



LEA 02	Discipline: Monetary	Principle: PRI 1, 2, 3
<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input checked="" type="checkbox"/> To enhance corporate transition or identify the need for additional or other support</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in internal staff</li> </ul>	<p><b>Type of engagement</b></p> <p>Individual/internal staff engagements</p>	
	<p>Collaborative engagements</p>	
	<p>Service provider engagements</p>	

# RI TRANSPARENCY REPORT

## 2020

Brummer & Partners AB

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2020 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
⚠	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		🔒	n/a							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	🔒	n/a							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	🔒	n/a							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown of listed equity investments by passive and active strategies	🔒	n/a							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown of fixed income investments by passive and active strategies	🔒	n/a							✓
OO FI 02	Reporting on strategies that are <10% of actively managed fixed income	🔒	n/a							✓
OO FI 03	Fixed income breakdown by market and credit quality	🔒	n/a							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	🔒	n/a							✓
OO PE 01	Breakdown of private equity investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership in private equity investments	🔒	n/a							✓
OO PR 01	Breakdown of property investments	🔒	n/a							✓
OO PR 02	Breakdown of property assets by management	🔒	n/a							✓
OO PR 03	Largest property types	🔒	n/a							✓
OO INF 01	Breakdown of infrastructure investments	🔒	n/a							✓
OO INF 02	Breakdown of infrastructure assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure sectors	🔒	n/a							✓
OO HF 01	Breakdown of hedge funds investments by strategies	✓	Private							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 01 CC	Climate risk	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Private							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Private							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	🔒	n/a	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13 CC		✓	Private							✓
SG 14	Long term investment risks and opportunity	✓	Private	✓						
SG 14 CC		✓	Private							✓
SG 15	Allocation of assets to environmental and social themed areas	✓	Private	✓						
SG 16	ESG issues for internally managed assets not reported in framework	✓	Public							✓
SG 17	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 18	Innovative features of approach to RI	✓	Private							✓
SG 19	Communication	🔒	n/a		✓				✓	
SG End	Module confirmation page	✓	-							

Direct - Hedge Funds				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
HF 01	Rationale for adopting a RI policy	✓	Public							✓
HF 02	Normative codes/initiatives in the Hedge Fund industry	✓	Public				✓	✓		
HF 03	Organisation of RI responsibilities	✓	Public							✓
HF 04	RI training programme	✓	Public							✓
HF 05	Performance/remuneration metrics linked to RI incorporation	✓	Private	✓						
HF 06	ESG data, research and other resources used	✓	Public							✓
HF 07	ESG incorporation into quantitative and fundamental analysis	✓	Public	✓	✓					
HF 08	Changes to the RI incorporation process over the past 12 months	✓	Public	✓						✓
HF 09	Integration of Active Ownership	✓	Public	✓	✓					
HF 10	Examples of ESG risks/opportunities in investment decisions	✓	Public	✓	✓					
HF 11	Derivatives products and ESG impact	✓	Public							✓
HF 12	Long/short exposure and reporting	✓	Public	✓	✓					
HF 13	Metrics/KPI for RI progress	✓	Public	✓	✓					
HF 14	Exposure to climate risk	✓	Public							✓
HF 15	Reports to investors	✓	Public		✓					✓
HF End	Module confirmation page	✓	-							

Confidence building measures				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01	Assurance, verification, or review	✓	Public							✓
CM1 02	Assurance of last year's PRI data	✓	Public							✓
CM1 03	Other confidence building measures	✓	Public							✓
CM1 04	Assurance of this year's PRI data	✓	Public							✓
CM1 05	External assurance	🔒	n/a							✓
CM1 06	Assurance or internal audit	🔒	n/a							✓
CM1 07	Internal verification	✓	Public							✓
CM1 01 End	Module confirmation page	✓	-							

# Brummer & Partners AB

## Reported Information

## Public version

## Organisational Overview

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Basic information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services and funds you offer

Select the services and funds you offer	% of asset under management (AUM) in ranges
Fund management	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Fund of funds, manager of managers, sub-advised products	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%
Other	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Total 100%	

Please specify

Private equity funds approximately 1,2% of AUM

Further options (may be selected in addition to the above)

- Hedge funds
- Fund of hedge funds

OO 01.2

Additional information. [Optional]

We currently manage 10 single strategy hedge funds and one fund of hedge funds (Brummer Multi-Strategy "BMS"). BMS only invests in the single strategy hedge funds managed within the Brummer group.

OO 02

Mandatory

Public

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

Sweden



OO 02.2

Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3

Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

355

OO 02.4

Additional information. [Optional]

Ever since our founding in 1995, a key focus for us has been to build a sustainable business model with the aim of generating a competitive and sustainable long-term risk-adjusted return for our clients. Our business model is characterised by investment management firms who manage their funds and run their businesses independently. We put a premium on preserving our innovative corporate culture, which enables our investment management teams to draw on the pool of knowledge and experience in the group. Our business model has proved compelling to skilled portfolio management teams who value the combination of entrepreneurship, experience and expertise that we offer.

All our funds pursue different investment strategies and together form a well diversified portfolio in Brummer Multi-Strategy (BMS). In our search for new investment management teams to add to the group, we look for investment strategies which we believe will improve BMS's ability to generate a competitive and sustainable risk-adjusted return over time.

Brummer & Partners in brief:

- Pioneer in the Nordics, founded 1995, privately owned
- The business concept is to offer a well-diversified selection of actively managed funds by bringing together skilled managers with different investment strategies into a single corporate group
- Entrepreneurial business model and joint ownership by Brummer& Partners and the fund managers
- Approximately 350 employees in seven countries
- Brummer& Partners AUM: USD 11.2 bn as of January 2020
- Fund portfolio managers are encouraged to invest their personal financial wealth in the funds that they manage and normally do so

OO 03

Mandatory

Public

Descriptive

General

OO 03.1

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

**OO 03.3**

Additional information. [Optional]

We hold significant shares, but less than 50 per cent, of Carve Capital, Lynx Asset Management and Bodenholm Capital. The three companies submit their own transparency reports but their responsible investment activities are also reported upon in this report as they are part of the Brummer group's firm wide responsible investment activities.

**OO 04****Mandatory****Public****Gateway/Peering****General****OO 04.1**

Indicate the year end date for your reporting year.

31/12/2019

**OO 04.2**

Indicate your total AUM at the end of your reporting year.

Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

	trillions	billions	millions	thousands	hundreds
Total AUM		104	199	026	798
Currency	SEK				
Assets in USD		10	887	847	416

Not applicable as we are in the fund-raising process

**OO 04.4**

Indicate the assets which are subject to an execution and/or advisory approach. Provide this figure based on the end of your reporting year

Not applicable as we do not have any assets under execution and/or advisory approach

**OO 04.5** Additional information. [Optional]

In our answer to indicator OO 04.2 we have included Carve Capital, Lynx Asset Management and Bodenholm Capital. Although they submit their own transparency reports we also report on their responsible investment activities in this report as they are a part of the firm-wide responsible investment initiative.

**OO 06**

**Mandatory**

**Public**

**Descriptive**

**General**

**OO 06.1** Select how you would like to disclose your asset class mix.

as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income	0	0
Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	67	0
Fund of hedge funds	32	0
Forestry	0	0
Farmland	0	0

Inclusive finance	0	0
Cash	0	0
Money market instruments	0	0
Other (1), specify	1	0
Other (2), specify	0	0

**Other (1) specified**

Private equity

as broad ranges

**OO 06.2** Publish asset class mix as per attached image [Optional].

**OO 06.3** Indicate whether your organisation has any off-balance sheet assets [Optional].

Yes

No

**OO 06.5** Indicate whether your organisation uses fiduciary managers.

Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.

No, we do not use fiduciary managers.

**OO 09** **Mandatory** **Public** **Peering** **General**

**OO 09.1** Indicate the breakdown of your organisation's AUM by market.

Developed Markets

79

Emerging Markets

19

Frontier Markets

2

Other Markets

0

	Total 100%
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100%

### Asset class implementation gateway indicators

<b>OO 11</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>General</b>
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<b>OO 11.1</b>	Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).
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	Hedge funds
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- We address ESG incorporation.
- We do not do ESG incorporation.

	Fund of hedge funds
--	---------------------

- We address ESG incorporation.
- We do not do ESG incorporation.

	Other (1)
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- We address ESG incorporation.
- We do not do ESG incorporation.

	Other (1) [as defined in OO 05]
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Private equity

<b>OO 12</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>General</b>
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<b>OO 12.1</b>	Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.
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	Core modules
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- Organisational Overview
- Strategy and Governance

	RI implementation directly or via service providers
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	Direct - Other asset classes with dedicated modules
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- Hedge Funds and/or Fund of Hedge Funds

Closing module

# Brummer & Partners AB

## Reported Information

### Public version

### Strategy and Governance

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## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)



**SG 01.4**

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

We strive to build a sustainable business model by bringing together skilled portfolio managers pursuing different investment strategies in a corporate group.

Brummer Multi-Strategy (BMS) invests in single-strategy hedge funds managed within the group. These hedge funds are managed by different investment management teams, which operate independently of each other with different investment profiles and a low internal correlation to each other and traditional asset classes over time. All hedge funds strive to generate long term competitive risk-adjusted returns that are independent of market development. In our search for new investment management teams to add to the group, we look for investment strategies which we believe will improve BMS's ability to generate a competitive and sustainable risk-adjusted return over time.

Investing responsibly is about common sense. It is part of the duties of a portfolio manager to analyse relevant and material risks and opportunities regardless of whether they are classified as ESG factors or, say macroeconomic trends and political risk. Making well informed investment decisions is essential to our ability to achieve our goal of generating a sustainable and competitive risk-adjusted return over time.

**SG 01.5**

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

All our funds pursue different investment strategies and together form a well diversified portfolio in Brummer Multi-Strategy (BMS). In our search for new investment management teams to add to the group, we look for investment strategies which we believe will improve BMS's ability to generate a competitive and sustainable risk-adjusted return over time.

Investing responsibly is about common sense. It is part of the duties of a portfolio manager to analyse relevant and material risks and opportunities regardless of whether they are classified as ESG factors or, say macroeconomic trends and political risk. The identification and integration of financially material ESG factors requires continuous learning. Relevant ESG scopes such as understanding climate change risk and opportunities and how those impact different assets and asset classes over various time-horizons is a never-ending challenge. As such, making well informed investment decisions is essential to our ability to achieve our goal of generating a sustainable and competitive risk-adjusted return over time. As Brummer & Partners encompasses different investment strategies and because our funds invest in different types of financial instruments, each fund's approach to responsible investment needs to be adapted to its specific situation and circumstances.

Brummer & Partners AB and Brummer Multi-Strategy AB (the manager of BMS) have separate policies for responsible investment under which the various investment management firms in the group are requested to draw up their own policies and define what responsible investment means to them. The hedge funds in which BMS invests are supported by Brummer's Sustainability and Risk Control teams. The group wide Sustainability team supports the investment managers with advice and recommendations relating to responsible investment and the Risk Control team monitors compliance with the policies on a quarterly basis.

BMS together with the other funds in the group have decided to exclude long and short investments in companies involved in controversial weapons and long investments in coal. The Risk Control team screens all funds against a third party ESG research provider (ISS-ESG) and their database quarterly to identify any holdings in such companies.

The funds are also screened for holdings which violate international standards on environmental protection, human rights, labour standards and anti-corruption. The purpose of the screening is not necessarily to encourage the funds to exclude companies which violate international standards. Instead, the Sustainability team engages in dialogue with the funds on the investments concerned and ensure that the chief investment officers are aware of the associated ESG issues and factor these into their analyses. There may be good reasons to invest in a red-flagged company, for example if management is aware of the problems and is taking action to address them, and this is expected to have a positive impact on the share price. Hedge funds also have the option of shorting a company, and companies with poor ESG records are typically short candidates for hedge funds. When a hedge fund shorts a company this sends a signal to management that the portfolio managers do not have confidence in the company.

Responsible investment tools:

- ESG integration where applicable
- Engagement with our funds on portfolio holdings
- Engagement with funds' portfolio holdings on ESG issues

- Exclusion of controversial weapons and long investments in coal

No

SG 01 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 01.6 CC	Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.
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Yes

	Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.
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The funds within the group factor in climate change risks and opportunities into investment strategies when they are considered to be financially material. Brummer & Partners acknowledges Agenda 2030, the global trend of awareness of climate change, increasing regulatory risk and consumer demands on for example fossil fuel intensive products and services. Some industries and sectors have reached further than others in terms of embracing renewable energy sources and this creates an interesting market dynamic which opens up both investment opportunities and risk. It is likely that market pricing consensus in commodity markets as well as across equity and corporate bond markets will be increasingly impacted by indirect or direct exposure to climate change risks and opportunities. The funds within the group employ widely different investment strategies, invest across a diversity of asset classes and are well positioned to generate returns and manage risk as these opportunities and risks materialise over time.

