Bridge Fund Management Limited

Integration of Sustainability Risks on Investment decision making process

Tenax QIAIF ICAV

EU Sustainable Finance Disclosure Regulation

The Sustainable Finance Disclosure Regulation ('SFDR') entered into force on 10 March 2021. The Regulation requires managers to better inform end-investors with regard to the integration of sustainability risks, the consideration of adverse sustainability impacts, the promotion of environmental or social characteristics, and sustainable investment, as applicable.

This document specifically addresses Article 3 of SFDR: "Financial market participants shall publish on their websites information about their policies on the integration of sustainability risks in their investment decision-making process."

TENAX ITALIAN CREDIT FUND

Status of the Fund under SFDR

The Fund does not have sustainable investment as its objective, and the Fund does not promote specific environmental or social characteristics. In particular, the Fund does not take account of the European Union criteria for environmentally sustainable economic activities within the meaning of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (the "**Taxonomy Regulation**"). Although the Investment Manager takes account of "sustainability factors" (such as environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters) factors in its investment decisions as described below, it does not currently consider the adverse impacts of its investment decisions on sustainability factors as part of its investment process within the meaning of Article 4 of SFDR.

In evaluating an investment, the Investment Manager: (i) aims to identify any sustainability factors that it believes can have a can have a material and adverse effect on a particular security or an issuer, its operations and/or its investment performance; and (ii) to the extent that any such sustainability risks are identified, assess these risks as part of an investment determination.

Certain investments of the Fund may be negatively impacted by sustainability risks. Sustainability risks may impair the value of the investments made by the Fund, including the loss of the entire amount invested. Sustainability risks may arise and impact a specific investment made by the Fund or may have a broader impact on an economic sector, geographical regions or countries, which, in turn, may impact the Fund's investments. These risks may be relevant as standalone risks but may also be linked to other risks to which the assets of the Fund are exposed.

"*Risks Relating to Sustainability*

The following is a summary of the key sustainability risks that the Investment Manager may, where appropriate, take into account in its investment decisions. This summary is not intended as a complete enumeration or explanation of all sustainability risks relevant to the Fund.

1. *Governance risks*: Corporate governance factors have strong links to credit strength. Good corporate governance should lead to higher credit ratings and vice versa. Well-managed companies tend to be more aligned with bondholder interests, and corporate transparency keeps bondholders better informed of exposure and management of risk. High-yield issuers tend to be smaller, private companies and, therefore, do not have to report the same information or operate to the same standards. They are more likely to have unconventional governance structures that may be misaligned with creditor interests. Governance risks may arise in respect of a company in which the Fund has invested, or its affiliates or in its supply chain and may include: (1) the absence of a diverse and relevant skillset within a board or governing body may result in less well informed decisions being made without appropriate debate and an increased risk of "group think". Companies that lack appropriate balance, including independent directors or stakeholder representatives may lead to a concentration of powers in particular executives and hamper the ability of a company's governing body to exercise its oversight responsibilities, challenge and discuss strategic planning and performance, to provide input on issues such as succession planning and to scrutinize executive compensation; (2) ineffective or otherwise inadequate internal and external audit functions may increase the likelihood that fraud and other issues within a company are not detected and/or that incorrect information is used as part of a company's valuation; (3) the extent to which rights of shareholders and creditors (which may include the Fund) are appropriately respected within a company's formal decision making

process may have a material impact on the value of the Fund's investment in such company; (4) the effectiveness of a company's controls to detect and prevent bribery and corruption within the company and its supply chain, may have a material impact on the success of its operations, its reputational and legal and regulatory risk profile; (5) poor controls of data security and privacy of employees and customers may affect a company's susceptibility to data breaches and resilience of its systems; (6) discriminatory employment practices, workplace harassment, and bullying, respect for rights of collective bargaining or trade unions, the health and safety of the workforce, protection for whistle-blowers and non-compliance with minimum wage or (where appropriate) living wage requirements may ultimately reduce the talent pool available to the company, the wellbeing, productivity and overall quality of its workforce and may lead to increased employment and other business costs.

