



# Handelsbanken Nordiska Småbolag

## Management Report

### 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 and equity-related instruments issued by small and mid-sized companies headquartered in Sweden, Norway, Denmark, Finland and Iceland, or in companies traded on a regulated market in the Nordics. The fund thereby has a currency exposure in these markets. Small and mid-sized companies refer to companies with market values at the time of the investment that do not exceed the market value of the largest company in the fund's benchmark index. The fund may also invest in larger companies and in unlisted companies if we deem this to be beneficial to unit holders. We place particular emphasis on ensuring that the company's strategy concurs with our assessment of what can generate favourable share price performance when we select equities for the fund. We then evaluate the company's key ratios, such as earnings growth relative to the market's expectations. 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 SIX SRI Nordic 200 Small Cap Net Index. 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 fund's benchmark index and risk level, may be found in the prospectus.

### Activity level

The fund invests broadly in different sectors and on trading venues outside of the index, e.g., Euronext Growth. Risk diversification is attained through the fund's investments of between 130-175 companies, which is significantly less than the benchmark index. The fund invests in companies irrespective of whether or not these are included in the benchmark index. The selection of companies occurs through ongoing analysis, in which emphasis is placed on valuation, profit growth, outlooks and company management. The portfolio companies and the majority of other equities are actively tracked by several models developed in-house.

The activity level in a fund is calculated through the use of the tracking error measurement. Tracking error is defined as the volatility in the difference between the fund's returns and the returns of the benchmark index. Tracking error is calculated according to industry standards, is based on the monthly data and reflects the past 24 months. A higher deviation in returns from the benchmark index gives a higher tracking error. The level of the tracking error differs between different types of funds (actively-managed funds, index funds, etc.) and fund categories (e.g., equities or fixed income), given that the risk levels of the underlying markets differ from each other. The selection of the benchmark index is of importance for the level of the tracking error. In the selection of an index our ambition has been to obtain an index that is as relevant as possible in relation to the fund's long-term investment focus. We have therefore selected a benchmark index that is sustainability-oriented and thus more concentrated/"narrower" than the "broader" benchmark indexes more

prevalent in the sector. A broader benchmark index often means that the tracking error in the fund will be higher relative to the more concentrated index.

### Explanation of achieved tracking error

The fund is a relatively large, small-cap fund. To maintain a good exposure to the smallest companies, the fund owns several more holdings than those normally held by small-cap funds. A higher concentration of holdings in the smallest companies reduces the exposure to the smallest companies, which creates a very high liquidity risk. We do not believe that any of these scenarios are desirable. Another effect is that the tracking error becomes slightly lower. Performance was challenging in 2022 and during certain periods in 2023. Accordingly, we lowered the risk regularly during the period to limit losses and then began to increase the risk again during Q4 2023.

### Portfolio

The fund rose by 10.3% in 2024\*. The benchmark index rose by 10.2% over the same period.

The fund outperformed its benchmark index after accounting for management fees, which was primarily due to the fund's favorable stock-picking within raw materials and technology. Norwegian Norbit has been a favorite for some time and the company made good contributions in 2024. Norbit is a small technology company with strong growth at an attractive valuation. Crayon was another strong performer in the fund and a bid was made on the company at year-end. In contrast, Sinch was a disappointment during the year and had a negative impact on the fund. Another contributor to fund returns included Zealand Pharma, which works with obesity drugs, among others. We did not have any investments in SSAB within the raw materials sector, which in hindsight was the correct decision. The downturn has continued for the company and the market is concerned about the major investment programs going forward. However, we were overweight in NCC, Skanska and several other companies within the construction sector. We had expected the construction sector to get back on track after previously low levels and this proved to be correct. During the beginning of the year we made the assessment that we would see a stronger economy during H2. This theory came to naught and many companies had a challenging autumn with low demand and pressure on margins. This was costly for returns in some of the smaller industrial companies. As a result of increases to orders for several companies and more positive signals, we expect to see an upturn in 2025 instead. We increased within the consumer sector during the close of 2024 since we believe that a combination of low interest rates, tax cuts and wage increases will enhance the likelihood of greater consumer spending. Many of the companies in the sector have low valuations relative to their history, with Scandic Hotels and Kesko as two examples of companies owned by the fund.

\* 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 the Nordic countries, 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 smaller companies that frequently have lower liquidity. In general, the variation in liquidity is considered to be higher relative to investments in larger companies.

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.

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 sustainability risk in the fund is measured using Sustainalytics' methodology to assess sustainability risks. During the year, the overall sustainability risk for the fund is considered to be medium and is 20.51 on a scale of 0 to 100.

### Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund did use this option during 2024\*. The fund has the option of lending securities. The fund did 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%

\* During the year, the fund has had minor leverage arising from subscription rights.

### Sustainability

The fund promotes environmental or social characteristics. The appendix to this annual report includes the detailed sustainability-related disclosures that shall be provided by the fund pursuant to Article 8 in the EU regulation 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR).

### Information

Information on remuneration to employees can be found at the end of this report and at [www.handelsbankenfonder.se](http://www.handelsbankenfonder.se), under Follow our work/Policies, guidelines and other information.

### 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 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.

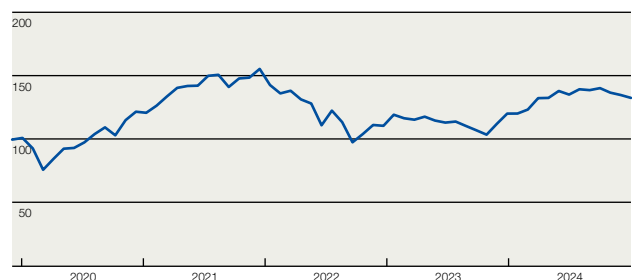
Engagement work is conducted primarily through direct dialogues between Handelsbanken Fonder and the companies, joint dialogues together with other investors, as well as in collaborations and initiatives with focus on specific sustainability issues.

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](http://www.handelsbankenfonder.se), under Follow our work/Policies, guidelines and other information.

The sustainability-related disclosures included as an appendix to the annual report provide additional information about the engagement work in the form of dialogue and corporate governance that has been undertaken by the Management Company during the year on behalf of the funds.

### Fund performance\*



\* The graph is indexed with starting value 100. Performance is shown in the fund's base currency. The fund may have several share classes.

Handelsbanken Nordiska Småbolag, cont.

