

RESPONSIBLE INVESTMENT POLICY

ETHICAL INVESTMENTS YIELD ATTRACTIVE RETURNS

Arte Collectum AB (“**Arte Collectum**”) is a Swedish portfolio manager, managing the portfolios of alternative investment funds investing in artworks focusing on social sustainability.

In this Responsible Investment Policy, Arte Collectum sets out how the three Ps of sustainability, People, Profit and Planet, are incorporated in its portfolio management activities.

PEOPLE

Arte Collectum’s investment strategy, and short-term goal, when performing its portfolio management activities, focuses on acquiring and actively managing works by women and people from ethnic and cultural minorities, promoting greater equality and justice in the art market. Arte Collectum’s long-term goal, when performing its portfolio management activities, is to contribute to a more equal art industry and minimise the unequal gender and ethnic price gap.

Arte Collectum shall work actively to loan the artworks acquired through its portfolio management activities for exhibitions by using our unique expertise and our networks to make the works available to curators and facilitate exhibiting the acquired works. This, in turn, makes art more accessible to the public and promotes the attention and value of the artists and the works. In conclusion, Arte Collectum shall act as “*activators*” by promoting and accelerating marginalized artists’ careers and price levels and as “*activists*” through our investments in women and minorities. Arte Collectum, through its portfolio management activities, shall acquire artworks from the primary market, supporting artists and local art scenes.

Arte Collectum shall also promote the acquired artworks in other ways. Our book, *Arte Collectum I – Other Stories*, includes the artworks acquired and artists represented in the first fund, Arte Collectum I AB (publ), and has been shared with prominent institutions in the global art market, further activating and creating publicity for the hitherto marginalized artists.

PROFIT

Arte Collectum shall work to allocate capital to marginalized artists, which contributes to the ongoing megatrend of revisionism. Arte Collectum’s socially responsible investment strategy strives to create a *symbiosis* in the art market, exemplified by our active and reciprocal collaboration with galleries and

museums to which we lend artworks for exhibitions, further contributing to the “activation” of the artists and “activism”.

PLANET

Arte Collectum shall thoughtfully store the artworks and only transport them longer distances when necessary.

Arte Collectum shall follow frameworks for sustainability, such as the Paris Agreement. In addition to this, Arte Collectum shall annually report to Principles for Responsible Investment (PRI). Furthermore, Arte Collectum is a member of the Gallery Climate Coalition, an international organization working to reduce the art sector’s environmental impact.

Arte Collectum shall work actively to reduce the carbon footprint in relation to its portfolio management activities. To reduce the carbon footprint, Arte Collectum has rented a warehouse in Sweden, Stockholm, and in Delaware, USA, in which the artworks acquired through its portfolio management activities are stored. Based on a hypothetical yet realistic scenario, this has resulted in a 99.2 percent reduction, from 27.8 tCo2e to 0.23 tCo2e, in carbon dioxide emissions as transatlantic transport is minimized. Arte Collectum aims to reduce the carbon footprint further by adding storage in Asia during 2024.

SUSTAINABILITY ANALYSIS

In order to ensure investments that promote social responsibility are acquired, each investment made by Arte Collectum when performing its portfolio management activities shall be preceded by a sustainability analysis. The indicators that shall be used for such an analysis are the percentage of (i) art by female artists and (ii) art by artists who, due to ethnic or cultural affiliation, had a marginalized position on the art market. The sustainability analysis shall include mitigating sustainability-related risks in relation to each investment object. By ensuring the following, Arte Collectum will, when performing its portfolio management activities, undertake investments that do not cause significant harm to any environmental or social objective.

- **EXCLUSIONS:** When performing its portfolio management activities, Arte Collectum shall invest only in assets that comply with Arte Collectum’s general investment strategy, and that neither directly nor indirectly create an exposure to controversial weapons, military equipment, illegal drugs, tobacco, the sex industry, the gambling industry, coal, oil, gas or other fossil fuels, sanctioned individuals according to the European Union sanctions regulations, tax havens or serious or systematic violations of applicable environmental, social sustainability or corporate governance (ESG) regulations.
- **ART DEALERS:** When performing its portfolio management activities, Arte Collectum shall only acquire art from galleries and other actors who, for example, have good internal governance and

respect human rights. Furthermore, no transactions are carried out with counterparties located in high-risk third countries or counterparties who otherwise have an exposure to weapons or drugs.

