

Portfolio Manager: CAROLINE MEBIUS

The fund is a securities fund according to the Swedish Investment Funds Act (2004:46).

BASE CURRENCY



XACT Obligation (UCITS ETF)

Exchange-traded fund, listed on Stockholm Stock Exchange

Investment Focus

The fund is an exchange-traded index fund with the objective to track the performance of the Handelsbanken Sweden All Bond Tradable Index as closely as possible. Fund returns are determined by how the fund's investments in interest-bearing instruments increase or decrease in value. The index is replicated through full replication, which means that the fund aims to invest directly in all the equities included in the index. Tracking error is expected to be less than 0.2% under normal market conditions. The management fee, as well as customer flows, index rebalancing and corporate events all result in transaction costs for the fund, which are not present in the index. These are the main factors that impact the fund's ability to replicate the index. The index mirrors the performance of a basket of bonds which represent the Swedish market for covered mortgage bonds as well as bonds issued by states and municipalities with benchmark status. Additional information about the index, such as the composition of the index as well as the weighting method and rebalancing is available at www.handelsbanken.se/index. The fund can invest in OTC derivatives (such as swaps and futures) to adhere as close as possible to the index. The fund is not permitted to invest in corporate bonds due to its investment focus, which by definition means that controversial sectors are excluded. The fund can invest in derivative instruments as part of the fund's investment focus. However, the use of derivative instruments is of such a nature that it only has a marginal impact on the fund's risk level. Additional information about the sustainability work and the funds index, may be found in the prospectus.

Portfolio

The fund rose 1.7% during H1 2026*, which was in line with the performance of the fund's benchmark index.

The fund follows the Handelsbanken Sweden All Bond Tradable Index, which aims to reflect the Swedish market for covered mortgage bonds as well as bonds issued by states and municipalities with benchmark status. The largest combined holdings in the fund at the end of the period were issued by the Swedish government as well as covered bonds from Stadshypotek and Kommuninvest.

* Refer to fund statistics for comparable index.

Significant risks

The fund is a fixed income fund and an investment in fixed income securities or in a fixed income fund is primarily associated with interest rate risk, which means that fund returns are affected by interest rate changes. A fund that invests in fixed income instruments with a long residual fixed interest duration has a higher interest rate risk than a fund that invests in fixed income instruments with a shorter residual fixed interest duration. The average residual fixed interest duration for holdings in the fund can vary significantly over time. The investments are concentrated to securities in Sweden, which means the risk can be higher relative to an investment in a diversified global fund that distributes its investments over several regions. An investment in an fixed income instrument results in a credit risk, as the fund can be affected by a loss due to an issuer not fulfilling its commitments. The credit risk is higher when the fund's proportion of assets in fixed income securities issued by companies or states with a low credit quality is high. Fund investments can include assets with higher credit risk, so-called high yield.

The fund may invest in derivatives as part of its investment focus to increase returns in the fund and to create leverage. The volume of trading is limited where applicable and is expected to have a marginal impact on the fund's risk profile. An investment in an fixed income instrument results in a credit risk given that the fund can be affected by a loss when an issuer does not fulfil its obligations. The credit risk is higher when the fund's portion of assets in fixed income securities issued by companies or states with lower credit quality is high. The fund invests only in fixed income

investments of high credit worthiness, so-called investment grade.

A sustainability risk is an environmental-, social-, or corporate governance-related event or condition that, should it occur, could cause an actual or potential significant adverse impact on a company's value. Accordingly, environmental-related, as well as social-, or governance-related events can arise from a company's own business operations or from events that occur independently of the company. The sustainability risks in the fund are systematically measured and followed up.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund did not use this option during 2026. The fund has the option of lending securities. The fund did use this option during 2026. The fund may use other techniques and instruments. The fund did not use this option during 2026.

• Highest leverage during the financial year	0.0%
• Lowest leverage during the financial year	0.0%
• Average leverage during the financial year	0.0%

Shareholder commitments

Based on the Management Company's Policy for shareholder engagement and responsible investment and the Management Company's Voting policy, the Management Company carries out voting at shareholders' meetings, nomination committee work and dialogues held in-house with the portfolio companies or in collaboration with others. The Management Company's work in nomination committees is also regulated by the Guidelines for nomination committee work. It is our view that this work will improve governance and reduce sustainability risks in the portfolio companies, which in turn will result in positive value growth.

The Management Company ensures that relevant information is available as a basis for analysis and voting decisions. This information is provided through analyses from proxy advisors, as well as through market information, third-party analyses or contact with the company. The Management Company then makes independent decisions on those issues where voting or other decisions are to be taken.

