

**e360 Power LLC**

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Flagship Strategy

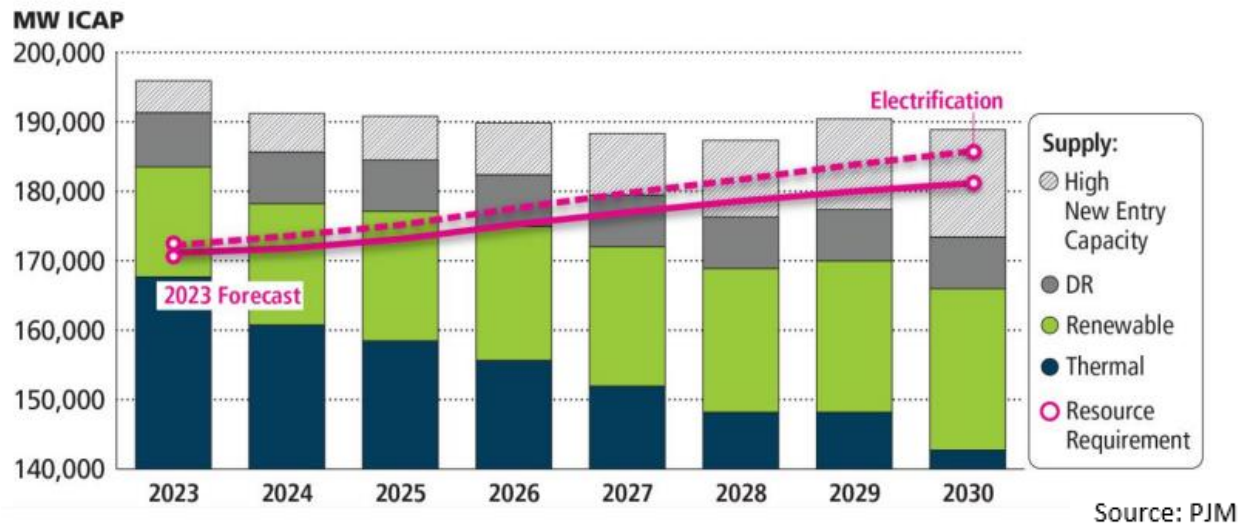
*Monthly Investor Report  
Period Ending February 28, 2023*



## Bulletin

### PJM's tenuous generation stack

PJM, one of the country's largest grid operators, sounded an alarm at the end of February when it released a report forecasting high load growth, an increasing rate of power-plant retirements, and slow entry of new resources. The grid, which covers 65 million people and spans across 13 states, expects high demand due to electrification of vehicles, population growth, and the expansion of high-demand data centers. Already, Loudoun County, Virginia has the largest concentration of data centers in the world, and the load growth of that hub is expected to continue at about 2% per year. Meanwhile, most generator retirements are policy-driven due to the high costs of complying with EPA regulations. For example, the "Good Neighbor Rule", when finalized in March, will force the shutdown of about 10,500 MW of fossil-fuel plants. The report estimates that about 21,000 MW of wind, solar, and battery additions will come online by 2030 – which is half the 40,000 MW of expected fossil-fuel retirements by 2030. In short, 21% of PJM's current generation capacity is currently at risk.



### Natural Gas ETFs on the rise

In an event that can be loosely compared to the GameStop shock of 2021, retail investors have been heavily pouring capital into 5 natural gas ETFs. The rapid drop in natural gas prices as a result of a mild winter and a prolonged LNG facility outage has driven retail traders, expecting a mean reversion, to these ETFs. The challenge of these retail traders is that most do not understand the fundamentals of the natural gas market or the mechanics of the ETF contract. Commodity ETFs typically give retail traders exposure to the first couple of months of that specific commodity's futures contract. Each month the ETF manager is required to roll the entire position from one contract to the next, over 5 business days on a prescribed date. Dissimilar to the GameStop buying frenzy, the capital inflows have done little to move the price of natural gas higher. Institutional traders who better understand the market dynamics have been ready to take the other side. Retail flow into the largest natural gas ETF alone accounted for almost 40% of the CME traded May open interest. When this ETF rolls its position over in April, it will sell its entire May contract position and move that capital into the July contract, which will add extra selling pressure to one contract while adding buying volume to another.



