

CO2

SparkChange Physical Carbon EUA ETC

Factsheet | Data as of 31 Dec 2021

Investment Objective

SparkChange Physical Carbon EUA ETC (Ticker: CO2) is designed to offer investors a means of accessing the properties of physical European Union carbon Allowances ("EUAs"). SparkChange CO2 is backed by physical EUAs and therefore tracks the price of EUAs (excluding fees).

Why CO2?



EUAs are increasing in scarcity value

An EUA is a permit to pollute 1 tonne of CO2 (Source: European Commission). The EU Commission automatically issues fewer EUAs each year in order to decrease CO2 emissions over time, creating the potential for upward price pressure and driving scarcity value.



100% physically-backed by EUAs

Each SparkChange CO2 is physically-backed by one EUA which will be adjusted for accumulated management fees since launch. EUAs held within the ETC structure cannot be used by polluters, ensuring direct and positive environmental impact. In contrast, futures-based products do not affect the supply of EUAs. SparkChange CO2 also avoids the performance drag associated with EUA futures-based products. This drag (known as "contango") erodes the value of a futures-based investment over time, at the expense of the investor. As CO2 uses physical EUAs rather than futures, investors will not suffer from this effect.



Prevents carbon emissions

This works in three ways: 1) While SparkChange CO2 holds physical EUAs, industrial firms can't use those EUAs to pollute. 2) Under EU law, holding EUAs for twelve months or more triggers additional permits being cancelled in future years. 3) As polluters and investors compete for a reduced supply of EUAs, prices may rise until it becomes too expensive for polluters to continue using dirty fossil fuels, incentivising the switch to cleaner energy.

Key Risks

1. The value of the ETC will be affected by movements in the price of the underlying EUAs, the value may go up as well as down.
2. The abandonment, termination or non-renewal upon expiration of a trading scheme may cause the price of EUAs to fall (potentially to zero).
3. Investors' capital is at risk and investors may not get back the amount originally invested and should obtain independent advice before making a decision. Any decision to invest should be based on the information contained in the relevant prospectus.

Trading Information

Exchange	Ticker	RIC	SEDOL	ISIN	CCY
LSE	CO2 LN	CO2.L	BNLYQ70	XS2353177293	EUR
LSE	CO2P LN	CO2P.L	BNLYQC5	XS2353177293	GBP
LSE	CO2U LN	CO2U.L	BNLYQH0	XS2353177293	USD

Key Facts

Inception Date	18/10/2021
Asset Class	Emissions
Base Currency	EUR
TER	89 bps
Domicile	Ireland
Replication Method	Physical
Registered for Sale	UK
UK Fund Reporting Status	Yes
UCITS Eligible	Yes
UCITS Compliant	No
SIPP Eligible	Yes
ISA Eligible	Yes
Shares Outstanding	2,270,000
Legal Form	Debt Security
Legal Structure	ETC
Issuer	HANetf ETC Securities plc
Trustee	The Law Debenture Trust Corporation plc

Pricing Information

Carbon Entitlement Per Security (CEPS)

Each ETC is backed by 1 EUA at launch

Price

CEPS x EUA Price

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Index Information

SparkChange Physical Carbon EUA ETC ("ETC"), is a series of secured debt securities issued by HANetf ETC Securities plc (the "Company") that are linked to physical European Union Allowances ("EUAs") under the European Union Emissions Trading System. The ETC is structured as a debt security and are not units in a collective investment scheme.

Performance and Volatility Indicators (USD)

Period	Return	Volatility
2021	86.46%	36.42%

Performance before inception is based on price per EAU in Euros. Capital at Risk. Past performance is not an indicator for future results and should not be the sole factor of consideration when selecting a product. Please note that all performance figures show net data. Please note that Investors should read the prospectus of the Issuer ("Prospectus") before investing and should refer to the section of the Prospectus entitled 'Risk Factors' for further details of risks associated with an investment in this product.

Partner

SparkChange is a provider of specialist carbon investment products and data, enabling investors to achieve both positive environmental impact and potential financial returns. The company was established by experts in environmental products and capital markets technologies to set a new standard in carbon investing. Our mission is to revolutionise access to carbon. More investors with access means a bigger impact on the environment. That doesn't just change a world of investing. It can change the future of our planet.

