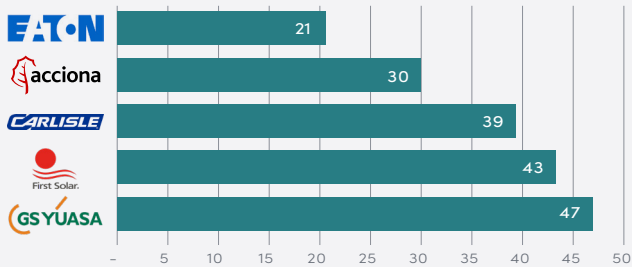
Performance Chart growth of A\$100,000

The Performance Graph shows the monthly returns since the fund inception on 31 August 2022.



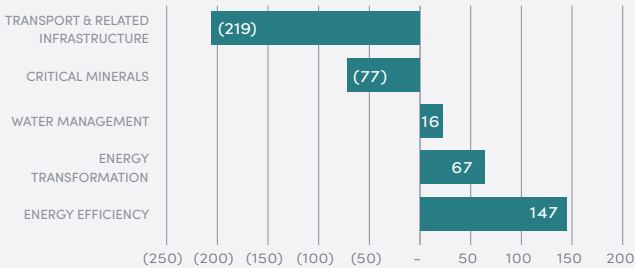
Portfolio Contribution

Basis points (bps) March 2024



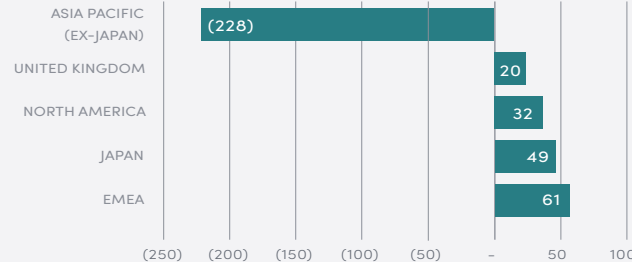
Theme Contribution

Basis points (bps) March 2024



Region Contribution

Basis points (bps) March 2024



Carbon Footprint Metrics

	ECCFEF	ACWI
Absolute Emissions*	1,000,394	5,201,964
Weighted Average Carbon Intensity**	81.2	114.0

*Absolute emissions are calculated in tonnes CO₂-e and weighted by the respective holdings

**Weighted Average Carbon Intensity (WACI) is calculated in tonnes Co₂-e per million USD revenue and weighted by the respective holdings

Portfolio Characteristics






Price/Earnings	16.3x
Dividend Yield	1.5%
ROE	11.4%
CFO Yield	11.3%
Price/Book	1.7x
Net/Debt Equity	0.8
3yr Sales Growth Fwd	26.9%
3yr Earnings Growth Fwd	33.9%
3yr Dividend Growth Fwd	15.8%

Market Cap - USD

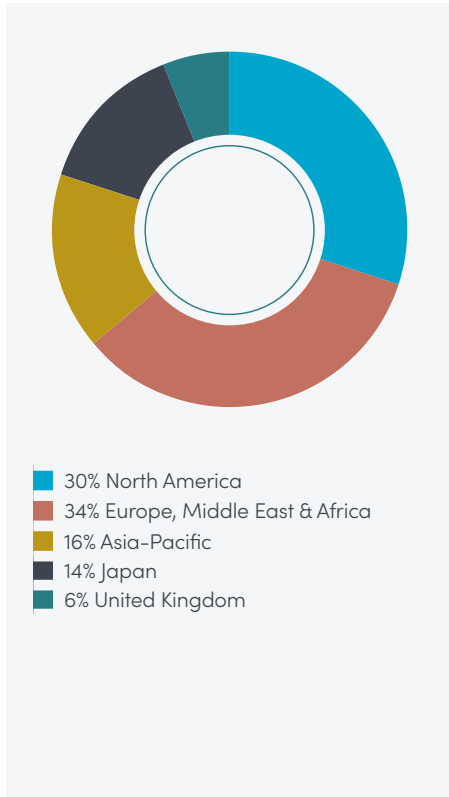
Size	Weight
Mega-cap	10.4%
Large-cap	37.8%
Mid-cap	29.7%
Small-cap	22.1%

* Size definitions are based on USD market capitalisation
Megacap: greater than USD 100 billion
Largecap: USD 10 billion - USD 100 billion
Midcap: USD 2 billion - USD 10 billion
Smallcap: less than USD 2 billion

