

Monthly Cleaner Living ESG-S UCITS ETF Market Report

October 2021

HANetf & Tematica Research
Cleaner Living ESG-S UCITS ETF

DTOX

59bps

IE00BMFNWJ02

Product Inception Date: 09/09/2021

For Professional Clients Only. Capital at risk.

All data as of 30.09.2021

This report was written by, and is the opinion of, the DTOX index providers Tematica Research.

Key Takeaways

- Evidence of the broad theme of Cleaner Living continues to emerge as companies are increasingly adopting language, positioning and in a growing number of cases, real changes to both product mix as well as manufacturing processes. For example, Walmart recently announced they will adopt “Built for Better” labelling calling out nutritious and sustainable items, and Pepsi Co recently announced they have set a goal to reduce the use of virgin plastic by 50% by 2030.¹
- As names in the index transitioned into what traditionally has been the toughest six weeks of the year for equities, inflation and consumer discretionary spending concerns coupled with some profit taking saw the index give back 6.42% in September. Those inflation concerns could be overdone given findings from the IBM Institute for Business Value and the National Retail Federation that 71% of surveyed consumer are willing to pay a premium for “clean products.”²
- Bucking the overall September trend were names like Hain Celestial (HAIN-US) and National Beverage (FIZZ-US).
- Overall, Cleaner Transportation, Cleaner Food & Dining and Cleaner Building & Infrastructure led the index down with each contributing to 25% of index returns for the period on average.

Macro Outlook

The main driver of this strategy is the secular trend of consumers’ awareness of what they are putting both in and on their bodies as well as the environmental impact of using these goods and services. This awareness, and the spending decisions guiding them have prompted corporations to begin to adjust positioning, product lines and production that better reflect what consumers want, what is more environmentally sound, and where public policy is heading. As thematic investors, we break the economy into three components: consumers, corporations, and public policy. When we see consumers and corporations pulling in the same direction, we know we have a solid investing theme. When public policy joins them, setting performance thresholds or providing development incentives, all three are moving in the same direction, creating powerful thematic tailwinds, which is precisely what we see with Cleaner Living.

In Europe, great emphasis has been placed on guiding pandemic-recovery stimulus funds towards incentives and projects that will increase demand for the types of products and services that are in the Cleaner Living investment theme. The same is occurring in much of North America, such as with US President Biden’s proposals in which spending plans are earmarked for Cleaner Living solutions³.

Looking ahead, we are optimistic that current supply chain woes will be resolved in the coming quarters. This resolution should be beneficial to several sectors especially Building & Infrastructure and Transportation. Food & Dining and Health & Beauty sector names often fall into a traditional Consumer Staples sector and given consumers’ willingness to spend on healthier and “better for them” food and products we see some resilience in these sectors in the near-term³. According to data published by Fior Markets, the global organic food, and beverages market is expected to grow from \$255.2 billion in

¹ <https://www.reuters.com/business/retail-consumer/pepsico-slash-plastic-use-sustainability-push-2021-09-15/>

² <https://www.ibm.com/downloads/cas/EXK4XKX8>

³ <https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/31/fact-sheet-the-american-jobs-plan/>

2020 to \$849.7 billion by 2028 as consumer purchases shift toward clean label products and natural ingredients without added sugar.⁴

The plant-based meat market is expected to reach \$13.8 billion by 2027, a dramatic increase compared to just \$3.3 billion in 2019.⁵

The non-GMO food products market is expected to grow to \$2.7 billion by 2026, up from \$1.25 billion in 2020.⁶

By 2027, the global natural cosmetics market is estimated to reach \$54 billion, up from \$36 billion in 2019, with the clean beauty market rising to \$11.6 billion in 2027 vs. \$5.4 billion in 2020.⁷

The global green building materials market was estimated at \$198.50 billion in 2019 and is forecasted by Maximize Market Research to reach \$480.5 billion by 2027.⁸

The outlook for EV adoption is accelerating due to a combination of more policy support, further improvements in battery energy density and cost, more ubiquitous charging stations, and rising commitments from automakers. Passenger EV sales are set to increase sharply in the next few years, rising from 3.1 million in 2020 to 14 million in 2025.⁹

Cleaner Living ESG-S UCITS ETF Performance Table

As of 31.09.2021

	1M	3M	6M	YTD	12M	SI
Cleaner Living ESG-S UCITS ETF	-6.98%	NA	NA	NA	NA	-6.98%
<i>Tematica Bita Cleaner Living Sustainability Screened Index</i>	<i>-6.97%</i>	<i>-13.31%</i>	<i>-16.38%</i>	<i>-16.79%</i>	<i>30.13%</i>	<i>-6.97%</i>

Please note that all performance figures are showing net data. Source: Bloomberg / HANetf. Data as of 30/09/2021

Performance before inception is based on back tested data. Back testing is the process of evaluating an investment strategy by applying it to historical data to simulate what the performance of such strategy would have been. Back tested data does not represent actual performance and should not be interpreted as an indication of actual or future performance. Past performance for the index is in USD. Past performance is not an indicator for future results and should not be the sole factor of consideration when selecting a product. 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. **Please note that all performance figures are showing net data.**

⁴ <https://www.globenewswire.com/en/news-release/2021/05/26/2236737/0/en/Global-Organic-Food-and-Beverages-Market-Is-Expected-to-Reach-USD-849-7-billion-by-2028-Fior-Markets.html>