The Management Company primarily votes at the general meetings where the funds own a minimum of 0.5% of the votes, where the companies constitute significant holdings in each fund, where the Management Company determines that a specific engagement effort is necessary in accordance with the Management Company's established sustainability objectives and commitments, at companies with which the Management Company holds dialogues in which the subject of the dialogue will be presented for a decision at the general meeting, companies affected by such initiatives and or collaborations that the Management Company has joined and which the Fund Company deems to be prioritized, as well as at other general meetings that address principal or controversial issues. The objective for impact funds is that the Management Company votes in all the companies in which these funds invest. The Management Company determines which equities will be lent. For example, equity lending does not occur in companies in which the Management Company has a seat on the nomination committee. In each individual case, the Management Company makes an assessment of whether or not an equity loan will be withdrawn. Securities lending revenues for the fund are weighed against opportunities for shareholder engagement at the general meeting.

Handelsbanken Fonder participates in all nomination committees where we have a sufficiently large ownership to be offered a seat. However, nomination committees are not common outside of the Nordics and the

XACT Obligation (UCITS ETF), cont.

board composition can only be impacted by voting at the shareholders' meetings.

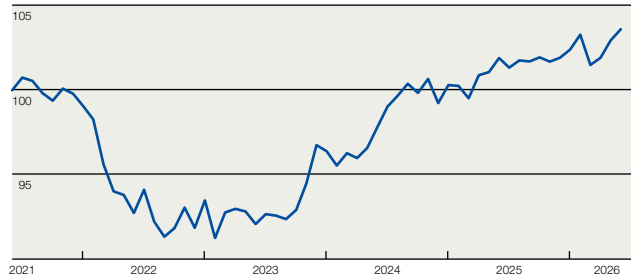
Within its shareholder engagement, Handelsbanken Fonder conducts engagement dialogues with companies to encourage the company to enhance its sustainability work as well as with companies that we believe are not compliant with the international norms and conventions respected by the Management Company.

Engagement work is conducted primarily through direct dialogues between Handelsbanken Fonder and the companies, joint dialogues together with other investors, as well as in collaborations and initiatives with focus on specific sustainability issues.

There have been no conflicts of interest between the Management Company and the portfolio companies in conjunction with the fund's investments. Information about how the Management Company in general addresses conflicts of interest that may arise in conjunction with the fund's investments is available in the Management Company's Policy for shareholder engagement and responsible investment.

Read more about Handelsbanken Fonder's approach to ownership issues and about the Management Company's guidelines for responsible investment in the Company's Policy for shareholder engagement and responsible investment, the Management Company's Voting policy and the Guidelines for nomination committee work, which are available at www.handelsbankenfonder.se, under Follow our work/Policies, guidelines and other information.

Fund performance *



* The graph is indexed with starting value 100. Performance is shown in the fund's base currency.

Fund facts - history

	1/1-30/6 2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Net asset value, SEK	107.49	105.73	102.95	100.36	95.28	103.52	104.64	103.34	102.32	101.40
The fund's total net flow, SEK m	459	-2,244	1,931	930	811	1,432	788	493	102	0
Fund capital, SEK m	5,503	4,959	6,985	4,903	3,735	3,220	1,815	1,013	517	411
Number of units, 1000's	51,200	46,900	67,850	48,850	39,200	31,100	17,350	9,800	5,050	4,050
Total returns in %	1.7	2.7	2.6	5.3	-8.0	-1.1	1.3	1.0	0.9	0.3
Index including dividends in %	1.7	2.7	2.6	5.4	-7.9	-1.0	1.3	1.1	1.0	0.4
Tracking error, 2 yrs. %	0.0	0.0	0.1	0.1	0.1	0.0	0.1	0.1	0.0	-
Average yearly return, 2 yrs. %	2.9	2.6	3.9	-1.5	-4.6	0.1	1.1	1.0	0.6	-
Comparison to index including dividends, %	3.0	2.7	4.0	-1.5	-4.5	0.1	1.2	1.1	0.7	-
Average yearly return, 5 yrs. %	0.7	0.2	-0.1	-0.4	-1.2	0.5	-	-	-	-
Comparison to index including dividends, %	0.7	0.2	0.0	-0.3	-1.2	0.6	-	-	-	-
Average yearly return, 10 yrs. %	0.6	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	0.6	-	-	-	-	-	-	-	-	-

Benchmark: Handelsbanken Sweden All Bond Tradable Index

The fund's benchmark represents a comparable reference with regard to the fund's investment focus, types of assets, markets or relevant sectors. In the event the fund issues dividends, performance is calculated with distributions added back.

