



Handelsbanken Latinamerika Impact Tema

Investment Focus

The fund is actively managed, which means that the portfolio manager takes active, independent investment decisions. The long term objective of the fund is to exceed the returns of the underlying market, defined as the benchmark index. Fund returns are determined by how the fund's investments in equities increase or decrease in value. The fund invests in equities issued by companies in Latin America. The fund may also invest in companies within the EU, EFTA, Australia, Hong Kong, Japan, Canada, Singapore and the US that have at least 25% of their business or market in Latin America. The fund invests in companies whose business activities, products or services we consider have, or are expected to obtain, a positive impact on one or several of the 17 Sustainable Development Goals in Agenda 2030 that have been adopted by the UN's Member States. The thematic investment strategy provides for investments that occur in a limited area in which development is deemed to result in a structural change to the economy and society. This change provides favorable conditions for companies active within the area to create profitable growth over time. Our main themes are Demographics, Productivity, Lifestyles and the Environment. International norms and guidelines for the environment, social responsibility and corporate governance are taken into consideration within the scope of the fund's investment focus. The fund applies an exclusion strategy for companies operating within the fossil fuels, military equipment, tobacco, cannabis, alcohol, commercial gambling and pornography segments/sectors. However, the fund may invest in companies or funds that invest in companies involved in power generation, distribution or services related to fossil fuels in those cases where the company is deemed to be transitioning its operations to more renewable energy. The fund may invest in derivative instruments as part of its investment focus. The fund may invest a maximum of 10% of the fund capital in fund units. We compare the fund's performance with Solactive ISS ESG Screened Latin America LMS UCITS Index NTR. As the fund is actively managed the performance will over time deviate from this index. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund fell by -10.4% during H1 2024*. The benchmark index fell by -9.6% over the same period. The fund underperformed its benchmark index after taking into account management fees, while returns were in line with the benchmark index net of fees. The strongest contributor to relative returns was the fund's investment in the Mexican pharmacy chain Fragua, which has reported strong earnings and a share price performance in line with this. The overweight in Santos Brasil also contributed strongly. In contrast, the fund's fintech investments were the weakest contributor to the relative returns. The fund has had investments in XP, which is a leader within savings, and an underweight in NU, which is expanding lending and deposits in Brazil and Mexico. Higher interest rates in Brazil led to weak returns in XP, while NU posted strength due to strong growth. The Brazilian currency in particular, as well as the Mexican, were sold during the year on the back of domestic policies. The market views the fiscal policy of the Brazilian government as too expansive and the lukewarm approach to expenditure targets contributed to a weakening of the currency and equity markets, as well as shifted the yield curve upward. The major election win for Morena in Mexico increases the likelihood for constitutional changes, which risks decreasing the control functions in the democracy. Most notably, the election results led to the sharp weakening of the Mexican peso. The fund invests exclusively in companies that we consider to be contributing to the UN's 17 Sustainable Development Goals. There is a significant investment gap (need) in Latin America within all of the defined goals. As an investor, we hope to be able to influence companies to take

additional steps in the right direction through the fund's ownership in companies that are working to contribute towards the attainment of the goals. During H1 we increased the exposure to Chile and Peru. We are currently seeing fewer political risks in the countries and believe that the focus will be on fundamental drivers and a recovery after a turbulent period in both countries. In Q2 we decreased the holding in Mexican Fragua, although we remain positive to the equity that continues to be one of the six largest active positions in the fund. We also decreased the holding in Banco do Brasil after the political influence over other state-owned companies increased in H1. The exposure to Brazil was reduced mainly due to weak returns relative to other countries. We added three new companies to the portfolio in H1: the Mexican water company Rotoplas, which we believe will be a winner with the investments required to manage the extensive water shortage in the country; Galica, a market leading Argentinian bank where we believe that the major transition of Argentina's public sector can create the conditions for the development of a lending market that is currently non-existent; and GMXT, which provides rail transport in Mexico and benefits from Mexico's increased relevance to the US.

* The fund may have additional share classes, the concerned share class is stated in the Fund facts. Refer to fund statistics for comparable index.

