SFDR Article 8 (Sub-)Funds – Website Disclosures Sections based on Articles 23 to 36 SFDR Delegated Regulation (EU) 2022/1288

Full name of the Article 8 sub-fund: HI CIFC Sustainable Global Bond Fund (the "**Fund**")

Legal entity identifier: 549300GUWR1D7WDHIS80

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Disclaimer: The present working document may be subject to further regulatory changes.

Sustainability-related disclosures

Summary

The EU Sustainable Finance Disclosure Regulation (EU) 2019/2088 (**"SFDR"**) requires certain EU-regulated entities (including Carne Global Fund Managers (Ireland) Limited) to disclose sustainability-related information on a public website for certain financial products. This website statement is the transparency disclosure with respect to the Fund for the purposes of Article 10 of SFDR and, accordingly, is available at the following website: https://www.hedgeinvest.it/SchedaProdotto.aspx?tabid=335&id=200

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

The Fund promotes the environmental and social characteristic of financing of sustainable initiatives through investment in "ESG Bonds" as recognised by the International Capital Market Association (the "**ICMA**") (the "**Sustainability Characteristic**").

"ESG Bonds" are ''green'' bonds or sustainability-linked bonds ("**SL bonds**"), or other debt and debt-related securities that promote environmental or social characteristics (or a combination of both) as identified by the ICMA.

Green bonds are any type of bond instrument, as recognised by the ICMA's green bond principles, where the proceeds or an equivalent amount will be exclusively applied to finance or re-finance new and/or existing eligible green projects, which contribute to environmental objectives such as climate change mitigation, climate change adaptation, natural resource conservation, biodiversity conservation and pollution prevention and control.

SL bonds are any type of bond instrument, as recognised by the ICMA's sustainability-linked bond principles, for which the financial and/or structural characteristics can vary depending on whether the issuer achieves predefined sustainability or environmental, social and governance objectives. Issuers of SL bonds commit to future improvements in sustainability outcomes within a defined timeline (as set out in the bond documentation) and set key performance indicators that are material to the issuer's sustainability strategy and which are quantifiable on a consistent basis, are externally verifiable and are able to be benchmarked.

The green bonds and SL bonds in which the Fund invests may be labelled or unlabelled. Labelled bonds are typically verified by a third party, which certifies that the bond will fund projects that include environmental benefits or the sustainability targets of the issuer, as applicable. Unlabelled bonds are issued without such formal certification.

The Fund will seek to achieve its investment objective through investment, either directly or indirectly, in debt and debt-related securities of issuers primarily in the U.S. and Europe.

The Fund's investments will target at least a 30% exposure to ESG Bonds (primarily through direct investments) thereby ensuring the promotion of the Sustainability Characteristic is implemented in the investment strategy on a continuous basis. The remaining investments in the Fund are used to attain the investment objective of generating long-term risk-adjusted returns (and for liquidity and hedging purposes).

The Sub-Investment Manager is a signatory to the UN Principles for Responsible Investment the "**UNPRI**"). As a signatory to the UNPRI the good governance practices of investee companies are assessed, relying upon data provided by a third-party (such as RepRisk), prior to making an investment and periodically thereafter. The RepRisk data includes matters such as: executive compensation issues, misleading communication, fraud, tax evasion, tax optimization, anti-competitive practices and corruption, bribery, extortion or money laundering matters.

The Sub-Investment Manager relies on third party ESG scores of an issuer, and in the case of labelling of ESG Bonds, third-party labels as such, to assess and monitor its investments and to determine compliance with the ICMA principles.

The sustainability indicator for the Sustainability Characteristic is an investment's adherence to the ICMA principles. The ICMA principles (for both green bonds and SL bonds) provide guidelines that recommend structuring features, disclosure and reporting with a view to driving the provision of information needed to increase capital allocation to sustainable products. Issuers should maintain readily available and up-to-date information on projects to which the bond proceeds have been allocated, as well as a brief description of those projects, the amounts allocated and their expected impact. Issuers should use qualitative performance indicators and, where feasible, quantitative performance measures and disclosure of the key underlying methodology use in any quantitative determination.

