EU Sustainable Finance Disclosure Regulation (the SFDR) – Future of European Defence UCITS ETF (the Sub-Fund), a sub-fund of HANetf ICAV

Sub-Fund Website Disclosure

1 **SUMMARY**

No Sustainable Investment Objective	The Sub-Fund promotes environmental and social characteristics but does not have sustainable investment as its investment objective.
Environmental or social characteristics of the financial product	The Sub-Fund promotes environmental and social characteristics by seeking to track the VettaFi European Future of Defence Screened Index (the **Index**). The Index methodology excludes investment in companies that violate United Nations Global Compact principles (the **UNGC Principles**) or the Organisation for Economic Cooperation Guidelines for Multinational Enterprises (the **OECD Guidelines**). This helps to avoid investments that, at a minimum, do not meet social and environmental norms with regards to human rights, labour rights, and anti-corruption, as well as the prevention of environmental degradation. It also promotes: (i) human rights by avoiding investment in controversial weapons-related activities, in particular, the production, development or maintenance of anti-personnel mines, biological or chemical weapons, cluster munitions, depleted uranium, or any other weapon that violates humanitarian principles through normal use and, in the absence of certain safeguards, the production of nuclear weapons, that can cause widespread harm or violate human rights; (ii) health and avoidance of harm due to significant and well-documented public health risks associated with tobacco use; and (iii) climate change mitigation and avoidance of harm to the environment arising from the use of thermal coal.

Investment Strategy	The Sub-Fund will adopt a "passive management" investment strategy and will seek to employ a replication methodology, meaning as far as possible and practicable, it will invest in all of the securities in proportion to the weightings comprising the Index. The Index methodology excludes companies which violate UNGC Principles or OECD Guidelines, are linked to, or derive any percentage of their revenues from controversial weapons, nuclear weapons, tobacco or thermal coal (the **Exclusionary Criteria**).
Proportion of Investments	The Sub-Fund invests at least 90% of its net assets in investments that are aligned with the environmental and social characteristics promoted by the Sub-Fund. Up to 10% of the Sub-Fund's investments are not aligned with these characteristics.
Monitoring of environmental or social characteristics	Companies that fail the screening process will be excluded from the Index Universe. The Investment Manager performs a regular assessment of the alignment of the Sub-Fund's environmental and social characteristics with the Index, which takes account of the good governance criteria embedded in the Index methodology. The Index is adjusted and rebalanced on a quarterly basis in January, April, July and October. Securities which do not meet the environmental and social characteristics will be removed from the Index.
Methodologies	The Sub-Fund employs a replication methodology, meaning as far as possible and practicable, it invests in all of the securities in proportion to the weightings comprising the Index, which is comprised of a global investable universe of securities of publicly listed companies headquartered in European NATO countries that generate revenues from the defence (including cyber defence) sector. The Index promotes environmental and social characteristics by applying the Exclusionary Criteria.
Data sourcing and processing	The Investment Manager evaluates companies eligible for inclusion in the Index based on ESG screens, with any companies violating any of the ESG screens excluded from the Index Universe. The ESG screening is based on research and data provided by VettaFi LLC (the **Index Provider**). Companies for which an evaluation cannot be made due to insufficient and/or missing data will also be excluded from the Index Universe.
Limitations to methodologies and data	Information from third party data or research providers may be incomplete, inaccurate or unavailable. This in turn may result in the incorrect inclusion or exclusion of a company in the Sub-Fund.
Due Diligence	A due diligence process to identify eligible assets for investment by the Sub-Fund is integral to the selection methodology employed by the Investment Manager.
Engagement Policies	The current policy of the Manager in relation to Sub-Fund is not to exercise voting rights relating to instruments invested in by the Sub-Fund. The Investment Manager may engage directly with the companies invested in by the Sub Fund.
Designated Reference Benchmark	The Index has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the Sub-Fund. Information on the Index can be found at https://www.vettafi.com/indexing/index/armys

2 NO SUSTAINABLE INVESTMENT OBJECTIVE

The Sub-Fund promotes environmental and social characteristics but does not have as its objective sustainable investment.

