

Investment Objective

SparkChange Physical Carbon EUA ETC ("SparkChange CO2") is designed to offer investors a means of accessing the properties of physical European Union carbon Allowances ("EUAs"). SparkChange CO2 is backed by physical EUAs and therefore tracks the price of EUAs (excluding fees).

Why SparkChange CO2

EUAs are increasing in scarcity value

An EUA is a "permit to pollute 1 tonne of CO₂". The EU Commission automatically issues fewer EUAs each year in order to decrease CO₂ emissions over time, creating upward price pressure and driving scarcity value. EUAs are one of the top performing commodities of recent years.¹

Ensures direct environmental impact

Each SparkChange CO2 is physically-backed by one EUA.² EUAs held within the ETC structure cannot be used by polluters, ensuring direct and positive environmental impact. (In contrast, futures-based products do not affect the supply of EUAs).

Avoids performance drag

SparkChange CO2 avoids the performance drag associated with EUA futures-based products. This drag (known as "contango") erodes the value of a futures-based investment over time, at the expense of the investor, and has recently been 50-130bps a year.³ Historically, it has been much higher. As SparkChange CO2 uses physical EUAs rather than futures, investors will not suffer from this effect.

Prevents carbon emissions

This works in three ways: 1) While SparkChange CO2 holds physical EUAs, industrial firms can't use those EUAs to pollute, 2) Under EU law, holding EUAs for twelve months or more triggers additional permits being cancelled in future years, 3) As polluters and investors compete for a reduced supply of EUAs, prices may rise until too expensive for polluters to continue using dirty fossil fuels, incentivising the switch to cleaner energy.

Key Risks

- The value of the ETC will be affected by movements in the price of the underlying EUAs; the value may go up as well as down.
- The abandonment, termination or non-renewal upon expiration of a trading system may cause the price of EUAs to fall (potentially to zero).
- Investors' capital is at risk and investors may not get back the amount originally invested and should obtain independent advice before making a decision. Any decision to invest should be based on the information contained in the relevant prospectus.

¹ WSI

² adjusted for accumulated management fee since launch

Trading Information

Exchange	Ticker	RIC	SEDOL	ISIN	CCY
LSE	CO2 LN	CO2.L	BNLYQ70	XS2353177293	EUR
LSE	CO2P LN	CO2P.L	BNLYQC5	XS2353177293	GBP
LSE	CO2U LN	CO2U.L	BNLYQH0	XS2353177293	USD

Key Facts

Inception Date	18/10/2021
Asset Class	Emissions
Base Currency	EUR
TER	89 bps
Domicile	Ireland
Replication Method	Physical
Registered for Sale	UK
UK Fund Reporting Status	Seeking
UCITS Eligible	Please contact HANetf
UCITS Compliant	No
SIPP Eligible	Yes
ISA Eligible	Yes
Legal Form	Debt Security
Legal Structure	ETC
Issuer	HANetf ETC Securities plc
Trustee	The Law Debenture Trust Corporation plc

Pricing Information

Carbon Entitlement Per Security (CEPS)

Each ETC is backed by 1 EUA at launch

Price

CEPS x EUA Price

³ Source: EEX settlement prices as 1st Sept 2020: Dec20 futures = €27.75, Dec21 futures = €28.11, or circa 1.30% contango for the year; as at 1st Sept 2021: Dec21 futures = €60.12, Dec22 futures €60.42, or circa 0.50% contango for the year

Index Information

The Spark Change Physical Carbon EUA ETC (“ETC”), is a series of secured debt securities issued by HANetf ETC Securities plc (the “Company”) that are linked to physical European Union Allowances (“EUAs”) under the European Union Emissions Trading Scheme. The ETC is structured as a debt security and are not units in a collective investment scheme.

Performance and Volatility Indicators (USD)

Period	Annualised Net Return	Volatility
2014	46.64%	45.20%
2015	14.17%	24.50%
2016	-20.32%	55.02%
2017	23.51%	44.71%
2018	204.45%	47.09%
2019	1.22%	41.03%
2020	28.52%	51.15%
2021* (to 29.10.21)	83.21%	38.18%

Data up to 29.10.2021. Performance before inception is based on price per EAU in Euros. Capital at Risk. Past performance is not an indicator for future results and should not be the sole factor of consideration when selecting a product. Please note that all performance figures show net data. Please note that 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.

About SparkChange

SparkChange is a provider of specialist carbon investment products and data, enabling investors to achieve both financial returns and positive environmental impact. The company was established by experts in environmental products and capital markets technologies to set a new standard in carbon investing. Our mission is to revolutionise access to carbon. More investors with access means a bigger impact on the environment. That doesn't just change a world of investing. It can change the future of our planet.

About HANetf

HANetf is an independent provider of UCITS ETFs, working with asset management companies to bring differentiated, modern and innovative exposures to European ETF investors. Via our white-label ETF platform, HANetf provides a complete operational, regulatory, distribution and marketing solution for asset managers to launch and manage UCITS ETFs.

IMPORTANT INFORMATION

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2. HANetf ETC Securities plc, a public limited company incorporated in Ireland, issuing under the terms in the Base Prospectus approved by the Central Bank of Ireland and the final terms of the relevant series ("ETC Securities Documentation") is the issuer of the precious metals ETCs. Investors should read the latest version of the ETC Securities Documentation before investing and should refer to the section of the Base 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 ETC Securities Documentation.
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, ETC Securities Documentation, and Cryptocurrency Prospectus can all be downloaded from www.hanetf.com.

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