

Monthly report – April 2024

Trend following strategies ended marginally positive for the month. In alternative markets, profitable positioning in fixed income was to a large extent offset by losses stemming from credit and equity positions. FX and fixed income positioning proved to be the most profitable asset classes in developed markets but was largely offset by losses in equities and commodities.

Long/short equity delivered solid alpha contribution to BMS in April. The US TMT sector proved particularly profitable, with solid short alpha across sectors which was marginally offset by positioning in mega cap tech names as well as financial services and real estate. Across the Atlantic, European financials enjoyed another strong month attributable to the banking sector as well as some names in the diversified financials space. Positioning in the healthcare sector ended roughly flat for the month, as profitable shorts in pharmaceuticals were offset by detractors in healthcare equipment. In the global industrials sector, profits were primarily driven by names in the capital goods and materials sectors.

The contribution from the systematic macro strategies were flat for the month. In developed markets, gains from fixed income and FX were partially offset by commodity positions ultimately ending on a positive note. These profits were however offset by positioning in alternative markets, where fixed income and equities proved to be the main detractors.

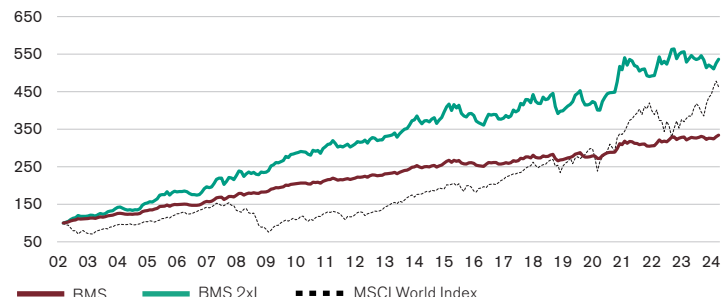
As of May 1st, BMS's portfolio managers decreased the allocation to the systematic trend-following and systematic macro strategies. Within the trend-following bucket, the exposure to alternative markets decreased while in developed markets the allocation was marginally increased. In the market neutral long/short equity bucket, BMS will going forward no longer allocate any risk to the strategy focusing on the industrials sector. Later this year, BMS will start allocating risk to at least two new strategies. The first one is expected to be included in the portfolio as of late Q2.

Return and key figures¹⁾

Return	Brummer Multi-Strategy (SEK)	Brummer Multi-Strategy 2xL (SEK)	Brummer Multi-Strategy Utdelande (SEK)	Brummer Multi-Strategy Euro (EUR)	Brummer Multi-Strategy NOK (NOK)	MSCI World NDTR Index ²⁾ (local ccy)	JP Morgan Global Govn't Bond Index (local ccy)
Last month, %	1.24	1.97	1.24	1.21	1.27	-3.21	-1.94
Year to date, %	2.46	2.91	2.46	2.36	2.63	6.52	-2.68
Last 12 months, %	2.82	-0.28	2.82	2.72	3.19	20.15	-1.52
Since inception, %	234.21	436.36	234.28	221.52	312.13	362.75	78.77
Annualised return since inception, %	5.61	7.90	5.61	5.43	6.62	7.18	2.66
Risk ratios and other key figures							
Standard deviation, %	4.57	9.03	4.57	4.60	4.57	14.33	3.67
Sharpe ratio ³⁾	0.96	0.74	0.96	0.96	0.96	0.42	0.39
Correlation Brummer Multi-Strategy	-	-	-	-	-	0.10	0.03
Total strategy AUM previous month (MSEK) ⁴⁾	28,241						

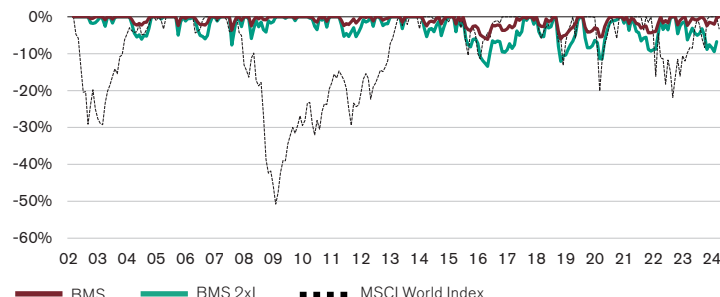
Net performance

Brummer Multi-Strategy and Brummer Multi-Strategy 2xL compared with MSCI World Index²⁾

