GLOBAL CLEAN ENERGY
FACT SHEET & COMMENTARY

DUFF & PHELPS
A VIRTUS INVESTMENT PARTNER

Quarter Ending December 31, 2023

KEY FEATURES

Pure Play Exposure to Clean Energy

A specialized portfolio of clean energy market leaders with a balanced and diversified approach across technologies, sectors, and geographies. Investors may benefit from the long-term secular growth of clean energy demand and the projected build-out of renewable energy generation across the utility, industrial, technology, and energy sectors.

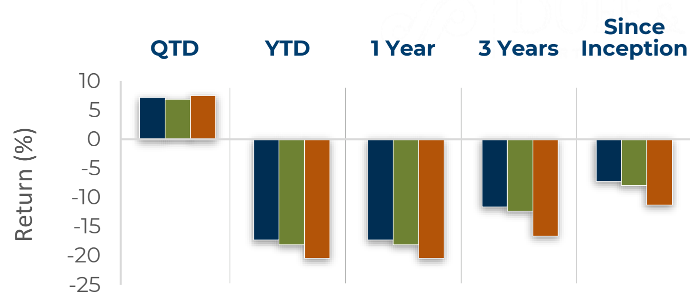
Actively Managed, Built for Transformation

The team selects a high-conviction portfolio of clean energy producers, clean energy technology and equipment providers, and clean energy transmission and distribution companies where innovation is most commercially proven.

Time-Tested, Experienced Investment Team

Duff & Phelps' history and proven process with utilities and energy investments spans more than eight decades. Maintaining direct insight into every part of the clean energy value chain, through specialized research and analysis, along with crucial knowledge of the legislative and regulatory environment, provides for a distinct vantage point.

COMPOSITE PERFORMANCE (%)[1]



	QTD	YTD	1 Year	3 Years	Since Inception
Gross Return	7.2	-17.3	-17.3	-11.6	-7.2
Net Return	6.9	-18.1	-18.1	-12.3	-7.9
S&P Global Clean Energy Index (Net)	7.4	-20.4	-20.4	-16.6	-11.3

PORTFOLIO STRATEGY

Holdings	Typically 30-40 securities
Single Security	Maximum 10% of portfolio at purchase
Country Allocation	Minimum 33% U.S., minimum 3 countries, minimum 25% ex. U.S.
Benchmark	S&P Global Clean Energy Index (Net)

PORTFOLIO CHARACTERISTICS

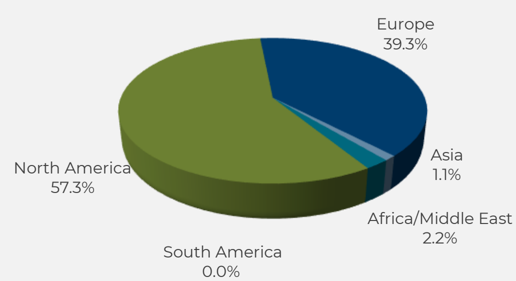
	Portfolio[2]	Benchmark
Dividend Yield	2.3%	1.8%
Forward P/CF	10.6x	11.5x
Div. Growth, 5yr. est.	7.0%	13.2%
Weighted Avg. Market Cap ($B)	$24.9	$14.1

Sources: Bloomberg Finance L.P., S&P

TOP TEN HOLDINGS[3]

	Portfolio(%)[2]
First Solar Inc.	4.7
Vestas Wind Systems A/S	4.5
Enphase Energy Inc.	4.3
EDP-Energias De Portugal Sa	3.9
Iberdrola SA	3.4
Sunrun Inc.	3.3
Fortum Oyj	3.2
RWE	3.2
Prysmian SPA	3.0
AED Corp.	3.0

PORTFOLIO[2] BY GEOGRAPHY



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[1] *Composite Inception Date: 11/30/2020. Composite returns are expressed in U.S. dollars and include the reinvestment of dividends and other earnings. Periods over one year are annualized. Indices are not available for direct investment and index returns do not reflect the deduction of any fees. Gross composite returns are net of trading costs but do not reflect the deduction of investment advisory fees, custodial charges, or other expenses. Net composite returns are calculated by subtracting the highest separate account investment management fee (including performance fees, if applicable) in effect for the period. Please see the GIPS Composite Report on the final page for more information.*

[2] *Portfolio information is based on a representative institutional account excluding cash. Holdings are subject to change.* ***Please see important disclosure information.***

