Brummer multi

MONTHLY REPORT - MARCH 2020

Brummer Multi-Strategy (BMS) SEK and Brummer Multi-Strategy 2xL (BMS 2xL) SEK returned -2.3 and -4.6 per cent in March (est. -2.1 and -4.3 per cent for USD classes), which equates to (sums up to) -1.7 and -3,8 per cent respectively for the year.

We are of course not happy with the fact that BMS ended in negative territory for the month. However, from a portfolio construction perspective, the focus on diversification and market neutrality helped the portfolio hold up relatively well despite equity market movements not seen since the Global Financial Crisis. In addition to challenging markets the decision to redeem our investment in Bodenholm in full was enforced.

After withstanding the first weeks of market turbulence our focus gradually shifted to opportunities. Every market crisis is different but a common theme is that it usually creates good opportunities as prices get severely dislocated and fundamentals can change very quickly. We have seen and experienced this in the past during both the Dot-com bubble and the Global Financial Crisis. BMS is in a good position to exploit several opportunities, while at the same time remaining diversified with a market neutral stance given our tolerance for risk.

As of April 1st, BMS increased its allocation to Manticore, Black-and-White and Arete and reduced weights in Observatory Capital, AlphaCrest and Lynx Constellation. The redemption in Bodenholm will be executed in April.

RETURN AND KEY FIGURES[1)]

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)	HFRI Fund of Funds Index[2)] (USD)	MSCI World NDTR Index[2)] (local ccy)	JP Morgan Global Govn't Bond Index (local ccy)
Last month, %	-2.26	-4.63	-2.25	-2.26	-2.09	-4.94	-12.84	0.48
Year to date, %	-1.74	-3.80	-1.73	-1.83	-1.38	-6.01	-20.10	4.40
Last 12 months, %	-0.49	-2.52	-0.49	-0.88	1.07	-2.60	-9.65	8.20
Since inception, %	172.01	301.29	172.05	165.69	229.34	70.01	138.30	105.56
Average annual return since inception, %	5.71	8.02	5.71	5.58	6.84	2.99	4.94	4.08
Risk ratios and other key figures								
Standard deviation, %	4.45	8.75	4.45	4.48	4.44	4.89	13.87	3.17
Downside risk,%[3)]	2.65	5.48	2.65	2.65	2.65	3.73	10.40	1.76
Sharpe ratio[3)]	1.01	0.77	1.01	1.01	1.01	0.36	0.27	0.90
NAV/share	2,416.79	1,635.26	919.55	218.83	1,094.46	-	-	-
NAV (millions)[4)]	27,177	8,111	1,383	60	131	-	-	-
NAV BMS Master (millions)[4)]	30,697							

RETURN CONTRIBUTION AND ALLOCATION, %

Fund	Monthly contribution by fund	Allocation end of month	Strategy	Monthly contribution by strategy	Allocation end of month
Black-and-White	-0.02	17.58			
Bodenholm[5)]	-1.16	12.26	L/S Equity	-0.62	50.65
Manticore	0.55	20.80			
AlphaCrest	-0.17	6.65	Systematic Equity	-0.17	6.65
Florin Court	0.28	13.40	Systematic Trend	0.17	17.52
Lynx[6)]	-0.11	4.12			
Lynx Constellation	-0.21	1.64	Machine learning	-0.21	1.64
Observatory	-1.44	12.32	L/S Credit	-1.44	12.32
Arete[5)]	0.29	13.33	Discretionary Macro	0.29	13.33
Frost	-0.07	3.06	Fixed Income Relative Value	-0.07	3.06

NET RETURN FOR THE FUNDS IN BRUMMER MULTI-STRATEGY, %[7)]

Net return	AlphaCrest	Arete	Black-and-White	Bodenholm	Florin Court	Frost	Lynx Constellation	Lynx[6)]	Manticore	Observatory
Average annual return	-4.47	9.54	8.51	2.40	3.44	–	–	8.87	8.67	8.57
Year 2015	–	5.94	–	3.22	-1.16	–	–	-8.49	9.89	3.40
Year 2016	–	8.58	-1.09	0.38	-4.31	–	–	-4.91	4.93	6.41
Year 2017	–	7.15	12.16	12.27	7.64	–	–	-5.61	34.42	5.80
Year 2018	-2.31	-0.95	11.85	6.58	-2.84	–	–	-2.61	-6.31	0.32
Year 2019	-0.99	12.37	1.88	2.84	16.31	–	-0.54	15.87	7.92	3.10
Last month	-1.66	2.19	-0.56	-8.25	2.23	-2.32	-7.14	-3.35	3.18	-9.74
Year to date	-3.82	0.26	4.55	-12.58	1.80	-1.15	-4.97	-7.13	9.55	-7.76