## Fund facts - history

	1/1-31/12 2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net asset value, SEK										
Nordiska Småbolag A1 - SEK	1,711.47	1,551.80	1,427.67	2,006.22	1,571.11	1,287.55	967.02	970.99	866.58	721.56
Nordiska Småbolag A1 - EUR	149.58	139.39	128.39	194.85	156.35	122.53	95.41	98.76	90.44	78.79
Nordiska Småbolag A1 - NOK	1,759.19	1,563.79	1,349.78	1,954.03	1,637.96	1,208.64	944.47	970.02	821.09	757.57
Nordiska Småbolag A9 - SEK	134.00	120.53	110.00	153.90	119.56	-	-	-	-	-
Nordiska Småbolag A9 - EUR	155.30	143.57	131.17	197.52	157.23	-	-	-	-	-
Nordiska Småbolag A10 - SEK	1,831.92	1,644.49	1,497.90	2,083.95	1,615.74	1,310.94	974.79	-	-	-
Nordiska Småbolag A10 - EUR	160.11	147.72	134.70	202.40	160.80	124.76	96.18	-	-	-
Nordiska Småbolag A10 - NOK	1,883.01	1,657.19	1,416.17	2,029.74	1,684.49	1,230.59	952.06	-	-	-
Nordiska Småbolag B1 - SEK	1,079.17	1,018.90	976.20	1,427.61	1,164.80	997.32	768.90	803.55	745.90	648.03
Nordiska Småbolag B1 - EUR	134.45	130.50	125.16	-	-	-	-	-	-	-
The fund's total net flow, SEK m	-664	-978	-32	-234	-2,221	-1,132	805	889	658	34
Fund capital total, SEK m										
Nordiska Småbolag A1 - SEK	25,510	23,821	22,847	31,787	25,067	23,017	18,294	17,732	14,975	12,031
Nordiska Småbolag A1 - EUR	23,489	21,863	20,969	28,921	22,632	21,270	16,919	16,474	13,985	10,842
Nordiska Småbolag A1 - NOK	70	74	63	106	85	90	80	81	70	52
Nordiska Småbolag A9 - SEK	330	273	262	384	375	251	201	342	135	113
Nordiska Småbolag A9 - EUR	27	44	78	208	228	-	-	-	-	-
Nordiska Småbolag A9 - EUR	35	31	28	45	33	-	-	-	-	-
Nordiska Småbolag A10 - SEK	46	96	112	161	201	183	119	-	-	-
Nordiska Småbolag A10 - EUR	12	11	6	13	9	5	3	-	-	-
Nordiska Småbolag A10 - NOK	196	140	165	205	229	152	106	-	-	-
Nordiska Småbolag B1 - SEK	76	87	134	199	153	127	95	116	176	606
Nordiska Småbolag B1 - EUR	2	2	2	-	-	-	-	-	-	-
Number of units total, 1000's										
Nordiska Småbolag A1 - SEK	15,097	15,699	16,687	17,121	17,744	17,901	18,942	18,286	17,314	16,769
Nordiska Småbolag A1 - EUR	13,724	14,089	14,687	14,415	14,405	16,521	17,496	16,966	16,139	15,025
Nordiska Småbolag A1 - NOK	471	533	494	544	541	738	836	824	775	659
Nordiska Småbolag A9 - SEK	188	175	194	197	229	208	212	352	165	149
Nordiska Småbolag A9 - EUR	203	367	711	1,353	1,910	-	-	-	-	-
Nordiska Småbolag A10 - SEK	225	218	212	228	209	-	-	-	-	-
Nordiska Småbolag A10 - EUR	25	59	75	77	125	139	122	-	-	-
Nordiska Småbolag A10 - EUR	73	76	46	66	58	37	35	-	-	-
Nordiska Småbolag A10 - NOK	104	85	117	101	136	124	112	-	-	-
Nordiska Småbolag B1 - SEK	70	85	137	139	131	127	123	144	235	936
Nordiska Småbolag B1 - EUR	13	13	13	-	-	-	-	-	-	-
Total returns in %										
Nordiska Småbolag A1 - SEK	10.3	8.7	-28.8	27.7	22.0	33.1	-0.4	12.0	20.1	23.3
Nordiska Småbolag A1 - EUR	7.3	8.6	-34.1	24.6	27.6	28.4	-3.4	9.2	14.8	27.6
Nordiska Småbolag A1 - NOK	12.5	15.9	-30.9	19.3	35.5	28.0	-2.6	18.1	8.4	35.2
Nordiska Småbolag A9 - SEK	11.2	9.6	-28.5	28.7	19.6	-	-	-	-	-
Nordiska Småbolag A9 - EUR	8.2	9.4	-33.6	25.6	25.6	-	-	-	-	-
Nordiska Småbolag A10 - SEK	11.4	9.8	-28.1	29.0	23.3	34.5	0.6	13.2	21.3	24.6
Nordiska Småbolag A10 - EUR	8.4	9.7	-33.5	25.9	28.9	29.7	-2.4	10.3	15.9	28.8
Nordiska Småbolag A10 - NOK	13.6	17.0	-30.2	20.5	36.9	29.3	-1.7	19.3	9.5	36.6
Nordiska Småbolag B1 - SEK	10.3	8.6	-28.8	27.7	22.2	33.1	-0.4	12.0	20.1	23.3
Nordiska Småbolag B1 - EUR	7.3	8.5	-34.1	24.6	27.8	28.4	-3.4	9.2	14.8	27.6
Index including dividends in %										
Nordiska Småbolag A1 - SEK	10.2	12.4	-23.9	28.2	16.4	35.1	0.6	11.8	17.7	21.7
Nordiska Småbolag A1 - EUR	7.2	12.2	-29.5	25.2	21.7	30.3	-2.4	9.0	12.5	25.9
Nordiska Småbolag A1 - NOK	12.4	19.8	-26.1	19.8	29.3	29.9	-1.6	17.9	6.3	33.4
Nordiska Småbolag A9 - SEK	10.2	12.4	-23.9	28.2	12.1	-	-	-	-	-
Nordiska Småbolag A9 - EUR	7.2	12.2	-29.5	25.2	17.8	-	-	-	-	-
Nordiska Småbolag A10 - SEK	10.2	12.4	-23.9	28.2	16.4	35.1	0.6	11.8	17.7	21.7
Nordiska Småbolag A10 - EUR	7.2	12.2	-29.5	25.2	21.7	30.3	-2.4	9.0	12.5	25.9
Nordiska Småbolag A10 - NOK	12.4	19.8	-26.1	19.8	29.3	29.9	-1.6	17.9	6.3	33.4
Nordiska Småbolag B1 - SEK	10.2	12.4	-23.9	28.2	16.4	35.1	0.6	11.8	17.7	21.7
Nordiska Småbolag B1 - EUR	7.2	12.2	-29.5	25.2	21.7	30.3	-2.4	9.0	12.5	25.9
Tracking error, 2 yrs. %										
Nordiska Småbolag A1 - SEK	2.4	2.4	2.7	3.4	3.1	2.3	2.0	1.6	2.2	2.1
Nordiska Småbolag A1 - EUR	2.4	2.4	2.7	3.4	3.1	2.3	2.0	1.6	2.2	2.1
Nordiska Småbolag A1 - NOK	2.4	2.4	2.7	3.4	3.1	2.3	2.0	1.6	2.2	2.1
Nordiska Småbolag A9 - SEK	2.4	2.4	2.8	-	-	-	-	-	-	-
Nordiska Småbolag A9 - EUR	2.4	2.4	2.7	-	-	-	-	-	-	-
Nordiska Småbolag A10 - SEK	2.4	2.4	2.7	3.4	3.1	2.3	2.1	-	-	-
Nordiska Småbolag A10 - EUR	2.4	2.4	2.7	3.4	3.1	2.3	2.0	-	-	-
Nordiska Småbolag A10 - NOK	2.4	2.4	2.7	3.4	3.1	2.3	2.0	-	-	-
Nordiska Småbolag B1 - SEK	2.4	2.4	2.7	3.4	3.1	2.3	2.1	1.6	2.2	2.1
Nordiska Småbolag B1 - EUR	2.4	2.4	2.7	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Nordiska Småbolag A1 - SEK	9.5	-12.1	-4.7	24.8	27.5	15.2	5.6	16.0	21.7	20.0
Nordiska Småbolag A1 - EUR	7.9	-15.4	-9.4	26.1	28.0	11.4	2.7	12.0	21.0	18.0
Nordiska Småbolag A1 - NOK	14.2	-10.5	-9.2	27.2	31.7	11.6	7.3	13.2	21.1	26.5
Nordiska Småbolag A9 - SEK	10.4	-11.5	-4.1	-	-	-	-	-	-	-
Nordiska Småbolag A9 - EUR	8.8	-14.7	-8.7	-	-	-	-	-	-	-
Nordiska Småbolag A10 - SEK	10.6	-11.2	-3.7	26.1	28.7	16.3	6.7	-	-	-
Nordiska Småbolag A10 - EUR	9.0	-14.6	-8.5	27.4	29.3	12.5	3.7	-	-	-
Nordiska Småbolag A10 - NOK	15.3	-9.6	-8.3	28.4	33.0	12.7	8.3	-	-	-
Nordiska Småbolag B1 - SEK	9.5	-12.1	-4.7	24.9	27.6	15.2	5.6	16.0	21.7	20.0
Nordiska Småbolag B1 - EUR	7.9	-15.4	-9.4	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	11.3	-7.5	-1.2	22.2	25.4	16.6	5.6	14.8	19.7	19.4
EUR	9.7	-11.0	-6.1	23.4	26.0	12.8	3.2	10.8	19.0	17.3
NOK	16.0	-5.9	-5.9	24.5	29.6	13.0	7.7	11.9	19.1	25.9
Average yearly return, 5 yrs. %										
Nordiska Småbolag A1 - SEK	5.9	9.9	8.0	18.3	16.8	17.1	14.1	21.5	22.5	12.0
Nordiska Småbolag A1 - EUR	4.1	7.9	5.4	16.6	14.7	14.7	11.0	18.2	20.7	11.7
Nordiska Småbolag A1 - NOK	7.8	10.6	6.8	18.9	16.7	16.6	14.8	25.3	24.6	16.4
Nordiska Småbolag A10 - SEK	6.9	11.0	9.1	19.5	18.0	18.3	15.2	-	-	-
Nordiska Småbolag A10 - EUR	5.1	9.0	6.4	17.8	15.8	15.8	12.1	-	-	-
Nordiska Småbolag A10 - NOK	8.9	11.7	7.9	20.1	17.8	17.8	16.0	-	-	-
Nordiska Småbolag B1 - SEK	5.9	9.9	8.1	18.3	16.9	17.1	14.1	21.5	-	-
Nordiska Småbolag B1 - EUR	4.1	7.9	5.4	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	7.1	11.5	9.1	17.8	15.8	16.9	13.4	20.5	21.7	12.1
EUR	5.3	9.5	6.5	16.1	13.7	14.5	10.5	17.3	19.9	11.8
NOK	9.0	12.2	7.9	18.5	15.7	16.4	14.3	24.3	23.7	16.6
Average yearly return, 10 yrs. %										
Nordiska Småbolag A1 - SEK	11.3	12.0	14.6	20.4	14.4	14.2	17.4	9.9	8.6	10.0
Nordiska Småbolag A1 - EUR	9.2	9.4	11.6	18.6	13.2	13.9	18.3	9.4	7.9	10.2

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Nordiska Småbolag A1 - NOK	12.1	12.7	15.7	21.7	16.6	15.9	18.5	11.8	9.0	12.3
Nordiska Småbolag A10 - SEK	12.4	13.1	15.7	21.6	15.5	15.3	18.5	-	-	-
Nordiska Småbolag A10 - EUR	10.3	10.5	12.7	19.8	14.3	15.0	19.5	-	-	-
Nordiska Småbolag A10 - NOK	13.2	13.8	16.9	22.9	17.7	17.0	19.7	-	-	-
Nordiska Småbolag B1 - SEK	11.3	12.0	14.6	-	-	-	-	-	-	-
Nordiska Småbolag B1 - EUR	9.3	9.4	11.6	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	11.9	12.5	14.7	19.7	14.0	14.2	16.5	9.1	7.6	9.1
EUR	9.8	10.0	11.7	18.0	12.7	13.9	17.6	8.7	7.0	9.4
NOK	12.7	13.3	15.8	21.1	16.1	15.9	17.8	11.0	8.1	11.5
Dividends per unit, SEK										
Nordiska Småbolag B1 - SEK	42.37	38.62	47.58	50.34	39.89	23.07	32.14	29.84	25.92	21.80
Nordiska Småbolag B1 - EUR	5.41	4.92	6.34	-	-	-	-	-	-	-
Exchange rate EUR/SEK	11.44	11.13	11.12	10.30	10.05	10.51	10.13	9.83	9.58	9.16
Exchange rate NOK/SEK	0.97	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: SIX SRI Nordic 200 Small Cap Net Index

Up to 2019-04-30: SIX Nordic 200 Small Cap

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	
Nordiska Småbolag A1	1.60
Nordiska Småbolag A9	0.80
Nordiska Småbolag A10	0.60
Nordiska Småbolag B1	1.60
Collected mgmt. costs in % of average fund capital	
Nordiska Småbolag A1	1.60
Nordiska Småbolag A9	0.80
Nordiska Småbolag A10	0.60
Nordiska Småbolag B1	1.60
Management fees and other administrative or operating costs, %	
Nordiska Småbolag A1	1.60
Nordiska Småbolag A9	0.80
Nordiska Småbolag A10	0.60
Nordiska Småbolag B1	1.60
Transaction costs, SEK thousand	7,722
Transaction costs in % of turnover	0.03
Costs in SEK for a one-time subscription, 10 000 SEK	
Nordiska Småbolag A1	177.80
Nordiska Småbolag A9	89.26
Nordiska Småbolag A10	67.01
Nordiska Småbolag B1	177.82
Costs in SEK for monthly savings, 100 SEK	
Nordiska Småbolag A1	10.93
Nordiska Småbolag A9	5.48
Nordiska Småbolag A10	4.11
Nordiska Småbolag B1	10.93

## Fund facts - other key figures

Turnover rate	0.57
Share of turnover conducted via closely-related securities companies in %	23.30
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.00

