

HEDGE INVEST INTERNATIONAL FUNDS PLC (THE "FUND")

SHAREHOLDER ENGAGEMENT POLICY

Introduction

Article 3g of Directive 2017/828/EU (“**SRD II**”) requires institutional investors¹ and asset managers² to develop and publicly disclose an engagement policy that describes how they integrate shareholder engagement in their investment strategy.

This policy describes how the Fund and/or the portfolio manager on behalf of the relevant Sub-Fund of the Fund (the “**Portfolio Manager**”):

- monitor investee companies on relevant matters, including strategy, financial and non-financial performance and risk, capital structure, social and environmental impact and corporate governance;
- conduct dialogues with investee companies;
- exercises voting rights and other rights attached to shares;
- co-operate with other shareholders; and
- manage actual and potential conflicts of interests in relation to their engagement.

Monitoring of and Dialogue with Investee Companies

The Portfolio Manager monitors investment exposure in investee companies through meetings with investor relations teams and/or management bodies of the respective investee company, where appropriate in light of the investment policy of the relevant Sub-Fund.

Individual investment teams within the Investment Manager may employ different styles and strategies when monitoring and engaging with investee companies. While not an exhaustive list, factors that may be taken into consideration, include: business strategy; risk management; environmental and social

¹ ‘institutional investor’ means: (i) an undertaking carrying out activities of life assurance within the meaning of points (a), (b) and (c) of Article 2(3) of Directive 2009/138/EC of the European Parliament and of the Council (4), and of reinsurance as defined in point (7) of Article 13 of that Directive provided that those activities cover life-insurance obligations, and which is not excluded pursuant to that Directive; (ii) an institution for occupational retirement provision falling within the scope of Directive (EU) 2016/2341 of the European Parliament and of the Council (5) in accordance with Article 2 thereof, unless a Member State has chosen not to apply that Directive in whole or in parts to that institution in accordance with Article 5 of that Directive.

² ‘asset manager’ means an investment firm as defined in point (1) of Article 4(1) of Directive 2014/65/EU that provides portfolio management services to investors, an AIFM (alternative investment fund manager) as defined in point (b) of Article 4(1) of Directive 2011/61/EU that does not fulfil the conditions for an exemption in accordance with Article 3 of that Directive or a management company as defined in point (b) of Article 2(1) of Directive 2009/65/EC, or an investment company that is authorised in accordance with Directive 2009/65/EC provided that it has not designated a management company authorised under that Directive for its management.

concerns; corporate governance issues; compliance, culture and ethics; and performance and capital structure. Other monitoring activities may include reviewing the Company's positions in investee companies during regular investment meetings.

Exercising Voting Rights

The Fund has established a policy on the exercise of voting rights (the "**Voting Rights Policy**").

The Fund has delegated the provision of investment management to the relevant Portfolio Manager and, in conjunction with this, has delegated the exercise of voting rights. The Fund therefore relies on the Portfolio Manager's proxy voting policies in relation to the exercise of voting rights for the exclusive benefit of the relevant Sub-Fund. The Fund requires that any voting strategy will indicate when and how the voting rights attached to the instruments held in the Funds are to be exercised, within the parameters set out in the Voting Rights Policy (which identifies certain corporate events as requiring more detailed review by the Portfolio Manager on a case-by-case basis). In addition, the Portfolio Manager must have procedures for:

- monitoring of corporate events;
- ensuring the exercise of the voting rights is in accordance with the investment objectives and policies of the Funds; and
- preventing or managing any conflicts of interest arising from the exercise of voting rights.

The Fund has developed a structure to ensure that proxy voting is conducted in an appropriate manner, consistent with the relevant Sub-Fund's best interest, and within the framework of its policy. The Fund takes the view that voting in a manner consistent with maximizing the value of the Funds will benefit the Sub-Funds and, indirectly, Shareholders.

Co-operating With Other Shareholders

The Investment Manager will typically engage in dialogue with its investee companies directly. However, it may collaborate, where appropriate, with other investors where such actions are deemed to be in the best interest of Shareholders.

Managing Conflicts of Interest

The Fund carries out its operations to avoid conflicts of interest and will utilize those principles when engaging with investee companies. While it is not anticipated that the Portfolio Managers will have significant business relationships with investee companies, the Portfolio Managers will disclose any actual or potential conflicts of interest that may arise.

Annual Review

On an annual basis the Portfolio Manager will provide, and the Fund will publicly disclose, a description of how its engagement policy has been implemented over the previous twelve months, including a general description of voting behaviour, an explanation of the most significant votes and the use of the services of proxy advisors.

In addition, the Portfolio Manager will confirm, and the Fund will publicly disclose, how votes have been cast in the general meetings of companies in which the relevant Sub-Fund holds shares, noting that such disclosure may exclude votes that are insignificant due to the subject matter of the vote or the size of the holding in the company. This information will be made available free of charge on www.hedgeinvest.it.