CB Energy Transition Portfolio (EUR)
Report Q4 2024

AHEAD
Wealth Solutions

Crossbow Partners
Experience & Discipline

Target
Profit from the trends in the energy sector ("energy transition"), while reducing the risk of stock market corrections.

Concept
The portfolio invests in specialised long/short funds that invest in companies which will be among the winners of the energy transition and sell short shares of companies where they expect a negative development for the company in question.
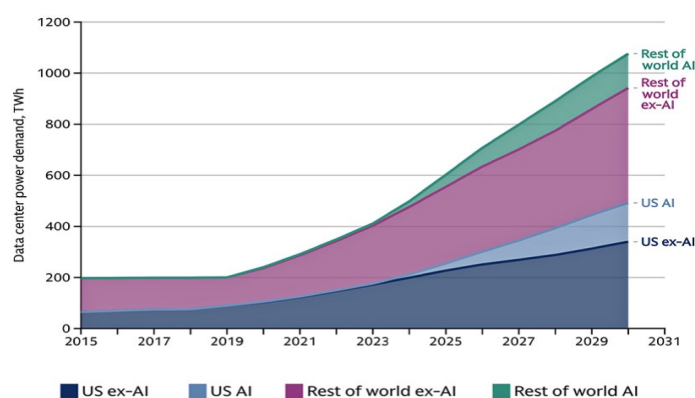
Mission
For investors who prefer to hold a partially hedged portfolio in the energy sector instead of riskier "long only" equity positions.

How this has worked so far

	Return				Risk: Volatility		Risk: Max. loss	
	Q4 2024	YTD 2024	3 years	5 years	3 years	5 years	3 years	5 years
CB Energy Transition Portfolio (EUR)	**-1.42%**	**4.16%**	**3.43%**	**8.47%**	**5.48%**	**5.82%**	**-6.69%**	**-6.69%**
Renew. Stocks (MSCI Alt. Energy EUR)	-27.97%	-33.63%	-23.57%	-5.54%	30.93%	32.06%	-56.72%	-63.64%
Energy Stocks (MSCI World Energy EUR)	-10.32%	-6.77%	8.47%	2.65%	26.98%	33.20%	-24.57%	-48.74%

Potential return

Goldman Sachs analysts project 2030 data center power demand will be more than 160% higher than 2023 demand. | *Goldman Sachs*

Adaption of AI will require a huge amount of energy. Alternative energy is expected to be a key contributor to growth.

Hedging
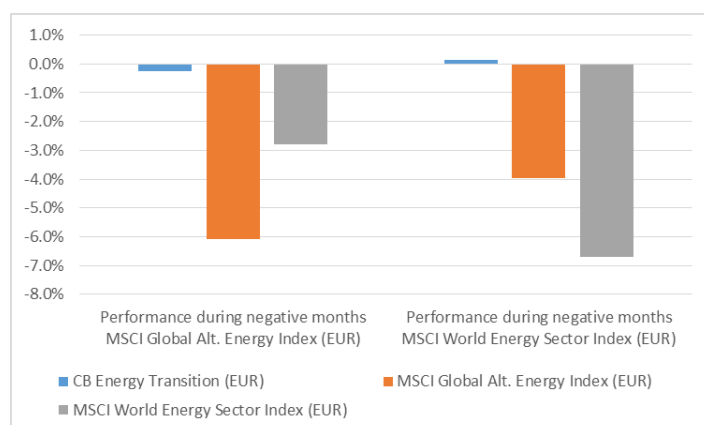
The choice of defensive hedge funds reduces the loss in negative markets.

Comment fourth quarter 2024

The CB Energy Transition Portfolio EUR was down -1.4% in the fourth quarter. The quarter was a challenging quarter for the alternative energy sector. The MSCI World Energy Sector Index EUR, which also includes the fossil energy sector, lost -10.3%. Shares in renewable energy companies were hurt by the change in sentiment after the US election. The MSCI Global Alternative Energy Index EUR lost -28.0% over the quarter.

The managers in the portfolio have shifted from pure renewable plays to companies more generally involved in electrification and the expansion of the electrical grid. This has now become one of the most important themes for hedge funds in the portfolio. As the demand for artificial intelligence (AI) grows, electricity providers are increasingly investing in this sector. The rising need for energy from data centers, along with increasing electrification trends like the adoption of electric vehicles and upgrades to aging electricity grids, has boosted these companies. Key players include GE Vernova, a company formed from General Electric's electricity and renewable energy divisions, and in Europe, Siemens Energy. Both have also gained from the expected growth in grid modernization to meet rising electricity demands. Additionally, companies like Entergy and Constellation Energy are securing agreements to power AI data centers, further highlighting the intersection of AI and the energy sector.