## Risk and return measurements \*

Total risk % - A1 SEK	12.6	Active return % - B1 EUR	-1.8
Total risk % - A1 EUR	15.5	Information ratio - A1 SEK	Negative
Total risk % - A1 NOK	14.0	Information ratio - A1 EUR	Negative
Total risk % - A9 SEK	12.6	Information ratio - A1 NOK	Negative
Total risk % - A9 EUR	15.5	Information ratio - A9 SEK	Negative
Total risk % - A10 SEK	12.6	Information ratio - A9 EUR	Negative
Total risk % - A10 EUR	15.5	Information ratio - A10 SEK	Negative
Total risk % - A10 NOK	14.0	Information ratio - A10 EUR	Negative
Total risk % - B1 SEK	12.6	Information ratio - A10 NOK	Negative
Total risk % - B1 EUR	15.5	Information ratio - B1 SEK	Negative
Total risk in index % - A1 SEK	11.8	Information ratio - B1 EUR	Negative
Total risk in index % - A1 EUR	15.1	Sharpe ratio - A1 SEK	0.5
Total risk in index % - A1 NOK	13.7	Sharpe ratio - A1 EUR	0.3
Total risk in index % - A9 SEK	11.8	Sharpe ratio - A1 NOK	0.7
Total risk in index % - A9 EUR	15.1	Sharpe ratio - A9 SEK	0.6
Total risk in index % - A10 SEK	11.8	Sharpe ratio - A9 EUR	0.3
Total risk in index % - A10 EUR	15.1	Sharpe ratio - A10 SEK	0.6
Total risk in index % - A10 NOK	13.7	Sharpe ratio - A10 EUR	0.3
Total risk in index % - B1 SEK	11.8	Sharpe ratio - A10 NOK	0.8
Total risk in index % - B1 EUR	15.1	Sharpe ratio - B1 SEK	0.5
Benchmark	SIX SRI Nordic 200 Small Cap Net Index	Sharpe ratio - B1 EUR	0.3
Active Share %	54.0	Sharpe ratio in index - A1 SEK	0.7
Active return % - A1 SEK	-1.8	Sharpe ratio in index - A1 EUR	0.4
Active return % - A1 EUR	-1.7	Sharpe ratio in index - A1 NOK	0.9
Active return % - A1 NOK	-1.8	Sharpe ratio in index - A9 SEK	0.7
Active return % - A9 SEK	-0.9	Sharpe ratio in index - A9 EUR	0.4
Active return % - A9 EUR	-0.9	Sharpe ratio in index - A10 SEK	0.7
Active return % - A10 SEK	-0.7	Sharpe ratio in index - A10 EUR	0.4
Active return % - A10 EUR	-0.7	Sharpe ratio in index - A10 NOK	0.9
Active return % - A10 NOK	-0.7	Sharpe ratio in index - B1 SEK	0.7
Active return % - B1 SEK	-1.8	Sharpe ratio in index - B1 EUR	0.4

\* 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.

## Income Statement, SEK thousand

	2024	2023
<b>INCOME AND CHANGES IN VALUE</b>		
Changes in value for transferable securities	2,025,768	1,757,656
Interest income	10,644	10,885
Dividends	712,717	541,893
Currency exchange profits and losses, net	-6,340	-4,818
Other financial income	6,158	14,744
Other income	11,263	33
<b>Total income and changes in value</b>	<b>2,760,210</b>	<b>2,320,393</b>
<b>EXPENSES</b>		
Management costs:		
- Remuneration to the Management Company	395,460	359,377
Interest expense	2,118	1,705
Other financial expenses	1,232	2,949
Other expenses	7,722	4,337
<b>Total expenses</b>	<b>406,532</b>	<b>368,368</b>
<b>Net income</b>	<b>2,353,679</b>	<b>1,952,025</b>
<b>* Details of changes in value</b>		
Capital gains	2,699,831	2,104,489
Capital losses	-1,004,497	-1,950,627
Unrealised gains/losses	330,435	1,603,794
<b>Sum</b>	<b>2,025,768</b>	<b>1,757,656</b>

## Balance sheet, SEK thousand

	31 dec 2024	% of fund capital	31 dec 2023	% of fund capital
<b>ASSETS</b>				
Transferable securities	25,370,832	99.5	23,353,511	98.0
<b>Total financial instruments with positive market value<sup>Note 2)</sup></b>	<b>25,370,832</b>	<b>99.5</b>	<b>23,353,511</b>	<b>98.0</b>
Bank assets and other liquid assets	122,016	0.5	533,628	2.2
Prepaid expenses and accrued income	45,852	0.2	39,815	0.2
Other assets	85,699	0.3	15,555	0.1
<b>Total assets</b>	<b>25,624,399</b>	<b>100.4</b>	<b>23,942,510</b>	<b>100.5</b>
<b>LIABILITIES</b>				
Accrued expenses and prepaid income	34,916	0.1	31,223	0.1
Other liabilities	79,667	0.3	90,784	0.4
<b>Total liabilities</b>	<b>114,583</b>	<b>0.4</b>	<b>122,007</b>	<b>0.5</b>
<b>Fund capital<sup>Note 1)</sup></b>	<b>25,509,816</b>	<b>100.0</b>	<b>23,820,503</b>	<b>100.0</b>
<b>ITEMS INCLUDED IN THE BALANCE SHEET</b>				
Lended financial instruments	1,467,803	5.8	863,241	3.6
Collateral received for lended financial instruments	1,586,307	6.2	930,703	3.9

Note 1) for Balance sheet

## Changes in fund capital, SEK thousand

	2024	2023
Fund capital at beginning of year	23,820,503	22,847,093
Units issued <sup>1)</sup>	3,122,281	2,322,970
Units redeemed <sup>1)</sup>	-3,782,301	-3,295,600
Profit according to income statement	2,353,679	1,952,025
Dividends to unit holders	-4,345	-5,985
<b>Fund capital at the close of the period</b>	<b>25,509,816</b>	<b>23,820,503</b>

1) Of which SEK 18,331 t relates to internal moves between share classes

Handelsbanken Nordiska Småbolag, cont.

Note 2) for Balance sheet

## Fund holdings in financial instruments

**Transferable securities admitted to trading on a regulated market or equivalent market outside the EEA****96.8**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
<b>LISTED EQUITIES</b>			
<b>DENMARK</b>			
Alm Brand	26,794,000	576,765	2.3
Cadeler	1,150,000	71,268	0.3
Chemometec	299,320	223,282	0.9
Fluegger Group B	70,158	35,737	0.1
GN Store Nord	801,988	164,576	0.6
H. Lundbeck B	6,150,000	389,887	1.5
Matas	732,163	152,100	0.6
Nilfisk Holding	286,713	45,925	0.2
NKT	672,471	530,839	2.1
NTG Nordic Transport Group	211,844	83,370	0.3
Schouw & Co.	302,154	249,410	1.0
SP Group	403,524	190,379	0.7
Sydbank	496,044	289,206	1.1
TCM Group	319,164	32,809	0.1
William Demant	700,000	283,749	1.1
Zealand Pharma	283,000	310,670	1.2
	<b>3,629,973</b>		<b>14.2</b>
<b>FINLAND</b>			
Elisa	200,000	95,651	0.4
Gofore	256,000	65,024	0.3
Harvia	142,100	69,667	0.3
Incap	515,379	60,382	0.2
Kesko B	2,460,000	511,696	2.0
Konecranes	524,717	367,417	1.4
Metso	4,095,500	420,791	1.6
Orthex	875,712	50,097	0.2
Ot Group	231,225	177,782	0.7
Sitowise Group A2	1,100,000	38,386	0.2
Stora Enso R	3,730,764	414,818	1.6
Valmet	1,000,000	266,930	1.0
YIT	5,300,000	150,993	0.6
	<b>2,689,635</b>		<b>10.5</b>
<b>NORWAY</b>			
Austevoll Seafood	3,506,798	333,661	1.3
BEWI	4,974,234	128,725	0.5
Crayon Group	1,535,961	186,488	0.7
Elliptic Laboratories	3,638,163	37,094	0.1
Entra	739,416	83,158	0.3
Europris	1,483,594	104,931	0.4
Gjensidige Forsikring	804,186	157,256	0.6
Lerøy Seafood Group	4,950,000	236,741	0.9
Link Mobility Group	8,025,788	179,586	0.7
Mowi	3,810,000	721,869	2.8
Norbit	3,227,089	303,280	1.2
Norconsult	2,734,748	117,730	0.5
Nordic Semiconductor	1,100,000	107,498	0.4
Norsk Hydro	2,500,000	152,109	0.6
Norwegian Air Shuttle	15,200,000	162,664	0.6
Odfjell	350,000	39,771	0.2
SailMar	643,158	338,197	1.3
Salmon Evolution	16,977,015	110,330	0.4
SATS	5,596,154	144,275	0.6
Scatec	2,600,000	201,093	0.8
Schibsted B	1,510,917	491,250	1.9
Smartcraft A	2,211,887	63,696	0.2
SpareBank 1 Sor-Norge	1,113,248	158,775	0.6
Storebrand	1,527,819	180,148	0.7
Wallenius Wilhelmsen	452,472	41,158	0.2
Yara International	950,000	278,008	1.1
	<b>5,059,489</b>		<b>19.8</b>
<b>SWEDEN</b>			
AAK	1,861,363	587,446	2.3
Addtech B	1,006,118	303,043	1.2
AFFRY	1,782,946	274,039	1.1
Alligo	973,881	119,982	0.5
AQ Group	970,078	135,811	0.5
Autoliv SDB	165,000	169,323	0.7
Beijer Alma B	1,548,836	254,319	1.0
Beijer Ref B	2,491,011	406,284	1.6
Billerud	1,300,000	131,820	0.5
BioArctic B	213,301	42,554	0.2
Boliden	967,616	300,445	1.2
Bonesupport	100,000	38,680	0.2
Camurus	104,495	59,092	0.2
Castellum	2,287,639	275,775	1.1
Cint Group	5,663,254	71,697	0.3
Corem Property B	17,603,856	117,770	0.5
Duni	964,816	90,982	0.4
Electrolux Professional	2,723,316	186,547	0.7
Elekta B	998,611	61,065	0.2
Embracer Group B	6,572,348	198,222	0.8
Fagerhult Group	3,290,692	178,026	0.7
Fastighets AB Balder	7,266,080	558,035	2.2
Fortnox	4,325,000	311,833	1.2
Getinge B	681,855	123,791	0.5
Gränges	2,600,153	342,440	1.3
Green Landscaping Group	1,795,000	126,368	0.5
Hexatronic Group	3,707,136	134,124	0.5
Hexpol B	1,682,655	172,977	0.7