In terms of measurement, investments that adhere to the ICMA principles will be considered to have attained the Sustainability Characteristic.

With respect to investment in ESG Bonds, the Sub-Investment Manager will rely on the third-party verification of labelled green bonds, and, from time to time, the Sub-Investment Manager's characterization of an unlabelled green bond or SL bond to determine compliance with ICMA principles. Third-party verification sources may vary. Furthermore, the Sub-Investment Manager will rely upon the most recent information available from a third-party source in characterising a bond as an ESG Bond, which may be stale.

The Sub-Investment Manager does not independently verify the data provided or assessments carried out by third-parties. The underlying data is also reliant on the data collection and research policies of the third party source. Availability of data can also be affected by the reporting practices of the issuers of the ESG Bonds. Accordingly, there can be lags in the updating of data when newer information is incorporated into the data set. Additionally, the data reflects the judgments of the third-party data provider to the extent that data is estimated or derived from reported data.

The Sub-Investment Manager's credit process is based on a fundamentals-focused model combined with relative-value evaluation and capital markets risk management techniques.

The Sub-Investment Manager's analysts are focused on different industry sectors and source, analyse and recommend investments from their respective sectors. Additionally, they monitor all existing portfolio positions for changes in performance and relative-value, as well as industry trends and issuers not in the Fund's portfolio.

Engagement is not part of the investment strategy with respect to the Sustainability Characteristic.

A reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

No sustainable investment objective

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

Environmental or social characteristics of the financial product

The Fund promotes the environmental and social characteristic of financing of sustainable initiatives through investment in “ESG Bonds” as recognised by the International Capital Market Association (the "**ICMA**") (the “**Sustainability Characteristic**”).

“ESG Bonds” are ‘‘green’’ bonds or sustainability-linked bonds (“**SL bonds**”), or other debt and debt-related securities that promote environmental or social characteristics (or a combination of both) as identified by the ICMA.

Green bonds are any type of bond instrument, as recognised by the ICMA's green bond principles, where the proceeds or an equivalent amount will be exclusively applied to finance or re-finance new and/or existing eligible green projects, which contribute to environmental objectives such as climate change mitigation, climate change adaptation, natural resource conservation, biodiversity conservation and pollution prevention and control.

SL bonds are any type of bond instrument, as recognised by the ICMA's sustainability-linked bond principles, for which the financial and/or structural characteristics can vary depending on whether the issuer achieves predefined sustainability or environmental, social and governance objectives. Issuers of SL bonds commit to future improvements in sustainability outcomes within a defined timeline (as set out in the bond documentation) and set key performance indicators that are material to the issuer's sustainability strategy and which are quantifiable on a consistent basis, are externally verifiable and are able to be benchmarked.

The green bonds and SL bonds in which the Fund invests may be labelled or unlabelled. Labelled bonds are typically verified by a third party, which certifies that the bond will fund projects that include environmental benefits or the sustainability targets of the issuer, as applicable. Unlabelled bonds are issued without such formal certification.

Investment strategy

The Fund will seek to achieve its investment objective through investment, either directly or indirectly, in debt and debt-related securities of issuers primarily in the U.S. and Europe. The Fund is actively managed and is not managed in reference to a benchmark.

Investment in debt and debt-related securities will primarily focus on the US and European markets but may be on a global basis in any market, jurisdiction and/or industry. Accordingly, the portfolio of the Fund may consist of securities which are diversified or concentrated in a particular market, jurisdiction or industry. The Fund will not invest more than 15% of its Net Asset Value in securities of issuers incorporated in or whose principal operations are in emerging markets.

The Fund's investments will target at least a 30% exposure to ESG Bonds thereby ensuring the promotion of the Sustainability Characteristic is implemented in the investment strategy on a continuous basis.

