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Carnot Efficient Energy

April 2023

Rolf Helbling / Andres Gujan, May 2, 2023

In April, the net asset value fell 1% in CHF) and remained unchanged in EUR. Our semiconductor stocks Melexis, Infineon and X-Fab lost double digits, although earnings estimates were raised after the quarterly figures (see commentary below). In April we sold the remaining Norma shares and reduced Meier Tobler, Kone and Hubbell. We added to Accelleron and Andritz. The new addition to the portfolio is Wienerberger, which is increasingly transforming itself from a manufacturer of bricks to a supplier of innovative building materials and is currently attractively valued.

«Finding the bottom»

The title of a Bloomberg article aptly describes the current situation in the semiconductor sector. The downturn was already on the horizon in 2022 and is now here. The major semiconductor producers published disappointing quarterly figures in April. There are still no signs of a recovery: The manufacturers of consumer electronics (e.g. smartphones, game consoles) are preparing for a decline in demand and reducing their inventories.

Analogue semiconductors: other markets, other cycle

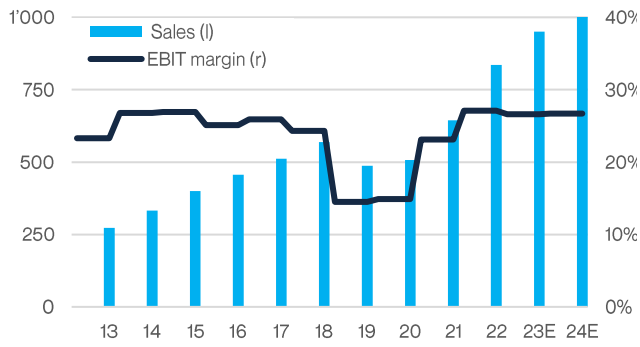
Because the general situation in the semiconductor market is uncomfortable, share prices in the entire sector suffered in April. Melexis, X-Fab and Infineon are fundamentally different, though: they produce analogue semiconductors, which are specialised in processing analogue signals - in contrast to microprocessors or digital memory chips. The applications and the manufacturing differ greatly, and above all the markets follow completely different cycles. With a volume of just under 20%, the market for analogue semiconductors is also much smaller.

Demand for analogue semiconductors remains strong and supply bottlenecks persist. Melexis, Infineon and X-Fab are also showing high growth rates currently and are benefiting from the great demand for sensors and power semiconductors.

Melexis, for example

Belgium's Melexis has achieved double-digit growth with sensors for the automotive industry over the last 10 years. Since the record year of 2018, automotive sales have fallen sharply until 2022, nevertheless managed

Melexis: Turnover and margin development



Melexis' excellent growth and high profitability are not sufficiently reflected in the current share valuation.

Source: Carnot

Melexis to increase sales by about 50% in this time period. With better availability of analogue semiconductors, Melexis would have even exceeded the reported growth of 24% in Q1! The operating margin is well above 20%, investment needs are low and cash flow is correspondingly strong. Melexis can easily self-finance the high growth and at the same time pay a dividend of currently over 4%. In April, Melexis again proved that the trend towards cleaner, safer and digital mobility is in full swing. Nevertheless, the stock was caught up in the weakness in the semiconductor sector and the PE valuation fell to 17x. After reducing the position in Q1 due to the high weighting, we are taking advantage of the current weakness and adding to the position - Melexis is once again one of the largest positions in the portfolio.

Did you know?

How fast can you go on a bicycle? 296 km/h! American Denise Mueller set this record on the Bonneville Salt Lake in 2018. To do so, she needed strong legs and a good slipstream.

Source: www.ingenieur.de

CARNOT CAPITAL

QUALITY & IMPACT INVESTING

Carnot Efficient Energy Fund (EUR)

Factsheet April 2023

Fund Description

Carnot Efficient Energy is an impact equity fund that invests in European companies with energy-efficient products and technologies. In addition to the financial return, the investments generate a measurable positive impact on the environment and society. The fund follows a quality approach and invests in established, profitable and solidly financed companies. Special attention is paid to management quality and return on capital employed (ROCE). The fund invests in listed equities and equity-like securities and may use derivatives for hedging purposes.