No

SG 01.7 CC	Indicate whether the organisation has assessed the likelihood and impact of these climate risks?
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Yes

	Describe the associated timescales linked to these risks and opportunities.
--	---

The timescales depend on each investment strategy, and the underlying financial materiality. The timescales are managed over short, medium and long term

No

SG 01.8 CC	Indicate whether the organisation publicly supports the TCFD?
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Yes

No

Explain the rationale

Brummer & Partners AB do not publicly endorse the TCFD in a formal way, but acknowledges the reporting standard as a positive development in light of transparency and global awareness of climate related risk exposure.

**SG 01.9 CC** Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

Yes

Describe

Brummer & Partners Sustainability team is undertaking a group wide climate change risk and opportunity analysis of the Brummer group funds, with a focus on BMS. The nature of the output is expected to change and evolve over time, but climate change related risks and opportunities are evaluated and acted upon within the portfolio management processes of the group funds in the same way as other factors that are deemed to be financially material.

No

**SG 1.10 CC** Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other
- We currently do not publish TCFD disclosures

<b>SG 02</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 6</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 02.1** Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

Policy setting out your overall approach

URL/Attachment

URL

URL

<https://www.brummer.se/en-GB/>

- Attachment (will be made public)
- Formalised guidelines on environmental factors

URL/Attachment

- URL

URL

<https://www.brummer.se/en-GB/>

- Attachment (will be made public)
- Formalised guidelines on social factors

URL/Attachment

- URL

URL

<https://www.brummer.se/en-GB/>

- Attachment (will be made public)
- Formalised guidelines on corporate governance factors

URL/Attachment

- URL

URL

<https://www.brummer.se/en-GB/>

- Attachment (will be made public)
- Fiduciary (or equivalent) duties

URL/Attachment

- URL

URL

<https://www.brummer.se/en-GB/>

- Attachment (will be made public)
- Asset class-specific RI guidelines

URL/Attachment

- URL

URL

<https://www.brummer.se/en-GB/>

- Attachment (will be made public)
- Screening / exclusions policy

URL/Attachment

- URL

URL

<https://www.brummer.se/en-GB/>

- Attachment (will be made public)
- We do not publicly disclose our investment policy documents

## SG 02.2

Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

- URL

URL

<https://www.brummer.se/en-GB/About-us/About-us/Responsible-Investment/>

- Attachment
- Governance structure of organisational ESG responsibilities

URL/Attachment

- URL

URL

<https://www.brummer.se/en-GB/>

Attachment

ESG incorporation approaches

URL/Attachment

URL

URL

<https://www.brummer.se/en-GB/>

Attachment

Active ownership approaches

URL/Attachment

URL

URL

<https://www.brummer.se/en-GB/>

Attachment

Climate change

Understanding and incorporating client / beneficiary sustainability preferences

URL/Attachment

URL

URL

<https://www.brummer.se/en-GB/>

Attachment

We do not publicly disclose any investment policy components

**SG 02.3** Additional information [Optional].

The Swedish version of our website is open and available to anyone. The English version is password protected due to regulatory restrictions. The password is however automatically generated and not restricted to clients only. On our "About us"-page we describe the firm wide approach and on the fund specific pages we describes each funds' approach in more detail.

SG 03	Mandatory	Public	Core Assessed	General
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**SG 03.1** Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

**SG 03.2** Describe your policy on managing potential conflicts of interest in the investment process.

Brummer investment managers have Conflict of Interest policies in place covering areas such as:

- Appropriate number of employees with appropriate skills and knowledge in terms of the assets and strategy managed
- Appropriate technical systems
- Third party evaluations of the systems and controls in place
- Personal account dealing policies
- Ethical guidelines
- Alignment of interest, e.g. the portfolio managers invest a major share of their personal wealth in the funds' that they manage and compensation models aligning investment team members' interest with the investment managers' and unitholders'
- Fee structure including performance fee, high water marks and hurdles
- Any change in the funds' risk levels has to be communicated to the unitholders
- Best execution policies
- Liquidity policies managing the potential conflict of interest between redeeming and remaining unitholders, et cetera.

No

## Objectives and strategies

SG 05	Mandatory	Public	Gateway/Core Assessed	General
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**SG 05.1** Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

## Governance and human resources

SG 07.1	Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.
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	Roles
--	-------

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Internal Roles (triggers other options)

	Select from the below internal roles
--	--------------------------------------

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify (1)
- Other role, specify (2)
- External managers or service providers



**SG 07.2**

For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

Investing responsibly is about common sense. It is part of the duties of a portfolio manager to analyse relevant and material risks and opportunities regardless of whether they are classified as ESG factors or, say macroeconomic trends and political risk. Making well informed investment decisions is essential to our ability to achieve our goal of generating a sustainable and competitive risk-adjusted return over time. As Brummer & Partners encompass different investment strategies and because our funds invest in different types of financial instruments, each fund's approach to responsible investment needs to be adapted to its specific situation and circumstances and the portfolio managers together with the analysts are best suited to decide on how that should be done.

Brummer & Partners AB and Brummer Multi-Strategy AB (the manager of BMS) have separate policies for responsible investment under which the various investment management firms in the group are requested to draw up their own policies and define what responsible investment means to them. The hedge funds in which BMS invests are supported by Brummer's Sustainability and Risk Control teams. The group wide Sustainability team supports the funds with policy development, education, client communication and general advice and recommendations relating to responsible investment, and the Risk Control team monitors compliance with the policies on a quarterly basis.

BMS together with the other funds in the group have decided to exclude long and short investments in companies involved in controversial weapons and long investments in coal. The Risk Control team screens all funds against ISS-ESG's database quarterly to identify any direct holdings in such companies. The funds are also screened for direct holdings which violate international standards on environmental protection, human rights, labour standards and anti-corruption. The purpose of the norms based screening is not necessarily to encourage the funds to exclude companies which violate international standards. Instead, the Sustainability team engages in dialogue with the funds on the investments concerned and ensure that the chief investment officers are aware of the associated ESG issues and factor these into their analyses. Flagged companies are reported by the Risk Control team to the board of directors who may ask the CIO for more information. The Sustainability team engages with the investment team on flagged companies and provides research on ESG issues, assists in dialogue with the company or follow up on the dialogue held by the investment team.

The Investor Relations team is responsible for communicating our responsible investment practices and for collecting feedback on client preferences on how we can improve.

**SG 07.3**

Indicate the number of dedicated responsible investment staff your organisation has.

