

*The fund rules were established by the Management Company's Board of Directors on November 13, 2023.*

## FUND RULES FOR HANDELSBANKEN MICROCAP NORDEN

### § 1

#### **The fund's legal status**

The fund's name is Handelsbanken Microcap Norden. The fund is a non-UCITS fund in accordance with the Alternative Investment Fund Managers Act (2013:561). The fund is intended for investors who can meet the required minimum initial subscription in the fund.

The fund consists of financial instruments that are allocated to the fund by parties investing capital in it and thus are joint owners of the fund. The fund may not acquire rights, assume liabilities, or lodge an appeal before a court of law or any other authority. Assets included in a fund may not be seized and fund unit holders are not held accountable for the liabilities of the fund. The Management Company represents the fund unit holders in questions regarding the fund, takes decisions regarding the assets included in the fund, and exercises those rights that arise from the fund. A fund unit is a right to the proportion of a securities fund that corresponds to the net value of the fund divided by the number of outstanding units. Each fund unit has equivalent rights to the assets included in the fund. However, given that the fund includes share classes, the value of a fund unit is determined by taking into consideration those conditions associated with each share class (see below).

The fund consists of the following share classes:

- A) Accumulation (non-distribution) share class with a minimum initial subscription, traded in SEK (A4 SEK)
- B) Accumulation (non-distribution) share class with a minimum initial subscription, traded in EUR (A4 EUR)
- C) Accumulation (non-distribution) share class with a minimum initial subscription, traded in NOK (A4 NOK)

The fund consists of share classes, which means that the value of a fund unit in one share class will differ from the value of a fund unit in another share class. The share classes differ with regard to the currency (refer further in § 9). The units within each share class are of equal size and result in equivalent rights to the assets included in the fund.

For a more comprehensive explanation of the designations stated above (e.g., A4 SEK, etc.), the Management Company makes reference to the prospectus. Further explanatory information is also available with regard to the conditions for the share classes.

### § 2

#### **Management Company**

The fund is managed by Handelsbanken Fonder AB, with organisation registration number 556418-8851, referred below as the "Management Company".

### § 3

#### **The Depositary and its duties**

The fund's assets are held in the custody of J.P. Morgan SE - Stockholm bank branch, with organisation registration number 516406-1110, which serves as the Depositary. The Depositary will execute the decisions of

the Management Company that are not in conflict with the Swedish Investment Funds Act or the rules of the fund. Further, the Depositary will receive and hold the assets included in the fund, as well as ensure that:

1. the sale and redemption of units occur according to the law and fund rules,
2. the value of the fund units are estimated according to the law and fund rules,
3. the assets in the fund reach the Depositary without delay, and
4. the assets in the fund are utilized according to the law and fund rules.

#### § 4

### **The fund's character**

The fund is an actively managed fund that normally invests solely in a portfolio of small caps in the Nordics. The fund's focus is diversified in general and thus does not focus on any specific sector. The fund applies an exclusion strategy that provides for the exclusion of companies and sectors based on sustainability dimensions.

The objective of the fund is to provide exposure to small caps in the Nordics that have the potential to develop into large caps over time and thus exceed the benchmark index over the long term. The fund's benchmark index is SIX SRI Nordic 200 Microcap Index. A description of the fund's benchmark index can be found in the fund's fact sheet.

#### § 5

### **The fund's investment focus**

The fund's assets may be invested:

- in transferable securities,
- in units in funds with an investment focus that results in investments made in Nordic transferable securities or money market instruments,
- in money market instruments, - in derivative instruments and
- in an account in a credit institution.

The fund invests in a portfolio of small Nordic companies. Nordic companies refer to companies that have their registered office in Sweden, Norway, Finland or Denmark, or are admitted to trading on a regulated market or another marketplace in one of these countries. Small caps refer to companies with a market value at the time of the investment that does not exceed the market value of the largest constituent in the fund's benchmark index. The companies can potentially grow larger, but will be retained in the fund if the portfolio manager deems it to be optimal for the fund's yield potential.

