



OPPORTUNITIES FUND

ENERGY TRANSITION STRATEGY CLASS

FACT SHEET

WWW.MAXALPHA.COM.AU



WHY ENERGY TRANSITION

UN Theme Report on Energy Transition, 2021

“ Energy transition is a crucial enabler of sustainable development and climate resilience. ”

Energy is strategic to every government, as it drives their industries and is essential for the well-being of their society. Climate change is regarded to be an existential threat, and energy transition away from fossils to renewables is a significant initiative in the global shift to net zero. As green technology leads the way, we expect that this trend continues to create lucrative investment opportunities.



PRODUCT FEATURES

SUMMARY TERMS FROM TERM SHEET	
Initial Issue Price	AUD 1.00
Minimum investment	AUD 50,000
Settlement Currency	AUD
Management Fees	0.75% Per Annum + GST
Performance Fees	15% of Performance above Benchmark
Benchmark	RBA (Reserve Bank of Australia) Cash Rate plus 5%
Exit Fees	0.10%
Fee Rebate	The Trustee may offer rebates to the investor at its discretion from time to time
Eligible Investor	Wholesale clients as defined in s761G of the Corporations Act
Subscription Frequency	Monthly
Redemption Frequency	Monthly
Distribution	Annually
Administrator	Apex Fund Services
Custodian	Perpetual Corporate Trust Limited



HOLISTIC DIVERSIFICATION

- Diversification across asset classes.
- A multi layered approach to gain targeted exposure to the Energy Transition trend.



FOCUSED EQUITY SELECTION THE BEST, NOT THE MANY

- Europe Focused as the most advanced region for clean energy .
- Quant and data style driven with profitable companies priced at reasonable value.
- Companies with significant exposure to the trend.
- Sector diversification including utilities and infrastructure.



ABOUT MAX ALPHA

Max Alpha creates asset allocation and investment solutions offering investors access to multi-asset class investment opportunities and thematic Megatrends, with a specific focus on ESG (Environmental, Social and Governance) integration. Our mission is to make investments that optimize our returns per unit of risk. We continue to have a risk focus that seeks to implement capital preservation strategies where appropriate. Clients are at the heart of our mission and values, and investment solutions are implemented through a choice of channels.



ENERGY TRANSITION IN THE EU

“ Energy Transition is a significant initiative in the global move to net zero, and especially so in the European Union. That is why our focus lies on Europe in terms of Equity investments, as well as its world-leading Carbon Credit Market. ”



A European Green Deal REPowerEU

Europe aims to be the first climate-neutral continent by becoming a modern, resourceefficient economy.

https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en



Geopolitical Catalyst

Following the Russian invasion of Ukraine, the EU has committed to rapidly reduce dependence on Russian fossil fuels and fast forward the green transition. This is the REPowerEU plan.



REPowerEU

Delivering the REPowerEU objectives requires an additional investment of €210 billion between now and 2027.

European Commission, Press Release 18 May 2022



THE OPPORTUNITY

The strategy will invest in assets whose valuation is strongly linked to the progress of the energy transition, while managing allocations across asset classes aiming to balance the risk. It addresses the increasing demand pressure on base metals, as well as inflationary pressure resulting from higher commodity and energy prices. The allocation is based on our rules-based methodology.

We expect that there will be opportunities in:



POWER GENERATION

(Utilities)



ACROSS THEIR ENTIRE SUPPLY CHAIN

(Engineering and construction companies)



INFLATION HEDGE

(Guard against inflationary pressure)



THE INPUTS TO THE VALUE CHAIN

(Such as copper)



INITIAL STRATEGIC ALLOCATION A MULTI ASSET APPROACH



GOLD

The Energy Transition is a significant transformation of infrastructure and widely argued to be inflationary. Gold provides protection against inflation.



EUROPEAN CARBON CREDITS

The determination to phase out CO2 emissions implies further upside in the price for carbon as traded under the EU's Emission Trading System, the world's biggest carbon market.



COPPER

The base metal is used in electrical wiring and cables, as well as some application in battery technology.



