

# HFR Investments

## ESG Policy

### Purpose and Scope

HFR Investments, LLC is a minority-owned and -operated SEC-registered investment adviser, which was founded with the specific vision of pioneering ESG investment strategies in the hedge fund universe, while championing diversity and inclusion at our firm and in our counterparties.

We strongly believe that in order to fully realize ESG principles, our firm needs to lead by example in its approach. ***We strive to align our investors' values with their investments and provide the necessary oversight to ensure that these guidelines are followed.***

As many investors are starting to realize, ESG investing does not need to sacrifice financial gains—incorporating these metrics into investment analysis can generate real alpha.

HFR Investments is a UN PRI signatory, and we encourage all of our counterparties to do the same. HFR Investments fully supports the goals of the Paris Climate Agreement and the Task Force on Climate-Related Financial Disclosures (TCFD).

### Our Approach

We strive to source best-in-class managers to build our custom ESG products, as we have done for decades on HFR's platform. We pair managers who are on the cutting edge of ESG hedge fund investing with our robust risk management system, full-service operations and fund structuring capabilities, and comprehensive oversight system.

### Investment Analysis and Monitoring

Our oversight system utilizes portfolio-level transparency, when available, from the trading manager and data from a number of third-party providers to confirm that fund managers are

following all risk investment guidelines, including pledged ESG principles.

### Aligning Investors' Values with Their Investments

At HFR Investments, our primary goal is to ensure that our investors attain their stated financial goals, while also aligning their investments with their values. This is achieved by tailoring custom vehicles and products to fit their needs.

Whatever their focus—climate change, carbon footprint, water scarcity, labor practices, workplace diversity, engaged ownership, or any other number of ESG principles—we can create an investment solution to meet that need.

### HFR Investments' Commitment to DEI

As a minority-owned and -operated firm, ***we understand better than most why creating a diverse, empowering, and inclusive work environment is critical to long-term success***. We strive to create a work environment that truly values its employees and their diverse backgrounds and perspectives, and we seek to lead by example in the industry, while encouraging similar practices at our counterparties.

### Progress Reviews and Ongoing Education

While ESG is quickly taking the investment world by storm, these strategies are still largely in their infancy. We pledge to continually monitor and review our progress on adopting ESG principles internally and in our investment practices.

In addition to the ESG training we provide our staff, HFR Investments encourages all employees to pursue outside ongoing education training on new developments in the ESG space, with financial support provided by the firm.