



# XACT Obligation (UCITS ETF)

Exchange-traded fund, listed on Stockholm Stock Exchange

## Management Report

### Investment Focus

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

### Activity level

The fund strives to keep deviations from the index as low as possible. The index is replicated through full physical replication, which means that the fund invests directly in the equities included in the index. Management fees, customer flows and index rebalancing result in fees and transaction costs for the fund. However, these costs are not charged to the index. The above factors result in fewer deviations from the index.

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.

### Explanation of achieved tracking error

The fund's tracking error is in line with the expected results for the management of the fund

### Portfolio

The fund rose 2.6% in 2024\*, which was in line with the performance of the fund's benchmark index.

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

and Kommuinvest.

\* Refer to fund statistics for comparable index.

### Significant risks

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

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

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

The sustainability risk in the fund is measured using Sustainability's methodology to assess sustainability risks. During the year, the overall sustainability risk for the fund is considered to be low and is 15.92 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 not 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.

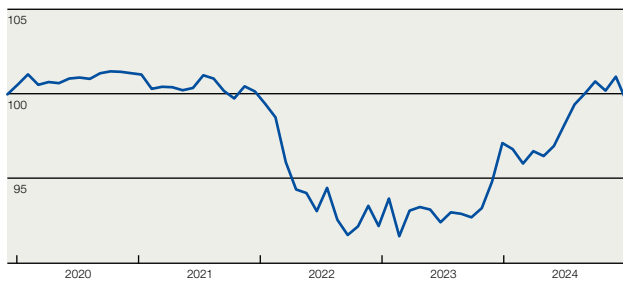
• Highest leverage during the financial year	0.0%
• Lowest leverage during the financial year	0.0%
• Average leverage during the financial year	0.0%

### 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.

XACT Obligation (UCITS ETF), cont.

## Fund performance \*



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

## Fund facts - history

	1/1-31/12 2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net asset value, SEK	102.95	100.36	95.28	103.52	104.64	103.34	102.32	101.40	101.13	-
The fund's total net flow, SEK m	1,931	930	811	1,432	788	493	102	0	405	-
Fund capital, SEK m	6,985	4,903	3,735	3,220	1,815	1,013	517	411	410	-
Number of units, 1000's	67,850	48,850	39,200	31,100	17,350	9,800	5,050	4,050	4,050	-
Total returns in %	2.6	5.3	-8.0	-1.1	1.3	1.0	0.9	0.3	1.1	-
Index including dividends in %	2.6	5.4	-7.9	-1.0	1.3	1.1	1.0	0.4	1.2	-
Tracking error, 2 yrs. %	0.1	0.1	0.1	0.0	0.1	0.1	0.0	-	-	-
Average yearly return, 2 yrs. %	3.9	-1.5	-4.6	0.1	1.1	1.0	0.6	-	-	-
Comparison to index including dividends, %	4.0	-1.5	-4.5	0.1	1.2	1.1	0.7	-	-	-
Average yearly return, 5 yrs. %	-0.1	-0.4	-1.2	0.5	-	-	-	-	-	-
Comparison to index including dividends, %	0.0	-0.3	-1.2	0.6	-	-	-	-	-	-

Benchmark: Handelsbanken Sweden All Bond Tradable Index

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

## Fund facts - costs

Max. allowed mgmt. costs in % according to fund rules	0.10
Collected mgmt. costs in % of average fund capital	0.10
Management fees and other administrative or operating costs, %	0.10
Transaction costs, SEK thousand	-
Transaction costs in % of turnover	-
Costs in SEK for a one-time subscription, 10 000 SEK	10.13
Costs in SEK for monthly savings, 100 SEK	0.66

## Fund facts - other key figures

Turnover rate	0.30
Average difference between the listed unit value and the unit value, %	0.13
Largest difference between the listed unit value and the unit value, %	0.61
Share of turnover conducted via closely-related securities companies in %	42.59
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.00