EQUITY

A select basket of systematically identified European Energy Transition companies, as detailed below.

EQUITIES BASKET

A systematic top-down selection process identifies a basket of European Equities with a strong connection to the Energy Transition trend, positive earnings, and lower Price to Earnings ratios when compared to the sector.

COMPANY	INTRODUCTION
 www.acciona.com	ACCIONA, S.A. from beginnings in Spain in 1916. Leader in development, engineering, construction, operation and maintenance of wind, solar, hydroelectric and green hydrogen assets on all continents. Growth pipeline; to increase capacity from 10.7GW in 2020 to 20.0GW by 2025. Acquired Silence (EV motorcycles) and launched EV battery subscription and distribution network.
 www.infineon.com	INFINEON TECHNOLOGIES AG is a German semiconductor company spun off from Siemens in 1999 and is one of the ten largest semiconductor manufacturers worldwide. It sees growth in semi-conductors in EVs, solar power, wind power, and EV charging applications.
 www.edpr.com	EDP RENOVÁVEIS began in Portugal over 40 years ago, a leader in energy transition with a presence in 28 countries in Europe, North America and South America. Growing to increase renewable capacity from 21.3 GW in 2020 by 4.0GW a year until 2025.
 www.verbund.com	VERBUND AG is Austria's largest electricity provider. Verbund covers around 40 percent of electricity demands in Austria and generates 90 percent thereof from hydro power. Operates 129 Hydropower plants.
 www.encavis.com	ENCAVIS AG , an independent power producer, acquires and operates solar and onshore wind parks. The company operates 206 solar parks and 96 wind parks throughout Western Europe. Plans to increase capacity from 2.0GW to 3.4GW by 2025.
 www.iberdrola.com	IBERDROLA, S.A. engages in the generation, transmission, distribution, and supply of electricity in Spain, UK, US, Brazil and Mexico. It generates and markets electrical power using renewable sources, such as onshore and offshore wind, hydro and solar photovoltaic. The company expects to double renewable capacity to 60GW in 2025.

RISK

There are risks associated with an investment in this strategy, including **Market Risk, Issuer Risk, Currency Risk, Liquidity Risk, and Structured Product Risk and Cost**. For more information on risks and other features of the Energy Transition Strategy Class, please see the Fund Term Sheet. Prospective Investors should ensure that they fully understand the nature of this product and the extent of their exposure to risk, and they should consider the suitability of this Product as an investment in the light of their own circumstances and financial condition.

RISK	DESCRIPTION
MARKET RISKS	Market risk, such as interest and foreign exchange rates, equity and commodity prices, or volatility, may have a negative impact on the value of and the return on the investment.
CURRENCY RISK	The ETS Class may invest in assets and securities listed on stock exchanges outside Australia. Currency movements against the Australian dollar may adversely affect the domestic value of the Class's investments and the income from those investments.
STRUCTURED PRODUCT RISK	Structured securities provide benefits to the portfolio but are sometimes more complex. These products may have a risk profile comprising equities, bonds, derivatives, etc. These risks may include volatility, restricted liquidity, issuer risk, credit risk and early termination and reinvestment.
ISSUER RISK	The ETS Class will invest in financial markets and may transact with brokers or a security issuer. If the broker or security issuer becomes insolvent, there is no guarantee that collateral held by them will be returned to the ETS Class.
LIQUIDITY RISK	The Fund Manager will use reasonable efforts to provide indicative bid and offer prices for the Fund on a regular basis under normal market conditions. Liquidity is available within the fund while in the case of maturity or early redemption delivery may take 30 days as the units are held in custody.
STRUCTURED PRODUCT COST	The fees and costs of structured products are usually embedded in the price of the investment such that at issuance, the value of the investment is less than the investment's issue price.
STRUCTURED PRODUCT RISK <small>continued</small>	To the extent that structured securities are not capital protected, the fund might experience a loss of some or all its investment in such a security.
ILLIQUIDITY RISK	Illiquidity of a Fund asset or an underlying of a financial instrument can result in wider bid/offer spreads for that instrument or the Fund itself, in lower performance, or in the Fund's inability to redeem units.

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