Number

2

**SG 07.4**

Additional information. [Optional]

See 07.2 above. As investing responsibly is common sense and part of the role description of a portfolio manager, and as responsible investment activities are shared between several departments internally, e.g. Sustainability, Financial Risk Control and Operational Risk Control, investment teams et cetera, looking at the number of dedicated responsible investment staff is a little misleading.

## Promoting responsible investment

**SG 09**

**Mandatory**

**Public**

**Core Assessed**

**PRI 4,5**

**SG 09.1**

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

**Select all that apply**

Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

Actively promotes the PRI within the asset management industry in general and the hedge fund industry in particular.

Contributed to the best practice guide on hedge funds and responsible investment to be launched later this year.

Attended conferences and seminars arranged by the PRI.

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AVCA: Sustainability Committee
- France Invest – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Climate Action 100+
- Code for Responsible Investment in SA (CRISA)
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- Invest Europe Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- HKVCA: ESG Committee
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Financial Action in the 21st Century
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify  
**The Standards Board for Alternative Investments**

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Brummer & Partners was one of the initiators and founding members of the SBAI (previously the Hedge Fund Standards Board). During the reporting year we participated in events organised by the SBAI and contributed on CEO and CIO level to an event on culture and diversity in the hedge fund industry.

- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify  
Alternative Investment Management Association

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced
- Other collaborative organisation/initiative, specify

SG 10	Mandatory	Public	Core Assessed	PRI 4
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**SG 10.1** Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

- Yes

**SG 10.2** Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

- Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

Description

The Sustainability team sometimes meet with other hedge fund firms in Stockholm to share responsible investment best practices and our approach to responsible investment for education purposes.

#### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Provided financial support for academic or industry research on responsible investment
- Provided input and/or collaborated with academia on RI related work
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment

#### Description

Participated on panel discussions on responsible investment and hedge funds.

#### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI

#### Description

We have promoted the PRI and its definition of responsible investment along with its six principles in interviews, panel discussions, client events et cetera.

#### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
- Wrote and published articles on responsible investment in the media
- A member of PRI advisory committees/ working groups, specify

	Description
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Brummer is a member of the PRI working group drafting responsible investment best practice guidelines on macro hedge funds.

	Frequency of contribution
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- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other
- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
- Other, specify
- No

### Outsourcing to fiduciary managers and investment consultants

SG 12	Mandatory	Public	Core Assessed	PRI 4
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 12.1	Indicate whether your organisation uses investment consultants.
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- Yes, we use investment consultants
- No, we do not use investment consultants.

### ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1	Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
---------	--

- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities

	Describe
--	----------

- Brummer & Partners Sustainability team will during 2020 perform scenario analysis on climate-related risks and opportunities for the Brummer funds, with a focus on BMS. The work is in progress.
- No, our organisation does not currently carry out scenario analysis and/or modelling

**SG 13.2**

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify

ESG issues are actively incorporated into the investment decision making process for the Brummer funds.

- We do not consider ESG issues in strategic asset allocation

**SG 13.3**

Additional information. [OPTIONAL]

Some of the investment teams undertake scenario analysis and modelling because they are material to the analysis, whether labelled ESG or not.

**Asset class implementation not reported in other modules**

**SG 16**

**Mandatory**

**Public**

**Descriptive**

**General**

**SG 16.1**

Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Other (1) [as defined in Organisational Overview module]	The private equity funds managed within the Brummer group (appr 1,2% of group AuM) has developed their own responsible investment policies and processes and the management of ESG risks and opportunities are central to their investment decisions.

# Brummer & Partners AB

## Reported Information

### Public version

### Direct - Hedge Funds

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.



## Policy

HF 01	Mandatory	Public	Descriptive	General
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**HF 01.1** What is your rationale for adopting a policy to incorporate RI into the investment decision-making process? Please select all options that apply to your organisation.

- To provide a framework and ESG applicability to security selection (the strategy) and decision-making in Hedge Funds (e.g. breaking the strategy into different components and focus on risk/return).
- To provide a framework of the fund governance structure.
- Because ESG incorporation is perceived as a competitive advantage in the industry.
- Growing momentum of sustainable investing in Hedge Funds in the financial community.
- Other

specify

To be able to better communicate to clients and prospective clients on how we approach responsible investment.

- None of the above (we don't have a policy addressing RI incorporation into Hedge Funds).

HF 02	Voluntary	Public	Descriptive	4,5
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**HF 02.1** To which normative codes and initiatives are you a signatory to, or a voluntary adherent?

- AOI Hedge Funds Principles 2014
- Standards Board for Alternative Investments (SBAI)
- Alternative Investment Management Association (AIMA)
- International Organisation of Securities Commissions (IOSCO)
- CFA's Asset Manager Code of Professional Conduct
- Other
- None of the above

## Governance

HF 03	Mandatory	Public	Descriptive	General
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**HF 03.1** Indicate whether and how your organisation has organised RI implementation and/or oversight responsibilities.

- We have dedicated internal staff with RI oversight responsibility for Hedge Funds (CEO, CIO, PM, etc.)

Specify

Boards of directors, CIOs, Sustainability team, Risk Control team

- We have dedicated internal staff with RI implementation responsibility for Hedge Funds (CEO, CIO, PM, etc.).

Specify

PMs, analysts, Sustainability team

- We use external consultants that have oversight and/or RI implementation responsibilities.
- Other
- We do not have staff dedicated to RI oversight and implementation.

**HF 03.2** Additional information. [Optional]

External consultants (03.1 above) are used for screening purposes and for research on ESG issues (ISS-ESG).

<b>HF 04</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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**HF 04.1** Please indicate whether you implemented any RI training program regarding hedge funds investments for your staff during the reporting year.

- Yes, we have a formal RI training/educational program covering hedge funds.
- Yes, we have a RI training program to educate staff regarding our hedge funds policies.
- Yes, we regularly train our staff on code of ethics/compliance manuals covering hedge funds investments.
- Other

Specify

Training sessions are held with investment teams, senior management, investor relations and others interested. RI is also part of the introduction course for new employees.

- No, we don't have a RI training program.

**HF 04.2** Explain how the RI training program is conducted?

Training sessions are held with investment teams, senior management, investor relations and others interested. RI is also part of the introduction course for new employees. Training is typically executed in town hall sessions, management meetings and dialogues with the investment managers within the Brummer group.

**Investment process**

<b>HF 06</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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**HF 06.1** Please describe the ESG resources and tools used in your investment decision-making process.

