

Hedge Invest International Funds plc (the “Company”)
Disclosure of Principal Adverse Impacts Policies (the “PAI Statement”)

9 March 2021

- **Introduction**

The Sustainable Finance Disclosure Regulation (EU) 2019/2088 (the “SFDR”) intends to provide harmonised disclosure requirements for investment products. The SFDR lays down harmonised rules for ‘financial market participants’ on transparency with regard to the integration of sustainability risks and the consideration of adverse sustainability impacts in their processes and the provision of sustainability-related information with respect to financial products. For the purposes of this PAI Statement, ‘**financial market participant**’ means the Company and ‘**financial products**’ mean each sub-fund of the Company.

The Company is an open-ended investment company and is organised in the form of an umbrella fund with multiple sub-funds (the “Funds”). The Company delegates portfolio management to Hedge Invest SGR p.A. (the “**Investment Manager**”) which in turn delegates portfolio management functions for certain Funds to other investment managers (the “**Sub-Investment Managers**”). This PAI Statement describes how the Investment Manager and the Sub-Investment Managers considers, in respect of applicable Funds, the principal adverse impacts of investment decisions on sustainability factors, taking due account of the size, nature and scale of their activities and the type of Fund under management. ‘**Sustainability Factors**’ mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **Consideration of Principal Adverse Impacts of Investment Decisions on Sustainability Factors**

The Company does not currently take a uniform approach to the consideration of a defined set of Sustainability Factors in respect of all or a majority of the Funds and it does not consistently evaluate the principal adverse impacts of investment decisions made in respect of each such Fund based on those Sustainability Factors.

The regulatory environment in which the Company is operating is evolving and the expectations of competent regulatory authorities regarding how Sustainability Factors and their adverse impacts should be defined and evaluated are not yet clear. As such, there is no definitive guidance available at this time in relation to the systems, controls and measures that would need to be put in place in order to provide a ‘Principal Adverse Impacts Statement’ at the level of the Company. In light of these circumstances, and in particular taking due account of the size, nature and scale of activities and the Funds, as well as the investment approaches and considerations of the Investment Manager and Sub-

Investment Managers, the Company has decided not to voluntarily comply with the principal adverse impact reporting requirements at the level of the Company but will continue to keep this decision under review as the expectations of the regulatory authorities become clearer and the regulatory guidance and industry consensus on measures that would need to be taken to comply with the requirements further evolve.

The Investment Manager and each Sub-Investment Manager has a different approach in relation to the consideration of principal adverse impacts of investment decisions on Sustainability Factors, taking due account of the size, nature and scale of their activities and the types of financial products they make available and, accordingly, the Company, in respect of certain Funds, will provide a 'Principal Adverse Impacts Statement' with respect to such Funds in accordance with the policies described below.

Hedge Invest SGR p.A.

The Investment Manager manages the assets of HI Smart Portfolio. HI Smart Portfolio pursues a fund of funds investment strategy in seeking to achieve its investment objective.

The Investment Manager will construct the portfolio by focusing on three three different components: long-only equity strategies, alternative strategies and hedging overlay. The Investment Manager periodically adjusts the exposure to the three different components, based on an assessment of the current market conditions and of the medium term outlook for global equity markets.

The Investment Manager integrates sustainability considerations into its investment process and disclosure with respect to its integration of sustainability risks can be found here: www.hedgeinvest.it

The Investment Manager does not, however, currently consider the principal adverse impacts of its investment decisions on Sustainability Factors.

BennBridge Ltd.

The Investment Manager has delegated the management of the assets of HI European Market Neutral Fund to BennBridge Ltd. ("**BennBridge**"). HI European Market Neutral Fund pursues an equity strategy in seeking to achieve its investment objective.

BennBridge's investment approach is based on stock selection using a focused, research driven approach. The investment universe includes all European companies with no restriction relating to market capitalisation. Typically the largest components of the Fund's portfolio will be mid-sized and large capitalisation companies.

Sustainability risks, whilst not considered in depth or specifically, are considered as part of an overall assessment of an investment's prospects and risks. This approach applies to all investments undertaken by the strategy.

BennBridge integrates sustainability considerations into its investment process and disclosure with respect to its integration of sustainability risks can be found here: www.hedgeinvest.it

BennBridge does not, however, currently consider the principal adverse impacts of its investment decisions on Sustainability Factors.

Numen Capital LP

The Investment Manager has delegated the management of the assets of HI Numen Credit Fund to Numen Capital LP ("Numen"). HI Numen Credit Fund pursues fixed income strategy in seeking to achieve its investment objective.

Numen intends to achieve the investment objective and policies of the Fund by relying on bottom-up fundamental research based on an assessment of quantitative and qualitative factors, including balance sheet; cash-flow and cash generation potential; dividend yield and its sustainability; revenue and earnings estimate; competitive advantages in its own sector; quality of management, including analysis of professional skills and ethical behaviour and financial and technical ratios appropriate to industry and sector and on top-down macro research including global macroeconomic fundamentals, political environment and world industry and consumer trends.

Numen integrates sustainability considerations into its investment process and disclosure with respect to its integration of sustainability risks can be found here: www.hedgeinvest.it

Numen does not, however, currently consider the principal adverse impacts of its investment decisions on Sustainability Factors.

Sibilla Capital Management LLC

The Investment Manager has delegated the management of the assets of HI Sibilla Macro Fund to Sibilla Capital Management LLC ("**Sibilla**"). HI Sibilla Macro Fund pursues a global macro strategy of investment in equities and credit instruments in seeking to achieve its investment objective.

Sibilla utilises an active top down approach which incorporates thematic views, which consist of top-down macro calls resulting from the convergence of the Sibilla's fundamental and technical processes and encompass determining the overall risk level in the market and are the base for forming its investment decisions. Sibilla makes investments when discretionary and quantitative measures

confirm a view, while Sibilla will generally not execute or will seek relatively smaller positions in the applicable investments when tools suggest a conflicting view.

Sibilla integrates sustainability considerations into its overall risk assessment of investments and disclosure with respect to its integration of sustainability risks can be found here: www.hedgeinvest.it

Sibilla does not, however, currently consider the principal adverse impacts of its investment decisions on Sustainability Factors.

Emerging Markets Investment Management Limited

The Investment Manager has delegated the management of the assets of HI EMIM Africa Fund to Emerging Markets Investment Management Ltd. ("**EMIM**"). HI EMIM Africa Fund seeks to invest in equities whose business benefits from the economic development in Africa and in government and corporate African bonds to seek to achieve its investment objective.

EMIM will typically employ fundamental analysis which evaluates the underlying determinants that affect the price of securities. Factors within such analysis include both microeconomic and macroeconomic variables that can influence the price of a given security or set of securities.

EMIM integrates sustainability considerations into its broad investment process and disclosure with respect to its integration of sustainability risks can be found here: www.hedgeinvest.it

EMIM does not, however, currently consider the principal adverse impacts of its investment decisions on Sustainability Factors.

Schedule

Investment Manager / Sub-Investment Manager	Application to the Funds
Hedge Invest SGR p.A.	HI Smart Portfolio
BennBridge Ltd.	HI European Market Neutral Fund
Numen Capital LLP	HI Numen Credit Fund
Sibilla Capital Management LLC	HI Sibilla Macro Fund
Emerging Markets Investments Limited	HI EMIM Africa Fund