Regardless of the said criterion, the fund may hold such financial instruments that have been included in the fund due to prior holdings, e.g., as a result of acquisition, divestiture or other corporate events.

The fund can invest up to the entire fund capital in fund units, in interest-bearing financial instruments or in liquid assets, depending on the market climate, liquidity or significant flows.

The fund follows Handelsbanken Fond's principles for responsible investment which means that the fund does not invest in companies, according to the Management Company's assessment, involved in the production or distribution of weapons banned under international law as well as nuclear weapons. The fund also does not invest in companies, according to the Management Company's assessment, that have been confirmed as acting in conflict with international norms and conventions related to human rights, labor law, corruption and the environment.

In addition, the fund has sustainability criteria linked to controversial business activities, such as weapons and war materials, tobacco, alcohol, commercial gambling, cannabis, pornography and fossil fuels. More detailed information on Handelsbanken Fond's principles for responsible investment and the fund's sustainability criteria is available in the prospectus

Occasionally, the fund will invest in index-based financial instruments for the management of liquidity. These indexes can include companies in which the fund may not invest in accordance with its investment focus.

Refer to the fund's prospectus for additional information on the Management Company's sustainability work, including a description of what is meant by a restrictive holding.

Underlying assets to derivative instruments included in the fund may consist of or be related to such assets as referred to in Chapter 5, § 12, first paragraph of the Swedish Investment Funds Act (2004:46).

Chapter 5 of the Swedish Investment Act is applicable to the management of assets in a non-UCITS fund, unless an exemption has been granted by the Financial Supervisory Authority. The fund rules differ from applicable laws and regulations in the following points pursuant to the exemptions notified by the Financial Supervisory Authority:

By means of an exemption from Chapter 5, § 6, first and second paragraph, point 3, third paragraph and § 22 of the Swedish Investment Act, investments made in such transferable securities and money market instruments from one and the same issuer may comprise a maximum of 10 % of the fund's value, under the condition that such assets from one and the same issuer that have a higher value than 5 % comprise a maximum of 60 % of the fund's value.

By means of an exemption from Chapter 5, § 20, first paragraph of the Swedish Investment Act, the fund may acquire equities with such voting rights that there is the potential for the Management Company to exercise a substantial influence over the management of a company, although this is limited to 25 % of the votes in a company.

By means of an exemption from FFFS 2013:9, Chapter 25, § 21, the fund may lend transferable securities at a level equivalent to a maximum of 100 % of the fund capital. Transferable securities equivalent to a maximum of 10 % of the fund capital may be lent to one and the same counterparty, under the condition that such assets that have a higher value than 5 % comprise a maximum of 60 % of the fund's value.

The risk measurement applicable in the fund is the standard deviation for returns, i.e., the fund's total risk. This can vary significantly, although the target is that the standard deviation over a rolling 24 month period shall be 15-30 %. However, the total risk in the fund can be below as well as over this interval during shorter periods.

## § 6

### Markets

The fund's purchase and sale of fund units can take place directly from each respective fund management company, trustee company, collective investment undertaking or AIF manager. The purchase and sale of other financial instruments and exchange-traded funds (so-called ETFs) may occur in a regulated market or equivalent market outside the EEA as well as other markets, within or outside the EEA, that are regulated and open to the general public as well as on MTFs or similar market places.

## § 7

### Specific investment focus

Fund assets may be invested in such transferable securities and money market instruments as stated in Chapter 5, § 5 of the Swedish Investment Funds Act.

The fund may invest in derivative instruments as part of the fund's investment focus. The fund may invest in OTC derivatives as stated in Chapter 5, § 12, second paragraph of the Swedish Investment Funds Act.

The fund may use such techniques and instruments to create leverage in the fund as stated in Chapter 25, § 21 of the Swedish Financial Supervisory Authority's regulations (FFFS 2013:9) regarding securities funds.

Due to the investment focus, the fund invests a significant portion of assets in units of other funds in accordance with § 5 above.

