

Monthly Clean Energy Market Report

November 2022

HANetf & Purpose Investments

HANetf S&P Global Clean Energy Select HANzero™ UCITS ETF

ZERO

55 bps

IE00BLH3CQ86

Product Inception Date: 28/06/21

For Professional Clients Only. Capital at risk.

All data as of 31/10/2022

This report was written by, and is the opinion of, the ZERO index providers Purpose Investments

Key Takeaways

- After seeing markets fall dramatically through the month of September, investors entered October with a high level of caution and expectations for further weakness. These beliefs proved accurate for the first part of the month, as the S&P 500 and many other markets fell to new lows on the year and looked to be heading down further. However, investor sentiment rebounded mid-month, allowing markets to stage an impressive recovery.¹
- As we enter the last two meetings of the year for the US central bank, the FOMC is in a tricky situation as they look to signal their path forward. The aggressive rate hikes they have undertaken need time to work their way through the system and have the desired impact on inflation. In the meantime, they run the risk of breaking something or causing a financial crisis if they keep up this pace. So, it may be time for a pause to survey the results and get a better read on the economy. This thinking is one of the primary reasons for the bounce in October.
- October has been the month during which more bear markets have bottomed than any other. We have twelve examples of these occurrences for the S&P 500 since WW2. Did we just witness the thirteenth? It's probably too soon to tell, but it's been a good start so far. Volatility remains elevated, and many asset classes continue on track for one of their worst years ever. Still, the tone of the markets is beginning to change for the better, and that is starting to help optimism for 2023.

Please note that all performance figures are showing net data. Past performance is not an indicator for future results and should not be the sole factor of consideration when selecting a product.

Macro Outlook

With the start of the COP27 summit in Sharm el-Sheik, Egypt, the need to urgently address the climate crisis has never been clearer. Pakistan and Nigeria have experienced devastating flooding this year, Europe sweltered in a record heatwave over the summer, and Kenya and Somalia have been ravaged by a catastrophic drought.

However, at a time when unified global action is required, November's climate talks are at risk of being overshadowed by other world events – namely, Russia's invasion of Ukraine, frostier relations between the US and China, energy and food crises, and inflationary pressures.

There are nine measurable key objectives that will need to be addressed during COP27: 1) Paris-aligned 2030 emission targets; 2) Concrete impact of sector-based initiatives; 3) Deal on global goal on adaptation metrics; 4) Progress on adaptation finance targets; 5) Launch of loss and damage network; 6) Dedicated loss and

¹ <https://seekingalpha.com/news/3898201-sp-500-rallies-8-in-october-on-fed-rate-hike-slowing-hopes-quarterly-earnings>

damage finance; 7) \$100B climate-finance target reached by end of 2022; 8) Deal on new finance target; 9) Progress on carbon market mechanisms.

Last year's COP was very much about good intentions -- 1.5 degrees Celsius, no more coal, zero-emission vehicles, et cetera. But this year's COP will be about how to deliver on those good intentions.

Please remember that when you invest in ETFs, your capital is at risk.

Clean Energy Performance

As of 31.10.2022

	1M	3M	6M	YTD	12M	SI
HANetf S&P Global Clean Energy Select HANzero™ UCITS ETF	-2.76%	-15.30%	-0.44%	-14.54%	-32.40%	-28.82%
<i>S&P Global Clean Energy Select</i>	<i>-2.71%</i>	<i>-15.29%</i>	<i>-0.17%</i>	<i>-14.15%</i>	<i>-32.11%</i>	<i>-28.40%</i>

Please note that all performance figures are showing net data. Source: Bloomberg / HANetf. Data as of 31/10/2022
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. When you invest in ETFs and ETCs, your capital is at risk.

Product Details

HANzero™ is Europe's first carbon offset exchange traded fund. It gives environmentally conscious investors the opportunity to target capital growth with the reassurance that any carbon emissions linked to their investment will be offset through HANzero™, HANetf's carbon offset program and South Pole, a certified and audited carbon offset provider.

The HANetf S&P Global Clean Energy Select HANzero™ UCITS ETF will track the S&P Global Clean Energy Select Index, providing pure-play exposure to 30 companies across biofuel, fuel cell technology, geothermal energy, hydroelectricity, solar, and wind.

Please remember that the value of your investment may go down as well as up and your capital is at risk.

Visit the [ZERO Fund Page](#) for more information.

Exchange	Ticker	RIC	SEDOL	ISIN	Valoren	WKN	CCY	Listing Date
LSE	ZERO LN	ZERO.L	BMTR094	IE00BLH3CQ86	-	-	USD	30/06/2021
LSE	ZERP LN	ZERP.L	BMTR0G1	IE00BLH3CQ86	-	-	GBP	30/06/2021
Borsa Italiana	ZERO IM	ZERO.MI	BL6KDJO	IE00BLH3CQ86	-	-	EUR	23/07/2021
Xetra	ZERO GY	ZERO.DE	BL6KDK1	IE00BLH3CQ86	-	A3CPGG	EUR	30/06/2021
Euronext Paris	ZERO FP	ZERO.PA	BPG9N95	IE00BLH3CQ86	-	-	EUR	09/12/2021



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Mr. Mersch has worked in the asset management industry in several capacities over the past 10 years. Areas include private equity, infrastructure finance, venture capital and technology focused equity research. In his current capacity, he is an Associate Portfolio Manager at Purpose Investments focused on long/short equities. Mr. Mersch graduated with a Bachelor of Management and organisational studies from Western University and is a certified financial analyst (CFA) charterholder.

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