

# Monthly Solar Energy Market Report

February 2023

## HANetf & EQM Indexes

### Solar Energy UCITS ETF

TANN

69bps

IE00BMFNWC33

Product Inception Date: 09/06/2021

For Professional Clients Only. Capital at risk.

All data as of 31/01/2023

This report was written by, and is the opinion of the TANN index providers EQM Indexes

## Key Takeaways

**Solar EU solar generation increased by 24% in 2022.** According to energy think tank Ember, Solar and wind both generated a record 22% of electricity in Europe in the year, overtaking fossil gas (20%) for the first time. The increase brought solar's share in the electricity mix to 7.3%, a 1.6 percentage point increase from the previous year (5.7%). Germany was the biggest generator at 59TWh (10% of its electricity mix), increasing by 9.6TWh or 20% year-on-year. There was also a substantial increase in Spain (+5.7TWh, +21%), the Netherlands (5.8 TWh, +51%), France (4.3 TWh, +27%) and Poland (4.1 TWh, +104%). The EU has increased its installed solar capacity from 103GW in 2018 to 209GW in 2022. Installed solar capacity could grow by 54GW in 2023 (medium scenario) and up to 68GW (high scenario). By 2026, annual capacity additions are anticipated to reach 85GW (medium scenario) and 120GW (high scenario).

**Investment in the global energy transition totaled US\$1.1 trillion in 2022, according to analyst firm BloombergNEF, reaching parity with investment in fossil fuels for the first time ever.** Renewable energy – encompassing solar, wind, biofuels and others – accounted for US\$495 billion of the year's total investment, a new record and 17% higher than 2021. Electrified transport was only just shy of this figure, amassing US\$466 billion in investment and growing a significant 54% year-on-year. In terms of specific countries' contributions to the global total, China was an unsurprising front-runner, accounting for almost half of global energy transition investment, US\$546 billion. The US was the second highest individual nation with US\$141 billion, whilst Germany, France and the UK completed the top five. The EU would be the second largest contributor, generating US\$180 billion, if it was considered as a single entity.

**U.S. Solar total installed capacity to grow 84% in two years. solar and wind power are expected to represent 16% of all generation this year. This doubles the 2018 contribution of 8%.** According to the Energy Information Agency (IEA), the U.S. grid operated about 74 GW of solar photovoltaic capacity at the end of 2022, which is about three times the installed capacity at the end of 2017. Meanwhile, solar and wind are pushing fossil fuels off the grid. The EIA forecast for coal this year has fallen from a 20% contribution to 18%, and natural gas is expected to decline by a percentage point to 38% of the energy mix. Coal is forecast to decline to 17% of U.S. electricity generation in 2024, meaning next year may be a monumental year for classic renewables.

Sources available upon request. **Please remember that all performance figures are showing net data.** Past performance is not indicative of future performance, and when you invest in ETFs your capital is at risk.

## Macro Outlook

Clean energy is expected to grow strongly in 2023 based on the increased demand, and incentives from the Inflation Reduction Act. Higher global electricity costs have affected many countries and regions, bringing increased focus on solar power energy production.

Solar projects in 2022 grew rapidly, and this trend is expected to further increase this year. The IEA reported that solar PV made up almost half of the new investment in renewable power, with spending divided equally between utility-scale projects and distributed solar PV systems.

In the U.S during the first half of 2022, 24% of electricity generation came from renewable sources according to the EIA. It is predicted that all renewable energy sources are likely to provide 24% of US electricity in 2023. About two-thirds of this forecast increase in renewables generation comes from new utility-scale solar photovoltaic capacity.