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
Indutrade	900,000	249,300	1.0
Instalco	3,450,000	113,712	0.4
ITAB Shop	1,807,049	37,767	0.1
JM	900,000	150,210	0.6
Karnov Group	1,400,000	115,220	0.5
Lindab International	745,978	170,978	0.7
Mips	227,528	107,029	0.4
Modern Times Group MTG B	2,240,000	212,576	0.8
Mycronic	366,264	146,286	0.6
NCC B	1,974,851	320,716	1.3
Nederman 1	590,931	128,232	0.5
New Wave B	3,359,759	326,401	1.3
NIBE Industrier B	5,600,000	242,144	0.9
NP3 Fastigheter	625,000	156,250	0.6
OEM International B	1,251,970	139,970	0.5
Pandox B	750,000	143,850	0.6
Platzer Fastigheter B	1,501,660	128,692	0.5
Proact IT Group	1,650,000	194,370	0.8
Rejlers	507,171	71,917	0.3
RVRC	2,300,369	94,269	0.4
Sagax B	1,802,064	407,627	1.6
Scandic Hotels Group	8,002,870	549,797	2.2
Sdipitech	274,481	65,272	0.3
Securitas	1,450,000	198,505	0.8
Sinch	7,537,675	156,256	0.6
Skanska B	3,190,000	742,313	2.9
SKF B	2,385,000	495,126	1.9
Sobi	908,998	288,516	1.1
Stillfront Group	6,998,608	58,473	0.2
Sweco B	500,000	82,350	0.3
Synsam Group	500,000	22,275	0.1
Systemair	1,196,403	106,121	0.4
Thule Group	317,336	108,402	0.4
Trelleborg B	617,718	233,868	0.9
Truecaller B	4,693,077	240,051	0.9
Vitrolife	333,742	71,755	0.3
Wihlborgs Fastigheter	2,068,894	216,820	0.8
Yubico	813,285	197,628	0.8
		<b>13,263,533</b>	<b>52.0</b>
<b>UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND</b>			
Stolt-Nielsen	161,650	45,450	0.2
		<b>45,450</b>	<b>0.2</b>
<b>Listed equities</b>		<b>24,688,080</b>	<b>96.8</b>

**Transferable securities that are traded regularly on any other market which is regulated and open to the public****2.7**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
<b>LISTED EQUITIES</b>			
<b>FINLAND</b>			
Admicom	175,950	95,523	0.4
Detection Technology	367,734	64,374	0.3
Lemonsift	465,000	30,326	0.1
		<b>190,222</b>	<b>0.7</b>
<b>NORWAY</b>			
Desert Control	1,808,533	9,325	0.0
Lumi Gruppen	3,046,609	42,977	0.2
Måsöval	2,137,041	57,382	0.2
Smartoptics Group	1,800,000	31,521	0.1
		<b>141,206</b>	<b>0.6</b>
<b>SWEDEN</b>			
Implantica SDB	829,531	28,536	0.1
Lyko Group	409,794	39,791	0.2
Surgical Science Sweden	315,000	49,109	0.2
Swedencare	1,761,361	84,968	0.3
Vimian Group	3,741,709	148,920	0.6
		<b>351,323</b>	<b>1.4</b>
<b>Listed equities</b>		<b>682,752</b>	<b>2.7</b>

**Other financial instruments****0.0**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
<b>UNLISTED EQUITIES</b>			
<b>DENMARK</b>			
OW Bunker	127,500	0	0.0
		<b>0</b>	<b>0.0</b>
<b>Unlisted equities</b>		<b>0</b>	<b>0.0</b>
<b>Total financial instruments with positive market value</b>		<b>25,370,832</b>	<b>99.5</b>
<b>Total financial instruments with negative market value</b>		<b>0</b>	<b>0.0</b>
<b>Net, other assets and liabilities</b>		<b>138,985</b>	<b>0.5</b>
<b>Total fund capital</b>		<b>25,509,816</b>	<b>100.0</b>

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.

**Information about the fund's securities lending****Volume of lent securities, SEK thousand: 1,467,803**



Handelsbanken Nordiska Småbolag, cont.

**Volume of lent securities as a % of total lendable assets** **5.8**

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

United Kingdom	679,258
U.S.A.	368,268
Microsoft	19,100
Apple	13,298
France	13,181
Carvana	12,896
Nvidia	12,729
Mizuho Financial Group Inc	11,409
Morgan Stanley	11,362
Mitsubishi Ufj Financial Group	11,324

**The largest counterparties for securities lending, SEK thousand**

Merrill Lynch International	346,453
Barclays Capital Securities	341,476
J.P. Morgan Securities	234,348
Goldman Sachs International	186,224
SEB	141,804
Morgan Stanley & Co. International	128,914
HSBC Bank	96,205
BNP Paribas Financial Markets	56,592
Handelsbanken	33,248
Citigroup Global Markets	13,934

**Type and quality of collateral, SEK thousand**

Bonds and other interest-bearing instruments	1,068,458
Equities, shares	517,849
	<b>1,586,307</b>

We accept government bonds and treasury bills with a rating of AA- from S&P or Aa3 from Moody's or higher 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	1,364
1 Month to 3 Months	3,594
3 Months to 1 Year	10,522
Above 1 Year	1,052,978
Open Maturity	517,849
	<b>1,586,307</b>

**The domicile of the counterparties, SEK thousand:**

Frankrike	56,592
United Kingdom	1,354,663
Sweden	175,052
	<b>1,586,307</b>

**Currency of the collateral, SEK thousand:**

AUD	9,019
CAD	286
CHF	2,433
DKK	1,092
EUR	32,008
GBP	760,882
HKD	5,267
JPY	107,527
SEK	3,083
SGD	2,426
USD	662,284
	<b>1,586,307</b>

**Settlement and clearing, SEK thousand:**

Triparty	1,586,307
	<b>1,586,307</b>

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 6,158 thousand of which 80% was passed on to the fund and 20% 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 Capital Securities  
 -BNP Paribas Financial Markets  
 -Citigroup Global Markets  
 -Goldman Sachs International  
 -Handelsbanken  
 -HSBC Bank  
 -J.P. Morgan Securities  
 -Merrill Lynch International  
 -Morgan Stanley & Co  
 -SEB  
 -UBS, London Branch

ANNEX IV

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852.

Product name: Handelsbanken Nordiska Småbolag

Legal entity identifier: 549300U3LI2XJT7CI879

**Sustainable investment**

means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Environmental and/or social characteristics**

Did this financial product have a sustainable investment objective?	
<p><input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes</p> <p><input type="checkbox"/> It made <b>sustainable investments with an environmental objective</b>: ___ %</p> <p><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> It made <b>sustainable investments with a social objective</b>: ___%</p>	<p><input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No</p> <p><input checked="" type="checkbox"/> It promoted <b>Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of 38.86% of sustainable investments</p> <p><input checked="" type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> with a social objective</p> <p><input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b></p>



**To what extent were the environmental and/or social characteristics promoted by this financial product met?**

**Sustainability indicators**

measure how the environmental or social characteristics promoted by the financial product are attained.

The fund promotes environmental and social characteristics through sustainable investments, which means investments in companies whose economic activities are deemed to contribute to an environmental or social objective in accordance with the Sustainable Development Goals of Agenda 2030 and/or activities aligned with the EU Taxonomy.

The fund's proportion of sustainable investments in 2024 totaled 38.86%, based on an average of the results of the fund's sustainable investments per quarter.

An investment contributes to one of the sustainability objectives below if the company's revenue exceeds a stated minimum level in terms of contributions to the Sustainable Development Goals, the EU Taxonomy or a combination thereof. Capital expenditures or operating expenses (CAPEX/OPEX) may also be used to assess contributions to the goals, in addition to a company's revenue.

The fund contributed to the following goals through sustainable investments:

**Environmental objectives defined in the EU Taxonomy with formulated technical standards**

Climate change mitigation, Climate change adaptation.

**Other environmental objectives**

Achieving Sustainable Agriculture and Forestry (SDG 2 & 15), Contributing to Sustainable Energy Use (SDG 7), Promoting Sustainable Buildings (SDG 11), Optimizing Material Use (SDG 12), Mitigating Climate Change (SDG 13), Preserving Terrestrial Ecosystems (SDG 15).

The fund has also promoted environmental objective through the exclusion of companies with activities linked to fossil fuel as well as companies with verified violations of international norms and conventions related to environment. This is followed up with the indicators:

- Carbon footprint
- Greenhouse gas intensity
- Share of investments in companies that are active within the fossil fuels sector.

**Social objectives**

Providing Basic Services (SDG 1, 8, 9, 10 & 11), Combating Hunger and Malnutrition (SDG 2), Ensuring Health (SDG 3), Delivering Education (SDG 4), Safeguarding Peace (SDG 16).

The fund has also promoted the following social objective:

- Good Health and Well-being (SDG 3) by excluding companies and issuers with activities linked to alcohol, tobacco, cannabis and commercial gambling.
- No poverty (SDG 1) by excluding companies and issuers with activities linked to weapons and military equipment, including controversial weapons and nuclear weapons.
- Gender equality (SDG 5) by excluding companies and issuers with activities linked to pornography.
- Decent work and economic growth (SDG 8) by excluding companies and issuers with activities linked to tobacco and pornography.
- Peace, justice and strong institutions (SDG 16) by excluding companies and issuers with activities linked to weapons and military equipment, including controversial weapons and nuclear weapons.

The fund has also promoted social objective by excluding companies and issuers that have been confirmed to act in violation of international norms and conventions related to human rights, labor law or the fight against corruption and bribery.

The fund has also promoted environmental and/or social characteristics through active corporate governance and dialogue. To support the analysis and prioritization within this work, the fund company has used an internally-developed tool linked to the principle adverse impacts on sustainability factors (Principle Adverse Impact, PAI).

● ***How did the sustainability indicators perform?***

The sustainability indicators in the table below are a selection of the indicators used to measure the attainment of the environmental or social characteristics promoted by the fund.

The indicator “proportion of sustainable investments” shows what proportion of the fund is considered to have sustainable investments that promote one or several of the environmental and/or social objectives.

The indicators, “carbon footprint”, “greenhouse gas intensity” and “the proportion of investments within the fossil fuels sector”, show the emissions from the fund's investments.



The indicator for violations of the UN's global agreements and OECD's guidelines shows how the fund avoids investing in activities that conflict with international guidelines.

Calculation methodology:

All of the indicators shown below were calculated based on an average of the fund's investments per quarter.

The sustainability indicators in the table are not subject to approval by an auditor or review by a third party.

Metric	Value 2024	Value 2023	Value 2022
Share of sustainable investments (%)	38.86%	44.76%	42.51%
Carbon footprint (Scope 1,2,3) (tCO <sub>2</sub> eq/EURm)	682.13	614.76	772.53
GHG Intensity (Scope 1, 2, 3) (tCO <sub>2</sub> eq/EURm)	1,314.54	1,097.93	1,188.13
UN Global Compact principles and OECD Guidelines for Multinational Enterprises: Share of investments in investee companies that have been involved in violations of the UN Global Compact principles and OECD Guidelines for Multinational Enterprises (%)	0.00%	0.00%	0.00%
Share of investments in companies that are active within the fossil fuels sector (%)	0.21%	0.00%	0.00%

- ***...and compared to previous periods?***

Refer to the table above for a comparison to previous periods.

