



LEA 02	Disclosures: Mandatory	Reason for Interaction	Principle: PRI 1, 2, 3
Individual/ internal staff engagements		<input checked="" type="checkbox"/> To support investment decisionmaking in a company relevant ESG areas <input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or other specific <input type="checkbox"/> We do not engage in internal staff <input type="checkbox"/> To support investment decisionmaking in a company relevant ESG areas	
Collaborative engagements		<input type="checkbox"/> To influence corporate practice or identify the need for additional or other specific <input type="checkbox"/> We do not engage in collaborative engagements <input type="checkbox"/> To influence corporate practice or identify the need for additional or other specific	
Service provider engagements		<input type="checkbox"/> To influence corporate practice or identify the need for additional or other specific <input type="checkbox"/> We do not engage in service providers <input type="checkbox"/> To influence corporate practice or identify the need for additional or other specific	

RI TRANSPARENCY REPORT

2014/15

Carve Capital 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 2014-15 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 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	Segregated mandates or pooled funds	🔒	n/a							✓
OO 08	Breakdown of AUM by market	✓	Public							✓
OO 09	Additional information about organisation	✓	Public							✓
OO 10	RI activities for listed equities	🔒	n/a							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	🔒	n/a							✓
OA 03	Policy components and coverage	🔒	n/a	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	🔒	n/a							✓
OA 07	Governance, management structures and RI processes	✓	Public							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	-	n/a							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	-	n/a				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	-	n/a	✓						
OA 14	Allocation of assets to environmental and social themed areas	-	n/a	✓						
OA 15	ESG issues for internally managed assets not reported in framework	-	n/a							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	-	n/a							✓
OA 19	Internal and external review and assurance of responses	-	n/a							✓

Carve Capital 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

Gateway/Peering

General

OO 01.1

Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Fund of funds, manager of managers, sub-advised products

Other, specify

Execution and advisory services

OO 01.2

Additional information. [Optional]

Carve Capital is a global equity and credit hedge fund. Based in Stockholm, Sweden, we manage USD 1.3 million (Carve Master, as at 30 Dec 2014) for institutions and high net-worth-individuals.

OO 02

Mandatory

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

8

OO 02.4

Additional information. [Optional]

Carve Capital is focusing on portfolio and risk management. B & P Fund Services (a wholly-owned subsidiary of Brummer & Partners) has been contracted for risk control, operations, fund administration, daily valuation, IT-support, legal & compliance, investor relations and client services. Citco has been appointed to perform independent valuation and fund administration.

OO 03

Mandatory

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 04

Mandatory

Gateway/Peering

General

OO 04.1

Indicate the year end date for your reporting year.

30/12/2014

OO 04.2

Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM		9	303	000	000
Currency	SEK				
Assets in USD		1	328	219	061

OO 04.5

Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
 Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06

Mandatory

Descriptive

General

OO 06.1

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income – corporate	0	0

Fixed income – government	0	0
Fixed income – other	0	0
Private debt	0	0
Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	100	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Other (1), specify	0	0
Other (2), specify	0	0

- Publish our asset class mix as broad ranges
- Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OO 08	Mandatory to Report Voluntary to Disclose	Peering	General
OO 08.1	Indicate the breakdown of your organisation's AUM by market.		

Market breakdown	% of AUM
Developed Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %

OO 09	Voluntary	Descriptive	General
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OO 09.1	Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.
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Carve Capital is a global equity and credit hedge fund whose investment philosophy is to combine long/short equity strategies with capital structure arbitrage. The fund looks for opportunities to generate returns by investing across the full capital structure of a company - in equity (shares) as well as liabilities (corporate bonds) - coupled with investments in government paper.

The fund's primary geographic focus is the Nordics/Europe followed by the United States. Industrials, consumer goods and technology are priority sectors, but the fund may also invest in other sectors. The fund is relatively concentrated, which requires in-depth research, and thus a built-in discipline. The fund's long-term investment focus and ability to invest in and hold bonds to maturity requires a longer investment horizon and partially locked-in capital. The fund offers a choice of two unit classes with different lock-in periods and fees.