## Risk and return measurements \*

Total risk %	3.8	Sharpe ratio	0.1
Total risk in index %	3.9	Sharpe ratio in index	0.2
Benchmark	Handelsbanken Sweden All Bond Tradable Index	Duration, year	3.6
Active return %	-0.1	Spread exposure %	1.4
Information ratio	Negative		

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

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## Income Statement, SEK thousand

	2024	2023
<b>INCOME AND CHANGES IN VALUE</b>		
Changes in value for transferable securities	63,124	183,818
Interest income	94,002	58,514
Dividends	0	0
Other financial income	237	-
Other income	-	40
<b>Total income and changes in value</b>	<b>157,362</b>	<b>242,372</b>
<b>EXPENSES</b>		
Management costs:		
- Remuneration to the Management Company	5,830	4,384
Interest expense	26	-
Other financial expenses	47	-
<b>Total expenses</b>	<b>5,903</b>	<b>4,384</b>
<b>Net income</b>	<b>151,459</b>	<b>237,988</b>

## \* Details of changes in value

Capital gains	7,954	62
Capital losses	-23,942	-67,897
Unrealised gains/losses	79,112	251,654
<b>Sum</b>	<b>63,124</b>	<b>183,818</b>

## Balance sheet, SEK thousand

	31 dec 2024	% of fund capital	31 dec 2023	% of fund capital
<b>ASSETS</b>				
Transferable securities	6,931,742	99.2	4,871,725	99.4
<b>Total financial instruments with positive market value<sup>(Note 2)</sup></b>	<b>6,931,742</b>	<b>99.2</b>	<b>4,871,725</b>	<b>99.4</b>
Bank assets and other liquid assets	2,309	0.0	1,823	0.0
Prepaid expenses and accrued income	51,437	0.7	29,670	0.6
<b>Total assets</b>	<b>6,985,487</b>	<b>100.0</b>	<b>4,903,217</b>	<b>100.0</b>

<b>LIABILITIES</b>				
Accrued expenses and prepaid income	575	0.0	414	0.0
<b>Total liabilities</b>	<b>575</b>	<b>0.0</b>	<b>414</b>	<b>0.0</b>
<b>Fund capital<sup>(Note 1)</sup></b>	<b>6,984,912</b>	<b>100.0</b>	<b>4,902,804</b>	<b>100.0</b>

## ITEMS INCLUDED IN THE BALANCE SHEET

Lended financial instruments	108,184	1.5	-	-
Collateral received for lended financial instruments	117,393	1.7	-	-

Note 1) for Balance sheet

## Changes in fund capital, SEK thousand

	2024	2023
Fund capital at beginning of year	4,902,804	3,735,128
Units issued	2,147,741	1,069,531
Units redeemed	-217,091	-139,843
Profit according to income statement	151,459	237,988
Dividends to unit holders	0	0
<b>Fund capital at the close of the period</b>	<b>6,984,912</b>	<b>4,902,804</b>

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 99.2

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
<b>LISTED FIXED-INCOME SECURITIES</b>			
<b>GOVERNMENT</b>			
Kommuninvest 1% 2026-11-12	188,500	183,584	2.6
Statsobligation 1053 3,5% 2039-03-30	143,150	158,941	2.3
Statsobligation 1056 2,25% 2032-06-01	147,950	147,562	2.1
Statsobligation 1059 1% 2026-11-12	279,915	274,532	3.9
Statsobligation 1060 0,75% 2028-05-12	251,335	240,440	3.4
Statsobligation 1061 0,75% 2029-11-12	252,125	235,760	3.4
Statsobligation 1062 0,125% 2031-05-12	170,680	149,516	2.1
Statsobligation 1063 0,5% 2045-11-24	55,710	36,781	0.5
Statsobligation 1064 1,375% 2071-06-23	27,420	16,975	0.2
Statsobligation 1065 1,75% 2033-11-11	190,735	181,324	2.6

XACT Obligation (UCITS ETF), cont.

