

POLICY ON INVESTMENTS

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The Palme Center's investment policy sets out the overall guidelines for the Palme Center's Investment and Ethics Committee, in their efforts to invest the funds of the Palme Center and the Solidarity Fund. If a situation occurs where the guidelines in the policy are not applicable, members of the Investment and Ethics Committee or of the Palme Center's management may request the board of the Palme Center for a temporary deviation from the policy.

MANDATE FOR INVESTMENTS

On behalf of the Palme Center Board of Representatives, the Investment and Ethics Committee is responsible for managing the Solidarity Fund and other financial assets of the Palme Center. The committee consists of the Secretary General, the Head of the Financial Department and four external advisors; two investment advisors and two ethics advisors. The advisors are elected annually by the Board of Representatives. The Investment and Ethics Committee meet once a year. All meetings are put on record.

The Palme Center's Secretary General, Head of the Financial Department and one of the two investment advisors collectively have the authority to decide on investments in new assets or changes in existing assets. Decisions are made at the committee meetings or on a regular basis via telephone or other communication channels. Decisions outside the ordinary meeting are put on record at the next ordinary meeting.

GENERAL GUIDELINES FOR INVESTMENTS

When managing the assets of the Palme Center and the Solidarity Fund a good rate of return is important, but the following ethical and risk minimisation guidelines should be taken into account. Giving the current interest rate, the primary objective is a direct return of 3.5 percent of the capital managed at the beginning of the year and an annual overall return (including value increase) of 5 percent over time.

The assets are invested in:

- Liquid funds (short-term interest rates)
- Bonds (short-term interest rates)
- (Stocks)
- Alternative investments such as interest and equity funds, hedge funds with limited risk

GUIDELINES FOR RISK MINIMISATION

The assets of the Palme Center and the Solidarity Fund shall be invested in such a way that the risk is minimal but the return is good.

1. Up to 10 percent of the assets may be invested directly in individual shares or securities related to individual shares. These investments may only be done in shares listed on a Nordic Stock Exchange.
2. Investments in corporate bonds may only be done in companies listed on a Nordic Stock Exchange. Exceptions may be made for investments up to a total value of SEK 3 million, in cases where a special risk assessment has been made and the risk over time is assessed to be low.
3. The Solidarity Fund shall have at least SEK 5 million in liquid assets, which can be realised within one week.
4. A maximum of SEK 2 million (value at placement date) of the Solidarity Fund's assets may be invested in a single company's bonds.
5. Investments in managed funds and hedge funds may be done if their investment policy complies with this investment policy.
6. Investments shall be made in securities that have good liquidity, i.e. can be sold within a month.
7. Investments in currencies or securities that are directly based on currency speculation may not be made.
8. Securities transactions may only be made with a Swedish counterpart meeting the following criteria:
 - Swedish bank or other institution under the supervision of the Swedish Financial Supervisory Authority and that is, in their own name, authorised to trade in financial instruments on behalf of others.
 - Bank or institution in any other Nordic country that has corresponding national authorisation as above and operates under the supervision of that country's financial supervisory authority.

ETHICAL GUIDELINES FOR INVESTMENTS

Investments shall be made in an ethically justifiable manner, consistent with the ethics and values expressed in the Palme Center Statutes. In the light of this, the Investment and Ethics Committee has decided that investments should be made in accordance with LO's ethical guidelines for investments (Appendix 1). At the meetings of the Investment and Ethics Committee, all investments are revised from an ethical perspective.

ASSET ALLOCATION

Within each asset type of investment, the maximum percentages of total assets at the acquisition date are as follows:

Asset Type	Min	Max
Shares, directly	0%	10%
Corporate Bonds	0%	35%
Swedish state, interest rates	0%	40%
Interest Funds and Interest Rate Accounts	0%	60%
Equity Funds	0%	20%
Hedge Funds, Interest-Oriented	0%	25%
Hedge Funds, Equity-Oriented	0%	20%
Low-risk investment such as capital insurance	0%	30%

OWNERSHIP AND COMPLIANCE

The Secretary General is responsible for the compliance of the Investment Policy and ensuring it is updated and relevant. The Investment Policy is reviewed annually by the board of the Palme Center.