## § 8

### Valuation

The fund's value is calculated by deducting those liabilities from the assets applicable to the fund. The fund's value is calculated each banking day.

The fund's assets consist of:

- financial instruments that are valued according to the applicable market value. Market prices from an active market are primarily used. If such prices are not available or if the prices are deemed to be misleading by the Management Company, the financial instruments may be valued according to those objective principles decided by the Management Company. Such objective principles may include similar transactions that occurred under market conditions during the recent period, previous market prices for the instrument, market prices from a market maker or broker, or a so-called reference valuation,
- liquid assets,
- accrued interest,
- accrued distributions,
- non-liquidated sales, and
- other receivables related to the fund.

The fund's liabilities consist of:

- remuneration to the Management Company,
- non-liquidated purchases,
- tax liabilities, and
- other liabilities related to the fund.

The market value for such transferable securities and money market instruments as referenced in Chapter 5, §5 of the Swedish Investment Funds Act will be valued in accordance with a specific valuation in the event a price from the active market is not available. The specific valuation may also be based on the following: prices from a non-active market or observable prices from market makers or brokers, the acquisition value, recently completed transactions, corporate events that impact the market value, a reference valuation, discounted cash flows, and share capital from company equity.

The market value of OTC derivatives is set in accordance with a specific valuation in the event a price from the active market is not available. The specific valuation may also be based on the following: prices from a non-active market or observable prices from market makers or brokers, a reference valuation, a valuation based on the input assets/components' market value, or a value based on generally-accepted valuation models, such as Black & Scholes.

Given that the fund consists of share classes, the value of a fund unit will be determined in consideration of the conditions associated with each share class. The value of a fund unit in a share class within the fund consists of the value of the share class divided by the number of outstanding units in the share class in question.

## § 9

### Subscription and redemption of fund units

The subscription and redemption price, respectively, for a fund unit amounts to the fund unit's value calculated in accordance with § 8 on the day of the subscription or redemption.

By means of an exemption from Chapter 4, § 13, first paragraph of the Swedish Investment Funds Act, a request for the subscription and redemption of units in the fund may occur on a monthly basis in accordance with the rules and instructions stated in the prospectus. Information about the subscription and redemption price is published on the Management Company's website at [www.handelsbanken.se/funds](http://www.handelsbanken.se/funds) no later than three banking days after the end of each month.

Assets that must be obtained through the sale of securities should be sold and redeemed as soon as possible.

Banking day refers to a day that is not Saturday, Sunday or another public holiday, or when in connection with a payment of a promissory note, on a day that is not equal to a public holiday and when the banks in Sweden are generally open to the public.

The subscription and redemption occur on an occasion when the fund unit holders' request for subscription or redemption is at an unknown fund unit price.

In order to avoid that the fund's managed capital reaches an amount whereby it is not possible to optimally manage the fund and the existing fund unit holders, the Management Company has the right to close the fund, which would result in the suspension of the subscription of new units. The decision for a closing requires the managed capital of the fund to reach an amount that exceeds that which the Management Company has established as the capital limit for optimum asset management. This capital limit is stated in the fund's prospectus. Decisions regarding the closure of the fund is communicated in conjunction with the decision, however no later than the same day the decision to close the fund enters into force and the fund is closed.

The Management Company has the right to suspend the sales stop. The Management Company's decision to open the fund shall also be communicated in conjunction with the decision, although no later than the same day that the subscription of new units is resumed. Information about the decision regarding the closing or opening of the fund will be announced on the Management Company's website.

The request for subscription or redemption may be cancelled only if the Management Company permits it. The fund consists of the following share classes:

A) Accumulation (non-distribution) share class with a minimum initial subscription, traded in SEK (A4 SEK)

The minimum initial subscription in the share class is two hundred and fifty thousand Swedish crowns (SEK 250,000). The subscription and redemption of units in the share class are made in SEK.

B) Accumulation (non-distribution) share class with a minimum initial subscription, traded in EUR (A4 EUR)

The minimum initial subscription in the share class is twenty-five thousand euro (EUR 25,000). The subscription and redemption of units in the share class are made in EUR.

