

Energy transition – facilitating decarbonization

Why invest in energy transition?

Structural growth: companies positively exposed to structural long term trends should reduce economic cycle exposures

Portfolio diversification: a global thematic equity strategy, investing across industry sectors and geographic regions providing lower correlation to the broader market

Access attractive growth opportunities: by investing in companies that facilitate more efficient use of resources and emissions reduction and align with global climate mitigation goals

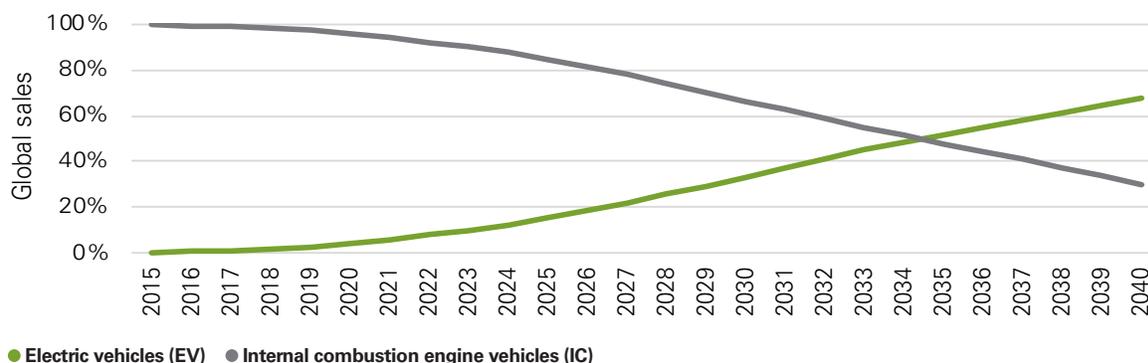
Why now?

There are four broad themes driving the energy transition

			
CLEAN TRANSPORTATION	ELECTRIFICATION	INDUSTRIAL AND BUILDING EFFICIENCY	ENVIRONMENTAL
<ul style="list-style-type: none"> • Transition from internal combustion engines to electric powertrains • Improve combustion engine efficiency and reduce emissions intensity 	<ul style="list-style-type: none"> • Growing electricity market share • Renewable growth within electricity generation 	<ul style="list-style-type: none"> • Develop products that are more efficient • Construct buildings to be more energy efficient 	<ul style="list-style-type: none"> • Turn waste to energy • Recycle and re-use • Improve water usage

Clean transportation

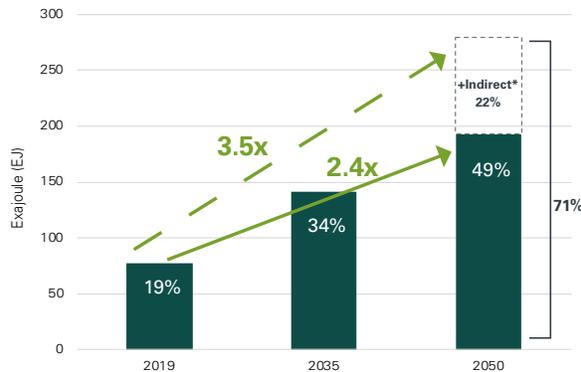
Global EV sales are expected to increase 10x during the current decade and surpass IC in sales the next 15 years



Source: BNEF Long-Term Electric Vehicle Outlook 2021. EV includes battery electric and plug-in hybrid vehicles, IC includes mild hybrid and pure internal combustion engine vehicles. This page contains projections, there is no guarantee these projections will be met.

Electrification

Demand for electricity worldwide is expected to more than double by 2050



*Indirect electricity consumption refers to electricity used in hydrogen production.
Sources: McKinsey; Irena, June 2020, Renewable Power Generation Costs in 2019. This page contains projections, there is no guarantee these projections will be met.

Industrial and building efficiency

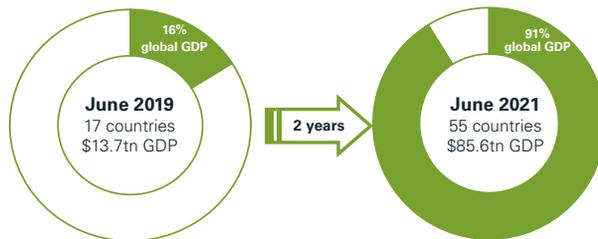
Electricity is becoming more widely adopted for use in transportation and heating in buildings and industry



Source: BNEF 2021 New Energy Outlook. This page contains projections, there is no guarantee these projections will be met.

One of the main catalysts driving growth within these energy transition themes is policy from both governments and corporations

Countries with Net Zero targets* as a % of global GDP



Manufacturers greening full supply chains to comply with Net Zero Carbon 2030-2050



The energy transition universe of over **\$9 trillion** is comprised of companies that are making the biggest impact in reducing emissions. Investing in the energy transition can provide diversification and upside potential to a portfolio as it encompasses 6 of the 11 GICS® sectors.

Dramatic changes need to occur over the next several decades to hit these goals. At Ecofin, we believe that investing in the facilitators of decarbonization should result in strong performance while making an impact.

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