

Key Information Document (“KID”)

Spark Change Physical Carbon EUA ETC



This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

The **Spark Change Physical Carbon EUA ETC (“ETC”)**, ISIN: XS2353177293, is manufactured by **HANetf ETC Securities plc** (the “Company”). The Company is incorporated in Ireland and the competent authorities are the Financial Conduct Authority (the “FCA”) and the Central Bank of Ireland (the “CBI”) in relation to this KID.

More information is available at www.hanetf.com or by calling +44 (0)20 3794 1800.

This document is dated 25.01.2024.

What is this product?

Type

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.

Objectives

The ETC is designed to offer investors a means of accessing the European Union carbon dioxide emissions allowance market as they track the spot price of physical EUAs. The ETC provide investment exposure to physical EUAs. The Company holds a note issued by the Backing Issuer (Spark Change Jersey Issuer Limited) and the Backing Issuer holds the physical EUAs in a European Union registry account. Each ETC has an EUA entitlement (“Carbon Entitlement Per Security” (“CEPS”), which is the amount of physical EUA backing each ETC. The daily Carbon Entitlement can be found at www.HANetf.com. The return on your investment in the ETC is directly related to the price of EUAs, less costs (see “What are the costs?” below). The ETC is listed and traded on a stock exchange (such as the London Stock Exchange). Investors who are not authorised participants (e.g. select financial institutions) can only buy the ETC on a stock exchange (e.g. via a broker) at the then prevailing market price. Normally, investors will sell their ETC via a stock exchange. Alternatively, investors may redeem their ETC directly with the Company in exchange for EUAs delivered to their nominated registry account and the Company has the right (but not the obligation) to trigger a Compulsory Redemption of the ETC. The price of EUAs fluctuate daily and the value of EUAs are driven by various factors including environmental and energy policies, emissions levels, seasonality, energy prices, equity prices, net demand from financial investors, the operation of the market stability mechanism and forward-looking expectations around each of the above. These factors may all affect the value of your investment. ETCs are denominated in Euros, the ETC’s base currency. The ETC is listed and traded in currencies other than the base currency on one or more stock exchanges. The performance of your ETC may be affected by this currency difference.

Intended retail investor

The ETC is intended for retail investors with the ability to bear losses up to the amount invested in the ETC. The ETC is appropriate for medium to long term investment, though the ETC may also be suitable for shorter term exposure (see further below “How long should I hold it and can I take money out early?”).

Insurance benefits

The ETC does not offer any insurance benefits.

Term

The ETC does not have a fixed term of existence, or maturity period, but in certain circumstances an early redemption may occur upon election by the Company or (in the case of a default by the Company) by the Trustee (Law Debenture Trust Corporation plc), subject to prior notice by an announcement on a regulatory information service if: (a) the Company exercises its call option at any time by giving 30 days’ notice that it is redeeming the ETC; (b) certain legal or regulatory changes occur in relation to the Company; (c) the Company is, or there is a substantial likelihood that it will be, required to make a payment in respect of, register for or account for VAT; (d) the Company does not perform or comply with a material obligation under the terms of the ETC or the security deed or trust deed relating to the ETC, after the expiry of the relevant grace period; or (e) the Company is subject to liquidation.

What are the risks and what could I get in return?

Risk Indicator



- The summary risk indicator is a guide to the level of risk of this ETC compared to other ETCs. It shows how likely it is that the ETC will lose money because of movements in the markets or because we are not able to pay you.
- We have classified the ETC as 6 out of 7, which is a high risk class. This classification rates the potential losses from future performance at a medium level and poor market conditions could affect the value of your investment. This classification is not guaranteed and may change over time and may not be a reliable indication of future risk profile of this ETC. The lowest category does not mean risk free.
- Be aware of currency risk. The currency of this ETC (and/or the trading line of your ETC) may be different from that of your country. As you may receive payments in a currency not that of your country, the final return will depend on the exchange rate between these two currencies. This risk is not considered in the indicator shown above.
- 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 scheme may cause the price of EUAs to fall (potentially to zero).
- The insolvency of certain institutions providing services such as safekeeping of assets may expose the ETC to financial loss.
- This product does not include any protection from future market performance so you could lose some or all of your investment.
- If the ETC is not able to pay you what is owed, you could lose your entire investment.