CORRELATION, %

	Brummer Multi-Strategy (SEK)	HFRI Fund of Funds Index[2)] (USD)	MSCI World NDTR Index[2)] (local ccy)	JP Morgan Global Govn't Bond Index (local ccy)
BMS	-			
HFRI FOF	0.45	-		
MSCI World	0.16	0.76	-	
JPMG	0.22	-0.27	-0.33	-

RISK AND STRESS TEST, %

Risk	BMS	BMS 2xL
Value at Risk[8)]	0.65	1.31
Value at Risk[8)], simulated with data from the financial crisis in 2008	0.32	0.64
Stress test		
All (zero coupon) interest rates -20bp	0.31	0.63
All (zero coupon) interest rates +20bp	-0.33	-0.66
All equities and equity indices -10%	-0.41	-0.82
All equities and equity indices +10%	1.17	2.33
USD against all other currencies -10%	-0.67	-1.33
USD against all other currencies +10%	0.67	1.33

MONTHLY RETURN BRUMMER MULTI-STRATEGY, %

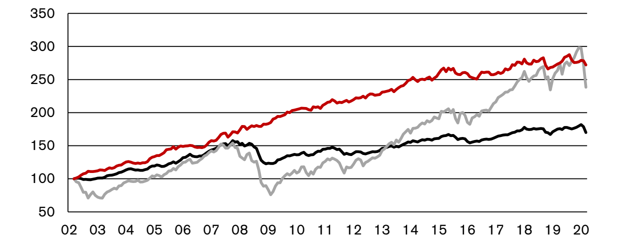
Year	Yearly return	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2002 (Apr-Dec)	**11.40**	–	–	–	1.17	1.54	2.62	2.03	0.84	2.75	-0.57	0.18	0.34
2003	**10.81**	0.59	1.17	-0.07	-0.77	2.08	1.50	-0.65	0.93	2.21	0.82	0.53	2.04
2004	**7.37**	1.61	0.50	-0.80	-1.09	-0.39	0.48	-0.46	0.74	0.04	1.24	3.64	1.71
2005	**12.83**	0.70	1.27	-0.06	1.53	1.61	3.26	0.52	0.22	2.34	-2.42	1.99	1.28
2006	**3.83**	-0.44	0.47	0.13	0.51	-0.41	-1.08	-0.64	0.06	-0.19	0.67	1.91	2.83
2007	**9.03**	1.54	-0.42	0.68	2.62	2.97	0.99	0.15	-3.61	2.19	2.72	-0.13	-0.84
2008	**7.72**	2.76	2.94	-0.07	-2.43	1.66	1.38	-0.59	0.94	-0.77	-0.04	1.88	-0.07
2009	**11.76**	0.42	1.08	2.81	0.68	1.37	-0.11	0.74	0.64	2.15	-0.46	1.56	0.33
2010	**3.55**	0.48	0.37	0.55	-0.12	-0.03	-0.93	-0.39	2.46	-0.38	0.48	-1.22	2.29
2011	**3.15**	0.99	1.15	0.32	1.58	-0.97	-1.44	0.57	-0.28	0.81	0.76	-1.12	0.78
2012	**4.40**	0.90	1.22	-0.18	0.31	0.96	-1.16	1.69	1.00	-0.13	-0.80	0.40	0.14
2013	**9.38**	1.56	0.26	0.33	0.41	0.91	-1.52	1.46	1.15	0.93	0.39	1.42	1.74
2014	**2.48**	0.45	1.47	-1.46	-1.04	1.16	0.22	-0.36	1.03	0.65	-1.92	1.28	1.03
2015	**2.33**	1.96	1.89	0.98	-1.98	2.01	-1.05	0.96	-2.63	-0.78	-0.24	1.18	0.16
2016	**-1.29**	-0.65	-1.87	-0.53	-0.39	-0.39	2.28	1.79	-0.23	0.27	-0.04	-1.45	-0.02
2017	**6.35**	0.44	0.96	-0.67	0.56	2.12	-0.58	0.57	2.38	-0.44	1.83	0.00	-0.92
2018	**-1.96**	2.60	-2.02	-0.63	0.01	2.11	-0.75	0.25	1.16	0.67	-3.93	-2.13	0.87
2019	**3.17**	0.20	0.87	0.79	0.60	0.97	2.10	0.61	0.84	-2.82	-1.36	0.04	0.36
2020, year to date	**-1.74**	0.84	-0.31	-2.26									