About HANetf

HANetf is an independent provider of UCITS ETFs, working with asset management companies to bring differentiated, modern and innovative exposures to European ETF investors. Via our white-label ETF platform, HANetf provides a complete operational, regulatory, distribution and marketing solution for asset managers to launch and manage UCITS ETFs.

IMPORTANT INFORMATION This factsheet is approved for professional use only.

Communications issued in the UK (ETFs and ETCs)

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Communications issued in the European Economic Area ("EEA") relating to ETFs

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Communications issued in the European Economic Area ("EEA") relating to ETCs

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1. HANetf ICAV, an open-ended Irish collective asset management vehicle issuing under the terms in the Prospectus and relevant Supplement for the ETF approved by the Central Bank of Ireland ("CBI") ("ETF Prospectus") is the issuer of the ETFs. Investors should read the current version of the ETF Prospectus before investing and should refer to the section of the ETF Prospectus entitled 'Risk Factors' for further details of risks associated with an investment in the ETFs. Any decision to invest should be based on the information contained in the ETF Prospectus.
2. HANetf ETC Securities plc, a public limited company incorporated in Ireland, issuing:
 - i. the precious metals ETCs under the terms in the Base Prospectus approved by both the Central Bank of Ireland ("CBI"), the UK Financial Conduct Authority ("FCA") ("ETC Prospectus") and the final terms of the relevant precious metals series (together, "ETC Securities Documentation"); and
 - ii. the carbon securities ETCs under the terms in the Base Prospectus approved by the FCA ("FCA ETC Prospectus") and the final terms of the relevant carbon allowance (together, "FCA ETC Securities Documentation").

Investors should read the latest versions of the ETC Securities Documentation and the FCA ETC Securities Documentation before investing and should refer to the section of the Base Prospectuses entitled 'Risk Factors' for further details of risks associated with an investment in the ETCs. Any decision to invest should be based on the information contained in the ETC Securities Documentation and the FCA ETC Securities Documentation.

3. ETC Issuance GmbH, a limited liability company incorporated under the laws of the Federal Republic of Germany, issuing under the terms in the Prospectus approved by the Bundesanstalt für Finanzdienstleistungsaufsicht ("BaFin") and the final terms ("Cryptocurrency Prospectus") is the issuer of the ETCM ETCs. Investors should read the latest version of the Cryptocurrency Prospectus before investing and should refer to the section of the Cryptocurrency Prospectus entitled 'Risk Factors' for further details of risks associated with an investment in the ETCs contained in the Cryptocurrency Prospectus. Any decision to invest should be based on the information contained in the Cryptocurrency Prospectus.

The ETF Prospectus, ETC Securities Documentation, and Cryptocurrency Prospectus can all be downloaded from www.hanetf.com.

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Past performance is not a reliable indicator of future performance. The price of the Products may vary and they do not offer a fixed income.

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An investment in an exchange traded product is dependent on the performance of the underlying asset class, less costs, but it is not expected to track that performance exactly. The Products involve numerous risks including among others, general market risks relating to underlying adverse price movements in an Index (for ETFs) or underlying asset class and currency, liquidity, operational, legal and regulatory risks. In addition, in relation to Cryptocurrency ETCs, these are highly volatile digital assets and performance is unpredictable.

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In relation to each Member State of the EEA (each a "Relevant State"), the relevant Issuer has represented and agreed that it has not made and will not make an offer of the Products which are the subject of the offering contemplated by the relevant prospectus to the public in that Relevant State other than at any time:

- to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- in any other circumstances falling within Articles 1(3), 1(4) and/or 3(2)(b) of the Prospectus Regulation (as may be locally implemented), provided that no such offer of Products shall require the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplementa prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of the provision above, the expression an "offer of Products to the public" in relation to any Products in any Relevant State means the communication in any form and by means of sufficient information on the terms of the offer and the Products to be offered so as to enable an investor to decide to purchase or subscribe for the Products, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129, and includes any relevant implementing measure in the Relevant State.

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