⁵ https://www.millioninsights.com/industry-reports/global-plant-based-meat-market?utm_source=prnewswire&utm_medium=referral&utm_campaign=prn_16Mar2021_plantbasedmeat_rd1

⁶ <https://www.marketwatch.com/press-release/non-gmo-food-market-size-to-grow-at-a-cagr-of-138-during-the-forecast-period-2020-2025-2021-05-07?siteid=bigcharts&dist=bigcharts&tesla=y>

⁷ <https://www.prnewswire.com/news-releases/at-cagr-of-12-07--clean-beauty-market-is-expected-to-reach-usd-11558-5-million-in-2027-says-brandessence-market-research-301211633.html>

⁸ <https://www.maximizemarketresearch.com/market-report/global-green-building-materials-market/30114/>

⁹ <https://about.bnef.com/electric-vehicle-outlook/>

Product Details

The Cleaner Living ESG-S UCITS ETF 'DTON' is focused on companies with an emphasis on providing a healthier lifestyle and environmentally low-impact goods and services. This fund seeks to benefit from a broad range of products and services benefitting from the accelerating structural shift in consumer spending towards cleaner and more environmentally friendly solutions.

DTON offers exposures across 5 segments; Cleaner Food & Dining, Cleaner Health & Beauty, Cleaner Building & Infrastructure, Cleaner Transportation, and Cleaner Energy.

Please remember that when you trade Cleaner Living ETFs your capital is at risk and past performance is no guarantee of future performance. Visit the [DTON Fund Page](#) for more information.

Exchange	BBG Code	RIC	ISIN	Valoren	SEDOL	Currency	TER
London Stock Exchange	DTON LN	DTON.L	IE00BMFNWJ02	-	BMTR146	USD	0.59%
London Stock Exchange	DTOP LN	DTOP.L	IE00BMFNWJ02	-	BMTR1B3	GBP	0.59%
Borsa Italiana	DTON IM	DTON.MI	IE00BMFNWJ02	-	BL6KDV2	EUR	0.59%
Deutsche Boerse Xetra	DTON GY	DTON.DE	IE00BMFNWJ02	-	BL6KDW3	EUR	0.59%

Important Information

The content in this document is issued by HANetf Management Limited ("HML") acting in its capacity as management company of HANetf ICAV. HML is authorised and regulated by the Central Bank of Ireland. HML is registered in Ireland with registration number 621172.

Communications issued in the UK (ETFs and ETCs)

The content in this document is issued by HANetf Limited ("HANetf") and approved by Privium Fund Management (UK) Limited ("Privium"). HANetf are an appointed representative of Privium, which is authorised and regulated by the Financial Conduct Authority.). HANetf is registered in England and Wales with registration number 10697042.

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

The content in this document is issued by HANetf Management Limited ("HML") acting in its capacity as management company of HANetf ICAV. HML is authorised and regulated by the Central Bank of Ireland. HML is registered in Ireland with registration number 621172.

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

The content in this document is issued by Walnut Financial Services B.V. and OAKK Capital Partners B.V. ("OAKK"), an investment firm authorized and regulated by the Authority for the Financial Markets in The Netherlands. OAKK is registered in the Netherlands with registration number 24425154.

This communication has been prepared for professional investors, but the ETCs and ETFs set out in this communication ("Products") may be available in some jurisdictions to any investors. Please check with your broker or intermediary that the relevant Product is available in your jurisdiction and suitable for your investment profile. 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. This document may contain forward looking statements including statements regarding our belief or current expectations with regards to the performance of certain assets classes. Forward looking statements are subject to certain risks, uncertainties and assumptions. There can be no assurance that such statements will be accurate and actual results could differ materially from those anticipated in such statements. Therefore, readers are cautioned not to place undue reliance on these forward-looking statements. The content of this document is for information purposes and for your internal use only, and does not constitute

an investment advice, recommendation, investment research or an offer for sale nor a solicitation of an offer to buy any Product or make any investment. 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. The information contained on this document is not, and under no circumstances is to be construed as, an advertisement or any other step in furtherance of a public offering of securities in the United States or any province or territory thereof, where none of the Issuers (as defined below) or their Products are authorised or registered for distribution and where no prospectus of any of the Issuers has been filed with any securities commission or regulatory authority. No document or information on this document should be taken, transmitted or distributed (directly or indirectly) into the United States. None of the Issuers, nor any securities issued by it, have been or will be registered under the United States Securities Act of 1933 or the Investment Company Act of 1940 or qualified under any applicable state securities statutes.

The Issuers:

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 under the terms in the Base Prospectus approved by the Central Bank of Ireland and the final terms of the relevant series ("ETC Securities Documentation") is the issuer of the precious metals ETCs. Investors should read the latest version of the ETC Securities Documentation before investing and should refer to the section of the Base Prospectus 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.

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. The decision and amount to invest in any Product should take into consideration your specific circumstances after seeking independent investment, tax and legal advice. We do not control and are not responsible for the content of third-party websites.

We believe the information in this document is based on reliable sources, but its accuracy cannot be guaranteed. The views expressed are the views of Hanetf at time of publication and may change. Neither Privium nor Hanetf is liable for any losses relating to the accuracy, completeness or use of information in this communication, including any consequential loss.