

# Explore emerging opportunities in energy transition

The past year saw unprecedented interest in new technologies and approaches to the energy transition, with a focus on decarbonization. In the US, the energy transition remains a major theme, and the Inflation Reduction Act has positioned the US as a global leader in clean hydrogen, battery storage, electric vehicles, carbon capture, related infrastructure, and more.

**We believe these areas present attractive investment opportunities. In addition, certain asset classes, like infrastructure, have potentially attractive risk-return profiles that can provide defensive characteristics such as inflation mitigation.**

## Our world in 2050: Evolving energy demand



**9.7b global population**  
up from 7.7b in 2019<sup>1</sup>



**3x increase in power consumption**  
based on projected electricity demand<sup>2</sup>

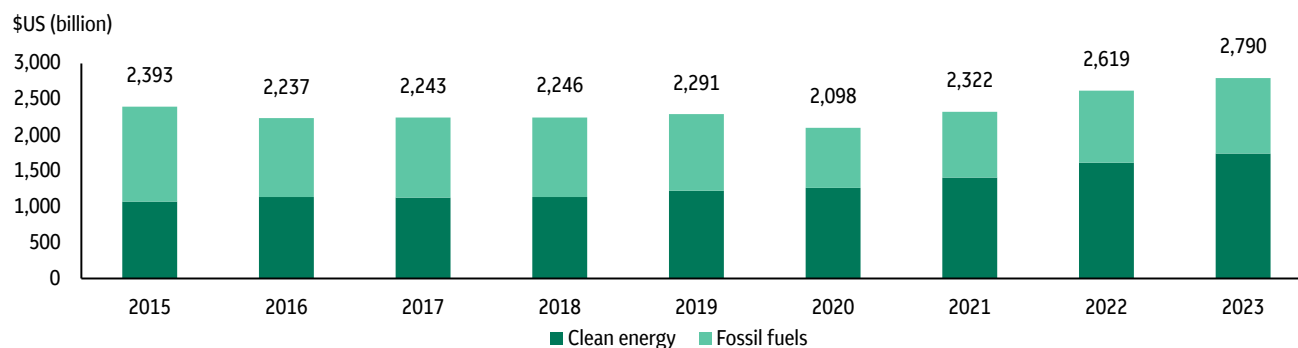


**50% of energy mix**  
to come from electricity, hydrogen, and synthetic fuels<sup>2</sup>

## Shifting global energy landscape

The result of these trends is an unprecedented opportunity for investors, with a wide range of investment opportunities across public and private markets. In recent years, we've also seen meaningful increases in clean energy investment, outpacing fossil fuels. While this is likely to continue, there are ample opportunities for investment in both clean energy and fossil fuels. In addition, we expect regulatory stimulus and decarbonization objectives, among other factors, to accelerate growth in global energy investment.

### Annual global energy investment (2015–2023)



Source: IEA, Global energy investment in clean energy and in fossil fuels, 2015–2023, IEA, Paris, <https://www.iea.org/data-and-statistics/charts/global-energy-investment-in-clean-energy-and-in-fossil-fuels-2015-2023>, Licence: CC BY 4.0.

Note: 2023 values are estimated.

1. Estimated population in 2050 from United Nations, World Population Prospects (2019).

2. McKinsey & Company, "Global Energy Perspective 2022" (April 2022).

## Private market and alternatives solutions to consider

Contact a specialist today to learn more about opportunities in private markets and alternatives:



212 317-9200



CPGInfo@macquarie.com

### Investing involves risk, including the possible loss of principal.

Diversification may not protect against market risk.

Fixed income securities and bond funds can lose value, and investors can lose principal, as interest rates rise. They also may be affected by economic conditions that hinder an issuer's ability to make interest and principal payments on its debt. This includes prepayment risk, the risk that the principal of a bond that is held by a portfolio will be prepaid prior to maturity, at the time when interest rates are lower than what the bond was paying. A portfolio may then have to reinvest that money at a lower interest rate. • High yielding, non-investment-grade bonds (junk bonds) involve higher risk than investment grade bonds. Funds that invest primarily in one state may be more susceptible to economic, regulatory, and other factors of that state than geographically diversified funds. • Substantially all dividend income derived from tax-free funds is exempt from federal income tax. Some income may be subject to state and local taxes and/ or the federal alternative minimum tax (AMT) that applies to certain investors. Capital gains, if any, are taxable. • Duration number will change as market conditions change. Therefore, duration should not be solely relied upon to indicate a municipal bond fund's potential volatility. • IBOR risk is the risk that changes related to the use of the London interbank

offered rate (LIBOR) or similar rates (such as EONIA) could have adverse impacts on financial instruments that reference these rates. The abandonment of these rates could affect the value and liquidity of instruments that reference them and could affect investment strategy performance. • The disruptions caused by natural disasters, pandemics, or similar events could prevent the Fund from executing advantageous investment decisions in a timely manner and could negatively impact the Fund's ability to achieve its investment objective and the value of the Fund's investments.

Macquarie Asset Management (MAM) is the asset management division of Macquarie Group. MAM is an integrated asset manager across public and private markets offering a diverse range of capabilities, including real assets, real estate, credit, equities and multi-asset solutions. The public markets business of MAM includes investment products and advisory services distributed and offered by and referred through affiliates which include Delaware Distributors, L.P., a registered broker/dealer and member of the Financial Industry Regulatory Authority (FINRA), and Macquarie Investment Management Business Trust (MIMBT), a Securities and Exchange Commission (SEC)-registered investment advisor. Investment advisory services are provided by a series of MIMBT. Macquarie Group refers to Macquarie Group Limited

and its subsidiaries and affiliates worldwide. Delaware Funds by Macquarie refers to certain investment solutions that MAM distributes, offers, refers, or advises.

**Other than Macquarie Bank Limited ABN 46 008 583 542 ("Macquarie Bank"), any Macquarie Group entity noted in this document is not an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these other Macquarie Group entities do not represent deposits or other liabilities of Macquarie Bank. Macquarie Bank does not guarantee or otherwise provide assurance in respect of the obligations of these other Macquarie Group entities. In addition, if this document relates to an investment, (a) the investor is subject to investment risk including possible delays in repayment and loss of income and principal invested and (b) none of Macquarie Bank or any other Macquarie Group entity guarantees any particular rate of return on or the performance of the investment, nor do they guarantee repayment of capital in respect of the investment.**

### Document must be used in its entirety.

All third-party marks cited are the property of their respective owners.

© 2024 Macquarie Management Holdings, Inc.