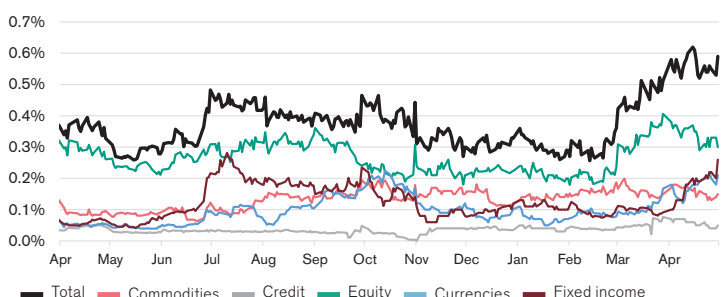


Drawdown

Drawdown for Brummer Multi-Strategy, Brummer Multi-Strategy 2xL and MSCI World Index²⁾



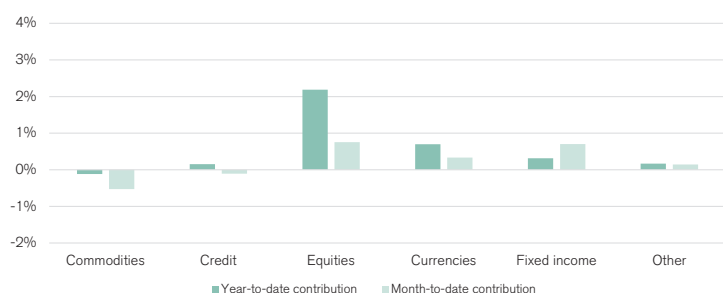
Value at Risk⁶⁾ by asset class and total portfolio, %



Risk and stress test, %

Risk	BMS	BMS 2xL
Value at Risk ⁶⁾ (month end)	0.59	1.19
Value at Risk ⁶⁾ , simulated with data from the financial crisis in 2008	1.47	2.94
Stress test (month end)		
All (zero coupon) interest rates -20bp	-0.71	-1.41
All (zero coupon) interest rates +20bp	0.70	1.40
All equities and equity indices -10%	-0.92	-1.84
All equities and equity indices +10%	0.94	1.88
USD against all other currencies -10%	-3.92	-7.84
USD against all other currencies +10%	3.92	7.84

Performance breakdown per asset class (gross), %



Return contribution and allocation, %

Strategy type	Monthly contribution	Year-to-date contribution	Allocation end of month ⁵⁾
L/S Equity	1.25	2.06	61.93
Systematic Macro	0.01	-0.30	12.87
Systematic Trend	0.10	0.99	25.20

EXECUTIVE SUMMARY

Strategy	Multi-strategy fund with exposure to a well-diversified portfolio of hedge fund strategies within Brummer & Partners
Portfolio exposure	Active allocation between long/short equity, systematic macro and systematic trend
Targets	Absolute return Lower risk than the stock market Low correlation with equities and bonds over time
Owner	Brummer & Partners, a leading European asset management firm

OBJECTIVES AND MANAGEMENT

The portfolio managers of Brummer Multi-Strategy (BMS) strive for a well-balanced portfolio that can perform well in most scenarios to meet the need of institutional and private investors looking for an efficient way to diversify risk from traditional asset classes across complementing absolute return strategies. Risk is allocated across strategies managed by Sub-Investment Managers within Brummer & Partners with low correlation to one another. The majority of risk and return is market neutral and idiosyncratic. The limited directional exposure primarily comes from trend following strategies. The number of strategies in the portfolio is typically 9-15.

INVESTMENT PROCESS

The Investment Manager, Brummer Multi-Strategy AB, continuously monitors the Sub-Investment Managers, the aggregated risk and return profile of Brummer-Multi Strategy as well as the overall market environment to form the basis of strategic and active tactical allocations. Proprietary risk management technology provides comprehensive monitoring of risks and performance in real time.