The positions taken by the fund are based on fundamental equity research (bottom-up) with a time horizon of 12 months or more. This applies to both long and short positions. Equity research is coupled with macroeconomic research (top-down), which also serves as an aid for timing, helping to decide when to initiate and close positions.

Carve Capital AB is owned by its portfolio managers and Brummer& Partners AB, which was founded in 1995. Brummer & Partners manages eight single strategy hedge funds and an internal multi-strategy fund, which only invests in funds within the group.

Brummer& Partners was one of the founders of the Hedge Fund Standards Board (<http://www.hfsb.org/>) which is standard setting body for the hedge fund industry. The standards create a framework for transparency, integrity and good governance.

Although UN PRI has yet to develop a hedge fund specific module, Carve Capital sees becoming a signatory of PRI as an important step in driving ESG analysis and transparency as industry norms.

Gateway asset class implementation indicators

OO 11	Mandatory	Gateway	General
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OO 11.1	Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.
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- Hedge funds
- None of the above

OO 12	Mandatory	Gateway	General
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This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.

Core modules

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

Closing module

- Closing module

Carve Capital AB

Reported Information

Public version

Overarching Approach

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Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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OA 01.1 Indicate if you have a responsible investment policy.

- Yes
 No

OA 01.2 Indicate if you have other guidance documents or more specific policies related to responsible investment.

- Yes
 No

OA 01.3 Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]

Carve Capital does not as yet have a formal responsible investment policy in place but is in the process of forming one during 2015.

The positions taken by the fund are based on fundamental equity research (bottom-up) coupled with macroeconomic research (top-down) and a time horizon of 12 months or more. This research includes ESG analysis of potential investments alongside traditional indicators of risk and opportunity.

An important part of the research process is the opportunity to meet with company representatives. Carve not only holds frequent meetings prior to initial investments are made but also over the period it is invested. When interacting with companies Carve is explicit in that it sees ESG-factors as important value drivers and as a key determinant of a company's fundamental value. ESG issues identified could form the basis of a decision to short a certain stock.

Most meetings take place in Scandinavia where Carve has greatest influence and opportunity to engage in dialogue.

Examples of where ESG factors have influenced the fund's investment decisions and prevented it from going long and/or made it short a stock are:

- Deforestation in China
- The risk of child labour in Pakistan
- Large remuneration packages for management
- Not allowing staff to organise/prohibiting labour unions

OA 04	Mandatory	Core Assessed	General
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OA 04.1 Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

- Yes

OA 04.2

Describe your policy on managing potential conflicts of interest in the investment process. [Optional]

Carve Capital has a written policy and procedures governing employees' personal account dealing (all personal trading must be approved by Carve Capital in order to avoid potential conflicts). Trading is not allowed in securities or other financial instruments in which Carve Capital, Carve or other Brummer& Partners' companies/funds is executing a transaction, considering executing a transaction or conducting research.

Carve Capital is not allowed to deal in financial instruments with Carve and the same rules for staff and principals also apply for Carve Capital. Carve Capital has internal instructions on how to proceed when investing in funds under its management.

Carve Capital has no relationships with for example associated brokers/dealers that may affect its trading flexibility. Carve retains trading relations with numerous counterparties and seeks to execute trades with counterparties that offer the best services/products compared to price.

Any situation or potential conflict of interest that would or could question our number one priority - to manage Carve as proficiently as possible, is taken very seriously. Therefore, apart from having written policies and procedures, Carve has a sound business culture encompassing professional and sound values for managing money and risk but also business behaviour.

No

Objectives and strategies

OA 05

Mandatory

Gateway/Core Assessed

General

OA 05.1

Indicate if your organisation sets objectives for its responsible investment activities.