The fund company does not invest in companies deemed to have verified violations of the UN Global Compact and the OECD Guidelines for Multinational Enterprises, nor does the fund company make investments with exposure to banned or controversial weapons or companies with revenue in excess of 5% that is derived from activities (production/distribution) linked to weapons and military equipment, alcohol, tobacco, cannabis, pornography, commercial gambling and fossil fuels, with the exception of any investments in approved transition companies. In exceptional cases, an existing holding can obtain a modified analysis, in which case the holding will be sold as soon as possible, although an exposure may exist during the short period between the changed signal and the sale.

- ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

The objective of the sustainable investments was to invest in companies whose economic activities are assessed to make a positive contribution to an environmental or social objective, or alternatively companies whose activities are aligned with the EU Taxonomy. The environmental objectives and the social objectives are defined on the basis of the Sustainable Development Goals of the 2030 Agenda.

The objectives the fund contributed to by the end of the reference period are listed above. The contribution to the environmental objectives defined in the EU Taxonomy have been measured through the companies' estimated alignment with the taxonomy in terms of revenue. In regards to the other environmental and social objectives, the contribution to these goals has been measured through the companies' revenue from products and services that, according to the fund company's assessment, can be considered to contribute to the Sustainable Development Goals of the 2030 Agenda. Qualifying as a sustainable investment requires an estimated 20% taxonomy aligned revenue, or a 25% revenue from products and services that contribute to the Sustainable Development Goals of the 2030 Agenda. In certain cases, the assessment of the company's contribution to environmental or social objectives is based on different criteria than a minimum

level of revenue, such as capital expenditure or operational expenditure (CAPEX/OPEX).

***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

To be defined as a sustainable investment, a company must contribute positively to an environmental or social goal, while not causing significant harm to any other environmental or social objective. The following principles were applied during the reference period to ensure that the sustainable investments did not cause significant harm to any of the environmental or social objectives:

- The company's other activities are systematically evaluated against established thresholds to determine any significant counteraction to the Sustainable Development Goals.
- Exclusion of certain sectors, such as fossil fuels and controversial weapons, limits significant harm on environmental and social objectives.
- Exclusion of companies with confirmed violations of international norms and conventions limits significant harm on environmental and social objectives.
- Established thresholds for biodiversity PAI 1.7 and high-emission sectors that are of particular relevance to PAI 1.1-1.4.

***How were the indicators for adverse impacts on sustainability factors taken into account?***

The indicators for adverse impacts on sustainability factors (PAI) are taken into account by excluding certain investments linked to sectors for fossil fuels, PAI 1.4; banned weapons, PAI 1.14; and companies with confirmed violations of international norms and conventions related to human rights, employee rights or anti-corruption and anti-bribery, PAI 1.10.

Beyond these, there are established thresholds for additional indicators, which include PAI 1.7 for biodiversity as well as high-emission sectors that are of particular relevance to PAI 1.1-1.4.

***Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

During the reference period, the fund's investments have been aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. This has been ensured through applying the fund company's exclusion strategy.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### How did this financial product consider principal adverse impacts on sustainability factors?

The fund company considers the principal adverse impact on sustainability factors (PAI) for direct investments as well as for funds in which a screening is conducted. This is done through the usage of the fund company's internal PAI tool, where potential adverse impacts are identified and analyzed. Certain indicators for adverse impacts on sustainability factors (PAI) are taken into account by excluding certain investments linked to sectors for fossil fuels, PAI 1.4; banned weapons, PAI 1.14; and companies with confirmed violations of international norms and conventions related to human rights, employee rights or anti-corruption and anti-bribery, PAI 1.10. Other adverse impacts on sustainability factors are managed through active corporate governance and dialogue.

Below, the indicators that have been analyzed for the fund are disclosed:

Adverse sustainability indicator & metric	Value 2024	% coverage 2024	Value 2023	% coverage 2023	Value 2022	% coverage 2022
1.1 GHG Emissions - Scope 1 GHG emissions (tCO <sub>2</sub> eq)	67,014.30	94.89%	63,210.51	94.95%	72,985.55	95.98%
1.1 GHG Emissions - Scope 2 GHG emissions (tCO <sub>2</sub> eq)	16,144.98	94.89%	17,192.98	94.95%	21,441.62	95.98%
1.1 GHG Emissions - Scope 3 GHG emissions (tCO <sub>2</sub> eq)	0.48	94.89%	0.53	94.95%	1,428,975.26	95.98%
1.1 GHG Emissions - Scope 1+2 GHG emissions (tCO <sub>2</sub> eq)	0.08		0.07		94,427.24	
1.1 GHG Emissions - Scope 1+2+3 GHG emissions (tCO <sub>2</sub> eq)	1,460,374.83		1,173,820.01		1,523,402.55	
1.2 Carbon Footprint - Carbon Footprint Scope 1+2+3 (tCO <sub>2</sub> eq/EURm)	682.13	94.89%	614.76	94.95%	772.53	95.98%
1.2 Carbon Footprint - Carbon Footprint Scope 1+2 (tCO <sub>2</sub> eq/EURm)	38.88	94.89%	42.37	94.95%	47.88	95.98%
1.3 GHG intensity of investee companies - GHG Intensity Scope 1+2+3 (tCO <sub>2</sub> eq/EURm)	1,314.54	92.47%	1,097.93	91.90%	1,188.13	91.70%
1.3 GHG intensity of investee companies - GHG Intensity Scope 1+2 (tCO <sub>2</sub> eq/EURm)	106.16	92.47%	130.35	91.90%	137.68	91.70%
1.4 Exposure to companies active in the fossil fuel sector - Share of investments in companies active in the fossil fuel sector (%)	0.21%	92.91%	0.00%	92.30%	0.00%	92.50%
1.5 Share of non-renewable energy consumption and Production - Share of non-renewable energy consumption of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage (%)	60.77%	62.79%	57.79%	55.07%	61.78%	53.92%
1.5 Share of non-renewable energy consumption and Production - Share of non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage (%)	11.05%	22.62%	23.06%	21.98%	24.04%	21.74%
1.6 Energy consumption intensity per high impact climate sector - Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (GWh/EURm)						
1.6 Energy consumption intensity per high impact climate sector - Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (GWh/EURm) - A - AGRICULTURE, FORESTRY AND FISHING	0.47		0.12		0.50	
1.6 Energy consumption intensity per high impact climate sector - Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (GWh/EURm) - B - MINING AND QUARRYING			0.00			

## Contn

Adverse sustainability indicator & metric	Value 2024	% coverage 2024	Value 2023	% coverage 2023	Value 2022	% coverage 2022
1.6 Energy consumption intensity per high impact climate sector - Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (GWh/EURm) - C - MANUFACTURING	1.12		0.90		0.56	
1.6 Energy consumption intensity per high impact climate sector - Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (GWh/EURm) - D - ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	0.08		0.00			
1.6 Energy consumption intensity per high impact climate sector - Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (GWh/EURm) - E - WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES			0.00			
1.6 Energy consumption intensity per high impact climate sector - Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (GWh/EURm) - F - CONSTRUCTION	0.13		0.11		0.10	
1.6 Energy consumption intensity per high impact climate sector - Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (GWh/EURm) - G - WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	0.11		0.09		0.08	
1.6 Energy consumption intensity per high impact climate sector - Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (GWh/EURm) - H - TRANSPORTATION AND STORAGE	21.30		3.70		3.55	
1.6 Energy consumption intensity per high impact climate sector - Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (GWh/EURm) - L - REAL ESTATE ACTIVITIES	0.58		0.51		0.49	
1.7 Activities negatively affecting biodiversity-sensitive areas - Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas (%)	1.79%	92.99%	0.00%	92.39%	0.00%	92.69%
1.8 Emissions to water - Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average (t/EURm)	1.51	8.08%	1.41	6.87%	1.01	5.55%
1.9 Hazardous waste ratio - Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average (t/EURm)	1.69	91.88%	2.95	77.58%	4.69	38.90%
1.10 Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises - Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises (%)	0.00%	98.23%	0.00%	98.01%	0.00%	99.29%

Contn

Adverse sustainability indicator & metric	Value 2024	% coverage 2024	Value 2023	% coverage 2023	Value 2022	% coverage 2022
1.11 Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises - Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises (%)	53.87%	92.39%	47.44%	90.57%	72.28%	83.23%
1.12 Unadjusted gender pay gap - Average unadjusted gender pay gap of investee companies (%)	18.56%	1.41%	20.76%	1.71%	22.67%	1.64%
1.13 Board gender diversity - Average ratio of female to male board members in investee companies (%)	38.25%	92.92%	36.69%	92.34%	36.77%	92.56%
1.14 Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) - Share of investments in investee companies involved in the manufacture or selling of controversial weapons (%)	0.00%	98.23%	0.00%	98.01%	0.00%	99.29%
2.4 Investments in companies without carbon emission reduction initiatives - Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement (%)	44.97%	92.43%	54.58%	91.86%	53.01%	92.24%
3.9 Lack of a human rights policy - Share of investments in entities without a human rights policy (%)	3.74%	92.76%	3.44%	89.33%	3.67%	84.73%
1.15 GHG Intensity - GHG intensity of investee countries (KtonCO2eq/EURm)		0.00%	0.00	0.00%		0.00%
1.16 Investee countries subject to social violations - Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law.		0.00%	0.00%	0.00%		0.00%



### What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 2024-01-01 to 2024-12-31

Largest investments	Sector	% Assets 2024	% Assets 2023	% Assets 2022	Country
AAK	Manufacturing	2.34%	1.48%	1.23%	SE
Skanska B	Construction	2.25%	1.42%	0.94%	SE
NKT	Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	2.19%	1.41%	1.95%	DK
Mowi	Manufacturing	2.02%	1.84%	1.90%	NO
Alm Brand	Financial and Insurance Activities	1.93%	1.46%	1.33%	DK
Schibsted B	Information and Communication	1.90%	0.41%	1.24%	NO
Sagax B	Real Estate Activities	1.90%	1.40%	2.02%	SE
Scandic Hotels Group	Accommodation and Food Service Activities	1.78%	0.54%	-	SE
Castellum	Real Estate Activities	1.67%	2.15%	1.30%	SE
Fastighets AB Balder	Real Estate Activities	1.63%	1.05%	1.66%	SE
Stora Enso R	Manufacturing	1.61%	0.89%	-	FI
Beijer Ref B	Manufacturing	1.58%	1.32%	0.98%	SE
Kesko B	Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	1.53%	1.29%	1.41%	FI
Zealand Pharma	Professional, Scientific and Technical Activities	1.52%	0.80%	-	DK
New Wave B	Manufacturing	1.46%	1.08%	1.48%	SE