Refer to the last pages for definitions.

Fund facts - costs, refers to last 12 months

Max. allowed mgmt. costs in % according to fund rules	0.10
Collected mgmt. costs in % of average fund capital	0.10
Management fees and other administrative or operating costs, %	0.10
Transaction costs, SEK thousand	-
Transaction costs in % of turnover	-

Fund facts - other key figures, refers to the last 12 months

Turnover rate	0.55
Share of turnover conducted via closely-related securities companies in %	52.06
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.00

Risk and return measurements *

Total risk %	2.8	Sharpe ratio	0.2
Total risk in index %	2.8	Sharpe ratio in index	0.2
Benchmark	Handelsbanken Sweden All Bond Tradable Index	Duration, year	3.7
Active return %	0.0	Spread exposure %	79.0
Information ratio	Negative		

* Risk statistics are based on historical monthly returns over two years. Refer to the last page for definitions. Total exposure in the fund is calculated in accordance with the commitment method.

Total exposure in the fund is calculated in accordance with the commitment method.

Balance sheet, SEK thousand

	30 jun 2026	% of fund capital	31 dec 2025	% of fund capital
ASSETS				
Transferable securities	5,432,566	98.7	4,906,963	99.0
Total financial instruments with positive market value ^{Note 1)}	5,432,566	98.7	4,906,963	99.0
Bank assets and other liquid assets	10,513	0.2	7,147	0.1
Prepaid expenses and accrued income	66,960	1.2	44,376	0.9
Other assets	-	-	27,113	0.5
Total assets	5,510,039	100.1	4,985,600	100.5
LIABILITIES				
Accrued expenses and prepaid income	464	0.0	422	0.0
Other liabilities	6,303	0.1	26,420	0.5
Total liabilities	6,767	0.1	26,843	0.5
Fund capital	5,503,272	100.0	4,958,757	100.0
ITEMS INCLUDED IN THE BALANCE SHEET				
Lended financial instruments	19,790	0.4	18,898	0.4
Collateral received for lended financial instruments	20,873	0.4	19,963	0.4

Note 1) for Balance sheet

XACT Obligation (UCITS ETF), cont.

Fund holdings in financial instruments

Transferable securities admitted to trading on a regulated market or equivalent market outside the EEA 98.7