Significant risks

The fund is an equity fund which means a higher risk, but also the potential for a higher return. The investments are concentrated to securities in Latin America, which means the risk in the fund can be higher than an investment in a diversified global fund that distributes its investments across several regions. The fund has a currency risk, which means that the returns and the risk are affected by changes in exchange rates. The fund has share classes in various currencies, which means that the returns and the risk can vary across different share classes. The fund invests in emerging markets that frequently have lower liquidity, and the variation in liquidity is considered to be higher relative to the more developed markets. This can impact the fund's ability to manage significant outflows at a relatively low cost.

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. Investments in emerging markets may be subject to increased exposure for operational risks, such as the risk that political decisions, shortcomings in the financial infrastructure or weaknesses in a country's securities regulation would negatively impact to the fund's return. 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. The risk is deemed to be low and the actual measurement will be reported in the annual report.

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 2024. The fund has the option of lending securities. The fund did not use this option during 2024. The fund may use other techniques and instruments. The fund did not use this option during 2024.

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

Handelsbanken Latinamerika Impact Tema, cont.

Latinamerika Impact Tema A1 - SEK	-10.4	29.3	19.5	-9.9	-30.7	28.6	-6.7	14.7	34.0	-22.2
Latinamerika Impact Tema A1 - EUR	-12.1	29.1	10.6	-12.0	-27.6	24.1	-9.5	11.8	28.0	-19.5
Latinamerika Impact Tema A1 - NOK	-10.6	37.8	16.0	-15.8	-23.1	23.6	-8.7	20.9	20.9	-14.7
Latinamerika Impact Tema A9 - SEK	-9.7	30.1	21.3	-9.1	-30.5	-	-	-	-	-
Latinamerika Impact Tema A9 - EUR	-11.7	30.1	11.5	-11.3	-27.0	-	-	-	-	-
Latinamerika Impact Tema A10 - EUR	-11.5	30.4	11.6	-11.1	-	-	-	-	-	-
Latinamerika Impact Tema A10 - NOK	-10.1	39.2	17.0	-14.9	-	-	-	-	-	-
Latinamerika Impact Tema B1 - SEK	-10.4	29.6	19.5	-10.0	-30.6	28.6	-6.7	14.7	34.0	-22.2
Index including dividends in %										
Latinamerika Impact Tema A1 - SEK	-9.6	28.6	14.9	-8.3	-23.3	27.5	1.3	11.5	41.2	-25.7
Latinamerika Impact Tema A1 - EUR	-11.3	28.4	6.4	-10.5	-19.8	23.0	-1.8	8.7	35.0	-23.2
Latinamerika Impact Tema A1 - NOK	-9.8	37.1	11.6	-14.3	-14.8	22.5	-1.0	17.6	27.4	-18.6
Latinamerika Impact Tema A9 - SEK	-9.6	28.6	14.9	-8.3	-25.1	-	-	-	-	-
Latinamerika Impact Tema A9 - EUR	-11.3	28.4	6.4	-10.5	-21.4	-	-	-	-	-
Latinamerika Impact Tema A10 - EUR	-11.3	28.4	6.4	-10.5	-	-	-	-	-	-
Latinamerika Impact Tema A10 - NOK	-9.8	37.1	11.6	-14.3	-	-	-	-	-	-
Latinamerika Impact Tema B1 - SEK	-9.6	28.6	14.9	-8.3	-23.3	27.5	1.3	11.5	41.2	-25.7