## What was the proportion of sustainability-related investments?

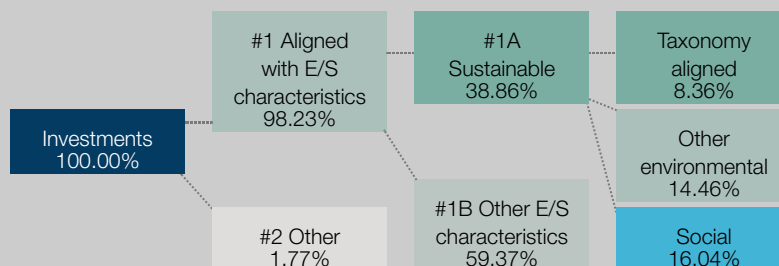
### Asset allocation

describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

### • What was the asset allocation?



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- Underkategorin **Nr1A Hållbara** omfattar miljömässigt och socialt hållbara investeringar.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

### • In which economic sectors were the investments made?

Sector/Industry code	Sector/Industry name	Sum
A	Agriculture, Forestry and Fishing	0.89%
01	Crop and animal production, hunting and related service activities	0.05%
03	Fishing and aquaculture	0.85%
B	Mining and Quarrying	0.00%
09	Mining support service activities	0.00%
C	Manufacturing	44.09%
10	Manufacture of food products	8.77%
14	Manufacture of wearing apparel	1.46%
17	Manufacture of paper and paper products	3.21%
20	Manufacture of chemicals and chemical products	2.05%
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	2.88%
22	Manufacture of rubber and plastic products	1.47%
23	Manufacture of other non-metallic mineral products	0.09%
24	Manufacture of basic metals	2.90%



Contn

Sector/Industry code	Sector/Industry name	Sum
25	Manufacture of fabricated metal products, except machinery and equipment	2.47%
26	Manufacture of computer, electronic and optical products	5.64%
27	Manufacture of electrical equipment	2.07%
28	Manufacture of machinery and equipment n.e.c.	7.96%
29	Manufacture of motor vehicles, trailers and semi-trailers	0.33%
31	Manufacture of furniture	0.43%
32	Other manufacturing	2.37%
D	Electricity, Gas, Steam and Air Conditioning Supply	0.69%
35	Electricity, gas, steam and air conditioning supply	0.69%
F	Construction	6.81%
41	Construction of residential and non-residential buildings	3.70%
42	Civil engineering	2.75%
43	Specialised construction activities	0.36%
G	Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	7.02%
46	Wholesale trade	4.47%
47	Retail trade	2.55%
H	Transportation and Storage	1.51%
49	Land transport and transport via pipelines	0.08%
50	Water transport	0.85%
51	Air transport	0.58%
I	Accommodation and Food Service Activities	1.99%
55	Accommodation	1.99%
J	Information and Communication	10.88%
58	Publishing activities	5.33%
61	Telecommunication	0.65%
62	Computer programming, consultancy and related activities	3.00%
63	Computing infrastructure, data processing, hosting and other information service activities	1.90%
K	Financial and Insurance Activities	7.30%
64	Financial service activities, except insurance and pension funding	2.91%
65	Insurance, reinsurance and pension funding, except compulsory social security	4.40%
L	Real Estate Activities	8.35%
68	Real estate activities	8.35%
M	Professional, Scientific and Technical Activities	5.52%
69	Legal and accounting activities	0.13%
71	Architectural and engineering activities; technical testing and analysis	2.95%
72	Scientific research and development	1.86%
75	Veterinary activities	0.58%
N	Administrative and Support Service Activities	1.21%
80	Investigation and security activities	0.71%

Contn

Sector/Industry code	Sector/Industry name	Sum
82	Office administrative, office support and other business support activities	0.51%
P	Education	0.14%
85	Education	0.14%
R	Arts, Entertainment and Recreation	0.24%
93	Sports activities and amusement and recreation activities	0.24%

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules

#### Enabling activities

directly enable other activities to make a substantial contribution to an environmental objective.

#### Transitional activities

are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



#### To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

Where possible, companies have begun to report on the extent to which their activities are aligned with the EU Taxonomy. In addition to reported data, estimated data is available. The fund company has assessed that this estimated data can be considered sufficiently reliable to be used to determine if the company contributes to an environmental objective defined in the EU Taxonomy and on that basis can be considered a sustainable investment in alignment with SFDR Article 2 (17).

The report below is not subject to approval by the auditor or review by a third party.

The fund company's taxonomy reporting only shows the taxonomy alignment reported directly by the companies. The fund's proportion of taxonomy-aligned investments for 2024 totaled 4.85% based on the companies' revenue.

- *Did the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?*<sup>1</sup>

Yes:

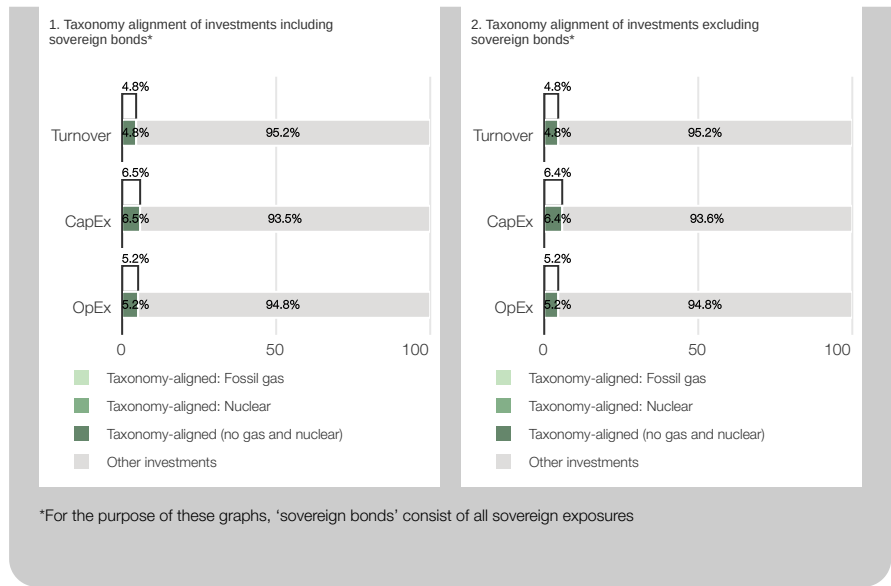
In fossil gas

In nuclear energy

No

The **graphs** below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214



• **What was the share of investments made in transitional and enabling activities?**

The fund's proportion of taxonomy-aligned investments for 2024 totaled 0.68% in transitional activities 1.67% in enabling activities.

• **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

In 2024, the fund's proportion of taxonomy-aligned investments totaled 4.85%.

The fund reported taxonomy-aligned investments for the first time in 2023 and these totalled 1.09%.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

The fund is able to invest in economic activities that currently cannot be classified as aligned with the EU Taxonomy. This occurs, among other reasons, due to an insufficient amount of data reported by the company.

During the reference period, the fund had 14.46% of sustainable investments with environmental objectives that were not aligned with the EU taxonomy.

Additionally, the fund had 8.36% of sustainable investments during the reference period that the fund company considers as contributing to an environmental objective aligned with the EU Taxonomy, based on estimated and/or reported data (but which cannot be classified with sufficient certainty as being compatible with the EU Taxonomy as such).



**What was the share of socially sustainable investments?**

During the reference period, the fund had 16.04% of sustainable investments with a social objective.



**What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?**

During the reference period, the fund held cash for liquidity and risk management. No environmental or social safeguards have been deemed necessary for this position.



## What actions have been taken to meet the environmental and/or social characteristics during the reference period?

### **Exclusions**

During the reference period, the fund has been managed in line with its exclusion strategy, meaning that potential companies that during this period no longer meet the fund's sustainability requirements have been divested.

### **Engagement and Asset stewardship**

The fund company and the portfolio manager have during the reference period conducted active asset stewardship in order to improve upon the portfolio companies' sustainability efforts, reduce sustainability risks and to handle and reduce potential risks regarding adverse impacts for sustainability factors.

#### *Engagement*

During the reference period, the fund company carried out 148 direct engagements between the fund company and companies. 21 of these were dialogues with companies that on balance day were holdings in this fund. These dialogues aim to support the continuous improvement of the companies' sustainability work and include questions regarding how to handle the company's sustainability risks, the prevention of adverse impacts and contributions to sustainable development. The dialogues can also be reactive/incident based.

In addition to direct dialogues, the fund company has during the reference period taken part in collaborative engagements where 448 companies have been addressed together with other investors. 10 of these were dialogues with companies that on balance day were holdings in this fund.

Through participating in initiatives, investor statements and networks, the fund company has carried out engagement work during the reference period.

#### *Voting at shareholders' meetings*

As a part of the fund company's asset stewardship, the fund company voted on behalf of the fund at 150 shareholders' meetings.

#### *Nomination committees*

The fund company has through its ownership share taken part in 66 nomination committees and worked to put forward proposals for boards with expertise and diversity. Among these, the fund had holdings in 28 of these companies on balance day.

# Information from Handelsbanken Fonder AB

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

As of December 31, 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

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:

Chief Executive Officer

MAGDALENA WAHLQVIST ALVESKOG

Head of Risk

FREDRIK ALHEDEN

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 Legal and Sustainability

ANNA LARRIS

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

Head of Sustainability

AURORA SAMUELSSON

Post address: SE-106 70 STOCKHOLM

Telephone: +46-8-701 10 00

# 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 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.

The Management Company'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 as 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](http://www.handelsbanken.se/funds). For further information on the subscription and redemption of fund units, please contact your local Handelsbanken branch office.



# Remuneration for employees at Handelsbanken Fonder AB

The principles for employee remuneration at Handelsbanken Fonder AB (the fund company) have remained unchanged for many years. The fund company has a low risk tolerance, and this is reflected in our view on remuneration. The fund company also views the employment of its staff from a long-term perspective. Salary growth and other remuneration varies over an employee's tenure with the fund company. The remuneration is a contributing factor to the fund company's growth in competitiveness and profitability, enabling the fund company to attract, retain and develop competent employees, and also ensures that competence development and succession planning are well-functioning.

Remuneration includes a base salary, salary allowances, customary fringe benefits, occupational pension, possible allocation within the scope of the profit-sharing plan Oktogonen, as well as possible allocation in the form of other variable remuneration to certain employee groups. Salary is determined on a local basis in accordance with Handelsbanken (the Handelsbanken Group) decentralised work practices and is based on the following predetermined salary factors: the nature of the work and level of complexity, competence, performance capacity and work results achieved, leadership for those who have responsibility for the development of staff, supply and demand for a specific type of competence on the regional market as well as serving as the bearer of Handelsbanken's corporate culture.

Variable remuneration in the fund company consists of two components: variable remuneration within the scope of the Group's common profit-sharing plan, Oktogonen, which includes all of the employees in the fund company; and variable remuneration external to this system that covers employees in certain positions. Variable remuneration in addition to Oktogonen is applied within the fund company when such remuneration is an established market practice and is thereby necessary to attain the company's business targets. Variable remuneration shall be applied with great caution so as not to impact the desired risk profile of the fund company or result in inconsistencies between the business activities and the risk profiles of the funds, the fund rules, the discretionary mandate, or the internal and external rules applicable to fund management. The fund company's board of directors determines the definitive amount of the variable remuneration after considering the decision made by the Central Board of Directors of Svenska Handelsbanken AB (PLC) for the total allocation of variable remuneration.