C) Accumulation (non-distribution) share class with a minimum initial subscription, traded in NOK (A4 NOK)

The minimum initial subscription in the share class is two hundred and fifty thousand Norwegian crowns (NOK 250,000). The subscription and redemption of units in the share class are made in NOK.

## § 10

### **Exceptional circumstances**

The fund may be closed for the subscription and redemption of fund units in the event exceptional circumstances have occurred, whereby the value of the fund's assets cannot be calculated in such a way as to guarantee the equal treatment of the fund unit holders.

## § 11

### **Fees and remuneration**

Fees are payable to the Management Company from fund assets for fund management, marketing, and administration of the fund. The fees include costs for custody, supervision, and auditing.

Expenses for brokerage fees, taxes, etc. for the purchase and sale of financial instruments are paid from the fund.

Share classes A), B) and C):

Remuneration to the management company may be a maximum of 1.85 percent annually.

The fund's prospectus includes information about the highest fixed and performance-based remuneration that may be paid for the management of fund units in securities funds and equivalent collective investment undertakings, non-UCITS funds and AIFs in which fund assets have been invested.

Applicable value-added tax will be added to the fees stated above on each occasion.

## § 12

### **Distribution**

The fund does not make any distributions in the share classes A), B) and C). All returns on the fund's assets, such as dividends and interest, are invested in accordance with these fund rules.

## § 13

### **Financial year**

The financial year for the Management Company and the fund is the calendar year.

## § 14

### **Semi-annual review and annual report, amendments to fund rules**

The Management Company must submit an annual report about the fund within four months of the end of the financial year. The annual report will be submitted to the Financial Supervisory Authority and sent free of charge to all fund unit holders who have requested its receipt. In addition, the annual report will be made available at the Management Company and the Depositary.

The Management Company must submit a semi-annual review of the fund's first six months within two months of the end of the half-year. The semi-annual review will be submitted to the Financial Supervisory Authority and sent free of charge to all fund unit holders who have requested its receipt. In addition, the semi-annual review will be made available at the Management Company and the Depositary.

Should the Management Company's Board of Directors decide to make an amendment to the rules of the fund, the decision will be submitted to the Financial Supervisory Authority for its approval.

The Management Company will make the amendment public in the upcoming annual report or semiannual review and any other way the Financial Supervisory Authority decides. The amendment must also be made available at the Management Company and the Depositary.

## § 15

### **Pledge of fund units**

If the fund unit holder mortgages fund units in his possession, the fund unit holder (mortgagor) and/or the mortgagee must notify the Management Company in writing about the pledge. The notification must include the following information:

1. the name of the fund unit holder/mortgagor,
2. the name of the mortgagee,
3. the number of fund units and the share classes that are in the scope of the pledge, and
4. any limitations in the scope of the pledge.

The mortgagor must sign the notification.

The Management Company will include the information regarding the pledge in the fund unit holder register.

The fund unit holder will be notified in writing that the register has been updated to include the information that the fund units have been pledged. When the pledge has terminated, the Management Company will remove the information from the register after it has been notified by the mortgagee.

## § 16

### **Liability limitations**

The following is clarified in Chapter 8, §§ 28-31 of the Alternative Investment Fund Managers Act. The Management Company will compensate a loss if the Management Company violates the Alternative Investment Fund Managers Act or fund rules, resulting in a loss for the fund unit holder.

Chapter 9, § 22 of the Alternative Investment Fund Managers Act states that the regulations in Chapter 3, §§ 14-16 of the Swedish Investment Funds Act (2004:46) shall be applicable to the Depositary for non-UCITS funds.