## Firm Overview

e360 Power, LLC, is an Austin, Texas, based Investment Manager that manages trading risk capital in the US power and power-related energy markets. The Investment Manager launched the Flagship strategy in November 2009 and offers solutions to satisfy a wide range of investor preferences.

## Investment Information

**FUND** (restricted to QEPs only)

<b>Fund Domicile</b>	Texas/Cayman Islands
<b>Minimum</b>	\$1,000,000
<b>Liquidity</b>	Monthly with 60-day notice
<b>Management Fee</b>	2%
<b>Performance Fee</b>	20%
<b>Legal Administrator</b>	Winstead/Walkers
<b>NAV Consulting</b>	NAV Consulting
<b>Auditor</b>	Grant Thornton

## Opportunity &amp; Investment Strategy

The investment objective of the firm is to generate superior absolute returns from the North American and related global energy markets with a discretionary fundamental strategy. The US power markets offer a unique and uncorrelated opportunity among commodity investments. Power markets demonstrate lower levels of efficiency compared to more established commodity markets. Importantly, there is no power Exchange Traded Fund and power is not part of the GSCI or similar index. e360 Power's Portfolio Managers were among the first to trade the US power markets and have traded through numerous market cycles. Constant dislocations in the underlying physical market and the clear connection in power to price driven fundamentals provide numerous trading opportunities. The Manager anticipates a high degree of monthly volatility in the strategy and engages in speculative trading of futures and option contracts and other derivative instruments on power, natural gas, and related products.

## e360 Power Flagship Performance

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
<b>2023</b>	-14.43%	0.67%											<b>-13.86%</b>
<b>2022</b>	32.06%	-2.04%	23.51%	35.38%	10.54%	-9.13%	4.64%	8.23%	-8.13%	-7.20%	-1.44%	-4.60%	<b>97.26%</b>
<b>2021</b>	-2.67%	9.98%	-2.13%	5.32%	1.84%	20.14%	7.11%	8.94%	61.62%	18.12%	-2.81%	-1.58%	<b>187.65%</b>
<b>2020</b>	19.70%	10.68%	17.74%	15.84%	-5.14%	-2.34%	1.23%	-8.15%	5.94%	-8.20%	8.60%	-7.06%	<b>52.78%</b>
<b>2019</b>	-7.45%	-0.04%	-0.31%	2.63%	11.08%	14.51%	-2.53%	3.15%	-1.51%	-4.88%	14.19%	5.50%	<b>36.61%</b>
<b>2018</b>	26.11%	-4.14%	2.94%	4.87%	-0.19%	2.77%	0.96%	0.74%	-2.82%	1.75%	-17.44%	28.07%	<b>42.35%</b>
<b>2017</b>	-13.91%	-7.21%	5.02%	1.14%	-7.48%	-5.57%	-8.48%	6.57%	-2.64%	-9.09%	-4.78%	-2.36%	<b>-40.50%</b>
<b>2016</b>	4.40%	13.38%	-6.42%	-8.85%	1.14%	-28.81%	5.87%	1.40%	-2.81%	1.38%	5.46%	11.39%	<b>-9.66%</b>
<b>2015</b>	6.65%	-0.93%	1.63%	-3.14%	0.21%	8.14%	2.69%	-1.87%	-2.49%	7.95%	3.33%	-4.03%	<b>18.57%</b>
<b>2014</b>	14.33%	3.71%	0.90%	18.62%	-3.75%	-8.39%	-12.03%	1.24%	6.82%	1.55%	-0.16%	11.68%	<b>34.79%</b>
<b>2013</b>	0.09%	2.27%	-2.78%	-2.86%	13.82%	3.78%	5.07%	2.52%	0.22%	3.47%	9.62%	5.24%	<b>47.12%</b>
<b>2012</b>	-17.03%	-2.23%	11.48%	-0.28%	-2.16%	-14.58%	-5.42%	16.32%	-4.85%	-3.50%	1.87%	5.59%	<b>-18.10%</b>
<b>2011</b>	-2.69%	-6.96%	7.27%	-6.10%	11.36%	5.76%	5.32%	3.34%	10.75%	3.53%	3.68%	9.49%	<b>52.15%</b>
<b>2010</b>	3.69%	6.22%	4.38%	-2.23%	-0.74%	0.73%	-1.16%	7.29%	8.02%	5.65%	1.88%	-2.61%	<b>34.93%</b>
<b>2009</b>											-2.15%	1.75%	<b>-0.44%</b>