Category of ESG	Reason for use
<input checked="" type="checkbox"/> ESG data (proprietary, 3rd party, etc.)	To analyse all material factors that may affect the value of an investment, whether labelled ESG or not, is common sense and part of the role description of a PM.
<input checked="" type="checkbox"/> ESG research (broker, etc.)	See above.
<input checked="" type="checkbox"/> Consultants	ISS-ESG is used for screening and exclusion purposes as well as to get additional information about ESG issues in flagged companies.
<input type="checkbox"/> Other resources/tools/practices	

HF 06.2

Select and explain how these resources are incorporated into the investment and risk management process?

Category of ESG	Investment/risk management process	Additional text (optional)
ESG data (proprietary, 3rd party, etc.)	<input type="checkbox"/> Investment origination <input checked="" type="checkbox"/> Investment analysis <input checked="" type="checkbox"/> Portfolio construction <input type="checkbox"/> Trade management <input checked="" type="checkbox"/> Risk management	ESG integration, investment restrictions and engagement with portfolio holdings.
ESG research (broker, etc.)	<input type="checkbox"/> Investment origination <input checked="" type="checkbox"/> Investment analysis <input checked="" type="checkbox"/> Portfolio construction <input type="checkbox"/> Trade management <input checked="" type="checkbox"/> Risk management	ESG integration, investment restrictions and engagement with portfolio holdings.
Consultants	<input type="checkbox"/> Investment origination <input checked="" type="checkbox"/> Investment analysis <input checked="" type="checkbox"/> Portfolio construction <input type="checkbox"/> Trade management <input checked="" type="checkbox"/> Risk management	Screening, ESG integration, investment restrictions and engagement with portfolio holdings.

HF 07

Mandatory

Public

Descriptive

1,2

HF 07.1

Does your organisation uses quantitative analysis?

Yes

Please indicate at which level ESG is incorporated into the analysis.

Quantitative modelling	ESG incorporation	Outcomes and assessment/review
<input checked="" type="checkbox"/> Multi-factors models <input type="checkbox"/> Fractal Market Hypothesis (FMH) modelling <input checked="" type="checkbox"/> Models Yield <input checked="" type="checkbox"/> Technical analysis (Fibonacci retracements, Bollinger bands, etc.) <input checked="" type="checkbox"/> Univariate models (Box-Jenkins) <input checked="" type="checkbox"/> Monte-Carlo simulations <input checked="" type="checkbox"/> Multiple regression analysis <input checked="" type="checkbox"/> Correlation analysis <input checked="" type="checkbox"/> Other  <div style="background-color: #0070C0; color: white; padding: 2px;">Please specify</div> Certain markets excluded from trading	<input checked="" type="checkbox"/> Pre-defined ESG parameters are added in our quantitative models. <input type="checkbox"/> We conduct scenario analysis to define ESG parameters separately. <input type="checkbox"/> Variance/Value at Risk analysis with embedded ESG-risks. <input checked="" type="checkbox"/> Other  <div style="background-color: #0070C0; color: white; padding: 2px;">Please specify</div> Investment restrictions	Alpha generating ESG parameters are identified as a result of ongoing processes to identify financially material parameters in general.

We don't use quantitative analysis.

#### HF 07.2

Does your organisation uses fundamental analysis?

Yes

Please indicate at which level ESG is incorporated into the analysis.

Fundamental approach	ESG incorporation	Outcomes and assessment/review
<input checked="" type="checkbox"/> Top-down <input checked="" type="checkbox"/> Bottom-up	<input checked="" type="checkbox"/> At a micro level - ESG factors are integrated into financial models (DCF, multiples, etc.) <input type="checkbox"/> Financial ratios with embedded ESG factors. <input checked="" type="checkbox"/> At a macro level - ESG factors are embedded with economic indicators (GDP, inflation, etc.) <input checked="" type="checkbox"/> Other  <div style="background-color: #0070C0; color: white; padding: 2px;">Please specify</div> ESG treated as any factor	Well informed investment decisions

We don't use fundamental analysis.

HF 07.3	Additional information [OPTIONAL]		
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ESG is not treated separately but as any other material factor (risk/opportunity) and hence included in analysis and investment decisions where relevant. Also, it is rarely labelled ESG but instead political risk, regulatory risk, demographical trends, changes in consumption patterns, technological disruption, sustainability etcetera. We are however continuously educating our investment teams on what constitutes ESG to better communicate with clients on our responsible investment practices.

HF 08	Mandatory	Public	Descriptive	1,6
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HF 08.1	Could you please indicate whether there have been any changes to your RI incorporation process over the past 12 months (e.g. additional resources, information sources)?
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- Yes
- No

HF 08.2	If yes, please describe them.
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Sustainability and responsible investment is an area of continuous learning and we are constantly working on improving and enhancing our investment analyses. During 2019, ESG integration was a core focus point for some of the investment teams within the group. On a group level we decided initiate a process to acquire additional ESG data tied to climate risk and opportunities, which will feed into a project that is carried out during 2020.

HF 09	Mandatory	Public	Descriptive	1,2
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HF 09.1	Please select and explain how active ownership practices are integrated into investment decisions.
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- (Proxy) Voting
  - The funds may vote and typically do so when they believe it is relevant and in their clients' best interest.
- Engagement
  - The investment teams engage with portfolio companies on ESG issues when they believe it is relevant and they can make a difference. Brummer & Partners Sustainability team supports this process when required.
- Shareholder resolution
  - The funds may vote on shareholder resolutions, and are not prohibited from acting in collaboration with other investors through for example filing and voting shareholder resolutions as long as it is in the clients' best interest.
- None of the above
- Not applicable (N/A)

HF 10	Mandatory	Public	Descriptive	1,2
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HF 10.1	Please provide examples of where ESG risks and opportunities were incorporated into the investment decisions over the past 12 months.
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- Add Example 1

Hedge Funds Strategy	<p>Equity Hedge, Relative value</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Global macro</li> <li><input checked="" type="checkbox"/> Equity Hedge</li> <li><input type="checkbox"/> Event driven</li> <li><input checked="" type="checkbox"/> Relative value</li> <li><input type="checkbox"/> Risk parity</li> <li><input type="checkbox"/> Blockchain</li> <li><input type="checkbox"/> Fund of Hedge Funds</li> </ul>
ESG factors	<p>Governance</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Environmental</li> <li><input type="checkbox"/> Social</li> <li><input checked="" type="checkbox"/> Governance</li> </ul>
ESG risks/opportunities	Executive remuneration
Financial risks	When CEO's or senior management's compensation packages are misaligned with the goals of the company, or with shareholders' values, there is a risk that it will affect the share price of a company (equity risk).
Scope and process	Qualitative assessment
Outcomes	Engagement, voting and sometimes a decision to sell/short or not invest at all.