MARKET REVIEW

The S&P Global Clean Energy Index finished up over 7% in the fourth quarter, celebrating the sector's first positive quarter for 2023. While the direction of interest rates has been a predominant topic throughout the entire year, one might be surprised that the U.S. 10-year Treasury yield finished 2023 at 3.88%, nearly unchanged from the end of 2022. This was certainly helped by a pullback from the fourth quarter high of ~5% after seemingly dovish commentary from Federal Reserve (Fed) Chairman Jerome Powell, who indicated the current policy rate was "well into restrictive territory" in a speech on December 1. We cannot assess whether the commentary is indicative of a Fed "pivot," but it may, at a minimum, suggest that future rate hikes are less likely in the near term.

Meanwhile, despite the macro uncertainty around the direction of interest rates, underlying demand for the equipment used to facilitate the energy transition remains robust. For example, recent capital investment forecasts from the U.S. utility sector showed that demand for energy transition equipment not only remains strong, but in some cases is actually increasing as companies continue to allocate capital towards fleet transition and grid resilience in an environment of increasing electrification. Furthermore, a report by Rhodium Group and the Massachusetts Institute of Technology (MIT) showed that the U.S.'s commitment to a clean energy transition continues to strengthen, with total investment in clean energy, clean transportation, building electrification, and carbon management reaching $213 billion over the period from July 1, 2022 to June 30, 2023. The $213 billion invested represents a 37% increase from the prior year's level of $155 billion. In 2018/2019, total investments reached $81 billion, and they have climbed each year since.

Global policy support for the clean energy transition also appears firmly intact. Notably, several important milestones were reached at this year's UN Climate Change Conference in Dubai (COP28) including the following: the agreement to phase out fossil fuels "in a just, orderly and equitable manner" while recognizing that transitional fuels (such as natural gas) can play a role; a goal to triple renewable energy capacity by 2030 and to triple nuclear power by 2050; a commitment from a large number of oil and gas companies to significantly reduce methane emissions; and the funding of the loss and damage fund.

PORTFOLIO REVIEW

The Duff & Phelps Global Clean Energy composite returned 7.16% on a gross basis (6.91% net) in the fourth quarter, compared to the S&P Global Clean Energy Index return of 7.45%.

The primary positive contributor to relative performance for the quarter was an underweight position in Plug Power, which announced lower fuel cell deliveries, continued gross margin pressure, continued construction delays at its new green hydrogen production plant, and going concern language in its 10-Q due to continued heavy cash burn. Plug was further pressured in the quarter due to new IRS guidance on the treatment of the Inflation Reduction Act's (IRA's) hydrogen production tax credit. If the guidance is implemented as recommended by the IRS, Plug's new hydrogen production plants, which are still under construction, will face hurdles in achieving eligibility for the full $3/kg tax credit. This could be a risk to Plug if competing plants are structured in a way to garner the full tax credit. One such competitor is AES Corp. An overweight position in AES was another top contributor in the quarter. While AES is more advantaged than Plug from a hydrogen production standpoint, we think AES's strength in the quarter was primarily due to the company allaying fears about demand for renewables in an environment of rising interest rates. Specifically, during the company's third-quarter earnings report, AES noted that its renewable project backlog increased to 13.2 GW, up from 11.2 GW in the year-ago period. Importantly, AES noted that their target returns are being maintained despite a higher cost of capital. The company can achieve these returns due to lower equipment costs and pricing power reflective of strong demand, especially from data centers.

The primary detractor to relative performance was an underweight position in Vestas Wind Systems. Vestas was strong after reporting a positive adjusted EBIT margin for the third quarter. This performance was well-received by the market after Vestas previously faced multiple quarters of margin headwinds due to supply chain constraints. Furthermore, the company's U.S. order intake in the third quarter of 2023 exceeded the whole of 2022, an indication of continued strong demand for clean energy despite higher costs of capital. An overweight in Consolidated Edison was another detractor in the quarter. Con Ed was a significant outperformer in the first three quarters of the year. After the 10-year Treasury yield pulled back from an intra-quarter high of ~5% in response to seemingly dovish language from Fed Chairman Jerome Powell, Con Ed underperformed more yield-sensitive names.