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
LISTED FIXED-INCOME SECURITIES			
GOVERNMENT			
Stadsobligation R 1068 2,75% 2037-02-09	53,795	54,184	1.0
Statsobligation 1053 3,5% 2039-03-30	106,920	115,654	2.1
Statsobligation 1056 2,25% 2032-06-01	115,240	114,449	2.1
Statsobligation 1060 0,75% 2028-05-12	202,525	197,486	3.6
Statsobligation 1061 0,75% 2029-11-12	208,905	199,143	3.6
Statsobligation 1062 0,125% 2031-05-12	182,735	164,597	3.0
Statsobligation 1063 0,5% 2045-11-24	32,990	21,666	0.4
Statsobligation 1064 1,375% 2071-06-23	35,265	21,515	0.4
Statsobligation 1065 1,75% 2033-11-11	150,060	142,844	2.6
Statsobligation 1066 2,25% 2035-05-11	211,125	205,997	3.7
Statsobligation 1067 2,5% 2036-10-15	132,325	130,467	2.4
		1,368,002	24.9
MORTGAGE			
Danske Hypotek 2712 3,5% 2027-12-15	60,000	61,025	1.1
Danske Hypotek 2812 3,5% 2028-12-20	64,000	65,583	1.2
Danske Hypotek 2912 3,25% 2029-09-19	60,000	61,330	1.1
Danske Hypotek 3,25% 2031-12-17	32,000	32,705	0.6
Danske Hypotek 3012 3% 2030-12-18	44,000	44,560	0.8
Länsförsäkringar Hyp 520 1% 2027-09-15	77,500	76,366	1.4
Länsförsäkringar Hyp 521 0,5% 2028-09-20	94,000	90,136	1.6
Länsförsäkringar Hyp 522 3% 2029-09-19	92,000	93,268	1.7
Länsförsäkringar Hyp 523 3,75% 2030-09-30	82,000	85,524	1.6
Länsförsäkringar Hyp 524 3,5% 2031-09-10	70,000	72,417	1.3
Länsförsäkringar Hyp 525, 3% 2032-09-23	50,000	50,325	0.9
Länsförsäkringar Hyp 526 3% 2033-09-20	4,000	4,006	0.1
Nordea Hypotek 5538 3,5% 2028-09-20	180,000	184,124	3.3
Nordea Hypotek 5539 3,5% 2029-10-26	190,000	195,628	3.6
Nordea Hypotek 5540 3% 2030-11-26	96,000	97,245	1.8
Nordea Hypotek 5541 3% 2031-10-08	38,000	38,401	0.7
SCBC 0,75% 2032-06-09	8,000	7,093	0.1
SCBC 149 3,5% 2028-06-14	92,000	93,938	1.7
SCBC 150 4% 2029-05-23	110,000	114,542	2.1
SCBC 151 1% 2030-06-12	86,000	80,811	1.5
SCBC 153 0,75% 2032-06-09	12,000	10,640	0.2
SCBC 3% 2031-04-16	18,000	18,221	0.3
Stadshypotek 1593 2,5% 2027-12-01	170,000	170,520	3.1
Stadshypotek 1594 2% 2028-09-01	180,000	178,438	3.2
Stadshypotek 1595 4% 2029-05-02	186,000	193,563	3.5
Stadshypotek 1596 2,5% 2030-02-01	154,000	153,526	2.8
Stadshypotek 1597 2,5% 2030-12-02	78,000	77,402	1.4
Stadshypotek 1598 2,5% 2031-09-01	38,000	37,510	0.7
Swedbank Hypotek 198 3% 2028-03-15	86,000	86,947	1.6
Swedbank Hypotek 199 3% 2029-03-28	156,600	158,736	2.9
Swedbank Hypotek 200 3% 2029-12-27	131,100	132,938	2.4
Swedbank Hypotek 201 3% 2030-10-29	124,500	126,151	2.3
Swedbank Hypotek 202 3% 2031-08-27	59,300	59,950	1.1
		2,953,566	53.7
OTHER			
Kommuninvest 0,75% 2028-05-12	124,540	121,017	2.2
Kommuninvest 2,65% 2031-05-12	43,180	43,180	0.8
Kommuninvest 2,75% 2030-11-12	61,870	62,253	1.1
Kommuninvest 2,875% 2031-12-10	19,000	19,153	0.3
Kommuninvest 3,25% 2029-11-12	108,100	110,745	2.0
Kommuninvest 3,25% 2030-06-12	96,320	98,835	1.8
Kommuninvest 3% 2029-03-12	109,630	111,291	2.0
SEB 604 3% 2030-12	106,000	107,355	2.0
SEB 605 3% 2031-12-03	36,000	36,358	0.7
SEB Bolån 601 3% 2027-12-06	136,000	137,349	2.5
SEB Bolån 602 3% 2028-11-06	118,000	119,486	2.2
SEB Bolån 603 3% 2029-12-06	142,000	143,977	2.6
		1,110,998	20.2
Listed fixed-income securities		5,432,566	98.7
Total financial instruments with positive market value		5,432,566	98.7
Total financial instruments with negative market value		0	0.0
Net, other assets and liabilities		70,706	1.3
Total fund capital		5,503,272	100.0

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

Compilation, Company and Group exposure *

Company/Group	% of fund capital	Company/Group	% of fund capital
Svenska staten	24.9	Nordea Hypotek	9.4
Stadshypotek	14.7	Länsförsäkringar Hypotek	8.6
Kommuninvest i Sverige	10.3	SCBC	5.9
Swedbank Hypotek	10.3	Danske Hypotek	4.8
SEB	9.9		

* The table provides the combined units of fund capital per issuer in percent, where the fund has holdings in more than one type of securities issued by the same issuer. Underlying securities are shown within parentheses.

Information about the fund's securities lending

Volume of lent securities , SEK thousand:	19,790
Volume of lent securities as a % of total lendable assets	0.4

The ten largest issuers of collateral for securities lending per issuer, SEK thousand:

France	20,364
Germany	472
Finland	37

The largest counterparties for securities lending, SEK thousand

Barclays Bank	20,873
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Type and quality of collateral, SEK thousand

Bonds and other interest-bearing instruments	20,873
	20,873

We accept government bonds and treasury bills issued by the United States, the British government, states within the eurozone (Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain) as well as Australia, Canada, Denmark, Japan, New Zealand, Norway, Sweden and Switzerland. We also accept equities in major and well-known indexes as collateral.