Fund relaunch; open to external LPs

Returns are GP investment on an indicative 2/20 basis (GP SMA Mar20-Jan21)

Managed Account returns net of all fees and expenses on an indicative 2/20 basis

Fund commenced trading 16 February 2011

Past performance is not necessarily indicative of future results. There can be no assurance and no representation is made that the Investor will make any profit, and a total loss of principal may occur. See below for Fund-as-a-Whole returns table, as required to publish by the NFA.

## Characteristics of Gross Returns – Strategy LTD

## Daily Return Stats

Gross Return	9,355%	Return Daily Mean	0.16%
Annualized Return	40.7%	Return Daily Median	0.09%
Percent Up Days	53.8%	Stdev of Returns (Annualized)	34.5%
Max Up Day	17.5%	Skewness	0.65
Max Down Day	-13.7%	Sharpe Ratio	1.09
Daily Gain Mean	1.40%	<b>Sortino Ratio</b>	<b>1.51</b>
Daily Loss Mean	-1.29%	Risk Free Rate	3.25%
Percent Up Mths	61.3%		

## e360 Power Correlations

S&P 500	<b>-0.06</b>
S&P GSCI	<b>-0.07</b>
SocGen (Newedge) CTA	<b>0.09</b>
Thomson Reuters/CC CRB	<b>-0.08</b>
Bloomberg Barclays Agg Bond	<b>-0.01</b>

Descriptions of indices on last page

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## Investment Professionals

**JUAN PENELAS** is a co-founder and Principal of e360 Power, LLC. Juan is a member of the Investment Committee and a Portfolio Manager with trading responsibility across power and related portfolios including power volatility.

Prior to establishing e360 Power, Juan was a senior power and gas trader at Griffon Energy Capital, LLC ("GEC") where he co-headed the power desk. Prior to joining GEC, Juan was the head of PJM Power Cash Trading for American Electric Power Energy Service ("AEP"). Juan has worked internationally in the energy and metal industries in a range of finance related roles.

Juan has a degree in engineering from the Universidad de Buenos Aires and an MBA from the Wharton School of the University of Pennsylvania.

**JAMES SHREWSBURY** is a co-founder and Principal of e360 Power, LLC. James is a member of the Investment Committee and a Portfolio Manager with trading responsibility across power and all related portfolios.

Prior to establishing e360 Power, James was the Head of Power Trading at Griffon Energy Capital, LLC where he was a contributor to the development and growth of the Fund. Prior to joining GEC James was the Director of East Power for American Electric Power Energy Services where he was responsible for developing the company's presence in the northeast power markets (NYPP, NEPOOL & PJM). Prior to AEP James was the Head of North American Soybean Trading for Continental Grain Company and held various trading roles within the firm.

James received a BS in Agriculture Economics from the University of Missouri, Columbia.

**MARK SICKAFOOSE** joined e360 Power in January 2022 as a Portfolio Manager with responsibilities for business development as well as trading across portfolios.

Prior to joining e360 Power, Mark was Global Head of Power, Gas, and Renewables Trading for Bank of America where he expanded the bank's presence in European, Asian, and US markets. Before BofA, Mark was a Power, Gas, and Emissions Trader at Vitol for 5 years after having spent 9 years at Citigroup as Head of North American Trading. Preceding Citigroup, Mark gained valuable experience at Elpaso Corp, American Electric Power, and Continental Grain trading numerous products including West Power, West Gas, ERCOT, corn, beans, and wheat.