INVESTMENT OUTLOOK

The macro backdrop is signaling interest rate cuts for 2024, which has positive implications for clean energy valuations. While the number and size of rate cuts could vary depending on economic data, simply putting a stop to rising rates is a major relief for equities. As 2024 progresses, we believe the market could switch from the "bad news is good news" stance regarding rates, inflation, and the Fed's actions to a "bad news is bad news" view as rate decreases may also be the reaction to real economic deterioration. Fundamentally, the clean energy sector maintains attractive long-term investment characteristics regardless of rate directions.

In the U.S., clean energy expenditures continue to see strong momentum among utility and industrial companies. Utilities are expecting another bump in capex with more spend dedicated to renewable power while addressing grid upgrades. Renewable capital deployment continues to be viewed as both profitable for investor-owned utilities and necessary from a customer, regulatory, and societal perspective. For the residential segment, consumers may take more time to adjust as the most recent net-metering remuneration in California (NEM 3.0) and the current level of interest rates may be prohibitive for household rooftop solar adoption. Lower solar module prices and higher residential utility rates are providing offsets to the noted headwinds. The IRA remains key and has already led to a pickup in clean energy investment activity. Further clarity from the U.S. Treasury has yielded mixed results thus far, with solar parameters coming in as expected while hydrogen guidelines are more restrictive. We expect final guidance within the first half of 2024 to provide increased visibility for companies to invest. The U.S. presidential election and the prospect of a Republican win brings concerns for potential changes to the IRA. We believe the likelihood of a complete repeal is quite low. Still, we are cognizant of the potential for a Republican sweep scenario. Here, risk could arise from a potential reconciliation bill that seeks offsets to extend the Trump tax cuts scheduled to expire in 2025.

The clean energy backdrop for Europe remains attractive. Political and regulatory pressure has eased following the 'energy crisis,' and visibility for the continent's main renewable developers is much improved. In addition, we believe wholesale electric power prices are structurally higher given that Russian gas was essentially fully replaced by more-expensive imported LNG. Policy actions across the EU continue to support clean energy deployment, including fast-tracking renewable permitting, improved offshore wind support, and an ambitious power grid overhaul plan. Local and country-level action also continues. Politically, there has been a modest turn to the center-right in a few EU countries following recent local elections and this could impact EU Parliamentary elections mid-year. Despite the potential political shift in 2024, the economic case and geopolitical need for clean energy remains as strong as ever.

Sector valuation is the most attractive we have seen in years. Coupled with downward pressure on interest rates, the clean energy equity outlook is quite compelling. Still, we highlight the importance of active management for clean energy investors given the technological, regulatory, political, and geographic nuances intra-sector. The Duff & Phelps Global Clean Energy Strategy invests in businesses with strong growth outlooks, scale to maintain pricing power, and the ability to generate attractive returns.

As always, thank you for your continued support of our team and investment strategy.

BENJAMIN BIELAWSKI, CFA
Portfolio Manager

ERIC FOGARTY, CFA
Portfolio Manager

[3]It should not be assumed that securities identified were or will be profitable. The top ten holdings list represents the largest percentage holdings at quarter end of a representative institutional account excluding cash and does not represent all of the securities held in client portfolios. The securities identified may no longer be held in client portfolios and the holdings of any particular client portfolio may vary. The list is provided for illustrative purposes and should not be considered a recommendation to purchase or sell a particular security. A complete list of holdings and transactions for the previous twelve months is available upon request.

Important Disclosure Information

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

Returns are calculated in U.S. dollars and include the reinvestment of dividends and other earnings. Indices are not available for direct investment and index returns do not reflect the deduction of any fees. This material has been prepared using sources of information generally believed to be reliable; however, its accuracy is not guaranteed. Opinions represented are subject to change and should not be considered investment advice or an offer of securities. Forward-looking statements are necessarily speculative in nature. It can be expected that some or all of the assumptions or beliefs underlying the forward-looking statements will not materialize or will vary significantly from actual results or outcomes.

The securities identified were selected from all of the holdings of a representative institutional account for the period based on relative contribution to the account's return versus the Benchmark. An average holding weight was computed based on daily ending market values. The securities identified do not represent all of the securities purchased, sold or recommended for advisory clients and the securities identified may no longer be held in client accounts. The methodology used to calculate the contribution to return or a list showing every holding's contribution to the account's return for the period is available upon request. Results exclude the effect of trading costs, fees and intraday trading prices.

