

CTWO

COtwo Advisors Physical European Carbon Allowance Trust ETF of Beneficial Interest

Fund Description

CTWO is a trust that provides exposure to the price of EU carbon allowances (EUAs). It holds physical EUAs in the EU registry, allowing investors to track carbon prices via shares, minus fees and expenses.

FactSet Analyst Report

CTWO is a physically backed trust designed to reflect the market price of European Union Allowances (EUAs), which are government-issued permits required for companies to emit carbon under the EU's cap-and-trade program. The trust holds EUAs in the official Union Registry and follows a passive, buy-and-hold strategy with no active trading or use of derivatives. Shares are created and redeemed in baskets of 50,000 through authorized participants in exchange for EUAs. The trust's value is based on the daily settlement price of EUA futures, and EUAs may be sold only to pay expenses. By avoiding futures, CTWO sidesteps roll out costs, price decay, and frequent taxable events. It also offers trading access outside European market hours and may influence future EUA supply under EU policy. The structure is transparent, tax-efficient, and directly tied to carbon market dynamics, with no screens, weights, or selection beyond holding the permits themselves.

