

Responsible Investment and Engagement policy for Brummer Multi-Strategy AB

<i>Adopted by:</i>	The Board of Directors of Brummer Multi-Strategy AB
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1. Introduction

The purpose of this policy is to state certain principles and procedures for responsible investing and engagement that are relevant for Brummer Multi-Strategy AB.

Brummer Multi-Strategy AB is wholly owned by Brummer & Partners AB and manages the Brummer Multi-Strategy funds.

Brummer Multi-Strategy AB's mission is to generate sustainable long-term competitive risk-adjusted returns to the funds' investors. We aim to achieve this by bringing together investment strategies which are all aimed at generating competitive risk-adjusted returns with low expected correlation to traditional asset classes over time.

Brummer Multi-Strategy Master ("**BMS**") only invests in hedge funds managed within the Brummer & Partners group. The investment team is continuously seeking to identify new funds with the potential to improve BMS's risk-adjusted return, hence, look for funds that are expected to either reduce the risk in BMS and/or increase its returns. Another criterion is that Brummer & Partners AB becomes a shareholder in the investment management company that manages the funds that BMS invests in. All funds in the Brummer & Partners group are managed by separate legal entities and investment teams independent from one another, but with the ability to benefit from the pool of knowledge and experience that exists within the Brummer & Partners group.

2. Our approach

As a responsible investor, we acknowledge that the expectation and values of our funds' investors evolve as society changes, and that the concept of fiduciary duty by many investors is considered to include sustainability and the management of environmental, social and governance ("**ESG**") risks and opportunities. To achieve our mission to generate sustainable, long-term returns, we are dependent upon stable, well-functioning and well-governed social, environmental and economic systems. To deliver on our long-term responsibilities to our investors, we aim to build and manage a diversified portfolio of different investment strategies that, over time, will have a low correlation to traditional assets classes.

Brummer & Partners AB has formalised the commitment of being a responsible investor through the signature of the UN Principles for Responsible Investment ("**PRI**"). As a PRI-signatory Brummer & Partners AB will, for example, be active owners and incorporate ESG issues into our engagement practices, seek disclosure on ESG issues by the funds that we invest in, promote acceptance and implementation of responsible investment and ESG-integration within the investment industry and report on our activities and progress in implementing responsible investment to the PRI and other stakeholders.

Brummer & Partners AB was one of the founding members of the Standards Board for Alternative Investments ("**SBAI**"), an industry initiative where asset owners and asset managers come together to develop best practice standards for the hedge fund industry. The standards form a framework for transparency, integrity and business ethics and complement applicable laws and regulations. Brummer Multi-Strategy AB and all other investment managers in the Brummer & Partners group are SBAI signatories and report to the SBAI annually on a comply or explain basis.

2.1 ENGAGEMENT

Brummer & Partners AB has board representation and is a shareholder in the investment managers of the funds BMS invests in and therefore has the possibility to influence board agenda items and initiate discussions on topics of interest such as ESG, both on a fund and portfolio holding level.

As an investor in hedge funds managed within the Brummer & Partners group, Brummer Multi-Strategy AB is a long-term partner to the individual investment teams in which funds we invest. The partnerships with the investment teams enable us to proactively provide support on investment management related topics such as sustainability. BMS's investment team has full position transparency and performs continuous monitoring of risk and performance of the funds BMS invests in and independent risk control is provided by the Brummer & Partners' risk team. Potential structural issues as well as solutions are discussed with the investment teams of the funds and support and follow-up is provided by BMS's investment team. Assisting the funds in which BMS invests with identifying potential ESG risks may for example result in engagement activities between the funds and their portfolio holdings. To help Brummer Multi-Strategy AB fulfil our commitment to responsible investing, we have access to Brummer & Partners group's sustainability team. Among other things, the team focuses on policy development, support and education to the funds within the Brummer & Partners group.

2.2 RESPONSIBLE INVESTMENT

Brummer & Partners AB, Brummer Multi-Strategy AB and all other investment managers in the group have responsible investment policies in place tailored to their specific investment strategies and organisations and integrate ESG into their investment decisions where relevant and applicable. Brummer Multi-Strategy AB, together with the other investment managers in the group, have decided to exclude long and short investments in companies which are directly involved in the development, production, maintenance or sale of illegal weapons and weapons that are considered controversial, such as cluster bombs, anti-personnel mines, biological and chemical weapons, and nuclear weapons. The investment managers within the Brummer & Partners group also avoid long positions in companies that generate more than 5 percent of their revenue from the production of thermal coal or derive more than 30 percent of their revenue from energy production based on coal. Long positions may be entered into on a case-by-case basis in companies that for example significantly contributes or are expected to significantly contribute to the transition towards renewable energy sources. The CIO of the fund taking a long position in a coal company may be asked by the board of the relevant investment manager or fund to provide the reasoning behind the investment and a clarification on how the company is contributing to the transition towards renewables. Short positions in coal companies are not excluded.

The funds are screened by the Brummer & Partners' risk team to identify any holdings in companies in violation of global norms on environmental protection, human rights, labour standards, and anti-corruption. These global norms are set out in international initiatives and guidelines such as the OECD Guidelines for Multinational Enterprises, the UN Global Compact, the ILO Tripartite declaration of Principles concerning Multinational Enterprises and Social Policy and the Guiding Principles on Business and Human Rights. Norm-based flagged holdings are followed up by the Sustainability team who engages with the relevant fund to get informed of any potential dialogues on the subject between the investment team and the flagged company. The alleged norm violation is also recognised at the subsequent board meeting and the CIO of the relevant fund has to confirm all relevant ESG-factors have been included in the investment analysis. Brummer Multi-Strategy AB does not automatically encourage investment managers to exclude investments, long or short, in norm-based flagged holdings but does require investment managers to be aware of the reasons behind the company being flagged and confirm the rationale behind the investment decision to go long or short in any such company.

We strive to be a responsible investor according to this policy and further responsible investment practices can be applied by the individual investment strategies in which we invest depending on their unique characteristics.

3. Review of this policy

The Compliance function is responsible for ensuring that this policy is reviewed in consultation with the content owner at least annually. The content owner is also responsible for ensuring that the policy is updated when necessary.