3 ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

The Sub-Fund promotes environmental and social characteristics by seeking to track the Index. The Index methodology excludes investment in companies that violate UNGC Principles or the OECD Guidelines. This helps to avoid investments that, at a minimum, do not meet social and environmental norms with regards to human rights, labour rights, and anti-corruption, as well as the prevention of environmental degradation.

By applying the Exclusionary Criteria, the Sub-Fund also promotes:

- human rights by avoiding investment in controversial weapons-related activities, in particular, the production, development or maintenance of anti-personnel mines, biological or chemical weapons, cluster munitions, depleted uranium, or any other weapon that violates humanitarian principles through normal use and, in the absence of certain safeguards, the production of nuclear weapons, that can cause widespread harm or violate human rights;
- health and avoidance of harm due to significant and well-documented public health risks associated with tobacco use; and
- climate change mitigation and avoidance of harm to the environment arising from the use of thermal coal.

4 INVESTMENT STRATEGY

The Sub-Fund will adopt a “passive management” investment strategy and will seek to employ a replication methodology, meaning as far as possible and practicable, it will invest in all of the securities in proportion to the weightings comprising the Index which is comprised of a global investable universe of securities of publicly listed companies headquartered in European NATO countries that generate revenues from the defence (including cyber defence) sector. The Index methodology excludes companies which violate UNGC Principles or OECD Guidelines, are linked to, or derive any percentage of their revenues from controversial weapons, nuclear weapons, tobacco or thermal coal.

5 PROPORTION OF INVESTMENTS

The Sub-Fund invests at least 90% of its net assets in investments that are aligned with the environmental and social characteristics promoted by the Sub-Fund.

Up to 10% of the Sub-Fund's investments are not aligned with these characteristics. These investments may include ancillary liquid assets, money market instruments, investments in ETFs authorised as UCITS, futures, currency swaps and currency forwards. It may also include securities which no longer meet the environmental and/or social criteria described above but will not be removed from the Index until the next Index rebalance.

6 MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

Companies that fail the screening process will be excluded from the Index Universe. The Investment Manager performs a regular assessment of the alignment of the Sub-Fund’s environmental and social characteristics with the Index, which takes account of the good governance criteria embedded in the Index methodology.

The Index is adjusted and rebalanced on a quarterly basis in January, April, July and October. The Index seeks to ensure compliance with the Exclusionary Criteria at each balance or review date.

7 METHODOLOGIES

The Sub-Fund employs a replication methodology, meaning as far as possible and practicable, it invests in all of the securities in proportion to the weightings comprising the Index, which is comprised of a global investable universe of securities of publicly listed companies headquartered in European NATO countries that generate revenues from the defence (including cyber defence) sector. The Sub-Fund may, from time to time, use a sampling methodology under various circumstances.

The Index promotes environmental and social characteristics by applying the Exclusionary Criteria.

8 DATA SOURCES AND PROCESSING

The Investment Manager evaluates companies eligible for inclusion in the Index based on ESG screens, with any companies violating any of the ESG screens excluded from the Index Universe. The ESG screening is based on research and data provided by the Index Provider. Companies for which an evaluation cannot be made due to insufficient and/or missing data will also be excluded from the Index Universe.

9 LIMITATIONS TO METHODOLOGIES AND DATA

Information from third party data or research providers may be incomplete, inaccurate or unavailable. This in turn may result in the incorrect inclusion or exclusion of a company in the Sub-Fund.

10 DUE DILIGENCE

A due diligence process to identify eligible assets for investment by the Sub-Fund is integral to the selection methodology employed by the Investment Manager.

11 ENGAGEMENT POLICIES

The current policy of the Manager in relation to Sub-Fund is not to exercise voting rights relating to instruments invested in by the Sub-Fund. The Investment Manager may engage directly with the companies invested in by the Sub Fund.

12 WHERE AN INDEX IS DESIGNATED AS A REFERENCE BENCHMARK TO ATTAIN THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS PROMOTED BY THE FINANCIAL PRODUCT, DESIGNATED REFERENCE BENCHMARK

The Index has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the Sub-Fund. Information on how the Index is aligned with environmental and social characteristics promoted by the Sub-Fund, including the input data, methodologies used to select those data, the rebalancing methodologies and how the Index is calculated can be found here: https://www.vettafi.com/indexing/index/armys.