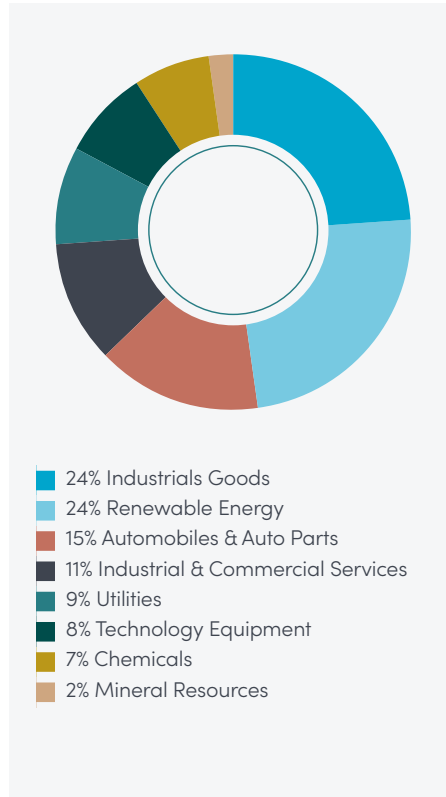
Top 5 Holdings

Stock	Location	Theme	Holding
 First Solar	USA	Energy Transformation	5.1%
 KURITA	Japan	Transport & Infrastructure	5.1%
 GSYUASA	Japan	Energy Efficiency	5.1%
 Acciona	Spain	Energy Transformation	4.6%
 Nexans	France	Energy Efficiency	4.6%
TOTAL			23.9%

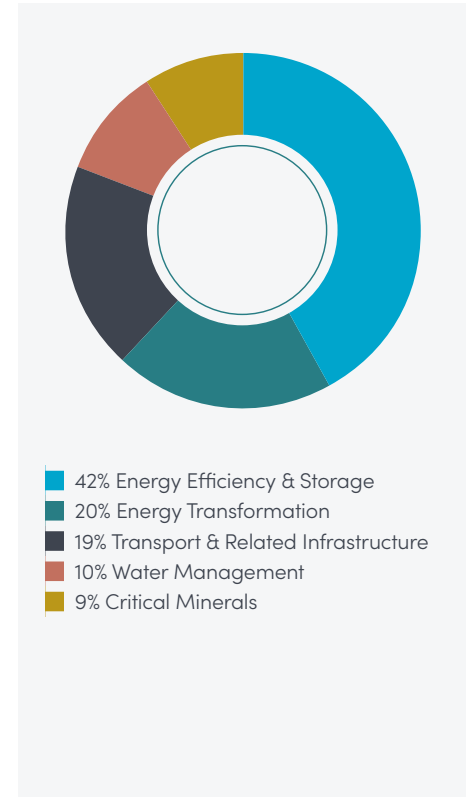
Exposure by Region



Exposure by Industry



Exposure by Climate Finance Theme



How to Invest

Application Process

Investors have the option of applying online through our secure platform, Olivia123, or through our paper application form.

If you have any questions in relation to the Fund or how to invest, contact us at info@emitcapital.com.au or call us on +61 3 9593 2866.

Online Application

Complete the online application via our secure platform, Olivia123.

Emit Capital Asset Management has adopted OLIVIA123, a secure, cloud-based online application process to make it easier for you to invest in our fund as an alternative to paper-based applications.

To provide appropriate security for your personal information you will be required to provide your name, email address and mobile phone number which will be used to protect your details. OLIVIA123 will also enable your identity to be verified online in real time provided you have documents such as a driver's licence or passport, and are on the electoral roll.

Please use the following link to access the online application form.

Paper Application

Complete the paper application online, print and sign. You'll need to mail certified copies of IDs for verification and use a 'wet' signature (by hand).

Completed and signed forms:

Email: Scan and email your application to info@oneregistryservices.com.au (please include all supporting documents)

Post/Delivery: Please post the completed application form and all supporting documents to:

Emit Capital Climate Finance Equity Fund Unit Registry
PO Box R1479
Royal Exchange NSW 1225

PAPER APPLICATION

ONLINE APPLICATION

OLIVIA123
online applications

Emit Capital Asset Management

Emit Capital Asset Management is a boutique fund manager focused on responsible investment across global equities that contribute to a mitigation or reduction in climate change. Our investment strategy is to generate attractive risk adjusted returns by investing in companies across four (4) climate finance themes: energy transformation, energy efficiency & storage, transport & infrastructure and water management. Our in-depth research includes ESG and Impact Investment analysis to refine our investment universe and target those companies best positioned to profit from the transition to a net zero economy.



**Funds Management
with a positive
environmental
difference**

Contact Us



Matt Dever
Chief Investment Officer



Roger McIntosh
Senior Portfolio Manager

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