## Solar Energy Performance

As of 31.01.2023

	1M	3M	6M	YTD	12M	SI
Solar Energy UCITS ETF	11.86%	13.62%	-6.68%	11.86%	14.31%	-3.43%
<i>EQM Global Solar Energy Index</i>	<i>11.98%</i>	<i>13.98%</i>	<i>-6.15%</i>	<i>11.98%</i>	<i>15.50%</i>	<i>-1.64%</i>

**Please note that all performance figures are showing net data.** Source: Bloomberg / HANetf. Data as of 31/01/2023

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

Solar Energy UCITS ETF (TANN) is a UCITS compliant exchange traded fund domiciled in Ireland. The Solar Energy UCITS ETF 'TANN' seeks to offer pure-play exposure to the rapidly growing global solar industry.

The TANN Solar ETF tracks the EQM Global Solar Energy Index (SOLARNTR) which is focused on companies that derive significant revenue from solar energy-related business operations including manufacturing of photovoltaic, solar cells, and systems; producers of solar power generation, equipment, and components; providers of solar power system installation, development, and financing; and/or manufacturing of solar-powered charging and energy storage systems.

TANN is scheduled under Article 8 under the Sustainable Finance Disclosure Regulation (SFDR). Companies will be ESG screened for compliance with UN Global Compact principles plus operational business involvement in the fields of oil sands, fossil fuel, or controversial weapons.

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

## Trade TANN

Exchange	BBG Code	RIC	ISIN	Valoren	SEDOL	Currency	TER
London Stock Exchange	TANN LN	TANN.L	IE00BMFNWC33	-	BMTR168	USD	0.69%
London Stock Exchange	TANP LN	TANP.L	IE00BMFNWC33	-	BMTR1D5	GBP	0.69%
Borsa Italiana	TANN IM	TANN.MI	IE00BMFNWC33	-	BL6KDR8	EUR	0.69%
Deutsche Boerse Xetra	TANN GY	TANNG.DE	IE00BMFNWC33	-	BL6KDT0	EUR	0.69%

### Stephen Derkash



Mr. Derkash leads EQM's Global and ESG Product initiatives. He has over twenty years of global portfolio management, investment banking and equity research experience, and has worked as a Portfolio Manager at Millennium Management, a \$40 billion hedge fund, and at UBS Asset Management. He is the Founder of BlueRunner Global Advisors, a boutique investment advisory firm focused on emerging markets equity investing, and prior to Millennium and UBS, Stephen worked with Nicholas-Applegate Capital Management, in sell-side research with a leading European bank in Brazil, and on the emerging markets investment banking team at Lehman Brothers in New York. He holds an MBA from Wharton, an MA in International Studies from the University of Pennsylvania's Lauder Institute, and a BA from Georgetown University.

### Important Information

#### 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.

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#### Communications issued in the EEA relating to ETCs

The content in this document is issued by the relevant Issuer.

### The Issuers

- 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.
- HANetf ETC Securities plc, a public limited company incorporated in Ireland, issuing:
  - 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") and the final terms of the precious metals (together, "Metals ETC Prospectuses");
  - the carbon securities ETCs under the terms in the base prospectus approved by the UK Financial Conduct Authority ("FCA") and the relevant final terms of the carbon securities (together, "FCA Carbon ETC Prospectus"); and
  - the carbon securities ETCs under the terms in the base prospectus approved by the Central Bank of Ireland ("CBI") and the final terms of the carbon securities (together, "CBI Carbon ETC Prospectus").

Investors should read the latest versions of the relevant ETC prospectus before investing and should refer to the section of the relevant ETC 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 relevant ETC prospectus.

- ETC Issuance GmbH, a limited liability company incorporated under the laws of the Federal Republic of Germany, issuing under the terms in the Base Prospectus approved by the Bundesanstalt für Finanzdienstleistungsaufsicht ("BaFin") and

the final terms (“Cryptocurrency Prospectus”) is the issuer of the ETC Group 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, Metals ETC Prospectus, FCA Carbon ETC Prospectus, CBI Carbon ETC Prospectus and Cryptocurrency Prospectus can all be downloaded from [www.hanetf.com](http://www.hanetf.com).

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