

On the Next Commodity Supercycle

Stockholm (HedgeNordic) – The transition to cleaner sources of energy has been gaining speed, with the clean energy sector representing a massive opportunity for investors. As a result, Swedish asset manager Atlant Fonder has decided to change the name and investment focus of its precious metals-focused fund, **Atlant Precious**. The fund is set to change its name into **Atlant Green Tech Metals** and “shift its focus from precious metals to “green” metals,” according to portfolio manager Mattias Gromark.

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“The investment focus is changed so that the fund has a clear focus on metals used in the transition to renewable energy and the wide-ranging action to reduce carbon dioxide emissions,” Gromark tells HedgeNordic. “The case is the huge investments needed to transform the energy systems globally to reach the goals set in the Paris agreement,” he continues. Power sector investment is expected to nearly triple from \$760 billion in 2019 to \$2,200 billion in 2030, according to the International Energy Agency (IEA). “We will enter a commodity supercycle for the metals needed to achieve the goals,” with the list of metals including copper, nickel, silver, platinum, cobalt and a number of other rare earth metals.

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From June 24, the soon-to-be-renamed Atlant Green Tech Metals will operate as an absolute return fund investing in companies that produce metals for the green energy transition and exchange-traded products that track the price development of these metals. “The fund will mainly invest in public companies involved in the exploration, mining, processing, recycling of green metals,” according to Gromark. “Only companies that meet sustainability standards set down in the EU Taxonomy will be eligible for the fund,” he emphasizes. Atlant Green Tech Metals will also “seek price exposure to green metals via other exchange-traded instruments.”

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The fund’s prospectus has been amended to include a wider range of metals for electrification, renewable energy, energy storage, among others. “The main focus is on the metals that will be in a long-term structural deficit due to the imbalance between a rather static supply and a sharply growing demand.” However, “the mandate will be the same when it comes to risk management,” says Gromark. “We will actively seek to reduce volatility and increase returns.” From June 24, Atlant Fonder will also merge the fund’s two share classes. The unitholders of class B shares will receive class A shares based on an exchange ratio set on June 24.