2. *Social risks*: Social risks are associated with employees, local communities, and customers, and other stakeholders of companies in which the Fund may invest. Such risks may arise in respect of the company itself, its affiliates or in its supply chain. Examples of social risks relevant to the investments made by the Fund include: (1) human capital considerations such as human rights violations, inadequate health and safety, discrimination, breaches of employee rights, which may, in particular, give rise to negative consumer sentiment, fines and other regulatory sanctions and/or investigations and litigation; (2) restrictions on or abuse of the rights of consumers including consumer personal data, management of product safety, quality and liability, relationships with and infringements of rights of local communities may, in particular, give rise to negative consumer sentiment, fines and other regulatory sanctions and/or investigations and litigation; (3) "megatrends" such as globalisation, automation and the use of artificial intelligence in manufacturing and service sectors, inequality and wealth creation, digital disruption and social media, changes to work, leisure time and education, changing demographics including though health and longevity and urbanisation are all examples of social trends that can have a material impact on businesses, sectors, geographical regions and the vulnerability and inability to adapt or take advantage of such trends may result in a material negative impact on the investments made by the Fund.

TENAX PMI FUND

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TENAX EUROPEAN CREDIT FUND

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TENAX Investments Maio 2021

Status of the Fund under SFDR

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TENAX Investimento Global 8 Anos

Status of the Fund under SFDR

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TENAX IG8 Outubro

Status of the Fund under SFDR

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TENAX Investimento Iberia 5 anos Maio 2022

Status of the Fund under SFDR

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relevant skillset within a board or governing body may result in less well informed decisions being made without appropriate debate and an increased risk of "group think". Companies that lack appropriate balance, including independent directors or stakeholder representatives may lead to a concentration of powers in particular executives and hamper the ability of a company's governing body to exercise its oversight responsibilities, challenge and discuss strategic planning and performance, to provide input on issues such as succession planning and to scrutinize executive compensation; (2) ineffective or otherwise inadequate internal and external audit functions may increase the likelihood that fraud and other issues within a company are not detected and/or that incorrect information is used as part of a company's valuation; (3) the extent to which rights of shareholders and creditors (which may include the Fund) are appropriately respected within a company's formal decision making process may have a material impact on the value of the Fund's investment in such company; (4) the effectiveness of a company's controls to detect and prevent bribery and corruption within the company and its supply chain, may have a material impact on the success of its operations, its reputational and legal and regulatory risk profile; (5) poor controls of data security and privacy of employees and customers may affect a company's susceptibility to data breaches and resilience of its systems; (6) discriminatory employment practices, workplace harassment, and bullying, respect for rights of collective bargaining or trade unions, the health and safety of the workforce, protection for whistle-blowers and non-compliance with minimum wage or (where appropriate) living wage requirements may ultimately reduce the talent pool available to the company, the wellbeing, productivity and overall quality of its workforce and may lead to increased employment and other business costs.

2. *Social risks*: Social risks are associated with employees, local communities, and customers, and other stakeholders of companies in which the Fund may invest. Such risks may arise in respect of the company itself, its affiliates or in its supply chain. Examples of social risks relevant to the investments made by the Fund include: (1) human capital considerations such as human rights violations, inadequate health and safety, discrimination, breaches of employee rights, which may, in particular, give rise to negative consumer sentiment, fines and other regulatory sanctions and/or investigations and litigation; (2) restrictions on or abuse of the rights of consumers including consumer personal data, management of product safety, quality and liability, relationships with and infringements of rights of local communities may, in particular, give rise to negative consumer sentiment, fines and other regulatory sanctions and/or investigations and litigation; (3) "megatrends" such as globalisation, automation and the use of artificial intelligence in manufacturing and service sectors, inequality and wealth creation, digital disruption and social media, changes to work, leisure time and education, changing demographics including though health and longevity and urbanisation are all examples of social trends that can have a material impact on businesses, sectors, geographical regions and the vulnerability and inability to adapt or take advantage of such trends may result in a material negative impact on the investments made by the Fund.

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Status of the Fund under SFDR

The Fund does not have sustainable investment as its objective, and the Fund does not promote specific environmental or social characteristics. In particular, the Fund does not take account of the European Union criteria for environmentally sustainable economic activities within the meaning of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (the "**Taxonomy Regulation**"). Although the Investment Manager takes account of "sustainability factors" (such as environmental, social and employee matters, respect for human rights matters relating to financial crime) factors in its investment decisions as described below, it does not currently consider the adverse impacts of its investment decisions on sustainability factors as part of its investment process within the meaning of Article 4 of SFDR.