Add Example 2

Hedge Funds Strategy	<p>Equity Hedge, Relative value</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Global macro</li> <li><input checked="" type="checkbox"/> Equity Hedge</li> <li><input type="checkbox"/> Event driven</li> <li><input checked="" type="checkbox"/> Relative value</li> <li><input type="checkbox"/> Risk parity</li> <li><input type="checkbox"/> Blockchain</li> <li><input type="checkbox"/> Fund of Hedge Funds</li> </ul>
ESG factors	<p>Social</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Environmental</li> <li><input checked="" type="checkbox"/> Social</li> <li><input type="checkbox"/> Governance</li> </ul>
ESG risks/opportunities	Technological disruption
Financial risks	Companies that are unable to adapt to changing consumer patterns, new business models etc risk going out of business.
Scope and process	Fundamental analysis
Outcomes	Go long in companies that adapt and take advantage of technological change, short or stay away from those that do not. Capitalize on credit valuation developments and possibly pair with acting on insight of long term yield requirements for certain issuers.

Add Example 3

Hedge Funds Strategy	<b>Equity Hedge</b> <input type="checkbox"/> Global macro <input checked="" type="checkbox"/> Equity Hedge <input type="checkbox"/> Event driven <input type="checkbox"/> Relative value <input type="checkbox"/> Risk parity <input type="checkbox"/> Blockchain <input type="checkbox"/> Fund of Hedge Funds
ESG factors	<b>Governance</b> <input type="checkbox"/> Environmental <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
ESG risks/opportunities	Aggressive accounting/forensic accounting
Financial risks	Changing accounting methods may signal problems which may affect the share price of a company at a later stage
Scope and process	Forensic accounting/fundamental analysis
Outcomes	Short the company

Add Example 4



Hedge Funds Strategy	<p>Global macro</p> <input checked="" type="checkbox"/> Global macro <input type="checkbox"/> Equity Hedge <input type="checkbox"/> Event driven <input type="checkbox"/> Relative value <input type="checkbox"/> Risk parity <input type="checkbox"/> Blockchain <input type="checkbox"/> Fund of Hedge Funds
ESG factors	<p>Social, Governance</p> <input type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
ESG risks/opportunities	<p>Systematic trend following strategies are dependent upon the health and well functioning of financial markets. Only markets with sufficient liquidity and daily traded volumes should be traded and positions sized to minimise the risk of driving prices.</p>
Financial risks	<p>If the models start to affect the price they will distort investment signals and risk affecting the return of a fund.</p>
Scope and process	<p>Quantitative modelling/analyses</p>
Outcomes	<p>Exclude certain markets from trading</p>

- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10
- We are not able to provide examples

**HF 10.2** Based on your example(s) provided above, please specify whether the incorporation of ESG factors affected the risk-adjusted returns of your hedge funds.

- The incorporation of ESG risks positively affected the risk adjusted returns of the hedge funds
- The incorporation of ESG risks negatively affected the risk adjusted returns of the hedge funds
- The incorporation of ESG risks had an overall neutral effect on the risk adjusted returns of the hedge funds
- No impact, or we do not track this information.

HF 11	Mandatory	Public	Descriptive	General
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**HF 11.1** Do you use derivatives instruments as part of your hedge funds strategies and/or Funds of Hedge Funds?

- Yes
- No

**HF 11.2** Please select all the applicable categories of derivatives used.

Listed/OTC	Category of derivatives
<input checked="" type="radio"/> Listed derivatives	<input checked="" type="checkbox"/> Futures <input checked="" type="checkbox"/> Options (Equity, Index, ETF, FX, IR, etc.) <input type="checkbox"/> Other <input type="checkbox"/> None of the above
<input checked="" type="radio"/> OTC derivatives	<input checked="" type="checkbox"/> Swaps <input checked="" type="checkbox"/> FRA <input checked="" type="checkbox"/> Exotic derivatives <input checked="" type="checkbox"/> CDS <input type="checkbox"/> Other <input type="checkbox"/> None of the above

**HF 11.3** Please explain whether and how these derivatives impacted the risk-adjusted returns of your hedge funds investments?

**Impact**

- Positive impact

**Outcomes**

Derivatives are in some cases a central part of the investment strategies and as such, they contribute to the performance and risk management of the funds. Derivatives are also used as a pure hedging tool to eliminate for example currency risk.

- Negative impact
- Neutral impact
- No impact or we do not track this information

**HF 11.4** Please indicate whether the use of derivatives triggered ESG risks/opportunities at the fund level?

- Yes
- No, or undetermined

**Monitoring and reporting**

HF 12	Mandatory	Public	Descriptive	1,2
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**HF 12.1** Could you indicate whether you report separately on your funds' long/short/net exposures?

- Yes
- No
- Not Applicable

**HF 12.2** Please explain your reporting process.

Exposure

- Long exposure

ESG data/reporting process

We do not report on ESG exposures separately

KPI and assessment

We do not report on ESG exposures separately

- Short exposure

ESG data/reporting process

We do not report on ESG exposures separately

KPI and assessment

We do not report on ESG exposures separately

- Neutral exposure

HF 13	Mandatory	Public	Descriptive	1,2
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**HF 13.1** Please describe what metrics/initiatives (internal and/or external) your organisation uses to measure its progress in incorporating RI into the investment process.