The Sub-Investment Manager is a signatory to the UN Principles for Responsible Investment the "**UNPRI**"). As a signatory to the UNPRI the good governance practices of investee companies are assessed, relying upon data provided by a third-party (such as RepRisk), prior to making an investment and periodically thereafter. The RepRisk data includes matters such as: executive compensation issues, misleading communication, fraud, tax evasion, tax optimization, anti-competitive practices and corruption, bribery, extortion or money laundering matters.

Proportion of investments

The Fund's investments will target at least a 30% exposure to ESG Bonds. Such exposure will be obtained on a direct basis rather than indirectly through financial derivative instruments. Whilst the Fund does use derivatives as part of its investment strategy, the use of derivatives is not with a view to attaining environmental or social characteristics promoted by the Fund. The Fund does not intend to make sustainable investments at this time. The remaining investments in the Fund are used to attain the investment objective of generating long-term risk-adjusted returns (and for liquidity and hedging purposes).

Monitoring of environmental or social characteristics

The Sub-Investment Manager relies on third party ESG scores of an issuer, and in the case of labelling of ESG Bonds, third-party labels as such, to assess and monitor its investments and to determine compliance with the ICMA principles.

The Sub-Investment Manager's risk team oversees that the Fund's portfolio is being managed in accordance with the applicable guidelines through daily trade date compliance monitoring, automated post trade compliance reports, and where necessary manual rule reviews. The system is monitored daily by the risk team and the portfolio managers.

Methodologies for environmental or social characteristics

The sustainability indicator for the Sustainability Characteristic is an investment's adherence to the ICMA principles.

The ICMA principles (for both green bonds and SL bonds) provide guidelines that recommend structuring features, disclosure and reporting with a view to driving the provision of information needed to increase capital allocation to sustainable products. Issuers should maintain readily available and up-to-date information on projects to which the bond proceeds have been allocated, as well as a brief description of those projects, the amounts allocated and their expected impact. Issuers should use qualitative performance indicators and, where feasible, quantitative performance measures and disclosure of the key underlying methodology use in any quantitative determination.

In terms of measurement, investments that adhere to the ICMA principles will be considered to have attained the Sustainability Characteristic.

Data sources and processing

With respect to investment in ESG Bonds, the Sub-Investment Manager will rely on the third-party verification of labelled green bonds.. Third-party verification sources may vary. Furthermore, the Sub-Investment Manager will rely upon the most recent information available from a third-party source in characterising a bond as an ESG Bond, which may be stale. The Sub-Investment Manager does not independently verify the data provided or assessments carried out by third-parties.

Currently, the Sub-Investment Manager seeks to achieve its 30% target of investments in green or sustainable bonds by investing in bonds that are labelled "green" by Bloomberg.

Bloomberg's definition of what constitutes a market-accepted 'green' bond is based on the 2018 edition of the Green Bond Principles (GBP). The GBP are a voluntary set of guidelines established by the International Capital Markets Association to provide transparency, consistency and integrity in the green bond market. The GBP require bonds to satisfy four core pillars of the principles for them to be considered fully aligned. Bloomberg does not necessarily require full alignment to all four pillars for a Bloomberg Green Bond designation.

The below outlines certain key requirements of both Bloomberg and the GBP.

● The issuer or underwriter must clearly and publicly demonstrate in issuance documentation that the net proceeds will be used entirely to finance or refinance acceptable green projects or activities. Issuance Documentation includes Bond Term Sheets and Prospectuses.

● An issuer or underwriter must make a concerted effort to label the bond as a green bond or similar. Such efforts help to raise the profile of green bonds in the market and allow Bloomberg to more easily identify green bonds at or before issuance. Self-labelling of bonds can be done in official documentation and public press releases. Bloomberg encourages the use of public green labelling to promote transparency and scalability in the market. If a use-of-proceeds bond is not labelled as green, it may not be flagged for review.