In evaluating an investment, the Investment Manager: (i) aims to identify any sustainability factors that it believes can have a can have a material and adverse effect on a particular security or an issuer, its operations and/or its investment performance; and (ii) to the extent that any such sustainability risks are identified, assess these risks as part of an investment determination.

Certain investments of the Fund may be negatively impacted by sustainability risks. Sustainability risks may impair the value of the investments made by the Fund, including the loss of the entire amount invested. Sustainability risks may arise and impact a specific investment made by the Fund or may have a broader impact on an economic sector, geographical regions or countries, which, in turn, may impact the Fund's investments. These risks may be relevant as standalone risks but may also be linked to other risks to which the assets of the Fund are exposed.

Risks Relating to Sustainability

The following is a summary of the key sustainability risks that the Investment Manager may, where appropriate, take into account in its investment decisions. This summary is not intended as a complete enumeration or explanation of all sustainability risks relevant to the Fund.

3. *Governance risks*: Corporate governance factors have strong links to credit strength. Good corporate governance should lead to higher credit ratings and vice versa. Well-managed companies tend to be more aligned with bondholder interests, and corporate transparency keeps bondholders better informed of exposure and management of risk. High-yield issuers tend to be smaller, private companies and, therefore, do not have to report the same information or operate to the same standards. They are more likely to have unconventional governance structures that may be misaligned with creditor interests. Governance risks may arise in respect of a company in which the Fund has invested, or its affiliates or in its supply chain and may include: (1) the absence of a diverse and relevant skillset within a board or governing body may result in less well informed decisions being made without appropriate debate and an increased risk of "group think". Companies that lack appropriate balance, including independent directors or stakeholder representatives may lead to a concentration of powers in particular executives and hamper the ability of a company's governing body to exercise its oversight responsibilities, challenge and discuss strategic planning and performance, to provide input on issues such as succession planning and to scrutinize executive compensation; (2) ineffective or otherwise inadequate internal and external audit functions may increase the likelihood that fraud and other issues within a company are not detected and/or that incorrect information is used as part of a company's valuation; (3) the extent to which rights of shareholders and creditors (which may include the Fund) are appropriately respected within a company's formal decision making process may have a material impact on the value of the Fund's investment in such company; (4) the effectiveness of a company's controls to detect and prevent bribery and corruption within the company and its supply chain, may have a material impact on the success of its operations, its reputational and legal and regulatory risk profile; (5) poor controls of data security and privacy of employees and customers may affect a company's susceptibility to data breaches and resilience of its systems; (6) discriminatory employment practices, workplace harassment, and bullying, respect for rights of collective bargaining or trade unions, the health and safety of the workforce, protection for whistle-blowers and non-compliance with minimum wage or (where appropriate) living wage requirements may ultimately reduce the talent pool available to the company, the wellbeing, productivity and overall quality of its workforce and may lead to increased employment and other business costs.

4. *Social risks*: Social risks are associated with employees, local communities, and customers, and other stakeholders of companies in which the Fund may invest. Such risks may arise in respect of the company itself, its affiliates or in its supply chain. Examples of social risks relevant to the investments made by the Fund include: (1) human capital considerations such as human rights violations, inadequate health and safety, discrimination, breaches of employee rights, which may, in particular, give rise to negative consumer sentiment, fines and other regulatory sanctions and/or investigations and litigation; (2) restrictions on or abuse of the rights of consumers including consumer personal data, management of product safety, quality and liability, relationships with and infringements of rights of local communities may, in particular, give rise to negative consumer sentiment, fines and other regulatory sanctions and/or investigations and litigation; (3) "megatrends" such as globalisation, automation and the use of artificial intelligence in manufacturing and service sectors, inequality and wealth creation, digital disruption and social media, changes to work, leisure time and education, changing demographics including though health and longevity and urbanisation are all examples of social trends that can have a material impact on businesses, sectors, geographical regions and the vulnerability and inability to adapt or take advantage of such trends may result in a material negative impact on the investments made by the Fund.