- Add Example 1

Hedge Funds Strategy	Global macro, Equity Hedge, Relative value, Fund of Hedge Funds <input checked="" type="checkbox"/> Global macro <input checked="" type="checkbox"/> Equity Hedge <input type="checkbox"/> Event driven <input checked="" type="checkbox"/> Relative value <input checked="" type="checkbox"/> Fund of Hedge Funds <input type="checkbox"/> Risk parity <input type="checkbox"/> Blockchain				
Metrics/Initiatives	<table border="1"> <thead> <tr> <th>Metrics</th> <th>Initiatives</th> </tr> </thead> <tbody> <tr> <td> <input checked="" type="checkbox"/> RI policy implementation  <input type="checkbox"/> RI Recommendation changes  <input type="checkbox"/> ESG Alpha  <input type="checkbox"/> ESG Beta  <input type="checkbox"/> GHG Emissions </td> <td> <input type="checkbox"/> Transparency  <input checked="" type="checkbox"/> Integration of ESG data  <input type="checkbox"/> Education  <input type="checkbox"/> Other </td> </tr> </tbody> </table>	Metrics	Initiatives	<input checked="" type="checkbox"/> RI policy implementation <input type="checkbox"/> RI Recommendation changes <input type="checkbox"/> ESG Alpha <input type="checkbox"/> ESG Beta <input type="checkbox"/> GHG Emissions	<input type="checkbox"/> Transparency <input checked="" type="checkbox"/> Integration of ESG data <input type="checkbox"/> Education <input type="checkbox"/> Other
Metrics	Initiatives				
<input checked="" type="checkbox"/> RI policy implementation <input type="checkbox"/> RI Recommendation changes <input type="checkbox"/> ESG Alpha <input type="checkbox"/> ESG Beta <input type="checkbox"/> GHG Emissions	<input type="checkbox"/> Transparency <input checked="" type="checkbox"/> Integration of ESG data <input type="checkbox"/> Education <input type="checkbox"/> Other				
Internal/external	<input checked="" type="checkbox"/> Internal <input type="checkbox"/> External				
Metrics/Initiatives definition	Number of flagged companies in the quarterly screenings and the ESG issue behind the flag. Number of engagements/dialogues with portfolio holdings, topics of engagement and its outcome. PRI reporting and the following assessment.				
Assessment/outcomes	The portfolio is compliant with the RI policy.				

Add Example 2

Hedge Funds Strategy	<p>Global macro, Equity Hedge, Relative value, Fund of Hedge Funds</p> <p><input checked="" type="checkbox"/> Global macro</p> <p><input checked="" type="checkbox"/> Equity Hedge</p> <p><input type="checkbox"/> Event driven</p> <p><input checked="" type="checkbox"/> Relative value</p> <p><input checked="" type="checkbox"/> Fund of Hedge Funds</p> <p><input type="checkbox"/> Risk parity</p> <p><input type="checkbox"/> Blockchain</p>												
Metrics/Initiatives	<table border="1"> <thead> <tr> <th>Metrics</th> <th>Initiatives</th> </tr> </thead> <tbody> <tr> <td><input type="checkbox"/> RI policy implementation</td> <td><input type="checkbox"/> Transparency</td> </tr> <tr> <td><input checked="" type="checkbox"/> RI Recommendation changes</td> <td><input checked="" type="checkbox"/> Integration of ESG data</td> </tr> <tr> <td><input type="checkbox"/> ESG Alpha</td> <td><input type="checkbox"/> Education</td> </tr> <tr> <td><input type="checkbox"/> ESG Beta</td> <td><input type="checkbox"/> Other</td> </tr> <tr> <td><input type="checkbox"/> GHG Emissions</td> <td></td> </tr> </tbody> </table>	Metrics	Initiatives	<input type="checkbox"/> RI policy implementation	<input type="checkbox"/> Transparency	<input checked="" type="checkbox"/> RI Recommendation changes	<input checked="" type="checkbox"/> Integration of ESG data	<input type="checkbox"/> ESG Alpha	<input type="checkbox"/> Education	<input type="checkbox"/> ESG Beta	<input type="checkbox"/> Other	<input type="checkbox"/> GHG Emissions	
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<input type="checkbox"/> GHG Emissions													
Internal/external	<p><input checked="" type="checkbox"/> Internal</p> <p><input type="checkbox"/> External</p>												
Metrics/Initiatives definition	<p>Responsible investment is a continuous learning process. The investment teams together with the Sustainability team, the investor relations team, and senior management team regularly discuss how the group's responsible investment activities can evolve and improve.</p>												
Assessment/outcomes	<p>As the responsible investment activities evolve over time, RI policies are updated accordingly.</p>												

Add Example 3

Hedge Funds Strategy	<p>Global macro, Equity Hedge, Relative value, Fund of Hedge Funds</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Global macro</li> <li><input checked="" type="checkbox"/> Equity Hedge</li> <li><input type="checkbox"/> Event driven</li> <li><input checked="" type="checkbox"/> Relative value</li> <li><input checked="" type="checkbox"/> Fund of Hedge Funds</li> <li><input type="checkbox"/> Risk parity</li> <li><input type="checkbox"/> Blockchain</li> </ul>												
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<input type="checkbox"/> GHG Emissions													
Internal/external	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Internal</li> <li><input type="checkbox"/> External</li> </ul>												
Metrics/Initiatives definition	The framework and integration of ESG metrics evolves over time, insight and continuous learning is important.												
Assessment/outcomes	Climate change and the SDGs were focus areas for several investment managers during 2019. The assessment and measurement of climate change risk and opportunities from a fundamental perspective has improved and resulted in a project to measure the funds' WACI in 2020.												

Add Example 4

Add Example 5

Hedge Funds Strategy	Global macro, Equity Hedge, Relative value, Fund of Hedge Funds <input checked="" type="checkbox"/> Global macro <input checked="" type="checkbox"/> Equity Hedge <input type="checkbox"/> Event driven <input checked="" type="checkbox"/> Relative value <input checked="" type="checkbox"/> Fund of Hedge Funds <input type="checkbox"/> Risk parity <input type="checkbox"/> Blockchain				
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Metrics	Initiatives				
<input type="checkbox"/> RI policy implementation <input type="checkbox"/> RI Recommendation changes <input type="checkbox"/> ESG Alpha <input type="checkbox"/> ESG Beta <input checked="" type="checkbox"/> GHG Emissions	<input type="checkbox"/> Transparency <input type="checkbox"/> Integration of ESG data <input checked="" type="checkbox"/> Education <input type="checkbox"/> Other				
Internal/external	<input checked="" type="checkbox"/> Internal <input type="checkbox"/> External				
Metrics/Initiatives definition	Brummer & Partners Sustainability team will during 2020 perform scenario analysis on climate-related risks and opportunities for the funds within the group, focusing on BMS. The work is in progress.				
Assessment/outcomes	Work is currently ongoing.				

- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10
- We are not able to provide examples

HF 14	Voluntary	Public	Descriptive	General
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HF 14.1	Does your organisation assess the funds' exposure to climate-related risks, measure and monitor the carbon footprint of its investment portfolio?
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- Yes
- No

**HF 14.2**

If yes, explain the methodology followed and assessment process.