S&P Global Clean Energy Index (net), a float-adjusted market capitalization index measuring the performance of companies in global clean energy-related businesses from both developed and emerging markets. The index comprises a diversified mix of companies involved in the production of clean energy or provision of clean energy technology and equipment.

Duff & Phelps Investment Management Co., Stone Harbor Investment Partners (UK), LLP, Virtus Global Partners Pte. Ltd., Virtus Investment Partners International Ltd., and VP Distributors, LLC are indirect subsidiaries of Virtus Investment Partners, Inc.

GIPS COMPOSITE REPORT

Year-end (12/31)	Annual Performance			3-Year Annualized Standard Deviation		Number of Accounts	Asset-Weighted Dispersion (%)	Composite Assets (US $mm)	Firm Total Assets (US $bn)
	Composite Gross (%)	Composite Net (%)	Benchmark Return (%)	Composite (%)	Benchmark (%)				
2023	-17.33	-18.09	-20.36	26.55	28.91	≤5	n.a.	24.9	12.3
2022	-7.17	-7.87	-5.00	n.a.	n.a.	≤5	n.a.	5.6	12.0
2021	-9.95	-10.63	-23.41	n.a.	n.a.	≤5	n.a.	6.1	12.2
2020[1]	15.00	14.93	19.41	n.a.	n.a.	≤5	n.a.	2.7	10.6

[1]Partial year return. Composite inception date is November 30, 2020.

Duff & Phelps Investment Management Co. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Duff & Phelps Investment Management Co. has been independently verified for the periods January 1, 1993 through December 31, 2022. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

1. **Organization –** Duff & Phelps Investment Management Co. ("Duff & Phelps" or the "firm") is a registered investment adviser and a wholly owned subsidiary of Virtus Investment Partners. Duff & Phelps manages assets on behalf of institutional and retail separate accounts and open-end and closed-end funds. Registration of an investment adviser does not imply any level of skill or training.
2. **Composite Description –** The Global Clean Energy Composite includes fully discretionary accounts that focus their investments in global equity securities of clean energy or clean energy related companies throughout the world, including both developed and emerging market countries and issuers. Material risks, in addition to market risk or potential strategy underperformance, include sector concentration risks and risk factors specific to global developed and emerging market clean energy securities. The inception date of the Composite is November 30, 2020 and the Composite was created on November 30, 2020. The Composite contains 5 or fewer portfolios.
3. **Benchmark –** The Composite Benchmark is the S&P Global Clean Energy Index (net), a float-adjusted market capitalization index measuring the performance of companies in global clean energy-related businesses from both developed and emerging markets. The index comprises a diversified mix of companies involved in the production of clean energy or provision of clean energy technology and equipment. The withholding tax rates used in the calculation of the Benchmark are those applied to dividends received by non-resident investors; the withholding tax rates used in the calculation of the Composite are those applied to dividends received by account domicile.
4. **Calculations –** Returns are total, time-weighted rates of return expressed in U.S. dollars and include accrued income. The Composite and Benchmark results reflect the reinvestment of dividends and other earnings. Composite dispersion is not presented for periods with 5 or fewer portfolios. The 3-year annualized ex-post standard deviation measures the variability of gross Composite returns and the Benchmark returns over the preceding 36-month time period and is not presented for performance periods of less than 36 months.
5. **Performance and Fee Information –** Investment performance returns are presented on both a gross of fee and net of fee basis. Gross composite returns are calculated net of trading costs, but do not reflect any deduction for investment advisory fees, custodial charges or other costs that a client might incur in connection with the management of an account. The firm's fee schedule for management of institutional separate Global Clean Energy accounts is: 0.75% on assets up to $25 million, 0.70% on the next $25 million, and 0.60% on amounts in excess of $50 million. Returns realized by clients will be reduced by these costs. Actual investment advisory fees incurred by clients may vary. Initial minimum account size for institutional accounts is $25 Million. Net composite returns are calculated by subtracting the highest separate account investment fee(including performance fees, if applicable) in effect for the period. Index returns do not reflect the deduction of any fees.
6. **Additional Information –** A list of all composite and pooled fund investment strategies offered by the firm, with a description of each strategy, is available upon request. The type of portfolios in which each strategy is available (segregated account, limited distribution pooled fund, or broad distribution pooled fund) is indicated in the description of each strategy. Duff & Phelps's policies for valuing investments, calculating performance and preparing GIPS reports are available upon request.