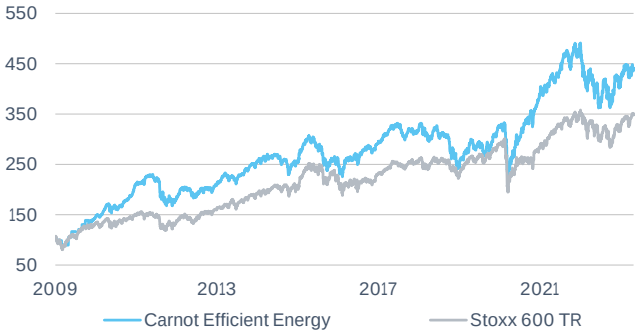
Carnot Capital AG is a pioneer in impact investing. The firm was founded in 2007 by portfolio managers Rolf Helbling and Andres Gujan and is supervised by the Swiss FINMA.

SFDR Article 9 Fund

Net Asset Value (NAV) as of April 30, 2023

Share Class C (Retail)	EUR 2,918.18
Share Class D (Institutional)	EUR 2,401.83

Indexed Performance since January 1, 2009 (EUR)



General Information

Umbrella Fund	Multiflex SICAV
Domicile	Luxemburg
Legal Form	UCITS, SICAV
Public Distribution	AT, CH, DE, LI, SE
Investment Manager	Carnot Capital AG, Bäch SZ
Portfolio Manager	Andres Gujan, Rolf Helbling
Custody / Administration	State Street Bank
Launch	November 15, 2007
Subscription / Redemption	daily / daily
Currencies	CHF, EUR
Performance Fee	10% from a 5% hurdle (HWM)
CO_2 Intensity Fund	64 tCO_2 per EUR mn revenue
CO_2 Intensity MSCI World Index	144 tCO_2 per EUR mn revenue

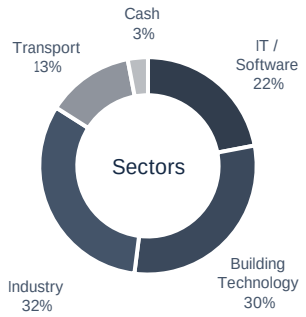
Performance in % (EUR)

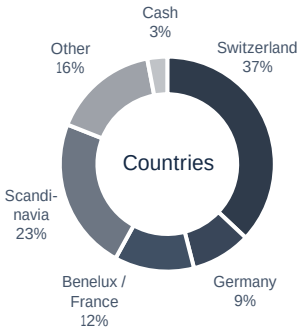
	Fund	Stoxx 600 TR
1 month	-0.2%	2.4%
3 months	2.4%	4.0%
YTD	9.3%	11.0%
2022	-17.3%	-10.6%
2021	26.5%	24.9%
2020	19.2%	-2.0%
2019	30.1%	26.8%
2018	-21.4%	-10.8%
5 years	46.3%	37.3%
10 years	96.6%	104.2%
since Launch	140.2%	96.6%

Key Data

Volatility	18.6%	(daily data, 3 years)
Beta	1.0	(vs. Stoxx 600 TR)
Information Ratio	0.14	(vs. Stoxx 600 TR)
Perf. since Launch	140.2%	(EUR)
Fund Size	108.6	EUR mn

Portfolio Structure





Largest Positions

Name	Country	Sector	ROCE	Weight
Schneider El.	FR	Industry	46%	5.1%
BKW	CH	Industry	24%	4.9%
Meier Tobler	CH	Building Technology	>50%	4.8%
Hexagon	SE	IT / Software	43%	4.5%
Belimo	CH	Building Technology	37%	4.5%

Fund Classes

Name	ISIN	Minimum	Management Fee
C CHF	LU0330110163	-	1.2%
C EUR	LU0330114827	-	1.2%
D CHF	LU0330108852	1 mn	0.9%
D EUR	LU0330111302	1 mn	0.9%

Portfolio Contribution to the SDGs

100%	98%	72%	71%	50%

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