Add Example 1



Hedge Fund Strategy	<p>Global macro, Equity Hedge, Relative value, Fund of Hedge Funds</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Global macro</li> <li><input checked="" type="checkbox"/> Equity Hedge</li> <li><input type="checkbox"/> Event driven</li> <li><input checked="" type="checkbox"/> Relative value</li> <li><input checked="" type="checkbox"/> Fund of Hedge Funds</li> <li><input type="checkbox"/> Risk parity</li> <li><input type="checkbox"/> Blockchain</li> </ul>
KPI	<ul style="list-style-type: none"> <li><input type="checkbox"/> Climate-related targets</li> <li><input checked="" type="checkbox"/> Weighted average carbon intensity</li> <li><input type="checkbox"/> Carbon footprint (scope 1 and 2)</li> <li><input type="checkbox"/> Portfolio carbon footprint</li> <li><input type="checkbox"/> Total carbon emissions</li> <li><input type="checkbox"/> Carbon intensity</li> <li><input type="checkbox"/> Exposure to carbon-related assets</li> <li><input type="checkbox"/> Other emissions metrics</li> </ul>
Methodology	<p>ISS-ESG has been consulted to advise and calculate the WACI across a majority of the group assets, with a specific focus on BMS. BMS invests in 10 of the funds in the group and has indirect exposure to a large range of asset classes and strategies.</p> <p>In order to calculate the WACI for the assets in scope, we applied the regular WACI methodology for corporates, and amended the WACI intensity measure so that it also can be applied across sovereigns and commodities. The results were compounded on portfolio levels, and the metrics were calculated for direct and indirect derivative exposure to equities, fixed income or commodities. As a result, it was possible to aggregate WACI on a BMS level with a significant coverage of the asset classes in scope.</p> <p>The following asset level metrics are the results of that approach which is then appropriately aggregated on portfolio levels.</p> <p>Tons Co2e / Million USD Revenue (Corporations)</p> <p>Tons Co2e / Million USD GDP (Sovereigns)</p> <p>Tons Co2e / Million USD Implied revenue (Commodities)</p>
Assessment	<p>The metric has been calculated in order to monitor and assess exposure to climate change risks and opportunities.</p> <p>The information is primarily intended to be one of the components of analysing exposure to climate change risks and opportunities for the majority of the group assets.</p> <p>There are clear limitations to the metric as it needs to be adjusted before being applied to the asset classes that we are exposed to. However, it can be adjusted, which is less easily done with other metrics relying on ownership of carbon emissions. A specific limitation is accuracy in determining the emissions intensity of commodities and inter-commodity comparison using WACI. One example of a limiting complexity is that some commodities are traded and measured in different stages of their product refinement lifecycles such as soybeans and soybean meal or oil. Another complexity sits in the credibility of the determined carbon emissions factors of commodities over any part of their life cycles, as carbon emissions in production and extraction processes is not identical for any unit of the same commodity.</p> <p>It remains to be concluded how material and useful the insight of the calculated WACI is.</p>

- Add Example 2
- Add Example 3
- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10
- We are not able to provide examples

HF 15	Mandatory	Public	Descriptive	2,6
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<b>HF 15.1</b>	How often and in what format (e.g. meetings, written reports) does your organisation report to its investors on ESG activities risks assessments? Please provide reporting examples.
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- Add Example 1

Frequency of reporting	<input type="radio"/> Annually <input checked="" type="radio"/> More frequently than annually <input type="radio"/> Other
Format	<input type="checkbox"/> Minutes of meetings <input checked="" type="checkbox"/> Written reports <input type="checkbox"/> Side letters/emails <input type="checkbox"/> Other
ESG activities	<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
Portfolio ESG risks assessment	<input type="checkbox"/> Fund governance <input type="checkbox"/> Linear constrains <input type="checkbox"/> Quadratic constraints <input checked="" type="checkbox"/> Other <div style="background-color: #cccccc; padding: 5px; margin-top: 5px;">specify</div> <p>We report on how we integrate ESG risks and opportunities on the website, in annual and semi-annual reports, information materials etc</p>
Outcomes	See above

- Add Example 2

Frequency of reporting	<input type="radio"/> Annually <input checked="" type="radio"/> More frequently than annually <input type="radio"/> Other
Format	<input type="checkbox"/> Minutes of meetings <input type="checkbox"/> Written reports <input checked="" type="checkbox"/> Side letters/emails <input checked="" type="checkbox"/> Other <div style="border: 1px solid black; background-color: #cccccc; padding: 2px; margin-top: 5px;">specify</div> <p>Meetings and e-mails</p>
ESG activities	<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
Portfolio ESG risks assessment	<input type="checkbox"/> Fund governance <input type="checkbox"/> Linear constrains <input type="checkbox"/> Quadratic constraints <input checked="" type="checkbox"/> Other <div style="border: 1px solid black; background-color: #cccccc; padding: 2px; margin-top: 5px;">specify</div> <p>We engage with clients on ESG matters important to them and seek their feedback.</p>
Outcomes	See above

- Add Example 3
- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10
- We are not able to provide examples

<b>HF 15.2</b>	<b>Additional information [OPTIONAL]</b>
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Brummer & Partners value transparency and good business ethics. We were one of the founding partners of the SBAI and as a firm we strive to contribute to the development of industry best practices, where transparency is an important aspect.

# Brummer & Partners AB

## Reported Information

## Public version

## Confidence building measures

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Confidence building measures

CM1 01	Mandatory	Public	Additional Assessed	General
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**CM1 01.1** Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

- Third party assurance over selected responses from this year's PRI Transparency Report
- Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year)
- Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year)
- Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
  - Whole PRI Transparency Report has been internally verified
  - Selected data has been internally verified
- Other, specify
- None of the above

CM1 02	Mandatory	Public	Descriptive	General
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**CM1 02.1** We undertook third party assurance on last year's PRI Transparency Report

- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report
- None of the above, we were in our preparation year and did not report last year.

CM1 03	Mandatory	Public	Descriptive	General
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**CM1 03.1** We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme
- We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ESG audit of holdings

**CM1 03.4** Describe the process of external/third party ESG audit of holdings, including which data has been assured.

Policy compliance is audited using ISS-ESG on a quarterly basis.

- Other, specify
- None of the above

CM1 04	Mandatory	Public	Descriptive	General
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**CM1 04.1** Do you plan to conduct third party assurance of this year's PRI Transparency report?

- Whole PRI Transparency Report will be assured
- Selected data will be assured
- We do not plan to assure this year's PRI Transparency report

CM1 07	Mandatory	Public	Descriptive	General
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**CM1 07.1** Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed

**Who has conducted the verification**

- CEO or other Chief-Level staff

**Sign-off or review of responses**

- Sign-off
- Review of responses
- The Board
- Investment Committee
- Compliance Function
- RI/ESG Team
- Investment Teams
- Legal Department
- Other (specify)