

Everything starts with energy, including opportunity

Energy is the axis around which the global economy turns. It is the very engine of life itself. Technology driven disruption is creating a boom in electricity generation, energy storage and the electrification of industries.

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T8 Energy Vision

APIR: ETL4286AU
 Stock Exchange Ticker: T8EV
 Fund Ratings: SQM Research (Favourable); RIAA (Responsible Investment Leader 2023, 2024); Aii; Evergreen Consulting (ERIG First Quartile)

28 February 2025

Commentary (all movements in this commentary are expressed in US dollar terms, unless otherwise stated)

T8 Energy Vision finished February flat (in Australian dollars, hedged to the Australian dollar). In unhedged US dollar terms, this equated to down 1.1%, outperforming the fund's benchmark (-6.2%), US small caps (-5.3%) and US equities (S&P 500 -1.4%). Global equities declined and bonds rallied (risk-off) on worries of a slowing US economy driven by consumer spending. The mega-cap US technology stocks going into reverse (most likely a continuation of the fallout from the DeepSeek shock) and increasing uncertainty in relation to tariffs compounded the negative sentiment.

Within our portfolio, the electric vehicles segment (+154 basis points) was the key contributor to performance. The key driver within this segment was Chinese electric vehicle and battery champion, BYD (1211 HK +36.0%). BYD reported solid growth in vehicle sales (+49% year-over-year, at a time when industry volumes globally are under pressure) and plans to integrate its 'God's Eye' autonomous driving system across its entire vehicle lineup, at no extra cost. While BYD's self-driving technology is not yet proven, it would appear to be considerably cheaper than Tesla's 'full self-driving' (priced at \$8,000 for a one-time purchase or \$99 per month as a subscription in the US). Elsewhere in our portfolio, Infineon Technologies (IFX GY +11.6%) and Altus Power (AMPS US +22.3%) were also notable contributors. Infineon, which is the world leader in the specialised semiconductors used in power applications, rallied after it reported earnings for the fourth quarter of 2024 which was nearly 25% better than market expectations. Altus, a leader in commercial and industrial-scale rooftop solar in the US, announced an agreed takeover from a private equity acquirer. In addition to contributing to performance, this also supports our belief that publicly-traded renewables companies are materially under-valued. In terms of detractors, our position in energy equipment specialist, GE Vernova (GEV US -10.1%), was a key detractor. We attribute its recent weakness to uncertainty (related to the velocity of electricity demand) following the DeepSeek shock and we have used this period to add to our position. Please refer to the more substantial commentary on our [website](#).

Insight
 Markets have continued to be rattled by a number of sources of uncertainty (US presidential executive orders; DeepSeek and the announcement of new tariffs, retaliatory tariffs and delays to proposed tariffs). While each factor is likely to continue to create uncertainty in the short term, looking below the surface we believe that each will have a positive impact on electricity demand over the medium and longer term. We elaborated in a paper published on our [website](#) and the insights remain relevant.

Outlook
 We have a very optimistic outlook for electricity demand (the US has increasing demand for electricity for the first time in 20 years driven by data centres) and the fundamentals of the electricity generation industry as well as transmission and distribution grid infrastructure and all of the associated supply chains (from critical minerals, to transformers and cables, to the latest nuclear reactor technology).

We reiterate that falling US interest rates (100 basis points of cuts so far) are yet to have a material impact on our focus area of the electric energy sector and its supply chains (which have historically displayed very high sensitivity to interest rates). We believe that this lag is explained by recent policy uncertainty (especially up to and following the US election) which has temporarily obscured the impact of this significantly positive catalyst. Our philosophy is that it is impossible to accurately forecast the timing of when cyclical markets will rebound but that it is inevitable and often occurs without a decisive signal. We remain confident in our portfolio which comprises the most fundamentally attractive energy stocks (companies with industry leadership positions, strong fundamentals, strong balance sheets and competitive advantage).

