

Monthly Solar Energy Market Report

September 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 31/08/2023

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

Solar ETF Key Takeaways:

EU to Hit Renewable Targets Ahead of Schedule Thanks to Solar – Explosive growth in solar power has most EU countries hitting their 2030 renewable energy targets early. EU countries added 41 gigawatts of new solar capacity in 2022, a 40% YOY increase, and that figure is expected to rise to over 50 gigawatts this year. Solar PV led the EU's renewable energy growth in the first half, up 13% over last year, with many countries registering record power generation with Greece and Romania surpassing 50% for the first time, and Denmark and Portugal reaching 75%. For the first time, solar and wind accounted for 30% of electricity production this summer in the EU. Some 27 countries are now slated to reach their installation targets by 2027, according to data from SolarPower Europe.

US Solar Stocks Stand to Benefit – Two Top Picks from Goldman – Increased solar installation activities across the U.S., along with impressive growth projections, bodes well for U.S. solar stocks. The Inflation Reduction Act has also bolstered the growth prospects of domestic players as have other renewable energy programs like Combined Heat and Power Partnership, Energy Star, and WaterSense. Renewable energy accounted for 20% of all U.S. electricity generated in 2022, with solar and wind contributing the most to the power grid. One such beneficiary has been First Solar, which recently secured a 5-year deal to provide module for Israeli-based renewable energy firm Energix Renewables. It makes the list of Goldman Sachs' favorites among renewable energy names, saying the stock could surge as much as 50% from current levels. Goldman is also a fan of SolarEdge, a manufacturer of microinverters, which are essential to photovoltaic power generation installations as they convert the DC into AC. SolarEdge has 40% of the market share in the U.S. Both these names are held in TANN.

China's Solar Companies Face Margin Squeeze – A factory boom in China is lowering the cost and boosting the demand for solar, but also squeezing company margins amid soaring profits and record global installations. Shares of Longi Green Energy Technology, the world's largest panel maker, have lost 36% this year despite reporting a 42% jump in net income in the first half of the year. Although the global solar market is growing at an accelerated pace, solar manufacturers across the value chain remain under margin pressure, as prices across the supply chain have plummeted with panel costs hitting record lows.

Lower Prices Boosting Demand for Solar – The good news is that lower prices are boosting demand and accelerating the path to carbon-neutrality. Global solar installations are set to jump 56% this year, on track to add more than 5,800 gigawatts of capacity by 2030 to help meet net-zero targets. The negative outcome for panel manufacturers is the potential for oversupply. Firms such as Jinko Solar and Tongwei recently announced plans to build new factories, while Longi's chairman warned that Chinese companies need to curtail their expansion plans. Longi's gross margin was 19% in the first half, a level that may have peaked as new capacity heightens competition.

SolarEdge Not Cutting Prices Until End of the Year - SolarEdge Technologies said it was not looking to cut prices for its solar inverters till the end of the year despite a dip in near-term demand from Europe, betting on cheaper panels to increase affordability for consumers. Energy costs in Europe, the company's largest market, have soared since Russia invaded Ukraine, leaving households with high electricity bills and straining power grids across the region.

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

As record temperatures soared across Europe this summer, for the first time, solar and wind accounted for 30% of electricity production. Solar PV led the EU's growth in renewable energy generation during the first half of the year, up 13% over last year at this time. A report from energy think tank Ember, highlights 17 EU countries registered record renewable generation in the first half, with Greece and Romania surpassing 50% for the first time, while Denmark and Portugal reached 75%. Solar capacity additions have increased throughout Europe, spearheaded by Germany which added 6.5GW in 1H 2023, of which 2.6GW was added in Q1. 52% of Germany's electricity is now generated by renewables. Italy also more than doubled its solar PV capacity with 2.6GW of installations in the first half. Spain and Portugal have nearly doubled their previous solar growth targets slated by 2030. As other countries continue to submit their revised targets, with Germany and France still pending, the EU expects 90GW of extra solar PV by 2030. Many countries are now meeting targets earlier than expected, with some 27 countries now slated to reach their installation targets by 2027, according to data from SolarPower Europe. The biggest obstacle to growth, especially with PV prices dropping, is grid congestion and the need for more electric infrastructure spend to support the growth of renewables.

Solar ETF Performance

As of 31.08.2023

	1M	3M	6M	YTD	12M	2Y	SI
Solar Energy UCITS ETF	-13.83%	-10.96%	-16.07%	-13.72%	-28.24%	-34.02%	-25.51%
<i>EQM Global Solar Energy Index</i>	<i>-13.81%</i>	<i>-10.85%</i>	<i>-15.87%</i>	<i>-13.39%</i>	<i>-27.72%</i>	<i>-33.07%</i>	<i>-23.92%</i>

Please note that all performance figures are showing net data. Source: Bloomberg / HANetf. Data as of 31/08/2023
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.

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 - 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").

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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.

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