



AMC Green New Deal

The Energy Transition

December 31, 2023

Investments in decarbonized energies to stop the climate warming.

Actively Managed Certificate (AMC) invested in international equities linked to the development of green energies and the sustainable use of Earth. Countries and companies will have to invest in renewable energies to reduce CO2 emissions and fight against the climate warming. Themes covered are : responsible use of Earth, green electricity generation, energy storage, waste management, resources exploitation, energy efficiency, sustainable transport and construction, Smart grids, cities & houses.

Issuer	Société Générale
Adviser	Heravest SA
Inception price	100
Inception date	26.02.2020
Currency	EUR
ISIN	XS2112381517
Liquidity	Daily
Mgt fees	1.5%
Price on 31.12.2023	107
AuM	€ 5 million
# holdings	24



The green thematic continued to collapse in 2023 with a decline of 23% for the Wilderhill Clean Energy Index and the S&P Global Clean Energy. From their highs in February 2021, ECO Index declined by 77% and the S&P Global Clean Index by 53%.

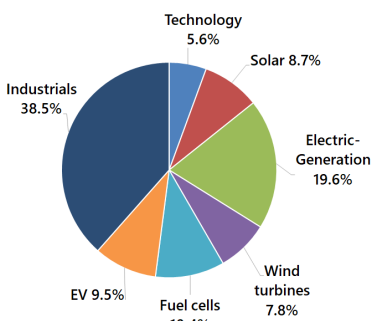
Our AMC Green New Deal has outperformed its benchmarks in 2023 and from February 2021. If it is good news in relative terms, in absolute terms it's a very tough moment. Renewable companies are suffering from higher input costs, higher interest rates which make projects not enough profitable, mainly in wind. Higher geopolitical risks are pushing industrial investors to be more cautious.

We were invested mostly in large companies, underweighting s&m caps. Waiting better guidance in s&m caps (Enphase, Solaredge, Canadian Solar, ...) before coming back. Solar depends on residential sector (then depends on economy health) and wind on utilities.

Be patient. I think the green energy transition theme will be back in 2H24 when guidance is more supportive. Green spending are increasing making green stocks cheaper.

Top 10 holdings

Quanta Services	8.7%
Eaton	5.9%
Emerson	5.9%
Air Liquide	5.4%
RWE	5.2%
Vestas Wind	5.2%
ABB	5.1%
Linde	5.0%
Carrier Global	4.8%
Rivian	4.8%



Performances

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Year
2023	4.1%	-0.8%	-1.7%	-7.4%	5.3%	-0.8%	-2.7%	-6.9%	-5.6%	-10.2%	6.3%	8.9%	-12.6%
2022	-12.5%	7.9%	11.7%	-10.8%	0.7%	-6.2%	25.0%	0.8%	-11.6%	-1.0%	7.2%	-10.4%	-5.7%
2021	9.7%	-11.6%	-1.9%	-9.8%	-5.3%	12.3%	-5.1%	-0.6%	-5.3%	20.0%	-3.0%	-12.8%	-17.8%
2020	-	-7.4%	-18.3%	11.6%	7.5%	3.3%	8.6%	11.3%	3.2%	0.4%	19.9%	11.9%	57.5%



In June, it was the right move to increase holdings in large caps, reducing volatility and playing electrification, building efficiency and infrastructure.

A very tough year for the green transition. In relative terms, our AMC Green New Deal behaved better thanks to a new positioning : -25% for our portfolio and -33% for the WilderHill Clean Energy Index in 2023.

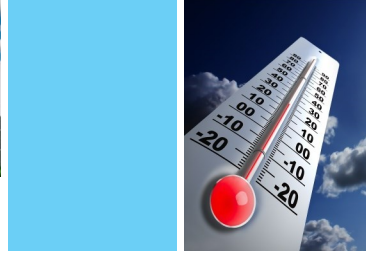
In June, we change our positioning by reducing the small/mid green caps (Sunrun, Solaredge, Enphase, Sunnova, ...) and by increasing large caps like Eaton, Schneider, ABB, Emerson and others very much implied in electrification. Large caps are much less volatile than the small green caps. The segment of small/mid green caps accounts for less than 30% of the portfolio.

It is now a large caps portfolio. But we remain alert to come back on small/mid green caps somewhere in 2024 as the rally could be violent.

The small/mid green caps are affected by :

- 1) Delays in wind projects (higher prices of equipment and lower profitability of projects due to supply disruptions and higher interest rates). Electricity generators are cancelling offshore wind orders because of too low return of projects.
- 2) Lower demand for solar, which is a residential market, due to households cautiousness, higher interest rates, lower subsidies, cancellations of orders and problems of US regional banks which finance micro-projects.

Preliminary results of SolarEdge gave a profit warning with substantial decrease in estimates for 2023. Analysts were revisiting downside their price targets for all small/mid green caps. For instance, price target for SolarEdge has been reduced from \$370 to \$170 in only 4 months. Current price is \$86 and some price targets are close to \$100-\$120. Probably most of the downside revisions have been done and PE ratios look cheap in a 12-month view for some of them.



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