Performance (A\$, return since inception – last 12 months)



T8's key themes

Energy Generation



A growing world and new technologies (such as artificial intelligence) require significant new energy generation

Grid Infrastructure



Specialised infrastructure is required to gather, transmit, transform, distribute and manage energy

Critical Materials



Significant volumes of basic materials are required to manufacture everything from cars to turbines to microchips

Energy Storage



Energy storage is increasingly required to stabilise the grid and match energy supply with demand

Electrification



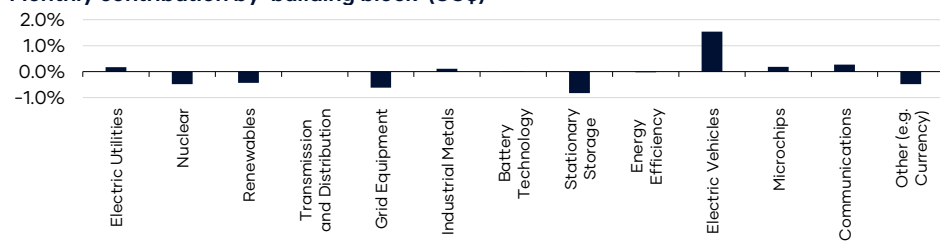
Moving and consuming electricity is cheaper and more efficient than combustible fuels for most uses of energy

Enabling Technology



Microchips, wireless communication and data management are increasingly vital to the energy system

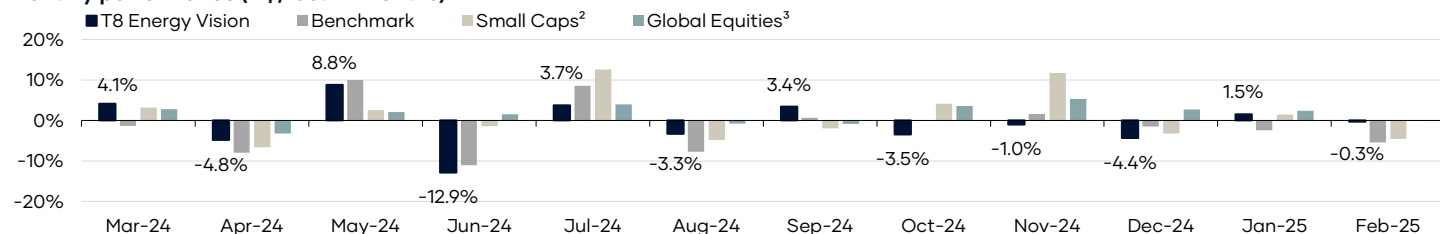
Monthly contribution by 'building block' (US\$)



Key stock contribution (bps, last month)

| Company | 'Building block' | Contribution |
|-----------------|--------------------|--------------|
| Top-3 | | |
| 1211 HK | Electric Vehicles | +182 |
| IFX GY | Microchips | +42 |
| AMPS US | Renewables | +37 |
| Bottom-3 | | |
| FLNC US | Stationary Storage | -89 |
| GEV US | Grid Equipment | -47 |
| SHLS US | Renewables | -34 |

Monthly performance (A\$, last 12 months)



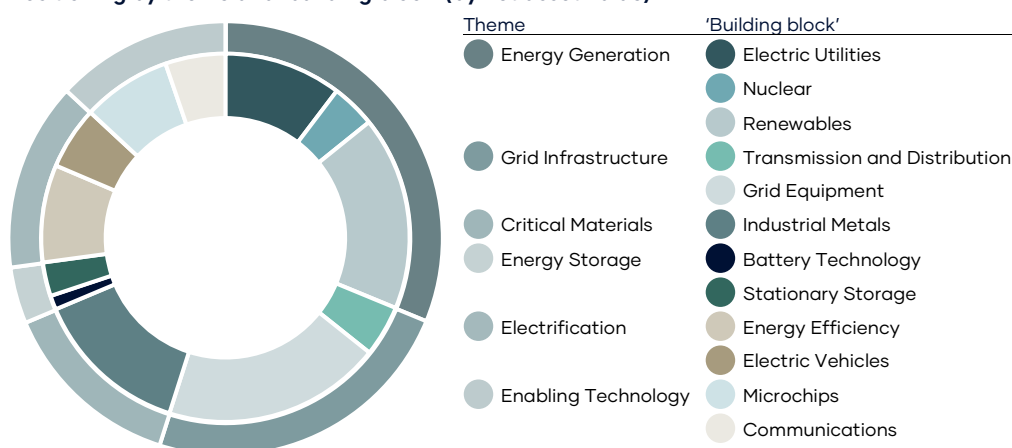
Monthly performance (A\$, since inception)