MONTHLY RETURN BRUMMER MULTI-STRATEGY 2XL, %1)

Year	Yearly return	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2002 (Apr-Dec)	**18.04**	–	–	–	1.81	2.55	4.65	3.51	1.18	4.86	-1.65	-0.12	0.15
2003	**16.65**	0.71	1.91	-0.62	-1.97	3.76	2.53	-1.69	1.51	3.98	1.25	0.72	3.62
2004	**10.32**	2.85	0.67	-1.96	-2.50	-1.12	0.62	-1.23	1.15	-0.26	2.19	6.89	2.94
2005	**21.74**	1.16	1.95	-0.58	2.71	2.83	6.03	0.70	0.17	4.29	-5.00	3.74	2.28
2006	**3.56**	-1.14	0.68	-0.02	0.73	-1.11	-2.44	-1.62	-0.20	-0.75	0.97	3.45	5.21
2007	**12.54**	2.60	-1.13	0.94	4.82	5.39	1.51	-0.14	-7.55	4.07	4.85	-0.66	-2.05
2008	**8.76**	5.06	5.33	-0.60	-5.35	2.85	2.29	-1.72	1.32	-2.11	-0.68	3.22	-0.65
2009	**21.15**	0.40	1.85	5.27	1.10	2.46	-0.40	1.27	1.11	4.10	-1.07	2.97	0.47
2010	**5.02**	0.80	0.61	0.95	-0.38	-0.21	-1.99	-0.96	4.77	-0.91	0.75	-2.64	4.39
2011	**2.63**	1.69	2.05	0.37	2.87	-2.18	-3.19	0.85	-0.88	1.32	1.19	-2.53	1.25
2012	**5.02**	1.45	2.12	-0.66	0.32	1.59	-2.59	3.09	1.64	-0.53	-1.89	0.53	-0.01
2013	**15.88**	2.84	0.28	0.41	0.57	1.54	-3.25	2.69	2.03	1.59	0.52	2.58	3.20
2014	**2.36**	0.65	2.72	-3.11	-2.34	2.11	0.22	-0.93	1.90	1.09	-3.98	2.45	1.85
2015	**2.84**	3.71	3.57	1.77	-4.06	3.95	-2.20	1.80	-5.32	-1.73	-0.60	2.24	0.20
2016	**-3.94**	-1.39	-3.88	-1.19	-0.87	-0.89	4.47	3.41	-0.55	0.46	-0.17	-2.99	-0.14
2017	**11.66**	0.78	1.83	-1.42	1.05	4.12	-1.23	1.04	4.63	-0.95	3.56	-0.10	-1.95
2018	**-5.38**	5.14	-4.02	-1.38	-0.07	4.11	-1.55	0.40	2.20	1.23	-7.91	-4.54	1.66
2019	**4.82**	0.27	1.69	1.44	1.05	1.80	4.05	1.11	1.58	-5.67	-2.89	-0.01	0.63
2020, year to date	**-3.80**	1.58	-0.71	-4.63									

NET PERFORMANCE

Brummer Multi-Strategy compared with HFRI Fund of Funds Index2) and MSCI World Index2)



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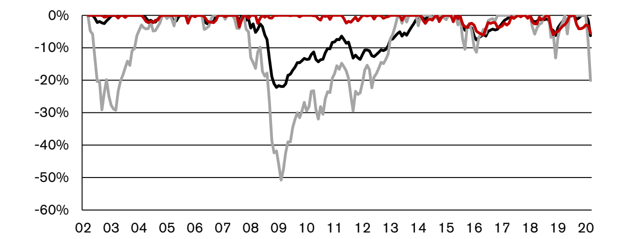
Drawdown for Brummer Multi-Strategy, HFRI Fund of Funds Index2) and MSCI World Index2)