Tracking error, 2 yrs. %										
Latinamerika Impact Tema A1 - SEK	3.7	4.9	5.6	5.7	4.7	4.7	5.2	6.4	6.6	4.8
Latinamerika Impact Tema A1 - EUR	3.6	4.9	5.6	5.7	4.7	4.7	5.2	6.4	6.6	4.8
Latinamerika Impact Tema A1 - NOK	3.6	4.9	5.6	5.7	4.7	4.7	5.2	6.4	6.6	4.8
Latinamerika Impact Tema A9 - SEK	3.5	4.8	5.6	-	-	-	-	-	-	-
Latinamerika Impact Tema A9 - EUR	3.6	4.9	5.6	-	-	-	-	-	-	-
Latinamerika Impact Tema A10 - EUR	3.7	-	-	-	-	-	-	-	-	-
Latinamerika Impact Tema A10 - NOK	3.7	4.9	5.6	-	-	-	-	-	-	-
Latinamerika Impact Tema B1 - SEK	3.7	4.9	5.6	5.8	4.8	4.7	5.2	6.4	6.6	4.8
Average yearly return, 2 yrs. %										
Latinamerika Impact Tema A1 - SEK	13.9	24.3	3.8	-21.0	-5.6	9.6	3.5	23.9	2.1	-9.1
Latinamerika Impact Tema A1 - EUR	10.7	19.5	-1.4	-20.2	-5.2	6.0	0.6	19.6	1.5	-10.6
Latinamerika Impact Tema A1 - NOK	16.3	26.4	-1.2	-19.5	-2.5	6.2	5.0	20.9	1.6	-4.2
Latinamerika Impact Tema A9 - SEK	15.3	25.6	5.1	-	-	-	-	-	-	-
Latinamerika Impact Tema A9 - EUR	11.6	20.5	-0.6	-	-	-	-	-	-	-
Latinamerika Impact Tema A10 - EUR	11.8	-	-	-	-	-	-	-	-	-
Latinamerika Impact Tema A10 - NOK	17.5	27.6	-0.2	-	-	-	-	-	-	-
Latinamerika Impact Tema B1 - SEK	14.1	24.4	3.7	-20.9	-5.5	9.6	3.5	23.9	2.1	-9.1
Comparison to index including dividends, %										
SEK	12.2	21.6	2.7	-16.1	-1.1	13.6	6.3	25.5	2.4	-10.9
EUR	9.0	16.9	-2.4	-15.3	-0.7	9.9	3.3	21.1	1.8	-12.4
NOK	14.6	23.7	-2.2	-14.6	2.2	10.1	7.9	22.4	1.9	-6.1
Average yearly return, 5 yrs. %										
Latinamerika Impact Tema A1 - SEK	-1.2	4.4	-2.2	-3.0	5.0	7.5	3.5	1.7	2.2	-8.0
Latinamerika Impact Tema A1 - EUR	-2.6	2.5	-4.6	-4.4	3.1	5.3	0.7	-1.0	0.7	-8.3
Latinamerika Impact Tema A1 - NOK	0.6	5.1	-3.3	-2.4	4.9	7.1	4.1	4.9	3.9	-4.4
Latinamerika Impact Tema B1 - SEK	-1.1	4.5	-2.2	-2.9	5.1	7.5	3.5	1.7	-	-
Comparison to index including dividends, %										
SEK	0.2	5.8	0.9	0.2	9.3	8.6	4.8	1.4	-0.1	-10.1
EUR	-1.3	3.8	-1.6	-1.2	7.3	6.4	2.0	-1.4	-1.5	-10.4
NOK	2.0	6.5	-0.3	0.8	9.1	8.2	5.5	4.5	1.7	-6.6
Average yearly return, 10 yrs. %										
Latinamerika Impact Tema A1 - SEK	1.7	3.9	-0.2	-0.4	-1.7	3.6	7.5	2.7	4.5	3.5
Latinamerika Impact Tema A1 - EUR	-0.5	1.6	-2.8	-1.9	-2.8	3.3	8.4	2.3	3.8	3.7
Latinamerika Impact Tema A1 - NOK	2.6	4.6	0.8	0.7	0.1	5.1	8.6	4.5	4.9	5.7
Latinamerika Impact Tema B1 - SEK	1.7	4.0	-0.2	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	3.1	5.3	1.1	0.1	-0.9	2.8	6.6	1.4	3.4	2.0
EUR	0.9	2.9	-1.5	-1.4	-2.0	2.5	7.4	1.0	2.8	2.2
NOK	4.1	6.0	2.1	1.2	1.0	4.3	7.6	3.2	3.8	4.2
Dividends per unit, SEK	8.21	6.79	6.74	6.16	11.53	6.90	10.24	9.27	5.34	7.07
Exchange rate EUR/SEK	11.35	11.13	11.12	10.30	10.05	10.51	10.13	9.83	9.58	9.16
Exchange rate NOK/SEK	0.99	0.99	1.06	1.03	0.96	1.07	1.02	1.00	1.06	0.95

Historically, the fund may have had share classes that have now been terminated and are not available under Fund facts - history. Therefore, both Number of units in total, thousands and Fund capital total can deviate from the sum of displayed share classes.

