

# Monthly Solar Energy Market Report

March 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 28/02/2023

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 the U.S. Energy Information Administration (EIA), during 2022, renewables provided 22.58% of total US electrical generation capacity, up from 20.79% the previous year and slightly improving the EIA's forecast of 22% for the full year. The data – which was reviewed by non-profit research organisation Sun Day Campaign – showed that solar remained the fastest-growing renewable energy source in 2022 and ended the year with a share of 4.74% of all electricity capacity generated in 2022, up from the 3.95% share in 2021.

**Solar capacity is expected to reach nearly double that required for the EU's Fit-for-55 target. Data from @SolarPowerEU shows that solar could exceed this target by 2026, four years early.** The number of heat pumps is expected to reach at least 60 million (+50%) and the EV fleet to expand to a minimum of 40 million (+30%). EU is on course to reach at least 45% renewables by 2030. This acceleration of clean technologies renders the EU's 2030 target for 40% renewable energy not only unambitious but outdated.

**Chinese companies grab 91% of record US\$27 billion PV capex in 2022. The only area where Chinese companies did not participate was new thin-film capacity that was 100% dominated by US owned First Solar.** Capex for solar PV manufacturing fabs was dominated by Chinese companies building out new fabs in China and across Southeast Asia.

**China's PV industry production value reaches US\$203.5 billion.** The report Operation of the PV Manufacturing Industry in China in 2022 stated that the output in all links of China's PV industry chain achieved a record high, where polysilicon, silicon wafers, cells and modules reached 827,000 tons, 357GW, 318GW and 288.7GW, respectively, equivalent to a year-on-year growth of more than 55%. According to Bohua Wang, honorary president of the China Photovoltaic Industry Association, there were 87.41GW of newly installed capacity in China last year, including distributed installation capacity of 51.11GW, an increase of 74%. New centralised installments reached 36.3GW, an increase of 41.8%. China's PV export reached US\$51.2 billion, the first time exceeding US\$50 billion. Of this amount, modules accounted for US\$42.36 billion, silicon wafers US\$5.07 billion and cells US\$3.82 billion. Looking forward, the China Photovoltaic Association added that new PV installations would reach 280-330GW globally, while about 95GW-120GW will come from China.

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

2023 has started with a strong sense of solar optimism. Increased corporate commitment to decarbonization, accelerated carbon reduction goals from local, state, and federal governments and the passage of the IRA providing over \$370 billion in incentives over a 10-year term all support the prospect of strong activity.

While market participants begin to understand and take advantage of these favorable conditions, they must also confront and adapt to the challenges associated with supply chain issues, demand imbalances, a higher cost of capital, and human resource constraints. However, with the support of the IRA and other federal and state incentives, significant investment and activity will continue around traditional solar assets. For example, solar-powered generation will account for more than half of the 54.5 GW of new utility-scale electric generating capacity expected this year across the US, the US Energy Information Administration. Some of those delayed 2022 projects will begin operating in 2023, when developers plan to install 29.1 GW of solar power, according to the EIA, and if all of this capacity comes online as planned, 2023 will have the most new utility-scale solar capacity added in a single year, more than doubling the current record (13.4 GW in 2021).

## Solar Energy Performance

As of 28.02.2023

	1M	3M	6M	YTD	12M	SI
Solar Energy UCITS ETF	-8.09%	-8.12%	-14.50%	2.80%	-1.48%	-11.24%
<i>EQM Global Solar Energy Index</i>	<i>-8.06%</i>	<i>-7.95%</i>	<i>-14.08%</i>	<i>2.95%</i>	<i>-0.51%</i>	<i>-9.57%</i>

**Please note that all performance figures are showing net data.** Source: Bloomberg / HANetf. Data as of 28/02/2023

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)

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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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