While not required for GBP alignment (or the Bloomberg tag), disclosing a third-party review of a green bond or green bond framework enhances the credibility of the security and issuer. Bloomberg tracks the use of an external reviewer for each green bond. Bloomberg collects four types of assurance (external reviews) for use-of-proceed bonds: (1) second party opinion, (2) third-party certification (3) green bond auditor and (4) green bond rating.

The Sub-Investment Manager relies solely upon the Bloomberg designations at this time. Pre trade compliance is programmed to take account of bonds that are labelled green by Bloomberg and track holdings of such bonds.

Limitations to methodologies and data

The Sub-Investment Manager will rely upon the most recent information available from a third-party source in characterising a bond as an ESG Bond, which may be stale. The underlying data is also reliant on the data collection and research policies of the third-party source. Availability of data can also be affected by the reporting practices of the issuers of the ESG Bonds. Accordingly, there can be lags in the updating of data when newer information is incorporated into the data set. Additionally, the data reflects the judgments of the third-party data provider to the extent that data is estimated or derived from reported data.

Due diligence

The Sub-Investment Manager's credit process is based on a fundamentals-focused model combined with relative-value evaluation and capital markets risk management techniques.

The Sub-Investment Manager's analysts are focused on different industry sectors and source, analyse and recommend investments from their respective sectors. Additionally, they monitor all existing portfolio positions for changes in performance and relative-value, as well as industry trends and issuers not in the Fund's portfolio. The analysts evaluate the below (none of which are determinative) when assessing potential investment opportunities and determining whether they are suitable investments for the Fund:

(i) Global Macroeconomic Outlook – a view on the global economy as a whole, based on numerous factors, such as economic trends, fiscal policy, current and pending regulatory changes, and geo-political events, including an assessment of macro risks;

(ii) Credit Considerations – an assessment of fundamental value of an issuing entity by assessing macro factors (e.g. industry or sector in which the entity operates) and micro factors (e.g. management team and cash flows of the entity) with a view to determining an overall enterprise value;

(iii) Structural Considerations - an assessment of risks and protections derived from capital structure and debt structure of an issuing entity;

(iv) Relative Value - an assessment of an issue's value relative to other instruments or securities in the same capital structure or relative to the instruments of other comparable issuers);

(v) Catalyst/ Event Drivers – such as merger and acquisitions, restructurings, legislation or significant litigation, or industry specific trends; and

(vi) ESG Impact – (i) with respect to investments in green bonds or SL bonds, relying on the third-party verification of labelled green bonds. Third-party verification sources may vary. Furthermore, the Sub-Investment Manager will rely upon the most recent information available from a third-party source in characterising a bond as a green bond or an SL bond, which may be stale; and (ii) with respect to other investments, assessing information from third-party ESG research providers on ESG risks.

The Sub-Investment Manager will seek to manage risk, including both portfolio volatility and isolated idiosyncratic risk, through diversity, trading and hedging, as well as position sizing. Rigorous analysis is conducted at the individual position level and at the portfolio level, serving as the foundation of the risk management process. At the position level, the Sub-Investment Manager sources highly liquid investment ideas favouring solid underlying businesses for core long positions. The Sub-Investment Manager seeks positions with attractive risk/reward profiles by assessing probabilities and magnitude for maximum upside (e.g., aggressive or optimistic in nature) and downside (e.g., conservative or pessimistic in nature) scenarios and, if appropriate, assigns a specific hedge instrument. Additionally, the Sub-Investment Manager maintains an exit discipline on event occurrences or achievement of price targets. Finally, the Sub-Investment Manager (i) regularly analyses the financial condition and fundamental soundness of each issuer and assesses the value of each investment and (ii) tracks covenant compliance, ratings downgrades, price volatility, management changes, and macro trends which could impact the financial performance of the investments.

Engagement policies

Engagement is not part of the investment strategy with respect to the Sustainability Characteristic.

Designated reference benchmark

A reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.