

Monthly Solar Energy Market Report

October 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 30/09/2023

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

Solar ETF Key Takeaways:

Solar Installations Hit US Records in 2023 – Solar installations hit record levels in 2023 thanks to cheaper solar panels and favourable policy. A perfect storm of policy, incentives and plummeting panel costs has made solar the clear choice for new energy generation worldwide. Bloomberg NEF expects global solar installations to rise by 56% by the end of 2023. While solar deployments in the U.S., South America and the EU are growing fast, China continues to lead the way – it's expected to account for 50% of new global solar PV projects by 2024. China's installed capacity is expected to cross the 500-gigawatt mark by the end of 2023 and is expected to double to 1 terawatt by the end of 2026, according to recent data from Rystad. Meanwhile, total U.S. installed solar capacity is nearly 160 gigawatts today and will rise to about 209 gigawatts in 2026, or around 11% of the global total. Much of that increase will stem from the Inflation Reduction Act's generous incentives.

Prices of Solar Modules Hit All-Time Low – The price of standard solar modules hit an all-time low of 16.5 cents per watt in August, and Bloomberg NEF expects prices to dip further by year end. While the United States doesn't get the full benefit of these low prices because of the tariffs it imposes on Chinese-made solar panels, the rest of the world does.

Bloomberg NEF's Global Solar Estimates – The global solar market is hitting record highs in volume of installations, and new lows in the price of modules. BloombergNEF increased its build forecast yet again, particularly due to acceleration in China but also due to rapid build in other established markets, and updates on the global situation as of 3Q 2023. BNEF's current new build PV forecast is 392GW. Its estimate for silicon prices by year end is 14.5 cents per watt. BNEF's estimated supply of polysilicon in 2023 is 570GW. Polysilicon makers reduced production, and prices have stabilized, but BENF still expects a huge oversupply in 2H 2023 which will equate to lower prices.

Solar Stocks Have Sold Off with Higher Rates for Longer – Solar stocks been suffering broad weakness from recently renewed investor concerns that interest rates would stay "higher for longer." High interest rates that caused financing costs for panel installations to surge and enduring supply chain disruptions have stifled residential and corporate solar system orders through much of 2023, hammering sector sentiment. A key reduction in incentives for rooftop installations in California, the largest U.S. solar market, also undercut solar's momentum in the U.S. power system. Solar stock Sunnova and Sunrun were both downgraded, tumbling more than 30% since reporting earnings. However, a recent steady build-up in industry inventories including panels, racking systems and power inverters has spurred installation firms to start to cut costs on system components, which may reignite consumer demand before year-end.

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

Solar stocks have failed to shine over the past 12 months despite a continuing shift to renewable energy sources and lucrative government incentives to install solar infrastructure. Disrupted supply chains, rising interest rates, and policy uncertainty all have presented challenges for this burgeoning sector. High interest rates that caused financing costs for panel installations to surge and enduring supply chain disruptions have stifled residential and corporate solar system orders through much of 2023, hammering sector sentiment. A key reduction in incentives for rooftop installations in California, the largest U.S. solar market, also undercut solar's momentum in the U.S. power system. However, a recent steady build-up in industry inventories including panels, racking systems and power inverters has spurred installation firms to start to cut costs on system components, which may reignite consumer demand before year-end. In addition, as installation firms commonly give new customers six months before they must start paying off their system costs, several firms have only just started to collect revenues from customers who signed up early in 2023. Higher earnings may start to show up in the sector's next round of results due from next month, and in turn might improve the industry's earnings profile and appeal among investors.

Solar ETF Performance

As of 30.09.2023

	1M	3M	6M	YTD	12M	2Y	SI
Solar Energy UCITS ETF	-10.69%	-23.39%	-26.64%	-22.94%	-26.48%	-36.95%	-33.47%
<i>EQM Global Solar Energy Index</i>	<i>-10.67%</i>	<i>-23.32%</i>	<i>-26.49%</i>	<i>-22.63%</i>	<i>-25.99%</i>	<i>-36.06%</i>	<i>-32.04%</i>

Please note that all performance figures are showing net data. Source: Bloomberg / HANetf. Data as of 30/09/2023

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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