Benchmark: Solactive ISS ESG Screened Latin America Large Small & Mid Cap UCITS Index

Up to 2019-04-30: MSCI Emerging Markets Latin America 10/40 Net

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.

Detailed information for the share classes' designation (nomenclature) is provided in the funds Prospectus.

Refer to the last pages for definitions.

Fund facts - costs

Max. allowed mgmt. costs in % according to fund rules	
Latinamerika Impact Tema A1	1.60
Latinamerika Impact Tema A9	0.80
Latinamerika Impact Tema A10	0.60
Latinamerika Impact Tema B1	1.60
Collected mgmt. costs in % of average fund capital	
Latinamerika Impact Tema A1	1.60
Latinamerika Impact Tema A9	0.80
Latinamerika Impact Tema A10	0.60
Latinamerika Impact Tema B1	1.60
Management fees and other administrative or operating costs, %	
Latinamerika Impact Tema A1	1.60
Latinamerika Impact Tema A9	0.80
Latinamerika Impact Tema A10	0.60
Latinamerika Impact Tema B1	1.60
Transaction costs, SEK thousand	996
Transaction costs in % of turnover	0.07

Fund facts - other key figures

Turnover rate	0.1
Share of turnover conducted via closely-related securities companies in %	0.0
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and return measurements *

Total risk % - A1 SEK	20.3	Active return % - A10 NOK	2.9
Total risk % - A1 EUR	20.2	Active return % - B1 SEK	1.9
Total risk % - A1 NOK	19.0	Information ratio - A1 SEK	0.5
Total risk % - A9 SEK	20.5	Information ratio - A1 EUR	0.5
Total risk % - A9 EUR	20.2	Information ratio - A1 NOK	0.5
Total risk % - A10 EUR	20.2	Information ratio - A9 SEK	0.9
Total risk % - A10 NOK	19.0	Information ratio - A9 EUR	0.7
Total risk % - B1 SEK	20.3	Information ratio - A10 EUR	0.8
Total risk in index % - A1 SEK	21.4	Information ratio - A10 NOK	0.8
Total risk in index % - A1 EUR	21.3	Information ratio - B1 SEK	0.5
Total risk in index % - A1 NOK	19.8	Sharpe ratio - A1 SEK	0.5
Total risk in index % - A9 SEK	21.4	Sharpe ratio - A1 EUR	0.4
Total risk in index % - A9 EUR	21.3	Sharpe ratio - A1 NOK	0.7
Total risk in index % - A10 EUR	21.3	Sharpe ratio - A9 SEK	0.6
Total risk in index % - A10 NOK	19.8	Sharpe ratio - A9 EUR	0.4
Total risk in index % - B1 SEK	21.4	Sharpe ratio - A10 EUR	0.4
Benchmark	Solactive ISS ESG	Sharpe ratio - A10 NOK	0.8
	Screened Latin America	Sharpe ratio - B1 SEK	0.6
	Large Small & Mid Cap	Sharpe ratio in index - A1 SEK	0.4
	UCITS Index	Sharpe ratio in index - A1 EUR	0.3
Active Share %	63.9	Sharpe ratio in index - A1 NOK	0.6
Active return % - A1 SEK	1.7	Sharpe ratio in index - A9 SEK	0.4
Active return % - A1 EUR	1.7	Sharpe ratio in index - A9 EUR	0.3
Active return % - A1 NOK	1.8	Sharpe ratio in index - A10 EUR	0.3
Active return % - A9 SEK	3.1	Sharpe ratio in index - A10 NOK	0.6
Active return % - A9 EUR	2.6	Sharpe ratio in index - B1 SEK	0.4
Active return % - A10 EUR	2.8		

* 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.

Handelsbanken Latinamerika Impact Tema, cont.