- EXHIBITIONS: Arte Collectum shall only have artworks exhibited by actors who carry out sustainability work and who are, for example, members of the Gallery Climate Coalition, signatories to the Principles for Responsible Investment (PRI) or other sustainability initiatives.
- STORAGE AND TRANSPORT: Arte Collectum shall work continuously to reduce emissions by considering where the art is stored, how it is transported and to which exhibitions it is shown and in which regions this takes place. The artworks shall be stored in a responsible manner and are only transported longer distances when necessary. As part of the work to reduce Arte Collectum's climate footprint, in addition to warehouses in Sweden, Arte Collectum has a warehouse in Delaware, USA. The starting point is that all works shall, to the greatest extent possible, be transported as short distances as possible to exhibitions, and, to the extent possible, that the artworks are transported together to the same exhibitions.

THE INVESTMENT STRATEGY

The Investment Committee, an internal function within Arte Collectum, shall focus on several groups of artworks belonging to different categories, such as particular movements, periods, or themes, as well as including opportunist acquisitions. The investment strategy reflects each Investment Committee member's expertise and passion.

- Arte Collectum shall diversify the portfolios that it manages with a global mandate, focusing on active artists at the heart of the art world: Europe, the USA, and Hong Kong.
- Arte Collectum shall buy the finest works of art exclusively for its managed portfolios.
- Arte Collectum shall, through the Investment Committee, identify artists and works with solid indications of value accretion over the next 5–10 years.
- Arte Collectum shall acquire art demonstrating a potential to increase considerably in value as a result of collaboration with the most prominent galleries, major planned institutional exhibitions, and in association with dramatic social change that will positively impact price performance.

EXAMPLES OF ARTISTS INCLUDED IN ARTE COLLECTUM'S INVESTMENT STRATEGY

- Women and ethnic and cultural minorities
- Artists who are reappraised by the market as a consequence of a revision of art history
- Older artists at the end of their career with strong momentum
- Ultra-contemporary artists under the age 40

ACTIVELY MANAGING THE ARTWORKS

ARTE COLLECTUM I – OTHER STORIES

As part of Arte Collectum’s active management of the assets throughout the maturity of its managed portfolios, we published a book, *Arte Collectum I – Other Stories*, presenting the art collection in our first fund, Arte Collectum I AB (publ). The publication includes artworks acquired, their exhibition and publication history, a Preface by Co-founder and CEO Jonas Höglund, an Introduction by the Chair of the Investment Committee, Lars Nittve, and artist texts and essays by the Head of Curatorial Affairs, Magnus af Petersens.

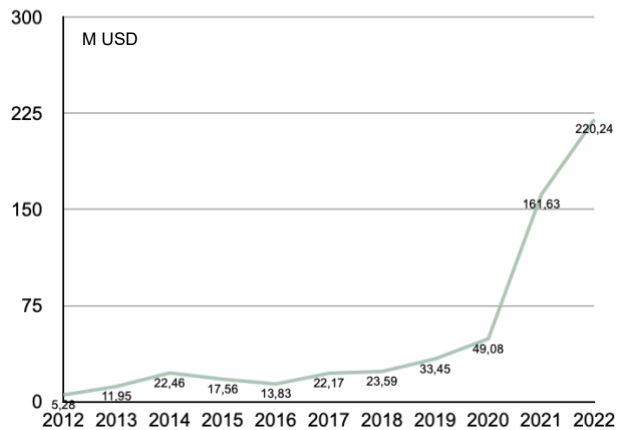
Arte Collectum I – Other Stories has been shared with prominent institutions and profiles of the global art and financial markets, activating and creating publication for the marginalized artists represented in the fund.

ARTWORK LENDINGS

A key aspect of actively managing artworks is Arte Collectum’s commitment and continuous work to lend works to major museum exhibitions. This pursuit creates provenance and publicity for the artist, accelerating the artwork’s value appreciation while making great artistry available to the public.

Data source for all graphs: Lesser, C. 2023. Available at [URL](#).

Total price of works sold at auction by ultra-contemporary women artists in the last decade



ARTE COLLECTUM I SOCIAL SUSTAINABILITY DATA

- 78.4% women artists
- 12% ultra-contemporary artists
- 79.2% BIPOC artists
- 14 nationalities