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
Statsobligation 1066 2,25% 2035-05-11	95,280	93,797	1.3
		<b>1,719,212</b>	<b>24.6</b>
<b>MORTGAGE</b>			
Danske Hypotek 2612 0,5% 2026-12-16	88,000	84,596	1.2
Danske Hypotek 2712 3,5% 2027-12-15	68,000	69,554	1.0
Danske Hypotek 2812 3,5% 2028-12-20	70,000	71,819	1.0
Danske Hypotek 2912 3,25% 2029-12-19	50,000	50,678	0.7
Länsförsäkringar Hyp 519 1,5% 2026-09-16	134,900	132,615	1.9
Länsförsäkringar Hyp 520 1% 2027-09-15	106,200	101,710	1.5
Länsförsäkringar Hyp 521 0,5% 2028-09-20	114,200	105,142	1.5
Länsförsäkringar Hyp 522 3% 2029-09-19	94,000	94,326	1.4
Länsförsäkringar Hyp 523 3,75% 2030-09-30	44,000	45,581	0.7
Länsförsäkringar Hyp 524 3,5% 2031-09-10	16,000	16,364	0.2
Nordea Hypotek 5536 0,5% 2026-09-16	240,900	232,897	3.3
Nordea Hypotek 5537 1% 2027-06-16	218,000	209,792	3.0
Nordea Hypotek 5538 3,5% 2028-09-20	200,000	204,982	2.9
Nordea Hypotek 5539 3,5% 2029-10-26	102,000	104,595	1.5
SCBC 147 2% 2026-06-17	180,000	178,724	2.6
SCBC 148 0,25% 2027-06-09	178,000	168,230	2.4
SCBC 149 3,5% 2028-06-14	56,000	57,377	0.8
SCBC 150 4% 2029-05-23	42,000	43,927	0.6
SCBC 151 1% 2030-06-12	70,000	63,093	0.9
SCBC 153 0,75% 2032-06-09	28,000	23,650	0.3
Stadshypotek 1591 0,5% 2026-06-01	228,000	221,785	3.2
Stadshypotek 1592 1% 2027-03-01	246,000	237,983	3.4
Stadshypotek 1593 2,5% 2027-12-01	206,000	205,100	2.9
Stadshypotek 1594 2% 2028-09-01	256,000	249,295	3.6
Stadshypotek 1595 4% 2029-05-02	248,000	259,324	3.7
Stadshypotek 1596 2,5% 2030-02-01	74,000	72,408	1.0
Swedbank Hypotek 196 1% 2026-03-18	161,000	158,194	2.3
Swedbank Hypotek 197 1% 2027-03-17	136,100	131,556	1.9
Swedbank Hypotek 198 3% 2028-03-15	109,200	110,164	1.6
Swedbank Hypotek 199 3% 2029-03-28	184,900	186,008	2.7
Swedbank Hypotek 200 3% 2029-12-27	60,700	60,841	0.9
		<b>3,952,309</b>	<b>56.6</b>
<b>OTHER</b>			
Kommuninvest 0,5% 2027-06-15	160,720	153,105	2.2
Kommuninvest 0,75% 2026-02-04	131,820	129,503	1.9
Kommuninvest 0,75% 2028-05-12	184,200	173,242	2.5
Kommuninvest 3,25% 2029-11-12	70,170	71,608	1.0
Kommuninvest 3,25% 2030-06-12	34,500	35,163	0.5
Kommuninvest 3% 2029-03-12	100,690	101,791	1.5
SEB Bolån 581 0,5% 2026-12-16	182,000	174,993	2.5
SEB Bolån 601 3% 2027-12-06	160,000	161,485	2.3
SEB Bolån 602 3% 2028-11-06	126,000	126,954	1.8
SEB Bolån 603 3% 2029-12-06	132,000	132,378	1.9
		<b>1,260,221</b>	<b>18.0</b>
<b>Listed fixed-income securities</b>		<b>6,931,742</b>	<b>99.2</b>
<b>Total financial instruments with positive market value</b>		<b>6,931,742</b>	<b>99.2</b>
<b>Total financial instruments with negative market value</b>		<b>0</b>	<b>0.0</b>
Net, other assets and liabilities		53,171	0.8
<b>Total fund capital</b>		<b>6,984,912</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.