Balance sheet, SEK thousand

	30 jun 2024	% of fund capital	31 dec 2023	% of fund capital
ASSETS				
Transferable securities	2,068,627	98.2	2,931,535	96.9
Total financial instruments with positive market value ^(Note 1)	2,068,627	98.2	2,931,535	96.9
Bank assets and other liquid assets	27,449	1.3	83,971	2.8
Prepaid expenses and accrued income	8,554	0.4	13,003	0.4
Other assets	7,516	0.4	-	-
Total assets	2,112,147	100.2	3,028,510	100.1
LIABILITIES				
Accrued expenses and prepaid income	2,814	0.1	4,005	0.1
Other liabilities	2,072	0.1	-	-
Total liabilities	4,886	0.2	4,005	0.1
Fund capital	2,107,260	100.0	3,024,505	100.0

Fund holdings in financial instruments

Transferable securities admitted to trading on a regulated market or equivalent market outside the EEA **97.6**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
LISTED EQUITIES			
ARGENTINA			
Galcia Financial Group ADR	14,165	4,584	0.2
		4,584	0.2
BRAZIL			
B3 Brasil Bolsa Balcao	4,737,395	92,492	4.4
Banco do Brasil	481,107	24,501	1.2
Copel	674,912	10,668	0.5
Copel Pref	2,055,859	36,454	1.7
Cruzeiro do Sul Educacional	1,323,630	9,464	0.4
CTEEP	268,885	13,462	0.6
Cury Construtora e Incorporadora	533,618	20,959	1.0
Dexco	2,407,214	30,108	1.4
Fleury	1,063,401	30,473	1.4
Gaec Educaçao	1,793,202	10,770	0.5
Hapvida	3,523,991	25,733	1.2
Itaú Unibanco Holding Pref	2,795,414	172,738	8.2
Itaúsa	1,680,901	31,471	1.5
Klabin	1,398,707	57,176	2.7
Localiza Rent a Car (Rent3)	593,904	47,559	2.3
Localiza Rent a Car R	6,000	103	0.0
Orizon Valorizacao de Residuos	293,806	21,623	1.0
Sabesp	352,310	50,359	2.4
Santos Brasil	1,977,001	51,452	2.4
São Martinho	437,908	27,327	1.3
Serena Energia	503,351	8,455	0.4
Suzano	259,758	28,235	1.3
Telefonica Brasil	378,568	32,726	1.6
Totvs	996,490	57,815	2.7
WEG	948,586	76,304	3.6
XP A	290,756	54,162	2.6
		1,022,587	48.5
CAYMAN ISLANDS			
PagSeguro A	264,500	32,745	1.6
		32,745	1.6
CHILE			
Administradora Americana De Inversiones	3,800,000	7,784	0.4
AFP Habitat	3,601,588	38,267	1.8
Aguas Andinas	5,527,062	15,937	0.8
Banco Santander Chile	139,670,345	69,262	3.3
Invers Construc	169,000	15,235	0.7
		146,484	7.0
MEXICO			
America Movil	13,540,454	122,101	5.8
Banco Bajio	293,570	9,438	0.4
Banorte	1,283,731	105,991	5.0
Bolsa Mexicana de Valores	2,310,844	41,462	2.0
Consorcio Ara	6,988,000	12,465	0.6
Corp Fragua	100,071	53,786	2.6
Gentera	4,053,389	53,243	2.5
Gmexico Transportes	500,000	10,616	0.5
Grupo Aeroportuario del Centro Norte	730,831	65,674	3.1
Pinfra	651,612	63,876	3.0
Regional A	885,787	70,036	3.3
Rotoplas	90,000	1,421	0.1
Sitios Latinoamerica	2,265,942	5,604	0.3
Vesta	2,106,278	66,763	3.2
		682,477	32.4
PERU			
Credicorp	37,619	64,273	3.1
Inretail Peru	101,800	30,434	1.4
Intergroup	19,100	4,533	0.2
		99,240	4.7
UNITED STATES OF AMERICA			
Laureate Education A	144,500	22,862	1.1
		22,862	1.1

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
URUGUAY			
Arcos Dorados	485,928	46,315	2.2
		46,315	2.2
Listed equities		2,057,294	97.6

Other financial instruments **0.5**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
UNLISTED EQUITIES			
IRELAND			
Arcadium Lithium	318,498	11,333	0.5
		11,333	0.5
Unlisted equities		11,333	0.5
Total financial instruments with positive market value		2,068,627	98.2
Total financial instruments with negative market value		0	0.0
Net, other assets and liabilities		38,633	1.8
Total fund capital		2,107,260	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
Localiza Rent a Car	2.3	Copel	2.2

* 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 from Handelsbanken Fonder AB

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

As of June 30, 2024

Handelsbanken Fonder AB

Board of Directors

DANIEL ANDERSSON, Chairman

Executive Vice President, Svenska Handelsbanken AB (publ), Head of the Handelsbanken Savings and Financing

