

# Monthly Clean Energy Market Report

February 2023

## 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 31/01/2023

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

## Key Takeaways

January started off the year incredibly strong as all major risk-on industries rallied hard. Last year's losers led the gains this year including meme stocks, unprofitable tech basket, the NASDAQ, and ARKK. When Powell mentioned the term "disinflation" 15 times during his press conference, the market took that as a "go-ahead" to pile risk back on.

More and more reports are out that economists are lowering their odds of inflation as we are still seeing signs of strength in the economy.

Global supply chains are easing as freight and cargo price indexes continue to drop, excessive inventory builds are still forcing retailers to discount as we are seeing goods prices retreat, and WTI and Natural gas prices continue to normalize after spiking in the first half of 2022. All of these are a good sign for easing inflation.

When it comes to rates, it looks like the federal funds rate will exceed CPI prints around April, at which point the Fed may be able to conclude that they are appropriately restrictive, and a pause could be in order. This will restore stability when it comes to market expectations around changes in rates.

We know that the Fed has two jobs – Prices (inflation) and jobs (wages). As long as the labour market remains this strong, they have full permission to hike rates in order to stamp out inflation. There still needs to be a crack in labour.

**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

**Electric Vehicles:** The Biden administration's intention to offer new tax incentives for electric vehicles (EV) has been delayed until March 2023 due to objections from European and Asian allies. The Inflation Reduction Act (IRA), requiring at least 40% of critical minerals needed in EV batteries be sourced in the U.S. or other free-trade nations, as well as final vehicle assembly taking place within North America, have caused major pushback amongst governments and automakers alike – ultimately leading administrators to delay their incentive proposals temporarily. We remain of the view that EV adoption in North America will likely be slower than what the market is pricing in.

**Solar:** The Department of Commerce issued an impactful memorandum that serves to clarify what products are exempt from their anti-circumvention decision. To the delight of solar developers, it was declared that cells produced in four South East Asian countries (Vietnam, Malaysia, Cambodia and Thailand) may now be imported into other nations freely, regardless of having been used for assembly elsewhere, such as Singapore, India or South Korea.

**Renewable Fuel:** The Environmental Protection Agency presented a ground-breaking opportunity for producers of biomass-generated electricity to qualify for both Renewable Identification Numbers (RINs) and Clean Energy

Production tax credits. This initiative has opened up exciting possibilities for transitioning our transportation system from fossil fuels to renewable sources more cost-effectively. However, it looks as though these new initiatives have simultaneously placed some uncertainty on certain previously planned investments into clean energy solutions due to the lower than-expected growth in Renewable Volume Obligation (RVO).

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

## Clean Energy Performance

As of 31.01.2023

	1M	3M	6M	YTD	12M	SI
HANetf S&P Global Clean Energy Select HANzero™ UCITS ETF	6.93%	12.75%	-4.50%	6.93%	12.39%	-19.75%
<i>S&amp;P Global Clean Energy Select</i>	<i>7.04%</i>	<i>12.99%</i>	<i>-4.28%</i>	<i>7.04%</i>	<i>13.08%</i>	<i>-19.10%</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

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



### Nicholas Mersch, CFA

Portfolio Manager, Purpose Investments

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.

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.

### 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.

#### 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 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");

- ii. 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
- iii. 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.

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, 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).

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.