Profile of the collateral's duration, SEK thousand:

Less than 1 day	-
1 Day to 1 Week	-
1 Week to 1 Month	73
1 Month to 3 Months	181
3 Months to 1 Year	162
Above 1 Year	20,458
Open Maturity	-
	20,873

The domicile of the counterparties, SEK thousand:

United Kingdom	20,873
	20,873

Currency of the collateral , SEK thousand:

EUR	20,873
	20,873

Settlement and clearing, SEK thousand:

Triparty	20,873
	20,873

The profile of the duration for securities lending is undetermined, but may be immediately terminated.

The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of SEK 15 thousand of which 82% was passed on to the fund and 22% to J.P. Morgan Bank Luxembourg S.A. in its role as the intermediary of securities lending.

Counterparties for securities lending during the year:

-Barclays Bank
-J.P. Morgan Securities

Svenska Handelsbanken AB (publ) (the Index Owner*) is not liable for loss or damage resulting from Swedish or foreign legislative enactment, actions of Swedish or foreign authorities, war, power failure, telecommunication failure, fire, water damage, strike, blockade, lockout, boycott, or other similar circumstances outside the control of the Index Owner. The reservation with respect to strikes, blockade, lockout and boycott also applies if the Index Owner adopts or is the object of such conflict measures.

The Index Owner is not responsible in any circumstance for loss of data, non-payment of profits or other indirect damage. The Index Owner provides no express or implied warranties regarding the results which may be obtained as a consequence of the use of the Index or regarding the value of the Index at any given time.

The Index Owner shall in no case be liable for errors or defects in the Index nor obligated to provide notice of, or publish, errors in the Index.*

Information from Handelsbanken Fonder AB

Management Company's Board of Directors, CEO, Auditors and Personnel

As of June 30, 2026

Handelsbanken Fonder AB

Board of Directors

CARL CEDERSCHIÖLD, Chairman

Executive Vice President, Svenska Handelsbanken AB (publ)

MALIN HEDMAN BJÖRKMO

Consultancy specializing in corporate governance and financial regulations

HELEN FASTH GILLSTEDT

Managing Director and owner of a management consultancy firm

LARS SEIZ

Strategic advisor in asset management

ÅSA HOLTMAN ÖHMAN

Employee representative for the Union of Financial Sector Employees, Regional section, CHK club, Svenska Handelsbanken AB (publ)

Acting Chief Executive Officer

EMMA VIOTTI

Management Company's auditors

Elected at the Annual General Meeting

ÖHRLINGS PRICEWATERHOUSECOOPERS AB

Principal responsible auditor

PETER NILSSON

Certified auditor

VICTORIA MOBERG

Certified auditor

Personnel and organisation

The Management Company is a wholly-owned subsidiary of Svenska Handelsbanken AB (publ).

Key members of management within Handelsbanken Fonder AB are as follows:

Acting Chief Executive Officer

EMMA VIOTTI

Head of Risk

FREDRIK ALHEDEN

Deputy Chief Executive Officer

CARINA ROECK HANSEN

Head of Products

EMMA VIOTTI

Chief Operating Officer

CARINA ROECK HANSEN

Head of Compliance

MONIKA JENKS

Head of Legal and Sustainability

ANNA LARRIS

Head of Sales

CARL-JOHAN HALLOFF

Head of Corporate Governance and Board secretary

STAFFAN RINGVALL

CIO Active Asset Management

KATARINA PASCHAL

Head of Legal

FREDRIK KÖSTER

CIO Passive Asset Management and Asset Allocation

PÄR SJÖGEMARK

Head of Sustainability

AURORA SAMUELSSON

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Information from Handelsbanken Fonder AB

Corporate Governance

Handelsbanken Fonder (the Management Company) exercises an active ownership role. The purpose is to participate so that the Company takes decisions that lead to a sustainable and positive value growth, which in turn benefit our unit holders. We view our ownership role from a long-term perspective, given that changes in companies often take time to implement. As a guideline for our actions, the Board of Directors of the Management Company has adopted a Policy for shareholder engagement and responsible investments. Our work is also guided by those principles established in the Swedish Corporate Governance Code. The Management Company's work in nomination committees is also regulated by the Guidelines for nomination committees.

An essential channel is the regular contacts that our portfolio managers have with those companies in which we invest or intend to invest. This provides a very good opportunity to present our views on the performance demonstrated by the companies. We emphasize good corporate governance, sustainability and transparency at the companies in which we invest.

The Management Company participates in a number of nomination committees where we have a sufficiently large ownership to be able to influence the recommendations to the composition of the board of directors. The board shall have extensive and relevant competence and its composition shall be characterized by different perspectives. We work actively for a more equal distribution of genders in the boards.

