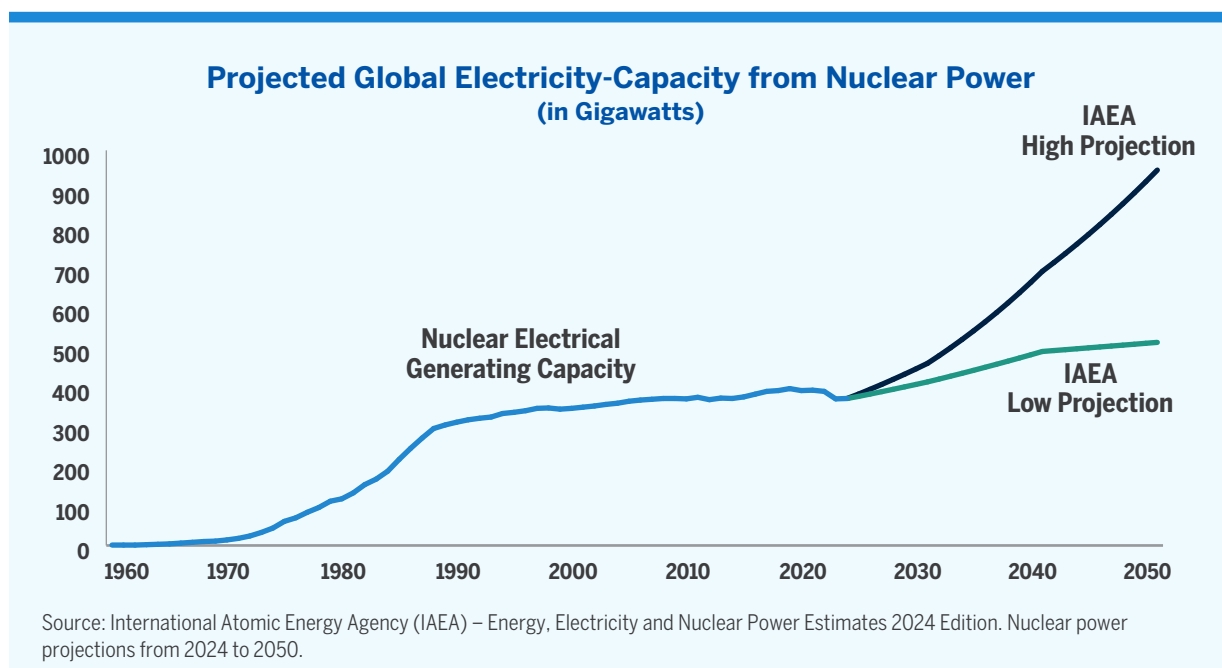


A Nuclear Energy Renaissance?

As electricity demand accelerates, driven by growing industries like data centers and electric vehicles (EVs), nuclear power is increasingly viewed as a viable solution given its low carbon emissions and reliability. However, decades of underinvestment in nuclear fuel and facilities have created a supply-demand imbalance in the industry. Is there a potential long-term investment opportunity in nuclear power?



- The need for constant electricity generation is projected to increase in the coming decades, and nuclear energy may be a critical source of that power, as seen in the chart above. However, following the Fukushima disaster in 2011, sustained underinvestment in uranium production and nuclear power generation facilities has created a significant supply deficit, which may persist for several years given the projected growth in nuclear power demand.
- Alongside widespread efforts to achieve net-zero carbon emissions and the push for EV adoption, the recent surge in demand for AI computing has significantly strained electrical grids, particularly from data centers that power AI programs (see [Power Play](#)). In fact, Constellation Energy recently announced the recommissioning of Pennsylvania's Three Mile Island nuclear plant to power Microsoft's data centers. In our view, this underscores a growing trend of companies turning to nuclear energy for power-intensive AI programs, driving up prices for power purchase agreements as companies prioritize speed to market and clean electricity.
- While renewables such as wind and solar are likely to become major electricity sources, their intermittent nature means nuclear energy will be needed to provide consistent electricity. In our view, the current supply-demand imbalance for nuclear energy could present tailwinds for companies engaged in the mining and production of uranium, along with those generating electricity through nuclear power.



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The International Atomic Energy Agency (IAEA) is a United Nations organization that promotes the peaceful use of nuclear energy and works to prevent its misuse. The IAEA plays a crucial role in ensuring the safety and security of nuclear technology worldwide.

The following positions represent firm wide assets under management as of July 31, 2024: Microsoft Corp, 9.62%; Constellation Energy Group Inc., 0.68%

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