If the Depositary or the institution that holds the financial instruments in custody on behalf of the Depositary have lost financial instruments, the institution shall return financial instruments of the same type or pay an amount of equivalent value to the Management Company on behalf of the securities fund without undue delay pursuant to the Swedish Investment Funds Act, Chapter 3, § 14. The Depositary is not liable for compensation pursuant to the above if the institution can prove that the loss has arisen as a result of an external event beyond the institution's reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

If the fund unit holder incurs damages other than those stated in the previous paragraph as a result of the Depositary or a subcontractor intentionally or through negligence violating the law or other statutes that regulate

the business operations, the institution shall compensate for damages in accordance with Chapter 3, § 15 of the Swedish Investment Funds Act. In accordance with Chapter 3, § 16 of the Swedish Investment Funds Act, a service contract regarding the custody of assets and control of ownership pursuant to Chapter 3, § 6 of the Swedish Investment Funds Act does not absolve the Depositary from its liability for losses and other damages in accordance with the Swedish Investment Funds Act. This is also applicable even if the service contractor subcontracts the assignment to another contractor in accordance with the Swedish Investment Funds Act.

While respecting the provisions of Chapter 8, §§ 28-31 and Chapter 9 § 22 of the Alternative Investment Fund Managers Act compared to Chapter 3, §§ 14-16 of the Swedish Investment Funds Act, the following is applicable:

With regard to all of the incoming measures taken by the Depositary and the Management Company, the Depositary and the Management Company will not be liable for damages due to Swedish or foreign statutes, measures taken by Swedish or foreign authorities, event of war, strike, blockade, boycott, lockout or other similar circumstances. The reservation concerning strike, blockade, boycott, and lockout even apply if the Depositary and/or the Management Company themselves are subject to or take such conflict measures.

Other damages sustained by the fund unit holder shall not be compensated if the Depositary and/or the Management Company unless the Depositary and/or the Management Company has intentionally or negligently been the cause of such other damage. The Depositary and/or the Management Company is in no case responsible for indirect damages.

The Management Company and/or the Depositary shall not be liable for damages resulting from a Swedish or foreign stock exchange or other marketplace, depository bank, central securities depository or other processor, clearinghouse, or other parties that provide comparable services. Nor shall the Depositary/Management Company be liable for damages resulting from a contractor retained with due diligence or, with regard to the Depositary, that has been assigned by the Management Company. This also applies to damages resulting from the insolvency of the aforementioned organisations or service provider.

The Depositary shall not be liable for damages to the Management Company or fund unit holders in the fund that may arise as a consequence of restrictions on the right of disposition of securities that may be applied against the Depositary.

If obstacles exist that prevent the Depositary or Management Company from effecting payments or taking other measures due to the circumstances mentioned in the sixth paragraph, the measures may be postponed until the obstacles have ceased. In the event of deferred payments, the Depositary or Management Company will pay interest, if interest is promised, based on the rate of interest that applied on the due date. If interest is not promised, the Depositary or Management Company is not obliged to pay interest at a higher rate of interest than that which is equivalent to the interest rate set by the Swedish Riksbank, with the applicable discount according to § 9 of the Interest Act (1975:635), supplemented by two percentage points for each occurrence.

If the Depositary and/or the Management Company, as a result of the circumstances mentioned in the sixth paragraph, is prevented from accepting payment, the Depositary and/or the Management Company has the right to interest according to those conditions that applied on the due date for that period during which the obstacle existed.

## § 17

### **Permitted investors, etc.**

The fund targets the public with the following limitations. The fund does not target such investors whose subscription or fund unit holdings result in or present a risk for (i) violation of Swedish or foreign law or other regulations, (ii) the fund or the Management Company being subject to registration obligations or other measures that the fund or the Management Company would not otherwise be obliged to undertake, or (iii) the



fund being subject to substantial costs that are not in the interest of the unit holders. The fund does not target physical persons residing in the U.S. or legal persons headquartered in the U.S. or other U.S. Persons (such as a U.S. Person as defined in the U.S. Regulation S of the Securities Act of 1933, in the version applicable at the relevant time). In the event the Management Company determines that an investor is not permitted to subscribe to or hold units in the fund in accordance with the limitations stated in this paragraph, the Management Company may refuse the subscription of units as well as redeem units without prior consent on behalf of the investor. Refer to the fund's Prospectus for additional information regarding permitted investors.