## Remuneration Policy

The principles for the remuneration system of the fund company are established in a remuneration policy decided by the fund company's board of directors. The fund company's remuneration policy is based on the remuneration policy applicable to the Group but has been adapted to the fund company's specific business activities. Matters that concern the remuneration policy are prepared by a specially appointed remuneration committee within the Board prior to a decision by the Board of Directors.

The Board's remuneration committee consists of Board members Lars Seiz (committee chairman) and Helen Fasth Gillstedt. The composition and work of the committee are regulated in greater detail by the Board's rules of procedure, in addition to that which is stated in the remuneration policy. The remuneration committee has access to the information that may be required to carry out its tasks. The remuneration committee meets a minimum of three times per year.

The fund company's remuneration policy is reviewed annually or as necessary. The development of the proposal for the remuneration policy as well as the analysis of the risks associated with variable remuneration have followed the development within the Group and have involved relevant representatives in the fund company from senior management, the compliance and risk control functions as well as the fund company's human resources function. The fund company's current remuneration policy is based on the risk analysis prepared by the fund company's risk control function.

The CEO and relevant Heads within the fund company are responsible for identifying, evaluating and limiting remuneration risks as well as proposing the format of the remuneration system in line with the fund company's view on risks and the long term.

Risk Control and Compliance are responsible for identifying, monitoring, analysing and reporting key risks with the remuneration system. The responsibilities of the control functions and the information concerning the remuneration risks are specified further in the Board of Director's instructions for each function.

The responsibility of the internal auditing function and information about the remuneration system are provided in what is stated in general in the Board of Director's instructions for the internal audit.

## Variable remuneration

Variable remuneration within the fund company (hereinafter "variable remuneration"), apart from the common Group profit-sharing plan Oktogonen (hereinafter "Oktogonen"), is only applicable when such remuneration is an established market practice and is necessary to reach the company's business objectives. The fund company's senior management group, including staff within the fund company's compliance and risk control functions, receive only fixed remuneration, apart from Oktogonen. This also applies to employees within the administration function and fund administration. The only categories of staff entitled to variable remuneration other than Oktogonen are the portfolio managers and assistant portfolio managers of actively managed equity and fixed income funds, as well as institutional sales employees. This means that portfolio managers of passive funds and asset allocation funds are only entitled to fixed remuneration, apart from Oktogonen.

The principles for variable remuneration adopted by the fund company are established to reflect the fund company's risk tolerance, to counteract excessive risk-taking and to be consistent with the current risk profiles of the funds (which are determined in the fund company's instructions for risk management from March 2023), fund rules, discretionary mandate as well as internal and external rules and regulations, without impacting the fund company's ability to attract and retain competent personnel.

The fund company's assessment with regard to provision and allocation of variable remuneration to the established remuneration pool within the fund company is based on risk-adjusted performance measures as well as current and future risks that are taken into account during this assessment. Results are charged with costs for capital. The risks in the business operations consist primarily of major market downturns, significant outflows from the funds and operational risks in the business operations.

In the preparation of the supporting documentation for decisions with regard to provision and allocation of variable remuneration, the fund company's results bear the relevant costs for the risks to which the fund company is exposed, including the costs required by the fund company to retain extra assets in accordance with the Alternative Investment Fund Managers Act (AIFMD 2013:561) to cover potential liability risks due to error or negligence in the business operations carried out as supported by the aforementioned legislation.

Given that the results upon which the variable remuneration is based bear the actual costs for the capital required for the business operations, it is ensured that the remuneration levels are consistent with the overall objectives of the fund company.

Variable remuneration within the fund company is based on the Group's salary-setting model and the factors upon which salary is based. In addition to the salary factors, there are also business-specific factors, with particular emphasis placed on sound risktaking, observance of good order and compliance.

The individual's performance relative to the benchmark and the products of comparable competitors is, among other factors, considered, and for institutional sales employees, factors such as customer satisfaction, market conditions, sales and cooperation are also considered. An allocation will be made if a provision for variable remuneration has been decided by the fund company's board and the Central Board. The human resources department compiles an annual analysis to identify those employees with work tasks that have a significant impact on the risk profile of the fund company or a managed fund (risk-takers). All employees subject to variable remuneration, apart from Oktogonen, are included in the definition of "risk-taker" and are subject to the rules regarding the deferral of remuneration.

Variable remuneration consists only of fund units. Fund managers and assistant fund managers entitled to this remuneration receive half of the variable remuneration in fund units within the funds managed by them (weighted equally if several funds are managed). In cases where the manager manages funds with restrictions preventing the manager from investing in the funds, for example a minimum deposit limit, the manager receives variable remuneration in other funds. The other half of the variable remuneration consists of fund units in a number of funds that represent the total assets under management in the fund company.

The parameters that are the basis for the decision on the amount of the deferred variable remuneration are based on the risks in the business operations and the size of the variable remuneration. For employees in institutional sales, variable remuneration consist of fund units in one or more funds. The fund company defers 40 to 60 percent of the variable remuneration over a minimum period of three years. In accordance with the fund company's policy, variable remuneration must not exceed 100 percent of the fixed remuneration. The established rules for the deferral of variable remuneration apply to all affected staff and managers.

An assessment is conducted annually during the deferral period to determine whether the remuneration shall be adjusted downward or discontinued entirely. The remuneration is discontinued or adjusted downward in the event that losses, higher risks or expenses arise during the deferral period, which includes taking into account the staff's compliance to external and internal rules. The discontinuation or downward adjustment should also occur in the event that payment cannot be justified when taking into account the fund company's financial situation, or if the Central Board has made a recommendation for the discontinuation or downward adjustment.

Both the deferred variable remuneration and the portion of the variable remuneration that is not deferred are subject to a retention period of one year. No downward adjustment or discontinuation assessments will be conducted during the retention period. The ownership rights to the units will be passed on to the individuals entitled to remuneration at the end of the retention period.

## Specific information regarding Oktogonen

The Group's rules regarding Oktogonen apply, with the necessary changes, to all personnel in the fund company. The Group's rules provide for the payment of a cash allocation in the case when Handelsbanken has higher profitability than the average for comparable competitors in the bank's home markets and after an overall assessment of the bank's performance by the Central Board.

The following is applicable for specially regulated personnel who instead receive other remuneration than a direct cash allocation:

- Senior management: The entire Oktogonen remuneration for each individual within management shall consist of an allocation fund that has been selected by the fund company's board of directors. The entire remuneration shall be deferred for a period of up to four years, during which downward adjustment or discontinuation assessments shall be conducted.
- Specially regulated personnel who fall within the scope of other variable remuneration (actively managed equity and fixed income fund managers as well as institutional sales employees): The rules applicable to other variable remuneration are to be applied to the Oktogonen allocation, including the rules for deferral, retention, allocation in certain specific funds and downward adjustment/discontinuation.
- The fund managers of allocation funds or passive funds: The entire Oktogonen remuneration for each fund manager shall consist of an allocation fund that has been selected by the fund company's board of directors. The entire remuneration shall be deferred for a period of up to four years, during which downward adjustment or discontinuation assessments shall be conducted.

## Sustainability-related disclosures

Pursuant to the provisions in Article 5 of Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector (SFDR), a fund management company must state how their remuneration policy is consistent with the requirement for the integration of sustainability risks. Sustainability risks refer to environmental, social or corporate governance related events or circumstances that, should it occur, would have an actual or potential significant adverse impact on the investment value. Sustainability risks are taken into consideration within the scope of the remuneration system primarily through the fund company's fund management – in accordance with the fund rules, the Prospectus and the fund company's Policy for Shareholder Engagement and Responsible Investment – by regularly taking sustainability risks into account in the fund management and by evaluating the fund managers' performance against indexes that include sustainability requirements. In addition, there is also the condition that variable remuneration to fund managers consists of fund units in funds that regularly integrate sustainability risks into its fund management pursuant to SFDR. Sustainability risks are also taken into consideration within the scope of the salary factors. Sustainability risks that are addressed incorrectly can result in lower remuneration (both fixed and variable remuneration) or a downward adjustment/discontinuation of variable remuneration.

## Employee remuneration at Handelsbanken Fonder AB

The information below refers to the 2024 operational year	2024	2023
<p><b>1. Number of employees receiving fixed or variable remuneration payments during the financial year:</b></p> <p><i>Information reported refers to every individual who was employed and received fixed or variable remuneration at some time during the year (number of individuals)</i></p> <p>Total remuneration            - of wich fixed remuneration 181 923 tkr            - of wich variable remuneration 10 746 tkr</p>	153 persons	128 persons
<p><b>2. The total amount of remuneration paid to specially regulated staff during the financial year distributed by the categories of employees as stated in FFFS 2013:9 Chapter 1, § 9, second paragraph 34*,</b></p>	149 507 tSEK	112 931 tSEK
<p>- Executive Management Group:</p> <p><i>The total remuneration paid to members of the Executive management group, that reports directly to CEO, is reported here.</i></p>	22 801 tSEK	27 556 tSEK
<p>- Employees in senior strategic positions:</p> <p><i>Those holding strategic positions are included in the Executive management group.</i></p>	23 124 tSEK	3 274 tSEK
<p>- Employees with responsibility for control functions:</p> <p><i>The Head of Risk Management is included in the Executive management group.</i></p>	0 tSEK	0 tSEK
<p>- Risk-takers:</p> <p><i>The total remuneration paid to the risk-takers who are not included in the categories above are reported here. All of the fund managers in the Management Company.</i></p>	96 482 tSEK	71 451 tSEK
<p>- Employees with total remuneration that amounts to, or exceeds, the total remuneration of any of the Group executives:</p> <p><i>Employees that are not classified under any of the categories above but who earn in line with the lowest paid Executive management group member are reported here.</i></p>	7 100 tSEK	10 650 tSEK
<p><b>3. Method for the calculation of remuneration and benefits to employees (FFFS 2013:9 and 2013:10):</b></p> <p><i>Remuneration and benefits to employees are regulated by the Management Company's remuneration rules, refer above under the heading, Remuneration to employees at Handelsbanken Fonder AB.</i></p>		
<p><b>4. The results of the reviews referred to in the Swedish Financial Supervisory Authority regulation regarding investment funds, FFFS 2013:9, Chapter 8a, §16, as well as any deviations that have arisen from the remuneration policy:</b></p> <p><i>Risk Control have reviewed the application of the remuneration policy and have not identified any significant risks or deviations in its application. Compliance in general is deemed to be good.</i></p>		
<p>* The total amount of remuneration consists of payment in both Swedish kronor and euros, exchange rate as of 31 December 2024.</p>		

# 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, 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:

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

# Sustainability Definitions

Clarification of abbreviations and designations in the sustainability report.