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total | Benchmark | Small Caps ² | Global Equities ³ |
|------|--------|-------|--------|--------|------|--------|-------|--------|--------|--------|-------|--------|--------|-----------|-------------------------|------------------------------|
| 2019 | | | | | | | | 7.3% | -5.1% | 4.6% | 4.2% | 5.7% | 17.3% | 9.3% | 4.5% | 6.4% |
| 2020 | -2.7% | 2.4% | -14.0% | 24.1% | 9.9% | 3.4% | 12.6% | 8.5% | 1.6% | 5.4% | 21.7% | 11.9% | 115.5% | 149.1% | 9.5% | 5.8% |
| 2021 | 9.7% | -3.4% | 3.0% | -1.8% | 1.6% | 4.7% | -2.1% | 1.4% | -3.9% | 3.4% | -0.2% | -10.1% | 1.0% | -22.0% | 21.4% | -0.2% |
| 2022 | -9.5% | 1.6% | 2.5% | -11.3% | 1.0% | -6.1% | 17.8% | 1.1% | -9.8% | 1.1% | 4.9% | -10.7% | -19.3% | -22.7% | -15.1% | -12.6% |
| 2023 | 10.2% | -1.1% | -0.5% | -6.4% | 1.6% | 5.7% | 3.5% | -11.5% | -10.8% | -16.0% | 1.2% | 11.3% | -16.1% | -21.0% | 16.7% | 23.5% |
| 2024 | -13.4% | 1.1% | 4.1% | -4.8% | 8.8% | -12.9% | 3.7% | -3.3% | 3.4% | -3.5% | -1.0% | -4.4% | -22.0% | -19.3% | 27.4% | 27.7% |
| 2025 | 1.5% | -0.3% | | | | | | | | | | | 1.2% | -7.7% | -3.2% | 2.4% |

Performance and risk metrics (A\$)

| Returns | Portfolio | Benchmark | Small Caps ² | Global Equities ³ | Risk metrics (12 months) | Portfolio | Benchmark | Small Caps ² | Global Equities ³ |
|-----------------|-----------|-----------|-------------------------|------------------------------|---------------------------------|-----------|-----------|-------------------------|------------------------------|
| 1 month | -0.3% | -5.5% | -4.6% | 0.1% | Volatility | 20% | 24% | 19% | 11% |
| 3 months | -3.2% | -9.1% | -6.4% | 5.2% | Sharpe Ratio | -0.5 | -0.7 | 0.6 | 2.0 |
| 6 months | -4.4% | -7.2% | 6.9% | 13.8% | Equity Correlation ⁴ | 0.4 | 0.5 | 1.0 | 0.7 |
| 12 months | -9.9% | -17.4% | 11.6% | 21.0% | Equity Beta ⁴ | 0.4 | 0.6 | 1.0 | 0.4 |
| Year to Date | 1.2% | -7.7% | -3.2% | 2.4% | Up-capture ⁴ | 48% | 65% | 100% | 48% |
| Since Inception | 37.4% | -4.9% | 64.2% | 110.1% | Down-capture ⁴ | 63% | 89% | 100% | 33% |
| Annualised | 5.9% | -0.9% | 9.3% | 14.2% | Up/Down Ratio ⁴ | 0.8 | 0.7 | 1.0 | 1.4 |

Positioning by theme and 'building block' (by net asset value)



Top holdings (by contribution to risk)

| Company | 'Building block' | Risk weight |
|---------|-------------------|-------------|
| GEV US | Grid Equipment | 10.6% |
| PAAS US | Industrial Metals | 9.3% |
| ENR GY | Grid Equipment | 9.3% |
| MP US | Industrial Metals | 4.8% |
| CCJ US | Nuclear | 4.7% |
| AMPS US | Renewables | 4.4% |
| IFX GY | Microchips | 4.1% |
| OKLO US | Nuclear | 4.0% |
| SU FP | Grid Equipment | 3.2% |
| ITRI US | Energy Efficiency | 3.0% |

Portfolio characteristics

| | Portfolio | Benchmark | Small Caps ² | Global Equities ³ |
|---|-----------|-----------|-------------------------|------------------------------|
| Revenue growth rate (Forecast 3-year CAGR) | 14% | 12% | 3% | 3% |
| 1-year P/E (Median forecast) | 18 | 17 | 25 | 20 |
| 3-year P/E (Median forecast) | 13 | 13 | 16 | 16 |
| 1-year leverage ratio (Net Debt/EBITDA) | 0.5 | 2.3 | 3.0 | 1.2 |
| Market cap (Median) | US\$9B | US\$2B | US\$2B | US\$57B |
| Number of holdings | 38 | 100 | 1,947 | 1,354 |

Company research and engagement dashboard (last 12 months)