1) The reported return and key ratios include pro forma figures based on historical monthly returns since inception for the Brummer Multi-Strategy fund. Please find the inception dates for all BMS funds on page 3. 2) HFR, www.hedgefundresearch.com, © 2020 Hedge Fund Research, Inc och MSCI, www.msci.com, © 2020 MSCI Inc. All rights reserved. 3) Brummer Multi-Strategy's Sharpe ratio and downside risk are shown for Brummer Multi-Strategy Euro and Brummer Multi-Strategy NOK. 4) Net asset value after subscriptions and redemptions. 5) Refers to Arete/KLS Arete and Bodenholm/Bodenholm Absolute Return respectively. 6) BMS Master invests in Lynx SEK (Bermuda) instead of Lynx (Bermuda) as of 1 July 2018. Lynx SEK (Bermuda) has a leverage ratio of two relative Lynx (Bermuda). To facilitate continued historical comparison, the corresponding underlying allocation and return in Lynx (Bermuda) are shown. 7) Pro forma data for historic returns prior to BMS Master started to invest in the fund, when applicable. Average annual returnsince the inception of each fund. 8) A probability-based statistical measure of the risk to which a portfolio is exposed. It is defined as the loss the portfolio can be expected to exceed one day out of 20. Expressed as a percentage of the NAV.

IMPORTANT INFORMATION

The Brummer Multi-Strategy funds are special funds as defined in the Swedish Alternative Investment Fund Managers Act.

This material should not be regarded as a recommendation to subscribe for units in the funds or as investment advice. An investor planning to invest in any of the funds should first read the key investor information documents, subscription documentation and information memorandums, including the fund rules, carefully. These documents are available on each fund's website www.brummer.se.

Investments in funds are subject to risk. Past performance is no guarantee of future returns. The value of the capital invested in the funds may increase or decrease and investors cannot be certain of recovering all of their invested capital.

Returns shown in this report are not adjusted for inflation.

The units have not been registered in the United States, Canada, Japan, Australia or New Zealand or elsewhere and may not be offered or sold in these countries or in any countries where such offer or sale would be contrary to local law or regulation. Foreign law may prohibit an investment to be made by investors outside of Sweden. The investment manager has no responsibility whatsoever for determining that an investment from a country outside Sweden is being made in accordance with the laws of such country.

EXECUTIVE SUMMARY

Strategy	Multi-strategy funds with exposure to hedge funds managed by fund management companies within Brummer & Partners
Portfolio exposure	AlphaCrest, Arete/KLS Arete, Black-and-White, Bodenholm/Bodenholm Absolute Return, Florin Court, Frost, Lynx Constellation, Lynx SEK (Bermuda), Manticore and Observatory
Targets	Absolute return Lower risk than that of the stock market Low correlation with equities and bonds
Investors and owner	Brummer & Partners, a leading European asset management firm

OBJECTIVES AND ASSET MANAGEMENT CONCEPT

The Brummer Multi-Strategy funds objectives are to offer competitive investment alternatives to institutions and private individuals looking for an efficient way to diversify their risk across individual hedge funds.

Brummer Multi-Strategy Master is a master fund where the portfolio management takes place. The Fund invests in hedge funds managed by investment managers within Brummer & Partners. Investors subscribe to shares in the funds Brummer Multi-Strategy, Brummer Multi-Strategy Utdelande, Brummer Multi-Strategy Euro and Brummer Multi-Strategy NOK which are feeder funds to Brummer Multi-Strategy Master. Brummer Multi-Strategy 2xL is a leveraged fund that invests in Brummer Multi-Strategy.

The funds in which Brummer Multi-Strategy Master invests are managed by different portfolio management teams, who operate independently of each other and pursue different investment strategies. Over time, this should ensure a good risk diversification for the Brummer Multi-Strategy funds.

The risk, as measured by the standard deviation of the fund's return, is expected to be lower than the stock market risk and kept within the 3 to 10 per cent interval. The objective is to ensure a competitive risk-adjusted return compared with traditional asset classes.