Yes

No

Governance and human resources

OA 07

Voluntary

Descriptive

General

OA 07.1

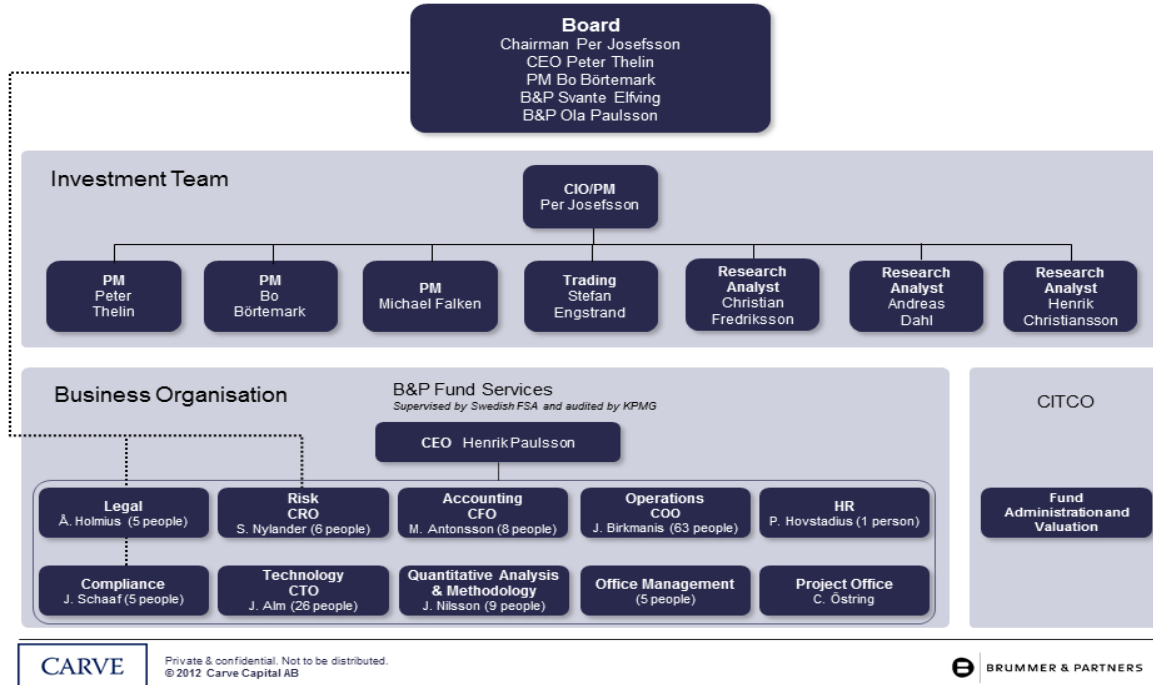
Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.

Carve Capital AB is owned by the fund's portfolio managers (60 per cent) and Brummer& Partners AB (40 per cent). Brummer & Partners was one of the initiators and founders of the Hedge Fund Working Group. Carve Capital is a HFSB signatory and as such, has to comply with the HFSB's standards or explain why it is not. The standards address key issues relating to hedge fund practice covering the areas of disclosure, valuation, risk management, fund governance and shareholder conduct.

The CIO Per Josefsson, one of the founders and partners of Brummer& Partners, has the ultimate responsibility and decision making power of the overall portfolio risk and portfolio level hedging. The investment committee consists of all the PMs (including the CIO) and is where new investments decisions are reviewed - the CIO has the casting vote in case of a tie. ESG-factors form part of the investment committee's analysis and may cause an investment proposal to be rejected or that a decision to short a stock is made.

I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

Organisational Structure



To upload the image click the Save button below

OA 08	Mandatory	Gateway/Core Assessed	General
OA 08.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.		

Roles present in your organisation

- Board members or trustees
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), 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
- External managers or service providers
- Other role, specify
- Other role, specify

Promoting responsible investment

OA 10

Mandatory

Core Assessed

PRI 4,5

OA 10.1

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
- Asian Corporate Governance Association
- Association for Sustainable & Responsible Investment in Asia
- Australian Council of Superannuation Investors
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Real Estate Sustainability Benchmark (GRESB)
- 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)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- 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 Hedge Fund Standards Board

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

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

OA 11

Mandatory

Core Assessed

PRI 4

OA 11.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

OA 11.2

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Other, specify

We liaise with potential and current portfolio holdings and emphasise our belief that ESG factors are important value drivers when determining company valuations.

No