Company meetings (one-on-one)
 FGH AU, 9104 JP, VOW GY, NIU US, 968 HK, HASI US, VZLA CN, AA US, STEM US, 006400 KS, AMRC US, NXT US, MBTN SW, AMPS US, VBK GY, AA US, NGEX CN, SEDG US, SLR SM, 6594 JP, NEE US, GM US, JOBY US, CARR US, CEG US, NPI CN, SIE GY, TSLA US, EQIX US, EXC US, CSCO US, CEG US, ETN US, SU FP, SEDG US, LIGHT NA, ENR GY, AG US, PAAS US, IFX GY, AMPS US, PRY IM, NEX FP, NEL NO, SHLS US, 300750 CH, SMR US, 968 HK, NRGV US, AG US, NVX US, ABB US, VST US, CEG US, 6501 JP, TPIC US, ERO US, EGO US, CCJ US, TA CN, CS CN, CCJ US, 6594 JP, GFS US, AUR US, CDE US, HBM US, LIGHT NA, MBLY US, CDE US, LEU US, NDX1 GY, ANDR AV, ORSTED DC, TSLA US (x2), VWV DC

Shareholder meetings (ballots cast)
 ORSTED DC, NEL NO, 1211 HK, NDX1 GY, SHLS US, DAR US, LIGHT NA, AA US, ENPH US, NEE US, 968 HK, TPIC US, 1211 HK, 916 HK, SEDG US, HASI US, MP US, TSLA US, 6594 JP, RUN US, 916 HK, SLR SM, GFS US, NXT US, 1211 HK, CDLR US, CSCO US, 916 HK, ENR GY, SIE GY, IFX GY

About T8 Energy Vision

Fund overview

- Global growth equities fund focused on future energy.
- Deep in-house research, risk management, direct company engagement, and reporting.
- Target returns of greater than 20%pa over a 3-5-year investment horizon.

Investment thesis

- Energy is the biggest investment opportunity since the tech boom started in the 1990s.
- We believe that developed economies have entered a period of secular demand growth for electricity, kicked off by rapidly growing demand from data centres.
- T8 Energy Vision's investment focus is identifying the winners in this energy boom. We construct a portfolio of best ideas across our six key themes.







About T8

- Triple Eight Capital (T8) is dedicated to responsible investment. We believe that positive environmental and social benefits can be achieved without sacrificing investment returns. T8's responsible investment policy is available on our [website](#).
- Our process is built on fully independent research, overseen by our Advisory Board which also provides deep industry insights.





Fund details

| | |
|-----------------|---------------------------------|
| APIR | ETL4286AU |
| Exchange ticker | T8EV |
| Distributions | Annual |
| Trustee | EQT |
| Custodian | JPMorgan |
| Administrator | Apex |
| Auditor | EY |
| Management Fees | 1.25% |
| Benchmark | Clean Energy Index ¹ |



Investment

| | | |
|--|--|---|
|  Roscoe Widdup <i>Portfolio management</i> |  Tonya Payne <i>Research</i> |  Christopher Hayes <i>Portfolio management</i> |
|  Selva Freigedo <i>Research</i> |  Timothy McIntyre <i>Research</i> |  Alvin Zhou <i>Research</i> |






Advisory Board

| | | |
|--|--|--|
|  Leigh Clifford AC <i>Engineering and infrastructure</i> |  Andrew Michelmore AO <i>Metallurgy</i> |  Erin Grover <i>Sustainability technology</i> |
|  Jim Askew <i>Critical minerals</i> |  Liza Maimone <i>Sustainability</i> |  Mark Harland <i>Consumer behaviour</i> |
|  Mark Preston <i>Energy technology</i> | | |







Industry technical analysts

| | |
|---|--|
|  Alex Zadnik <i>Engineering</i> |  Stuart Brown <i>Energy</i> |
|---|--|

Administration and operations

| | | |
|---|--|--|
|  Georgia Widdup <i>Co-Managing Director</i> |  Martine Fraser <i>Financial controller</i> |  Nicki Zehntner <i>Investor relations</i> |
|  Maddison Stewart-Rice <i>Accounting</i> |  Ian Brown <i>AI Process Innovation</i> | |

Distribution

| | | |
|--|---|---|
|  Andrew Aitken <i>Financial advisers</i> |  Adam Wright <i>Financial advisers</i> |  Anna Sayer <i>Institutional and family office</i> |
|  Leighton Thomas <i>International</i> |  Noel Corley <i>Financial advisers</i> |  Rob Tandy <i>Philanthropic foundations</i> |

Associations



¹The Clean Energy Index comprises equal weightings to the SPGTCLNT Index and ECOTR Index ²RU20INTR Index ³NDDUWI Index ⁴Relative to Small Caps

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