# Huntington EcoLogical Strategy ETF

## Quick Facts About Huntington EcoLogical Strategy ETF

ETF MANAGER
Brian Salerno

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### Q What is the objective and strategy of Huntington EcoLogical Strategy ETF?

**A** The Huntington EcoLogical Strategy ETF seeks long-term capital appreciation as its primary objective. To accomplish this objective, we actively manage the investments in the exchange traded fund ("ETF"); that means we continually review and make decisions about the companies we invest in, not just match an index.

In selecting our investments, we look for companies that develop clean technology products that we believe will gain market share from incumbent products. We seek companies recognized as good environmental stewards who also are good stewards of investor capital.

As a whole, companies with these characteristics tend to be more seasoned and have sound, profitable business models. We believe the companies we select are positioned to take advantage of continuing changes in laws, consumer behavior and business investments, which have the potential to result in competitive advantages over other, less environmentally-friendly companies.

### Q What makes this strategy different from other "green" funds?

**A** Our focus on a logical view of the world makes Huntington's strategy for this ETF different from other green investment options. In fact, we've capitalized the "Logical" in our name to stress our disciplined, active approach to investing.

Many green funds tend to emphasize nascent technologies like wind and solar simply because they are clean, without regard to whether that's a logical investment. Our approach looks at those opportunities, but then applies logic around whether or not that company is producing products that are affordable and accessible by broad markets. For example, we'd be more likely to invest in companies designing products that make today's cars more fuel efficient than in an electric car battery manufacturer with limited market opportunities, low profits and high prices.

Similarly, some investment strategies classified as "socially responsible investing (SRI)" strategies may screen for companies that rank high on certain SRI scoring systems that assign weights to corporate policies and practices, without regard for the products the company produces. It is entirely possible, for example, to own coal and oil stocks inside an environmentally screened index. The Huntington EcoLogical Strategy ETF's approach recognizes the credibility of well-established SRI screens, but we apply our own "sniff" test as to the appropriateness of individual security investments.

### Q What types of securities are included in the Huntington EcoLogical Strategy ETF?

**A** The ETF holds stocks from companies of all sizes, from small to large. These companies represent a widely-diversified set of industries that we believe will benefit from increased interest in environmental consciousness. We include companies that have demonstrated exceptional environmental stewardship as well as those that provide products and services that advance green practices.

**Q** **How are the securities chosen and allocated?**

**A** Our investment process begins with Huntington's overall economic outlook. This top-down process influences the mix of industry sectors we look at for investments. Then, starting with a 500-600 stock universe that includes both clean technology and good citizens, we apply the same fundamental screens and processes used by Huntington Asset Advisors Inc., investment advisor to Huntington Strategy Shares, across all our investment strategies to select approximately 60 stocks for the ETF.

We look for demonstrated growth, profit and return on capital to distill the stocks we believe are best positioned for future appreciation while helping the world enjoy a better environment. We maintain a long-term perspective, buying stocks we expect to hold for at least three years.

**Q** **What is the sell discipline?**

**A** We use a disciplined process to guide our decisions to trim or sell a stock position. For example, if a particular stock is doing very well, the percent of the portfolio invested in that stock might grow larger than we would like. In this case, we might sell a portion of our position. On the other hand, we might sell if we develop some concerns about a company and want to reduce or eliminate our exposure. And, of course, if a stock fulfills our growth expectations and we are ready to move on, or whenever we determine that a stock is not likely to provide the return we had expected, we will sell it outright. Should a company begin to engage in environmentally harmful practices, we would not retain it in the ETF.

**Q** **Some investors believe that green investing may carry too much risk. How does this ETF attempt to limit risk?**

**A** Many green funds are primarily invested in alternative energy companies or specific clean tech industries. We view this approach as far too limited and volatile for most investors. We diversify our holdings across many more industries and include larger, more stable companies that are known for environmental leadership. Our approach attempts to make the ETF more correlated to market indices like the S&P 500 than specific green funds that target clean tech.

**Q** **Who is the ETF manager?**

**A** Brian Salerno manages Huntington EcoLogical Strategy ETF. He joined the Huntington National Bank in 2005 and has two decades of experience in the investment management industry, beginning his career as a securities analyst. Before joining Huntington, Brian managed a technology mutual fund for nine years. He earned his MBA from The Ohio State University and holds the Chartered Financial Analyst designation.

**Q** **How do I invest?**

**A** As with any ETF, the Huntington EcoLogical Strategy ETF is bought and sold like a stock. You may purchase shares through your personal broker, online broker or financial advisor. (Ticker Symbol: HECO)



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