Sub-Investment Manager level: Strategy-dependent evaluation of the quality in the research, investment and risk management processes based on ongoing monitoring and close dialogue with each Sub-Investment Manager. The analysis is both quantitative and qualitative on bottom-up and top-down aspects of each strategy.

Market environment: Identification and analysis of contextual factors that can create tail- or headwinds for different investment strategies, which can tilt the allocation in different directions.

Multi-Strategy level: Quantitative and qualitative analysis of the overall portfolio to identify and measure main risk exposure and contributors. The risk and opportunity set are then evaluated vis-à-vis predefined tolerance levels and view of overall market environment. The Investment Manager will also engage as an active investor by raising awareness of risks and working with the Sub-Investment Managers to support development of their respective investment processes and responsible investment practices. Tactical, incremental adjustments around longer-term strategic allocations are performed to achieve the investment objectives: to build a well-balanced portfolio that can deliver competitive alpha-driven risk-adjusted return over time with limited drawdowns.

MANAGER SELECTION

The Investment Manager typically reviews more than 100 strategy proposals on a yearly basis, but on average only one to two are added each year. Brummer's global network is key in identifying new high caliber investment teams, including an extensive access to the Scandinavian talent pool. The proposals are evaluated in line with the ongoing investment process outlined above.

Brummer & Partners offers managers a strong partnership that enables teams to launch an investment strategy, while our infrastructure and operational support facilitate their focus on alpha generation. The investment teams manage their strategy either as a pod within BMS, or by co-owning an investment management company with Brummer & Partners. This model has proven to attract talented investment teams with a long-term focus that thrive in a collaborative culture.

STRATEGY TYPES

Long/Short Equity

A long/short equity strategy consists of taking long and short positions on equity securities likely to appreciate or depreciate, respectively. Brummer Multi-Strategy primarily invests in market-neutral and sector-focused long/short equity strategies to ensure diversification and that risk and return are primarily idiosyncratic and not market or factor-driven.

Systematic Macro

A systematic macro strategy applies proprietary algorithmic models to a diverse range of liquid asset classes. The underlying factors driving market prices are analysed through, typically, models that look at a broad set of macroeconomic or other fundamental data. Rules-based trading systems are developed around the understanding of how fundamentals and markets interact, and position-taking is typically relative-value and cross-sectional based.

Systematic Trend

A systematic trend strategy applies proprietary algorithmic models with different characteristics to analyse markets and take, typically, directional positions. A diversified set of trend-following approaches constitutes the main part of the strategies, using for example different mathematical techniques and historical look-back periods to analyse mainly price trends and fluctuations.

WHY INVEST IN BRUMMER MULTI-STRATEGY?

- Extensive experience managing a multi-strategy (since 2002)
- Efficient infrastructure to create a well-diversified and sophisticated portfolio of absolute return strategies
- Liquid underlying strategies and positions
- History of competitive risk-adjusted returns with low correlation to equities, bonds and other hedge funds

PRODUCT STRUCTURE

Custodian	SEB
Auditor	KPMG AB
Fees	0% However, Brummer Multi-Strategy indirectly pays fees to the underlying fund. (Brummer Multi-Strategy 2xL is also charged a financing cost)
ISIN	
BMS	SE0000912057
BMS 2xL	SE0002584235
BMS Euro	SE0000987307
BMS NOK	SE0006594388
BMS UTD	SE0005099983
Liquidity	Monthly subscriptions and redemptions, 7 banking days notice. (Brummer Multi-Strategy 2xL 8 banking days notice)

Minimum investment

BMS	SEK 100,000
BMS 2xL	SEK 100,000
BMS Euro	EUR 10,000
BMS NOK	NOK 100,000
BMS UTD	SEK 100,000

Additional investment

BMS	SEK 20,000
BMS 2xL	SEK 20,000
BMS Euro	EUR 2,000
BMS NOK	NOK 20,000
BMS UTD	SEK 20,000

Inception date

BMS	1 April 2002
BMS 2xL	1 September 2008
BMS Euro	1 October 2002
BMS NOK	1 Juni 2015
BMS UTD	1 May 2013

FUND MANAGEMENT COMPANY

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