The Brummer Multi-Strategy funds do not charge management or performance fee. Unlike other funds-of-funds, investors of the Brummer Multi-Strategy funds are not charged fees at two levels. Some minor fees are however paid, e.g. to the funds' custodian. Brummer Multi-Strategy 2xL is charged a financing cost related to the credit utilised under the credit agreement.

There are no hard to value assets in the Brummer Multi-Strategy funds. 100 per cent of the funds' portfolios can be classified as level 1 or 2 within the fair value hierarchy of the international accounting standard IFRS 7.

WHY INVEST IN BRUMMER MULTI-STRATEGY?

- Competitive risk-adjusted historic return in both falling and rising markets
- Efficient risk diversification and complement to a traditional portfolio of equities and bonds
- No fees of its own, no extra layer
- Brummer & Partners has long experience from hedge fund management

THE FUNDS

AlphaCrest

AlphaCrest is a quantitative research and technology driven systematic hedge fund, investing in a significant number of individual stocks across developed markets, predominantly in the US. The fund employs a model-driven systematic approach to trading premised upon an extensive and continuous empirical research process focusing on quantitative modeling and data analysis.

Arete/KLS Arete

Arete/KLS Arete are global macro funds with main focus on China and Asia, investing in liquid instruments including equities, fixed income and commodities.

Black-and-White

Black-and-White Innovation Fund is a long/short equity hedge fund that invests in both traditional technology, media and telecommunications (TMT) and other sectors subject to technological advancement.

Bodenholm/Bodenholm Absolute Return

Bodenholm/Bodenholm Absolute Return are global hedge funds with focus on Europe, whose investment strategies are based on fundamental analysis. The funds take long and short positions, primarily in equities and related financial instruments, with an objective to construct a relatively concentrated portfolio with long-term investment horizon.

Florin Court

Florin Court Capital is a diversified systematic asset manager. The investment methodology is evidence-based and process-driven. The portfolio is constructed using proprietary mathematical models. A particular focus is extracting the benefits of diversification through market selection of financial securities across all major asset classes including stocks, fixed-income, credit, commodities, power and volatility markets.

Frost

Frost is a hedge fund that focuses on relative value in fixed income markets with Scandinavian focus. The fund's goal is to generate a high sustainable risk-adjusted returns with low systematic correlation to the equity and bond markets.

Lynx Constellation

Lynx Constellation is a systematic hedge fund that invests in equities, fixed income, commodities and currencies on the global futures markets. The fund uses advanced machine learning techniques.

Lynx SEK (Bermuda)

Lynx SEK (Bermuda) is a global derivatives-based hedge fund that invests in listed futures on equity indices, fixed-income, currencies and commodities. The portfolio management is based on statistical models identifying trends on financial markets.

Manticore (Cayman)

Manticore is a long/short equity hedge fund that specialises in identifying over- and undervalued shares in the technology, media and telecommunication sectors. Position taking is based on fundamental equities research using a multi-quarter or multi-year time horizon.

Observatory

Observatory is a hedge fund focusing on global credit markets concentrating specifically on corporate credit. The fund is a fixed-income focused long/short credit hedge fund. The managers search for the best risk-adjusted opportunities across major credit markets: Investment Grade, Bank Capital, Emerging Markets and High Yield. The fund aims to maximize returns across its universe of markets, searching for profitable opportunities both across and within sectors.

LOOKING FOR NEW FUNDS

Brummer & Partners is continuously seeking to identify new asset management teams to improve the diversification of Brummer Multi-Strategy and create capacity to manage capital with an absolute return focus. It is a strength if the new portfolio managers complement Brummer & Partners' existing pool of expertise through their orientation, geographical focus or style.

One of the key business objectives for a new fund is that its key ratios evolve in such a way that they help to make Brummer Multi-Strategy more effective, either by lowering Brummer Multi-Strategy's risk or increasing its return.

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

Address	Brummer Multi-Strategy AB Box 7030, SE-103 86 Stockholm
Visiting address	Norrmalmstorg 14
Contact	Client Desk
Phone	+46 8 566 214 80
E-mail	info@brummer.se
Website	www.brummer.se

SBai SIGNATORY May '19

Signatory of: PRI Principles for Responsible Investment