Tenax Sustainable Credit Fund

Sustainability Risks

For the purposes of this disclosure, "sustainability risks" are environmental, social, or governance ("ESG") events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of the investment in the Fund. "Sustainability factors" are, as relevant, environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters. In evaluating an investment, the Investment Manager: (i) aims to identify any sustainability factors that it believes can have a material and adverse effect on a particular loan or security or an issuer or borrower, its operations and/or its investment performance; and (ii) to the extent that any such sustainability risks are identified, assess these risks as part of an investment determination.

Certain investments of the Fund may be negatively impacted by sustainability risks. Sustainability risks may impair the value of the investments made by the Fund, including the loss of the entire amount invested. Sustainability risks may arise and impact a specific investment made by the Fund or may have a broader impact on an economic sector, geographical regions or countries, which, in turn, may impact the Fund's investments. These risks may be relevant as standalone risks but may also be linked to other risks to which the assets of the Fund are exposed.

Sustainable investing

The Fund does not have, as its objective, "sustainable investment" in the technical sense that this term is used in the SFDR. However, the Fund may invest in or lend to undertakings that would qualify as "sustainable investments" as part of a balanced portfolio. The Investment Manager supports the objectives of the United Nation's Sustainable Development Goals ("SDGs"). While the Fund is not managed directly in accordance with the SDGs, the Investment Manager believes that many of the SDG's principles and themes are integrated into the Investment Manager's approach to sustainable investment, including the promotion of sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all and building resilient infrastructure, promoting inclusive and sustainable industrialization and the fostering of innovation.

The Fund will aim to comply with the investor disclosure provisions of Article 8 of the SFDR. At the date of this Supplement, investments in environmentally sustainable economic activities within the meaning of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (the "Taxonomy Regulation") (i.e. taxonomy aligned investments) shall be 0%. The "do no significant harm" principle applies only to those investments underlying the Fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The Investment Manager integrates financially material sustainability risks into its investment decision making processes. The Investment Manager will use its reasonable endeavours to invest at least 60% of the Fund's Net Asset Value in loans and other investments of companies deemed to promote environmental or social characteristics, or a combination of those characteristics and that follow good governance practices (as referred to in the SFDR). The Fund may invest in companies that the Investment Manager deems to be changing and improving for the better in relation to ESG performance. In such cases, the Investment Manager will seek to keep under review the progress that these companies are making to improve their ESG performance. The Fund may also invest in companies that form part of the supply chain of the ESG-rated issuers in which the Fund invests, such as suppliers and other business partners of these issuers. The Fund may invest in these companies on the basis that their role in the supply chain and/or as business partners indirectly help the ESG-rated issuers to promote ESG characteristics, notwithstanding that the companies themselves may not be deemed to align directly with ESG characteristics (as referred to in the SFDR).

The Investment Manager will seek to lend to, or invest with, borrowers and issuers with strong, independent ESG ratings and/or where fundamental and quantitative analysis suggest a strong ESG rationale for lending to, or investing with, the company. Issuers/borrowers will be encouraged to disclose any ESG standards or certifications to which they are seeking to conform. The Investment Manager's screening of its investments is undertaken through (1) an exclusion list as set out below; (2) proprietary and external quantitative and fundamental analysis; and (3) where appropriate, engagement with borrowers/issuers on their governance initially and on an ongoing basis through the contractual documentation.

As regards engagement with issuers/borrowers, the Investment Manager may, where appropriate, encourage issuers/borrowers to describe and where feasible, quantify and measure the ESG benefits of the utilisation of the loan proceeds in the investment documentation, and to position this information within the context of their overarching objectives, strategy, policy and/or processes relating to ESG. The Investment Manager will seek to track the allocation of funds towards the promotion of ESG characteristics by integrating covenants, such as regular reporting of the achieved ESG benefits, into the issuer or borrower's investment documentation so as to maintain transparency and promote the integrity of the product. The Investment Manager has recourse to both internal and external ESG research and may, where necessary, use these resources in order to verify ESG related claims made by the issuers/borrowers.

The Fund does not have a reference benchmark designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

The Investment Manager has in place a Responsible Investment Policy, the details of which are available from the Investment Manager upon request.

Compliance with the United Nation's Principles for Responsible Investments

In connection with the investment activities of the Fund, the Investment Manager will, and the AIFM will procure the Investment Manager to, adhere to the United Nation's Principles for Responsible Investments