

Target Market Assessment for the Guinness Sustainable Energy UCITS ETF



Guinness Asset Management Ltd ("GAM")

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1. Introduction

Guinness Asset Management Limited (GAM) is an independent Investment Management firm, specialising in long-only equity funds and private equity investments. Our product range includes the Guinness Sustainable Energy UCITS ETF, which is the subject of this Target Market Assessment.

The Guinness Sustainable Energy UCITS ETF is a sub-fund of HANetf ICAV, an Irish collective asset-management vehicle umbrella fund with segregated liability between sub-funds which is registered in Ireland by the Central Bank of Ireland and authorised under the UCITS Regulations.

As a UCITS fund, the fund adheres to the stringent investment and borrowing restrictions set out in the UCITS Regulations, which have been designed to ensure adequate diversification of investment and high standards of risk management. The fund is therefore deemed suitable for investment by all eligible investors, be they retail clients, professional clients or eligible counterparties ("ECP"). The fund is predominantly sold via financial intermediary channels, which can be accessed by the aforementioned types of clients.

Under Principle 12 (Consumer Duty), we must act to deliver good outcomes for retail customers, including the product and services outcome. For GAM, a retail client is a client who is not a professional client or an eligible counterparty, as set out in the Conduct of Business Sourcebook (COBS) 3.4.1. A professional client is a client that is either a per se professional client or an elective professional client, as set out in COBS 3.5.1. An eligible counterparty is a client that is either a per se eligible counterparty or an elective eligible counterparty, as set out in COBS 3.6.1.

GAM has been identified as the manufacturer and distributor of this product.

The Consumer Duty ("the Duty") applies to all firms that have a material influence over, or determine the outcome for retail customers. Therefore, as a manufacturer, the Duty does apply to GAM.

As we are a product manufacturer, our product approval procedures must specify the target market for the product at a sufficiently granular level, taking into account the characteristics, risk profile, complexity and nature of the product according to the FCA Handbook PRIN 2A.3.4.

Therefore, we are required to conduct target market assessments, maintain proper documentation for the assessments and review them regularly.

2. Our approach

Our target market assessment will identify:

- **the positive market:** clients where their needs, characteristics and objectives fit with the product; and
- **the negative market:** clients where their needs, characteristics and objectives do not fit with the intended product.

The target market needs to be at a sufficiently granular level, which can be challenging if we are designing a product to meet a broad range of investors. If a client requests a tailor-made product, then the target market is that client, unless we foresee distributing the product to other clients.

The criteria we use cover five categories:

- the type of client to whom the product is targeted (retail or professional or Eligible Counter Parties (ECP))
- the client's knowledge and experience
- the client's ability to bear losses
- the client's risk tolerance compared with the risk/reward profile of the product
- the client's objectives and needs

As product manufacturer and distributor, we only need to produce one target market assessment but for every product, or group of products we manufacture, or investment

service we distribute, we should ensure that it falls within a current target market assessment or we complete a new one.

The Compliance team is responsible for producing the target market assessments and ensuring they are signed off appropriately.

Our target market assessment template can be found in the [Annex](#) and will be kept under review and updated as and when required.

Annex: Target market assessment (product specific)

Product/Group of products Guinness Sustainable Energy UCITS ETF		
	Positive Target Market	Negative Target Market
Type of client	Retail / Professional / ECP	Retail / Professional / ECP
Knowledge and experience	Given the nature of the Fund (non-complex UCITS fund), the Fund is compatible with those clients who have basic investment knowledge and experience, including knowledge of collective investment schemes and the asset classes in which the Fund may invest.	The Fund is deemed incompatible with investors who do not have basic investment knowledge and experience, unless they are receiving professional advice.
Financial situation/loss capacity	As the value of the Fund can go down as well as up, the Fund is compatible with investors who can bear capital losses of up to the amount invested. Investment in the Fund is suitable only for investors who are able to sustain a loss on their investment, for whom such investment does not represent a complete investment programme and who believe that the investment is suitable for them based upon their investment objectives and finance needs. Investment in the Fund should be viewed as medium to long term.	The Fund is deemed incompatible with investors who are seeking guaranteed full or partial capital protection, who do not have sufficient resources to bear any losses resulting from the investment, e.g. due to low/erratic income, low savings, over-indebtedness.
Risk tolerance	Investment in the Fund is suitable only for investors who understand the degree of risk involved (as detailed under the section of the Prospectus and Supplement headed "Risk Factors"). Typical investors in the Fund are expected to be investors who want to take exposure to the markets covered by the Fund's investment policy and are prepared to accept the risks associated with an investment of this type, including the volatility of such markets.	The Fund is deemed incompatible with investors who are fully risk averse and have no or low tolerance for risk or are unable to evaluate the risks and merits of the relevant product.

Client objectives and specific needs	Investment in the Fund is suitable for investors seeking capital growth over the long term, including investors who seek to invest in securities of companies involved in sustainable energy or energy technology sectors. e. We have considered whether this product has features that could risk harm for any group of customers, including those with characteristics of vulnerability. We recognise that within the target market for this product, there may be groups of customers with characteristics of vulnerability. In order to avoid causing foreseeable harm to customers in the target market, including groups with characteristics of vulnerability, we encourage customers to share information about their needs or circumstances, where relevant, and we have systems and processes in place that enable customers to disclose their needs, if they choose. We also support our staff to identify signs of vulnerability through training and resources and we seek relevant information from our distribution partners as appropriate. We may also engage with customers and other parties and organisations to further enhance our understanding of the needs of customers with characteristics of vulnerability in the target market.	The Fund is deemed incompatible with investors who are: (i) seeking guaranteed full or partial capital protection. (ii) fully risk averse and have no or low tolerance for risk. (iii) investors whose primary objective is short-term capital preservation. (iv) US persons (The ICAV's shares will only be available to US Persons who are "qualified institutional investors" under Rule 144A under the Securities Act and "qualified purchasers" within the meaning of Section 2(a)(51) of the Investment Company Act of 1940 and who make certain representations).*
Our distribution approach	The Fund is eligible for all distribution channels (e.g. execution only, non-advised sales, advised sales and portfolio management).	

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- *Under U.S. law:
 - *Qualified Institutional Buyers (QIBs)* under Rule 144A are institutional investors (e.g., banks, insurance companies, funds) that own and invest at least USD 100 million in unaffiliated securities.
 - *Qualified Purchasers (QPs)* under Section 2(a)(51) of the Investment Company Act are investors (including individuals) owning USD 5 million (individuals/families) or USD 25 million (institutions) in investments.

These categories are distinct and relate respectively to eligibility for secondary market transactions (Rule 144A) and private fund investments (3(c)(7) funds).