The management Company's ambition is to vote at the annual general meetings where we have significant ownership and where our votes could have a material impact, which is normally over approximately 0.5 per cent of the votes. We participate in a substantial number of annual meetings each year, in the Nordics, but also in other countries where we have a substantial ownership. In some cases, companies request a dialogue with shareholders prior to a proposal being presented at the annual meeting to gain support for the proposal by the major shareholders. The Management Company participates in such discussions to the extent we have been invited and presents our views that aim at achieving a favourable result for unit holders.

The Management Company's Policy for shareholder engagement and responsible investments is available on our website at: <https://www.handelsbanken.se/sv/om-oss/svenska-dotterbolag/handelsbanken-fonder/our-work>.

Responsible Investments

The Management Company's view is that responsible conduct is a fundamental prerequisite for long-term value creation in a company. Responsible investment is therefore a key condition for achieving our goal of delivering strong long-term returns.

The Management Company's main objective is to generate financial returns through fund management that supports the goals of the Paris Agreement and, while also contributing – within the scope of the Management Company's operations – as much as possible to the UN's 17 Sustainable Development Goals (SDGs) as defined in the 2030 Agenda. As a significant investor, the Management Company has an important role to play in, for example, the realisation of the Paris Agreement, driving capital towards investments that support the achievement of the SDGs, and the transition to sustainable development. This is reflected in our efforts towards:

- Net-zero greenhouse gas emissions from our overall investment portfolio by 2040
- Making investments that contribute to the goals of the 2030 Agenda

The Management Company has signed the UN Principles for Responsible Investment (UN PRI) through the bank, and both Handelsbanken and the Management Company support the voluntary UN Global Compact initiative. The Management Company has also signed the Net Zero Asset Managers Initiative. These initiatives and guidelines, together with the Management Company's Policy

for Shareholder Engagement and Responsible Investment, guide the Management Company's sustainability efforts. The policy describes, among other things, the sustainability practices applied in our fund management, exclusion, inclusion and engagement, as well as principles for our corporate governance. Read more about this under each fund's report and in the Management Company's Policy for Shareholder Engagement and Responsible Investments, available at [handelsbanken.se](https://www.handelsbanken.se).

Accounting and valuation principles

The report is drawn up in accordance with generally accepted accounting principles. The accounting principles for the securities funds are based on the Swedish Investment Funds Act (2004:46) and on the Alternative Investment Fund Managers Act (2013:561) for our non-UCITS funds, ESMA's guidelines. The principles are also based on the Swedish Investment Fund Association's Guidelines for Key Ratio Accounting of Swedish UCITS and non-UCITS funds as well the Financial Supervisory Authority's regulations regarding Swedish UCITS funds (FFFS 2013:9) and the Financial Supervisory Authority's regulations regarding alternative investment fund managers (FFFS 2013:10) for our non-UCITS funds. Further, applicable provisions in the Swedish Accounting Act are also applied. Accounting is based on the transaction date.

Valuation principles

Financial instruments, assets and liabilities are valued at market value.

Equities and equity-related instruments are valued primarily at the official closing price, thereafter at the latest trading price from the same day as the time of the valuation.

Interest-bearing securities are valued primarily at the bid price. Swedish government bonds and covered bonds are valued primarily at the median mid-yield.

Interest rate and currency derivatives that are not exchange-traded are valued in accordance with generally-accepted valuation models.

In the event a reliable price is unavailable, alternatively the instrument is not regularly traded, a valuation model can be utilized. This also applies when an instrument that is normally valued through the use of a market price is no longer deemed to have a reliable price.

Financial instruments, assets and liabilities that are revalued to the fund's portfolio currency are recalculated based on the official closing exchange rate on the balance sheet date.

More information

You will find the complete information brochure with fund rules, fact sheets and current share price performance on our website at www.handelsbanken.se/funds. For further information on the subscription and redemption of fund units, please contact your local Handelsbanken branch office.

Definitions

Fund statistics

Average fund capital – Calculated as the mean value of the fund's net asset value during the year (or that portion of the year during which the fund existed). The fund's net asset value is calculated on a daily basis.

Average yearly return, 2, 5 and 10 years, respectively – The fund's average effective annual yield during the last 2, 5 or 10 years, respectively.

Collected management costs in % of average fund capital – Actual management fees collected. Expenses are calculated daily and represent costs for management, administration, marketing and distribution. Expressed in percent of the average fund capital and calculated on a rolling 12-month basis.

Costs for monthly savings SEK 100 – Total costs charged to a unit holder who had SEK 100 invested on the first banking day of each month during the year and retained the investment throughout the year. Calculated for the full year only and for funds and share classes that have existed during the full year. The corresponding amount for funds with EUR as the base currency is EUR 10. The corresponding amount for funds with NOK as the base currency is NOK 100.