Mark received a BS in Agriculture Economics from the Purdue University, West Lafayette.

## Professionals

**SAMIT PATEL** is Director of Risk.

As Chair of the Risk Committee, Samit is responsible for middle and back-office functions including Risk Management and Trade Operations. In addition to middle office functions, responsibilities include a lead role in Marketing and Investor Relations Prior to e360 Power, he worked at Calpine Corporation as a Senior Risk Analyst, with a focus on term power and natural gas assets, across various regions.

Samit earned a B.A. in Economics at The University of Texas and is a Chartered Alternative Investment Analyst (CAIA).

**WANDA POTTS** is Director of Compliance.

Wanda has over 20 years of experience in the hedge fund industry specifically in accounting and business administration. Previously, she was the Chief Financial Officer of Phillips Trading Group, Inc., Michael Marcus' commodity futures and foreign exchange trading firm, and the Chief Financial Officer of Austin Capital Management, a fund-of-funds firm.

Wanda obtained her education at St. Edwards University, is a founding member and Vice President of Texas Wall Street Women, serves on the Board of the Texas Alternative Investment Association and is a member of the National Society of Compliance Professionals.

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**Professionals (cont.)**

**SCOTT WATKINS** contributes to the team as Head of Analytical Development.

He is responsible in leading the effort to retool and supercharge the use of technology in trading, risk, and analysis. Prior to joining e360 Power, Scott held a similar position at Boston Energy Trading & Marketing where his strategies were used to move to the cloud and get traders back into their core competencies. Before BETM, Scott spent twelve (12) years at Vitol, Inc as the lead trading technology architect. Scott has also spent four years as a FTR Power analyst at Saracen Energy and has been in the power and gas industry for 25 years.

**e360 Power Fund LP (as a whole) Performance**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
<b>2023</b>	-14.42%	0.68%											<b>-13.84%</b>
<b>2022</b>	32.81%	-1.95%	22.73%	36.40%	10.18%	-8.67%	4.78%	8.34%	-8.38%	-7.18%	-1.43%	-4.59%	<b>99.16%</b>
<b>2021</b>		10.13%	-2.47%	5.37%	1.83%	19.88%	7.16%	8.85%	59.80%	18.47%	-2.82%	-1.61%	<b>191.71%</b>

*Past performance is not necessarily indicative of future results. There can be no assurance and no representation is made that the Investor will make any profit, and a total loss of principal may occur. These returns include GP investment which is not subject to same fee structure as an LP Investor. NFA regulations require these returns be published.*

## Contact Information

Please direct all questions and requests for additional information to:

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Past performance is not necessarily indicative of future results. There can be no assurance and no representation is made that the Fund will make any profit, and a total loss of principal may occur. The use of differing performance calculation methodologies may produce different results, and the Fund's performance information may not be comparable to the performance information provided by other funds or managers. Unless otherwise indicated herein, any performance or other financial information included herein is unaudited, and the performance of data shown is net of fees (including without limitation management fees and performance fees) and expenses and presumes reinvestment of income.

The S&P 500 index measures the performance of the large-cap segment of the market. Considered to be a proxy of the U.S. equity market, the index is composed of 500 constituent companies. *Bloomberg: SPX Index*

The S&P GSCI is a composite index of commodity sector returns representing an unleveraged, long-only investment in commodity futures that is broadly diversified across the spectrum of commodities. *Bloomberg: SPGSCI Index*

The SG CTA Index calculates the net daily rate of return for a pool of CTAs selected from the largest managers open to new investment. It is equal-weighted and reconstituted annually. *Bloomberg: NEIXCTA Index*

The Thomson Reuters/CoreCommodity CRB Index is calculated using arithmetic average of commodity futures prices with monthly rebalancing. The index consists of 19 commodities. *Bloomberg: CRY Index*

The Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. This includes Treasuries, government-related and corporate securities, mortgage-backed securities, asset-backed securities and collateralized mortgage-backed securities. *Bloomberg: LBSTRUU Index*

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