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BBGI CLEAN ENERGY 100 USD INDEX AND STRATEGY

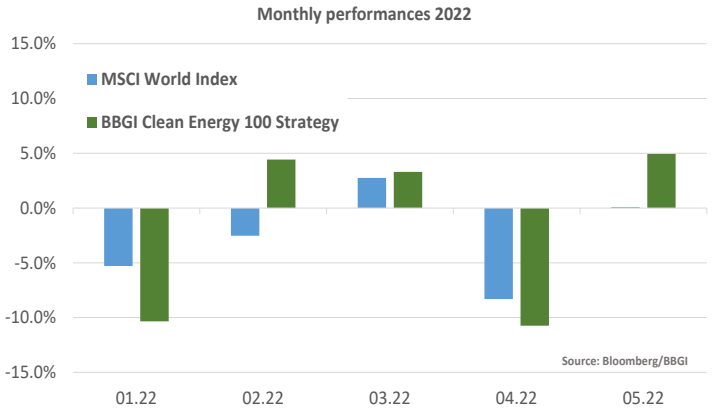
A BBGI Exclusivity since 1999

May 2022

Annualised performance of +11.64% since 1999

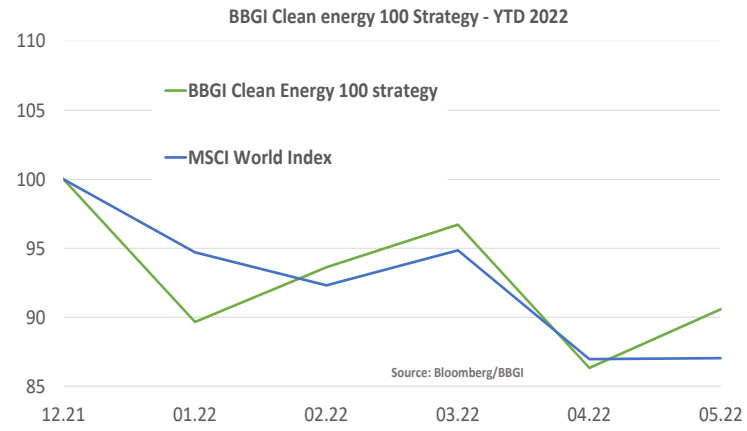
The renewable energy sector rebound in may

	May	YTD
BBGI Clean Energy 100 strategy:	**+4.93%**	**-9.41%**
BBGI Solar Sector :	**+10.32%**	**-13.20%**
BBGI Wind Sector :	**+3.89%**	**-10.53%**
BBGI Biofuel Sector :	**-2.95%**	**-1.79%**
BBGI Energy efficiency Sector:	**+3.33%**	**-17.25%**



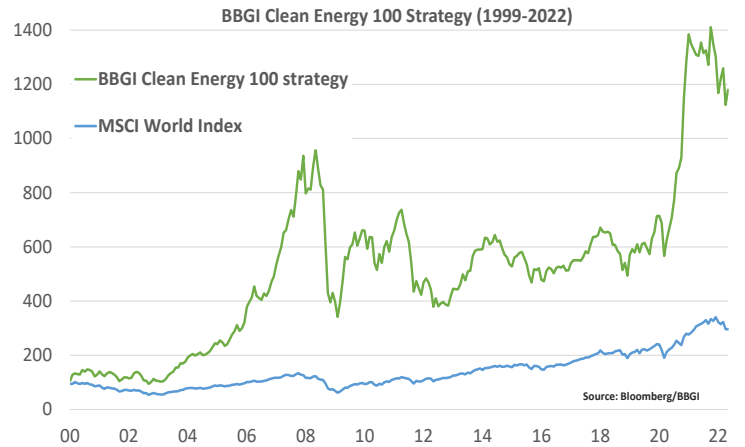
Investment Climate :

After a sharp correction in April, the renewable energy sector moved back into positive territory in May (+4.93%). Indeed, three of the four segments that make up the BBGI Share Clean Energy fund are in the green this month. The solar energy sector is the best performer of the month, jumping +10.32% and erasing the losses incurred last month. The segment could be the solution of choice in Europe to move away from dependence on Russian gas. Indeed, the **"RePower EU"** plan foresees that the installation of solar panels could be systematic on a large part of commercial and industrial premises by 2027. The wind industry is also up in May (+3.89%) and could be boosted by European medium-term investment plans, particularly for offshore platforms. The biofuel sector was the only one to decline this month (-2.95%). While the energy efficiency segment climbed by +3.33%.