Costs for one-time subscription SEK 10 000 – Total costs charged to a unit holder who had SEK 10 000 invested in the fund at the beginning of the year and retained the investment throughout the year. Calculated for the full year only and for funds and share classes that have existed during the full year. The corresponding amount for funds with EUR as the base currency is EUR 1 000. The corresponding amount for funds with NOK as the base currency is NOK 10 000.

Dividends per unit – The Management Company determines the amount of the dividend to be paid to fund unit holders of the distribution share class on an annual basis. Distributions are paid to those fund unit holders registered for distribution shares on the distribution date determined by the Management Company.

Duration – The duration of a fund is a measure of how sensitive the fund is to changes in interest rates. Simply stated, it is the weighted average of the residual maturity in the fund's investments. Measured in years or months.

Fund capital – The fund's net asset value on the closing date for the respective year.

Fund's total net flow – Subscriptions less redemptions in the fund, excluding reinvested dividends and any flows from mergers.

Index – The index used by the fund as its benchmark.

Index incl. dividends – Performance of the

fund's benchmark during the respective year. Performance is expressed in percent and is converted to the currency for each share class in those cases where the index is published in another currency. The table shows the index including dividends.

Management fees and other administrative or operating costs – The cost measurement includes management fee and refer to the ongoing costs in the fund, excluding transaction costs for securities, interest expenses, transaction-related tax expenses and any performance-based fees.

When the fund engages in security lending, 82% of the revenue earnings derived from the lending agreement is allocated to the fund whilst the remaining 18% is allocated to the securities lending agent. Given that the revenue allocation agreement increases the fund's costs, the remuneration paid to the securities lending agent will be included in the management fees and other administrative or operating costs.

The measure is based on the fees deducted from the fund during the period. It is expressed as a percentage of the average fund capital and calculated on a rolling 12-month basis.

A supplement for the underlying fund's most recently available management fees and other administrative or operating costs, after deducting for discounts received, will be added for funds that invest in other funds.

Net asset value – Net asset value expressed as the rate prevailing on the balance sheet date for the respective year.

Number of units – The number of outstanding units on the last banking day for the respective year. Reported in thousandths of units.

Other assets in the balance sheet contain receivables for unsettled trades, received after balance sheet date. This applies to both sold securities and issued fund shares.

Other costs in the income statement include transaction costs, taxes and bank costs.

Other financial costs in the income statement include expenses for security lending.

Other financial income in the income statement includes premiums for security lending and discounts for management costs in underlying funds.

Other income in the income statement refers to money paid back for bank charges and taxes.

Other liabilities in the balance sheet contain liabilities for unsettled trades, paid after balance sheet date. This applies to both

purchased securities and redemption of fund shares.

Other techniques and instruments – Techniques and instruments used to improve the effectiveness of fund management refers to the following: techniques and instruments are attributable to transferable securities and money market instruments used in a cost-effective manner to lower risks and expenses or to increase returns in the fund with a risk level that is consistent with the fund's risk profile and applicable rules for the distribution of risk. Example of techniques and instruments include securities lending and agreements on the repurchase of securities sold, i.e., repos and reverse repo transactions.

Share classes – A fund can have several share classes. Different share classes have different conditions, e.g., currency, with dividends or without, management fee or an initial minimum subscription amount. Fund capital is the same for the share classes and therefore information refers to the fund as a whole unless stated otherwise. Fund units within each individual share class are the same size and have the same rights to the assets included in the fund. The distribution in a distribution share class impacts the relationship between the value of units that are non-distribution and the value of the units that are distribution, with the value of the distribution fund units decreasing in relation to the size of the distribution.

Share of turnover conducted via closely related securities companies – The proportion of fund purchases and sales of financial instruments conducted by Handelsbanken in terms of value. Expressed in percent of the fund's total turnover.

Share of turnover conducted between funds managed by the same fund management company – The proportion of fund purchases and sales of financial instruments conducted on behalf of the securities fund from another fund managed by the same fund management company. Expressed in percent of the fund's total turnover.

Total returns – Reports how the value of a unit has changed during the respective year. If the fund has paid dividends during the year the change in value has been calculated as though the dividend or contribution before tax was added back on the distribution date. Annual return is measured in percent from the date of the previous year's closing date to the closing date for the respective year. Returns for the semi-annual review are reported for the first half of the current year.

