Press Release
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Renewables in Retreat? Not for Coeli Energy Opportunities

Coeli Energy Opportunities, a long/short equity fund focused on renewable energy, currently ranks as the second-best performing Nordic hedge fund year-to-date, delivering a return of 16.7 percent – driven in part by a strong 7.4 percent gain in April alone. In a challenging period for renewable energy, few would have expected a renewables-focused fund to rank so highly.

April largely extended the strong momentum seen in March for Coeli Energy Opportunities, with gains primarily driven by selective stock picking and active trading amid elevated market volatility. Commenting on the past two months' performance, portfolio managers Vidar Kalvoy and Joel Etzler noted: "We maintained our negative exposure to tariffs while increasing positions in stocks benefiting from higher fiscal spending in Europe." Notably, the fund delivered positive returns not only during the rally in the latter half of April, but also during the initial sell-off that followed 'Liberation Day.'

For the second month in a row, more than 70 percent of the fund's thematic exposures generated profits, with both long and short positions contributing positively – adding 5.1 percent and 2.3 percent to net asset value (NAV), respectively. "The best performing thematic was the four grid related themes, which combined contributed 3.5 percent to NAV," says Etzler. Both Grid Services and Grid Equipment benefited from strong first-quarter earnings and positive guidance, with minimal impact from tariffs – at least for now, according to the duo. "These stocks also rallied into month end, helped by renewed momentum in AI-related stocks as hyperscalers maintained their capex forecasts."

After spending much of their careers managing energy market-neutral strategies, Joel Etzler and Vidar Kalvoy transitioned in early 2023 to running a long-biased long/short equity fund focused exclusively on renewables and the broader electrification space. While the fund typically targets a net exposure between 40 and 80 percent, the managers retain the flexibility to adjust exposure based on market conditions. Reflecting their cautious market outlook, the fund was running well below its target range in April, starting the month at 20 percent net exposure after dipping even lower during the post-tariff sell-off, and ending April only marginally higher at 21 percent.

This Monday brought two significant developments with implications for both trade and renewable energy. The U.S. and China each announced substantial reductions in tariffs, easing fears of a deepening trade conflict and lowering the risk of broader economic disruption. On the same day, the House Ways and Means Committee introduced the first proposed amendments to the Inflation Reduction Act through its "One Big, Beautiful Bill." The outcome on renewable energy tax credits was fare more positive than feared, leading to a substantial rally in renewables. "This removes some of the uncertainty in the U.S. for renewable energy developers and companies involved in the space and we are looking to selectively increase our net exposure in some of the sub-sectors," says Vidar Kalvoy.

Up 16.7 percent year-to-date, Coeli Renewable Opportunities has delivered strong performance both in absolute terms and relative to key benchmarks. The fund has outpaced the Wilderhill New Energy Global Innovation Index (NEX) and the iShares Global Clean Energy ETF (ICLN) by 23 and 13 percentage points, respectively, year-to-date through the end of April. Since its inception in February 2023, the outperformance has widened significantly, standing 72 percentage points ahead of NEX and 64 ahead of ICLN. The duo's shift from a market-neutral approach to a more flexible long/short strategy has clearly paid off.