The consequences of the war in Ukraine are again becoming more pronounced. Indeed, in June, the pressure on Europe's gas supply from Russia increased. Fears of total disruption have prompted some large EU member states to consider a drastic step backwards back on the road to energy transition by starting up old coal-fired power plants. Indeed, the sanctions battle that has resulted from the war in Ukraine has led to fears that the energy market will be even more strained next winter than it is at present.

In order to prepare the best conditions for the coming winter, the governments of the countries most dependent on Russian gas, such as Germany and Italy, are doing everything possible to fill up the underground stocks beforehand, even if this means the return of the energy source that emits the most carbon into the atmosphere. Europe has been taken by surprise by this energy crisis, but it has also reacted quickly by drastically increasing its investments in renewable energies which will allow to strongly accelerate the transition in the coming year.



The systematic diversified strategy of the BBGI Clean Energy 100 Index has produced an annualised return of +11.64% since 1999 against +5.37% for the MSCI World

Comments by sector:

Solar : +10.32%

After a sharp correction in April, the photovoltaic companies in our index rebounded in May, even erasing the losses of the previous period. Indeed, companies in the industry saw their stock prices rise after President Joe Biden's announcement. President Biden invoked the "Defense production act for Clean Energy" which aims to support the development of 4 fundamental technologies for renewable energies, namely heat pumps, hydrogen production equipment such as selectrolyzers, but also fuel cells, electricity grid infrastructure and of course the photovoltaic industry.

In the same text, the President indicates the suspension of taxes on the import of photovoltaic components from Cambodia, Malaysia or Thailand for 24 months. This is to ensure that the US has enough materials to meet the Biden administration's goal of tripling domestic production capacity by 2024 (7.5 Gigawatts to 22.5 Gigawatts). At the same time the Biden-Harris Permitting action plan" of May 2022 should smooth the process of installation and development of projects through collaboration with 5 agencies that have increased the granting of permits for solar projects by 35%. Government support is more present than ever, which will certainly support US solar companies in a sustainable way.

Biofuel : -4.24%

US biofuel producers face a price discrepancy for two of their key incentives US Biofuel producers are facing price divergence for two of their key incentives: the Federal Renewable Identification Number (RIN) and the California Low Carbon Fuel Standard. RIN credits for corn-ethanol continue to rise this year, but LCFS credits are down due to the increased supply of renewable diesel in the state. Credit prices are a crucial incentive support for US biofuel suppliers as well as a tool to encourage players such as refiners or fuel importers to use low-carbon fuel options.

The evolution of credit prices is a crucial dynamic for the growth of the biofuels sector. RIN credits for corn ethanol have increased in 2022 and have seen an increase of +8% in 2022. At the same time, LCFS, which are a means of encouraging the use of low-emission energy such as bio-diesel, are down by -41% in 2022 to almost $100. Although the maximum price of credits is blocked at $200, there is no floor, this strong downward trend drastically reduces the attractiveness of renewable fuels like bio-diesel. A political reinforcement could be the solution to this carbon credit crisis and could re-launch a positive dynamic, but this may not happen before 2024.

Energy Efficiency : +3.33%

The best performer of the month in our energy efficiency segment is the French company Faurecia. The company, which is active in automotive parts and, more specifically, in clean mobility, especially hydrogen powered, by producing parts and storage systems, achieved a very positive performance of +24.67%. In this context, Faurecia was recently awarded the opportunity to supply high-capacity hydrogen containers for the filling stations of the "Zero Emission Valley".

This French project aims to deploy a fleet of 1,200 vehicles and 20 hydrogen refueling stations in the Auvergne-Rhône-Alpes by the end of 2024, including electrolysers to produce the gas on site from renewable electricity. electricity. Faurecia will contribute its gas storage know-how to produce very light, custom-made tanks. Weight is a key consideration as it has a major impact on the amount of fuel needed to transport the tanks. the amount of fuel needed to transport the tanks, which will reduce their carbon carbon footprint during the transport of the gas from the production sites to production sites and refueling stations.

Wind : +3.89%

Some European countries such as the UK and Germany are investing are investing considerably in wind energy, but the future Eldorado could be in Asia. Indeed, India's goal is to produce half of its electricity from renewable sources by 2030 and to achieve this it will have to invest massively (nearly 220 billion dollars) and double its wind energy production from 10% to 20% of its energy mix. India has become one of the most attractive territories for the development of renewable energy. In 2019, the country will have reached 100% of homes connected to electricity, which will increase energy demand (+48% since 2011). In addition, the cost of producing wind energy is among the lowest in the world, just behind Brazil and Canada (respectively 51, 43 and 48 dollars per MWh) compared to 57 dollars in Sweden for example.