Investment EUR 10,000

Scenarios		1 year	3 years	5 years (recommended holding period)
Stress scenario	What might you get back after costs	395	911	363
	Average return each year	-96.05%	-55.01%	-48.48%
Unfavourable scenario	What might you get back after costs	6,518	5,860	6,027
	Average return each year	-34.82%	-16.32%	-9.63%
Moderate scenario	What might you get back after costs	11,796	16,334	22,618
	Average return each year	17.96%	17.77%	17.73%
Favourable scenario	What might you get back after costs	21,177	45,166	84,196
	Average return each year	111.77%	65.30%	53.13%

Performance Scenarios as of 25.01.2024

This table shows the money you could get back over the next 5 years, under different scenarios, assuming that you invest EUR10,000.

- The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products.
- The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment/product.
- The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.
- The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your broker, financial adviser or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What happens if HANetf ETC Securities plc is unable to pay out?

In case of a default by the Company and the Backing Issuer, any claims made against the Company will be satisfied in order of the priority of payments set out in the conditions of the ETC and you may face a financial loss of some, or all the amount invested.

The ETC is not protected under any financial services compensation scheme.

What are the costs?

Costs over time as of 25.01.2024

Investment EUR 10,000	If you cash in after 1 year	If you cash in after 3 years	If you cash in after 5 years
Total costs (EUR)	105.93	444.00	1,033.93
Impact on return (RIY) per year	0.89%	0.89%	0.89%

Presentation of costs

- The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.
- The amounts shown here are the cumulative costs of the product itself, for one or more different scenarios. The figures assume you invest EUR10,000. The figures are estimates and may change in the future. Please check with your broker, financial adviser or distributor, who may charge you additional costs, for further information regarding their costs and the potential impact on your investment over time.

Composition of costs

This table shows the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period and the meaning of the different cost categories.

This table shows the impact on return			
One-off costs*	Entry costs	0.00%	The impact of the costs you pay when entering your investment.
	Exit costs	0.00%	The impact of the costs of exiting your investment.
Ongoing costs	Portfolio transaction costs	0.00%	The impact of the costs of us buying and selling underlying investments for the product.
	Insurance costs	None	The impact of the amount you are paying to buy insurance protection.
	Other ongoing costs	0.89%	The impact of the costs that we take each year for managing your investment.
Incidental costs	Performance Fee	0.00%	Performance fees are not charged by the ETC.
	Carried interests	0.00%	There is no carried interest.

* Applicable to secondary market investors however secondary market investors will deal directly with a broker participant or via a stock exchange and will pay fees charged by their broker. Dealing spreads are publicly available on exchanges on which the shares are listed, or can be obtained from stock brokers. Please refer to your broker, financial adviser or distributor for the actual charges.

How long should I hold it and can I take money out early?

Recommended holding period: Five (5) years. You will be able to sell this product at any time on the stock exchanges where it is listed; however, the amount you receive may be less than the amount you could expect to receive.

How can I complain?

Should you have any complaints about the ETC or the manufacturer, please send your complaints in writing for the attention of the General Counsel by post or email (details set out below) and your complaints will be addressed accordingly.

UK Postal address: City Tower, 40 Basinghall St, London, EC2V 5DE

Ireland Postal address: 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, D01 P767, Ireland

Email: complaints@hanetf.com

Other relevant information

This document may be updated from time to time. Updated and additional documentation in relation to the product and in particular the prospectus is published on the following website www.hanetf.com, in accordance with relevant legal requirements. In order to obtain more detailed information, and in particular details of the structure of and risks associated with an investment in the product, you should read these documents. The information contained in this KID does not constitute a recommendation to buy or sell the product and is no substitute for individual consultation with the investor's bank or advisor. The KID is a pre-contractual document which gives you the main information about the product (characteristics, risks, costs, etc.). The cost, performance and risk calculations included in this KID follow the methodology prescribed by UK and EU rules.