Transaction costs – Expressed partly as an amount and partly as a percentage of the value of the financial instruments turned over. The value refers to the overall market value,

but for futures and future related instruments the value refers to the exposure value. Calculated on a rolling 12-month basis. Reported in the Income Statement under the heading "Other expenses". Examples of transaction costs are courtage and derivative costs.

Turnover rates (general principle) – The fund's turnover rate calculated, on the one hand, as the ratio between the lowest total amount for securities purchased or sold during the year and, on the other hand, as the average fund capital during the same period. With regard to equity funds, fixed income securities with a residual maturity of a maximum of 397 days at the time of acquisition are excluded from purchased or sold securities. The turnover rate is reported as the number of times turned over per year and is calculated on a rolling 12-month basis.

Turnover rate (leveraged funds) – If a fund has traded with derivative instruments during the period and the turnover calculation conducted in accordance with the general principle makes the turnover information appear misleading, the fund's turnover rate is also calculated by decreasing the total of purchased and sold financial instruments during the period by the total of the subscribed and redeemed units in the fund. This amount is divided by the fund's average fund capital during the period.

Volume of lent securities as a % of total lendable assets – Is the market value of lent securities as of the balance sheet date divided by the market value of the fund's financial instruments with positive market value.

Key figures for risk follow-up

In order to obtain relevant comparisons, dividends have been reinvested in the funds and their respective benchmarks. All key figures have also been calculated on the basis of the Annual effective yields. The values for the past two years have been used for the majority of the funds. A risk forecast has been made for more recent funds, with fund holdings as of balance sheet date as the basis. In these cases, historical data for relevant reference portfolios is used for the calculation of the risk forecast.

Active return states the annual over- or under effective return attained by the fund in comparison to its benchmark.

Active Share compares the equity fund's holdings with the holdings in its benchmark. The key figures are stated in percent, from 0% (exact same distribution as the index) to 100% (none of the holdings are included in the index). The measurement is calculated as one-half of the sum of the absolute deviations between a securities' weighting in the fund and its weight in the index.

Information ratio is a measure of the active returns attained by the fund when deviating from its benchmark. It is the ratio between the active returns and the tracking error. A negative information ratio means that the fund has underperformed its benchmark.

Index shows the average returns on the underlying market in which the fund invests.

Sharpe ratio/Sharpe ratio in index is a measure of the fund/index's return, taking into consideration the risk of the fund/index. A high return attained at a lower risk is better than an equivalent return attained at a high risk. Calculated, on the one hand, as the ratio between the return, less the risk-free interest (interest on government securities) and, on the other hand, as the total risk of the fund/index. The Sharpe ratio is the most relevant ratio for comparing.

Spread exposure is shown for fixed income funds, as of the closing date, and is a measure of credit risk. The spread exposure shows how much the fund will depreciate, in percent of the value of the fund, if the spread

between the value of a fixed income fund and government bonds is doubled. Calculated as capital-weighted credit duration multiplied by the spread of the instrument (differential) compared to the government yield curve.

Tracking error measures the standard deviation of the difference in the yields between the fund and its benchmark (the variation in the relative yields). The historical tracking error indicates how much the fund's yield has deviated from benchmark.

Total risk/Total risk in index is stated as the standard deviation for variations in the monthly yields of the fund/index. The higher the number, the higher the risk.

VaR is a parametric and is calculated in accordance with the covariance method. The covariance matrix is presented by the risk system and is updated on a monthly basis. The confidence level is 95% and the time horizon is one day.

Abbreviations

A number of abbreviations are used for certain securities in the table of contents:

ADR	American Depository Receipt	IR	Redemption Right
ADS	American Depository Share	KV	Convertible
BTA	Interim Share	NVDR	Non-Voting Depository Receipt
CB	Callable Bond	PERP	Perpetual
ETF	Exchange Traded Fund	Pref	Preference Share
f/r	Foreign Registered	SDB	Swedish Deposit Certificate
FRN	Floating Rate Note	TO	Warrants
GDR	Global Depository Receipt	TR	Subscription Right

The prospectus, fund rules and fact sheets for each fund are available in the mutual fund price list at handelsbanken.se/funds.

Handelsbanken Fonder AB is a wholly-owned subsidiary of Svenska Handelsbanken AB (PLC).

About risk

Historical yields are not a guarantee of future returns. A fund can both increase and decrease in value and it is not guaranteed that you will recover the entire invested amount. Note that a fund with risk level 5-7, as stated in the fund's fact sheet (KID), can vary greatly in value due to the fund's composition and management methodology. Summary of investors' rights, prospectus, fund rules and KID are available under each fund at handelsbanken.se/funds.