

# Emit Capital Climate Finance Equity Fund

## December 2024 Report

Monthly: 1.27%

Unit Price: A\$0.8631

### Fund Overview

Portfolio Management	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\$50,000
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 gained **+1.27%** for December net of fees & costs. Best performers included Tesla Inc (+31%) as the "Trump bump" drove momentum in the stock, new holding Cadiz Inc (+29%) on a Keystone XL pipeline project and China Yangtze Power (+13%) higher on further stimulus.

China was the best country performer as stimulus measures were welcomed by the market. US holdings also performed well despite the late market downturn as the Fed reduced the number of 2025 interest rate cuts from 4 to 2.

Consumer Cyclical was the best performing sector for the month followed closely by Industrials. Utilities performed the worst as a combination of profit taking and Fed volatility weighed on stocks.

In terms of climate finance themes, the best performer was Transport & Infrastructure as Tesla and BYD led in their respective home markets. Energy Efficiency holdings also performed well with Nvidia up strongly and Delta Electronics performing well in the 1st half of the month.

### Portfolio Changes

Over the course of December, there were a number of changes to the Fund holdings. In particular, EMEA and UK names were divested as political and economic factors drove valuations lower. In the US, the Fund added Archer Aviation (an emerging electric vertical take off & landing (eVTOL) company), Cadiz Inc (a water solutions company dedicated to clean water) and Iris Energy (an Australian company supplying clean energy to AI data centres in the US).

### US Yield Curve and Inflation Expectations

During December the Fed cut rates further by 25 bps. This was widely anticipated by the market and takes rates back to levels of December 2022. Despite this cut, commentary about a reduction in cuts in 2025 from 4 to 2 spooked the market with inflationary expectations cited as the major reason.

Since the 18 December meeting and announcement, the US 10 yr Treasury has rallied significantly as the so called "bond vigilantes" drive yields higher. The Fed has cut rates by 100 bps since they started in October however contrary to rational economics, the yield curve has moved higher by 100+ bps. All eyes will be on the term premium of the US yield curve over the coming months with a potential volatility increase should inflation show signs of increasing.

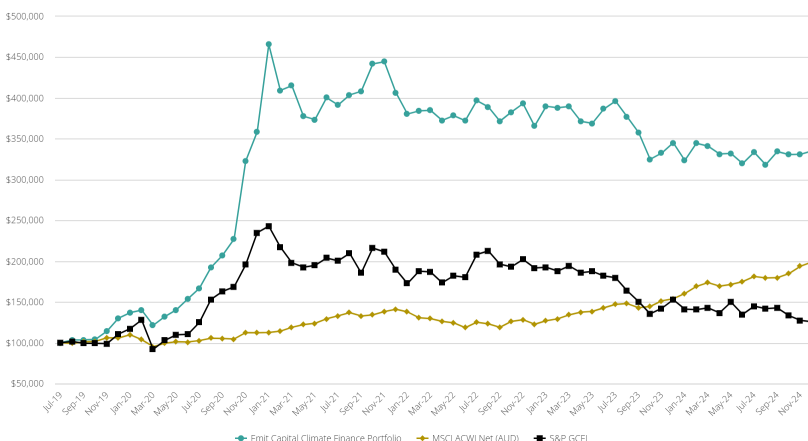
### Fund Performance

	1mth	3mths	6mths	1yr	S.I**
ECCFEF <sup>^</sup>	1.27%	0.24%	4.86%	-2.89%	235.15%
MSCI ACWI	2.68%	10.71%	13.74%	29.27%	98.99%
S&P GCEI <sup>^^</sup>	-1.35%	-11.91%	-6.69%	-17.69%	25.78%

<sup>^</sup> The Emit Capital Climate Finance Equity Fund - total return net of fees  
<sup>^^</sup> The Sustainable Blend Climate Index  
 MSCI ACWI = MSCI All Country World Index (AUD)

Fund return is net of all fees  
 \*\* S.I - Since Inception

### Performance Growth of A\$100,000



The Performance Graph shows the Monthly Returns since the Model Portfolio inception on 31 July 2019. The Fund inception date is 31 August 2022.

ECCFEF - The Emit Capital Climate Finance Equity Fund  
 MSCI ACWI - Benchmark All Country World Index (Net)  
 GCEI - S&P Global Clean Energy Index

### Portfolio Characteristics

December 2024	
Price/Earnings	13.9x
Dividend Yield	2.1%
ROE	13.1%
CFO Yield	12.1%
Price/Book	1.6x
Net Debt/Equity	1.2x
3yr Sales Growth Fwd	23.4%
3yr Earnings Growth Fwd	36.4%
3yr Dividend Growth Fwd	14.5%

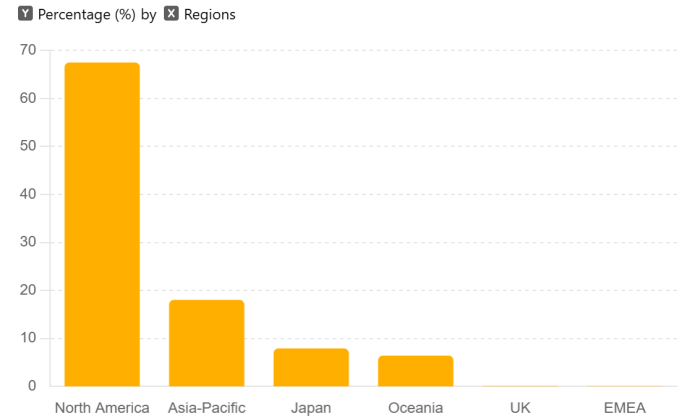
### Market Cap - USD

Size	Weight
Mega-cap	2.9%
Large-cap	39.9%
Mid-cap	28.6%
Small-cap	28.6%

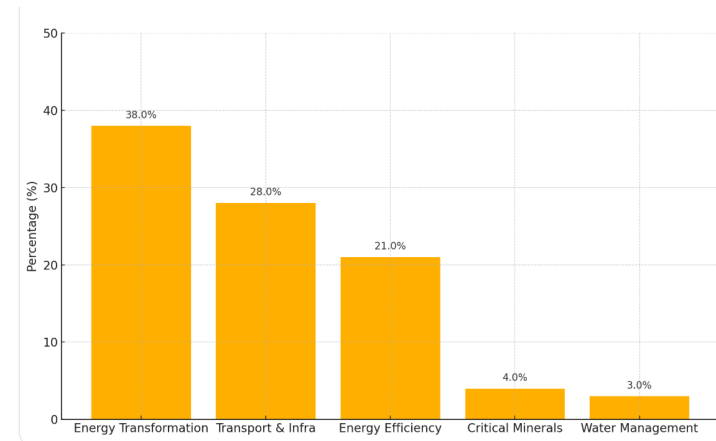
### Top 5 Holdings

Stock	Location	Theme	Holding
Tesla Inc	USA	Transport & Infrastructure	12.05%
First Solar Inc	USA	Energy Transformation	11.65%
Nvidia Corp	USA	Energy Efficiency	8.67%
BYD Co Ltd-H	China	Transport & Infrastructure	5.85%
Iris Energy Ltd	AUS	Energy Transformation	5.63%

### Holdings by Region



### Holdings by Climate Finance Theme



### Latest Research & Insights (clickable)

➤ **eVTOL Revolution: Flying toward a Sustainable Future**

### How to Invest

#### Online Application

Complete the online application via our secure platform, Olivia123.

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

ONLINE APPLICATION



#### 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:

PAPER APPLICATION

**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 (5) climate finance themes: energy transformation, energy efficiency & storage, transport & infrastructure, water management & critical minerals. 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.



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