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)

Chief Executive Officer

MAGDALENA WAHLQVIST ALVESKOG

Management Company's auditors

Elected at the Annual General Meeting

PRICEWATERHOUSECOOPERS AB, PETER NILSSON

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:

Chief Executive Officer

MAGDALENA WAHLQVIST ALVESKOG

Head of Sustainability

AURORA SAMUELSSON

Deputy Chief Executive Officer

EMMA VIOTTI

Head of Products and Communications

EMMA VIOTTI

Chief Operating Officer

CARINA ROECK HANSEN

Head of Compliance

MONIKA JENKS

Head of Risk

FREDRIK ALHEDEN

Head of Sales

STEFAN BLOMÉ

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

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Information from Handelsbanken Fonder AB

Corporate Governance

Handelsbanken Fonder 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 Handelsbanken Fonder 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.

Handelsbanken Fonder AB 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 companies ambition is to vote at the annual general meetings where we have significant ownership and where our votes could impact the course of events, 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.

Handelsbanken Fonder AB 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

Handelsbanken Fonder's vision is to create financial wealth and planetary health through sustainable investments. In order to clarify our path to achieving this, we have established sustainability goals, constituting part of Handelsbanken Group's obligations under the UN Principles for Responsible Banking, which the Bank signed in 2019, and the fund company's obligations according to the Net Zero Asset Managers (NZAM) initiative. The purpose of setting quantitative goals is to ensure measurable results, and also allow our stakeholders to follow our development. The goals encompass all of our funds, and relate to two main areas.

Paris-aligned investment portfolios

- 50 per cent reduction in our funds' emission intensity by 2030.
- doubling of investments in climate-related solutions by 2030.

Increase our contribution to the 2030 Agenda for Sustainable Development

- increase the proportion of sustainable investment by 30 per cent by 2025.
- increase engagement activities with a positive outcome every year until 2025.

Handelsbanken Fonder's sustainability work is guided by our Policy for shareholder engagement and responsible investment. The Policy describes the starting point for integration of sustainability, our undertakings in terms of Global Compact, the Principles for

Responsible Investment (PRI) and international norms and conventions. It also describes the methods for sustainability applied in the asset management and principles of our corporate governance. Read more about this in the reports for each individual fund and in the Management Company's Policy for shareholder engagement and responsible investments that is available at: <https://www.handelsbanken.se/sv/om-oss/svenska-dotterbolag/handelsbanken-fonder/our-work>.

Accounting and valuation principles

The Annual 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.

Foreign withholding taxes

Due to the changes in the tax regulations for Swedish funds on January 1, 2012, as well as the developments within taxation, there is significant uncertainty with regard to the application of withholding taxes on equity distributions. This can result in both higher revenues and increased expenses regarding withholding taxes in funds with foreign holdings. The revenues or expenses will be reported when received or paid, respectively. The distributions will be reported in the amount actually received, although it cannot be ruled out that the withholding taxes can be revised, which would result in an additional withholding tax on the previously received distributions made in the fund. A remittance (repayment of withholding tax paid) is reported when received. With regard to restitution for certain funds and from certain countries, e.g., Denmark and Finland, the principle of reporting restitution when received or paid can be waived if there are tax and reporting grounds for doing so.

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 – From the 1 of January management fees and other administrative or operating costs replace ongoing charges. 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, 80% of the revenue earnings derived from the lending agreement is allocated to the fund whilst the remaining 20% 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.

Risk – The calculation of the fund's risk is the same for all EU member states. 1 is for the lowest risk (small price fluctuations) and 7 is for the highest risk (risk for substantial price fluctuations). The classification is based on the standard deviation (volatility) for the fund, calculated using the unit values over a five-year period. If five years of performance is not available, the standard deviation for the relevant comparable index or other benchmark will be used. Risk describes primarily market risk and currency risk.

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. Negative turnover arises when the total amount for purchased and sold fund units exceeds the total amount for purchased and sold derivatives.

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 in this case 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	Pref Preference Share
ETF Exchange Traded Fund	SDB Swedish Deposit Certificate
f/r Foreign Registered	TO Warrants
FRN Floating Rate Note	TR Subscription Right
GDR Global Depository Receipt	

[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](#).