**Agenda 2030** – was adopted by the UN in 2015 with the aim of achieving long-term sustainable economic, social and environmental development in order to eradicate extreme poverty, to reduce inequality and injustice in the world and to combat climate change. Agenda 2030 contains 17 sustainable development goals (SDG) and 169 targets. The goals are: No poverty; Zero hunger; Good health and well-being; Quality education; Gender equality; Clean water and sanitation; Affordable and clean energy; Decent work and economic growth; Industry, innovation and infrastructure; Reduced inequality; Sustainable cities and communities; Responsible consumption and production; Climate action; Life below water; Life on land; Peace and justice and strong institutions; Partnerships for the goals. For additional information, see [globalamalen.se](http://globalamalen.se).

**Sustainable investing** – Pursuant to the SFDR regulation, a sustainable investment is defined as an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not cause significant harm to any other environmental or social objective, while ensuring that the investee companies follow good governance practices. A description of how these three components are defined by the Management Company is provided in the document SFRD – Definitions and description of methodology, which is available at: [Follow our work | Handelsbanken](#).

**Carbon intensity** – Handelsbanken Fonder measures the emissions in relation to EVIC (Enterprise Value Including Cash), a value that is largely governed by the stock market value of the holdings. As a result, the carbon intensity can decrease or increase depending on the market valuation of a company, even though the absolute emissions are the same. The Management Company takes into account both direct and indirect emissions in the companies' value chains, i.e., Scope 1, 2 and 3. It is a challenge to also include Scope 3, since in many cases companies do not report these emissions and use estimates instead.

**Transition companies** – are companies involved in power generation that are considered to be transitioning their business activities to contribute to the attainment of the goals in the Paris Agreement. For additional information, see [Follow our work | Handelsbanken](#).

**Paris Agreement** – The world's countries came to a new agreement at the climate meeting in Paris in December 2015, which is binding for all countries to apply as of 2020. The governments agreed to hold the increase in the global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels.

**Principle Adverse Impact Indicators (PAI)** – EU regulation SFDR places requirements on fund management companies to take into account PAI, i.e., principal adverse impacts on sustainability factors. A description of how the Management Company takes into account PAI is provided in the document SFRD – Definitions and description of methodology, which is available at: [Follow our work | Handelsbanken](#).

**Sustainable Finance Disclosure Regulation** – EU-förordning 2019/2088 (Förordning om hållbar EU regulation 2019/2088 (Regulation on sustainability-related disclosures in the financial services sector, SFDR) aims to strengthen consumer protection through enhanced sustainability information. The new regulation places higher demands on fund management companies with regard to the transparent disclosure of sustainability efforts and in this manner makes it easier for consumers to compare financial products and make well-founded investment decisions. For additional information, see the document SFRD – Definitions and description of methodology, which is available at: [Follow our work | Handelsbanken](#).

**Sustainable risk** – The sustainability risk in the fund is measured using Sustainalytics' methodology to assess sustainability risks. The sustainability risk in the fund is reported with a number on a scale between 0 - 100. The sustainability risk is defined according to the following scale:

Negligible	Low	Medium	High	Severe
0-10	10-20	20-30	30-40	40+

**Taxonomy** – The EU taxonomy is a tool for classifying which financial and economic activities are environmentally sustainable. The purpose is to ensure that companies, the financial sector and decision-makers use common guidelines when considering which economic activities are environmentally sustainable. The taxonomy includes six environmental objectives: climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy pollution prevention and control and the protection and restoration of biodiversity and ecosystems. In order for a certain economic activity to be classified as environmentally sustainable, it must make a substantial contribution to one or several of six established environmental objectives, not cause significant harm to any of the other objectives, and meet certain minimum sustainability requirements.

**PRI** – The UN's initiative for responsible investments. The objective is to increase knowledge and understanding about the meaning of sustainable development within the investment industry. We are committed to following PRI's six principles by:

1. Incorporating ESG issues into our investment analysis and decision-making processes.
2. Being active owners and incorporating ESG issues into our ownership policies and practices.
3. Work to secure greater disclosure on environmental and societal issues, as well as on corporate governance at the investee companies.
4. Promoting the implementation of these principles within the investment industry.
5. Collaborating to enhance the effectiveness in implementing the principles.
6. Reporting our activities and progress towards the implementation of the principles.

**UN Global Compact** – The UN's initiative in which member companies commit to pursue their business operations responsibly, in line with the Global Compact's ten principles for human rights, employee rights, the environment and anti-corruption.

## Reporting principles

**Number of nomination committees** – Nomination committees where the Management Company has participated and presented proposals at the shareholders' meetings during the year. Based on holdings in the fund during the year.

**Number of votes at shareholders' meetings** – Votes at shareholders' meetings during the year for fund holdings at the time of the shareholders' meeting. Refers to both ordinary annual general meetings and any extraordinary shareholders' meetings.

**Direct dialogues** – Engagement dialogues that the Management Company pursues through direct contact with the company.

**Number of direct dialogues** – Based on the fund holdings during the year.

**Pooled engagements** – Together with other investors through an external party, we participate in dialogues with companies in so-called pooled engagements. The basis for these dialogues is either proactive and target specific thematic areas, or reactive and target companies with suspected or verified violations regarding international norms and conventions within the environment, human rights, employee rights and anti-corruption.

**Number of pooled engagements** – Based on holdings in the fund as of December 31.

**Initiatives and investor campaigns** – are often thematic or focus on sustainability issues within a certain sector.

Styrelsen och verkställande direktören för Handelsbanken Fonder AB får härmed avge årsberättelse för Handelsbanken Nordiska Småbolag med organisationsnummer 504400-4173. Signatursida följer.

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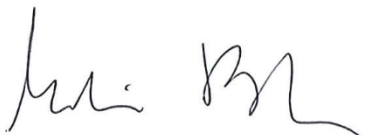


# Handelsbanken | Fonder

Stockholm den 10 mars 2025



Daniel Andersson  
ORDFÖRANDE



Malin Hedman Björkmo



Helen Fasth Gillstedt



Lars Seiz



Åsa Holtman Öhman

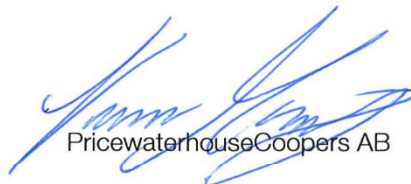


Magdalena Wahlqvist Alveskog  
VERKSTÄLLANDE DIREKTÖR

Vår revisionsberättelse har avgivits den 10 mars 2025.



PricewaterhouseCoopers AB  
Huvudansvarig revisor  
Peter Nilsson  
Auktoriserad revisor



PricewaterhouseCoopers AB  
Victoria Moberg  
Auktoriserad revisor





# Revisionsberättelse

Till andelsägarna i Värdepappersfond Handelsbanken Nordiska Småbolag, org.nr 504400-4173

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## Rapport om årsberättelse

### Uttalande

Vi har i egenskap av revisorer i Handelsbanken Fonder Aktiebolag, organisationsnummer 556418-8851, utfört en revision av årsberättelsen för Värdepappersfonden Handelsbanken Nordiska Småbolag för år 2024, med undantag för hållbarhetsinformationen under rubriken "Bilaga innehållande hållbarhetsrelaterade upplysningar" ('hållbarhetsinformationen').

Enligt vår uppfattning har årsberättelsen upprättats i enlighet med lagen om värdepappersfonder samt Finansinspektionens föreskrifter om värdepappersfonder och ger en i alla väsentliga avseenden rättvisande bild av Värdepappersfond Handelsbanken Nordiska Småbolag:s finansiella ställning per den 31 december 2024 och av dess finansiella resultat för året enligt lagen om värdepappersfonder samt Finansinspektionens föreskrifter om värdepappersfonder.

### Grund för uttalande

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till fondbolaget enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för vårt uttalande.

### Annan information än årsberättelsen

Den andra informationen består av hållbarhetsinformationen under rubriken "Bilaga innehållande hållbarhetsrelaterade upplysningar" ('hållbarhetsinformationen'). Det är fondbolaget som har ansvaret för denna andra information.

Vårt uttalande avseende årsberättelsen omfattar inte denna information och vi gör inget uttalande med bestyrkande avseende denna andra information.

I samband med vår revision av årsberättelsen är det vårt ansvar att läsa den information som identifierats ovan och överväga om informationen i väsentlig utsträckning är oförenlig med årsberättelsen. Vid denna genomgång beaktar vi även den kunskap vi i övrigt inhämtat under revisionen samt bedömer om informationen i övrigt verkar innehålla väsentliga felaktigheter.

Om vi, baserat på det arbete som har utförts avseende denna information, drar slutsatsen att den andra informationen innehåller en väsentlig felaktighet, är vi skyldiga att rapportera detta. Vi har inget att rapportera i det avseendet.

### Fondbolagets ansvar

Det är fondbolaget som har ansvaret för att årsberättelsen upprättas och att den ger en rättvisande bild enligt lagen om värdepappersfonder samt Finansinspektionens föreskrifter om värdepappersfonder. Fondbolaget ansvarar även för den interna kontroll som det bedömer är nödvändig för att upprätta en årsberättelse som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.



## Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsberättelsen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsberättelsen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsberättelsen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risker för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av fondbolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i fondbolagets uppskattningar i redovisningen och tillhörande upplysningar.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsberättelsen, däribland upplysningarna, och om årsberättelsen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera fondbolaget om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

## Revisorns yttrande avseende den lagstadgade hållbarhetsinformationen

Det är fondbolaget som har ansvaret för hållbarhetsinformationen under rubriken "Bilaga innehållande hållbarhetsrelaterade upplysningar" och för att den är upprättad i enlighet med lag om värdepappersfonder.

Vår granskning av hållbarhetsinformationen för fonden har skett enligt FAR:s rekommendation RevR 12 Revisorns yttrande om den lagstadgade hållbarhetsrapporten. Detta innebär att vår granskning av hållbarhetsinformationen har en annan inriktning och en väsentligt mindre omfattning jämfört med den inriktning och omfattning som en revision enligt International Standards on Auditing och god revisionssed i Sverige har. Vi anser att denna granskning ger oss tillräcklig grund för vårt uttalande.

Hållbarhetsinformation har lämnats i årsberättelsen.

Stockholm, den 10/3-2025  
PricewaterhouseCoopers AB

  
Peter Nilsson  
Auktoriserad revisor  
Huvudansvarig revisor

  
Victoria Moberg  
Auktoriserad revisor

[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](#).