### Compilation, Company and Group exposure \*

Company/Group	% of fund capital	Company/Group	% of fund capital
Svenska staten	22.0	SEB	8.5
Stadshypotek	17.8	SCBC	7.7
Kommuninvest i Sverige	12.1	Länsförsäkringar Hypotek	7.1
Nordea Hypotek	10.8	Danske Hypotek	4.0
Swedbank Hypotek	9.3		

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

### Information about the fund's securities lending

**Volume of lent securities, SEK thousand:** 108,184

**Volume of lent securities as a % of total lendable assets** 1.6

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

France	65,930
Germany	47,341
Belgium	2,901
Austria	1,157
Netherlands	65

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

Goldman Sachs International	117,393
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### Type and quality of collateral, SEK thousand

Bonds and other interest-bearing instruments	117,393
	<b>117,393</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	180
1 Month to 3 Months	1,676
3 Months to 1 Year	7,598
Above 1 Year	107,940
Open Maturity	-
	<b>117,393</b>

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

United Kingdom	117,393
	<b>117,393</b>

### Currency of the collateral, SEK thousand:

EUR	117,393
	<b>117,393</b>

### Settlement and clearing, SEK thousand:

Triparty	117,393
	<b>117,393</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 237 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:

-Goldman Sachs International

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

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

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

# XACT OBLIGATION (UCITS ETF)

## Sustainability in fund management

The fund is an exchange-traded UCITS fund with the objective of tracking the performance of the SHB Sweden All Bond Tradable Index, which aims to reflect the Swedish market for covered mortgage bonds as well as bonds issued by states and municipalities. Sustainability risks are managed primarily through engagement in the form of dialogue and active corporate governance, where possible. The fund also takes principal adverse impacts on sustainability factors into consideration.

### Information about the EU's taxonomy for environmentally sustainable activities

The EU taxonomy is a classification system that aims to establish common criteria for environmentally sustainable economic activities.

### Consideration of principal adverse impacts on sustainability factors

The fund considers principle adverse impacts on sustainability factors (PAI). This is done through one of the fund company's internally-developed PAI tools where potential adverse impacts are identified and analysed. Issuers or instruments deemed to have high risks in regard to PAI are managed primarily through exclusion or asset stewardship where this is possible.

## Follow-up of sustainability work

### Information about the EU's taxonomy for environmentally sustainable activities

This fund's underlying investments do not take the EU criteria into consideration for environmentally sustainable economic activities.

### Consideration of principal adverse impacts on sustainability factors

The fund has taken relevant indicators into consideration and the indicators that have been analysed for the fund are disclosed below:

Indicators of adverse impact on sustainable development	Unit of measurement	Value in 2024	% of investments that have data coverage	Value in 2023	% of investments that have data coverage
1.1 Greenhouse gas emissions	Scope 1- greenhouse gas emissions (tCO <sub>2</sub> eq)	0.20	20.63%	0.03	20.18%
	Scope 2- greenhouse gas emissions (tCO <sub>2</sub> eq)	0.56	20.63%	0.90	20.18%
	Scope 3- greenhouse gas emissions (tCO <sub>2</sub> eq)	7104.90	20.63%	1738.76	20.18%
	Scope 1+2 greenhouse gas emissions (tCO <sub>2</sub> eq)	0.76	20.63%	0.94	20.18%
	Scope 1+2+3 greenhouse gas emissions (tCO <sub>2</sub> eq)	7105.67	20.63%	1739.68	20.18%
1.2 Carbon footprint	Carbon footprint Scope 1+2 (tCO <sub>2</sub> eq/EURm)	0.01	20.63%	0.01	20.18%
	Carbon footprint Scope 1+2+3 (tCO <sub>2</sub> eq/EURm)	62.99	20.63%	20.69	20.18%
1.3 The greenhouse gas intensity of the investment object	The greenhouse gas intensity of the investment object Scope 1+2 (tCO <sub>2</sub> eq/EURm)	0.31	63.61%	0.50	43.73%
	The greenhouse gas intensity of the investment object Scope 1+2+3 (tCO <sub>2</sub> eq/EURm)	960.93	63.61%	506.63	43.73%
1.4 Exposure to companies operating in the fossil fuel sector	Exposure to companies operating in the fossil fuel sector (%)	0.00%	63.61%	0.00%	49.37%
1.5 Share of non-renewable energy consumption and energy production	Share of non-renewable energy consumption and energy production (%)	40.58%	63.61%	35.37%	49.37%
	The investment object's share of non-renewable energy production from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources (%)	0.00%	20.49%	0.00%	15.71%
1.6 Energy consumption intensity per sector with a substantial climate impact	Energy consumption in GWh per million euros in income from investment objects, per sector with a I substantial climate impact (GWh/EURm)				
	A – AGRICULTURE, FORESTRY AND FISHERY	0.00		0.00	
	B – EXTRACTION OF MINERALS	0.00		0.00	
	C – MANUFACTURING	0.00		0.00	
	D – SUPPLY OF ELECTRICITY, GAS, HEATING AND COOLING	0.00		0.00	
	E – WATER SUPPLY; SEWAGE TREATMENT, WASTE MANAGEMENT AND SANITATION	0.00		0.00	
	F – CONSTRUCTION ACTIVITIES	0.00		0.00	
	G – TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	0.00		0.00	
	H – TRANSPORT AND STORAGE	0.00		0.00	
	L – REAL ESTATE ACTIVITIES	0.00		0.00	
1.7 Activities that negatively affect areas with sensitive biological diversity	Share of investments in investment objects with sites/projects located in or near areas with sensitive biodiversity where the activities of the investment objects negatively affect these areas (%)	0.00%	63.61%	0.00%	49.37%

1.8 Emissions to water	Tons of emissions to water generated by investment objects per million euros invested, expressed as a weighted average (t/EURm)	0.00	0.00%	0.00	0.00%
1.9 Hazardous waste and radioactive waste	Tons of hazardous waste and radioactive waste generated by investment objects per million euros invested, expressed as a weighted average (t/EURm)	0.00	20.63%	0.00	15.31%
1.10 Violation of the UN global agreement and the OECD guidelines for multinational companies	Percentage of investments in investment objects that have been involved in violations of the UN Global Compact or the OECD Guidelines for Multinational Enterprises (%)	0.00%	78.53%	0.00%	77.64%
1.11 No processes and compliance mechanisms to monitor compliance with the UN Global Compact and the OECD Guidelines for Multinational Enterprises (%)	Proportion of investments in investment properties without strategies to monitor compliance with the UN Global Compact or the OECD Guidelines for Multinational Enterprises or mechanisms for handling complaints against violations of the UN Global Compact or the OECD Guidelines for Multinational Enterprises (%)	49.76%	63.61%	32.78%	49.37%
1.12 Unadjusted gender pay gap (%)	Average unadjusted gender pay gap of investment objects	0.00%	0.00%	0.00%	0.00%
1.13 Uniform gender distribution in boards (% women)	Average male and female representation among board members in investment objects, expressed as a percentage of all board members	42.25%	52.34%	48.31%	38.38%
1.14 Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) (%)	Share of investments in investment objects involved in the production or sale of controversial weapons	0.00%	78.53%	0.00%	77.64%
2.4 Investments in companies without initiatives to reduce carbon dioxide emissions	Share of investments in investment objects without carbon emission reduction initiatives aimed at adapting to the Paris Agreement (%)	19.23%	63.61%	40.81%	49.37%
3.9 No human rights policy	Share of investments in objects without a human rights policy (%)	0.00%	63.61%	0.00%	49.37%
1.15 Greenhouse gas intensity	The greenhouse gas intensity of the investment objects in (Kton CO2eq/EURm)	0.03	21.44%	0.07	22.33%
1.16 The domicile of the investment object where there is a lack of social responsibility	Percentage of countries where the investment objects are domiciled where there is a lack of social responsibility, according to international treaties and conventions, the principles of the United Nations and, where applicable, national legislation	0.00%	21.44%	0.00%	22.33%

# 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 (FFFS 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
<b>1. Number of employees receiving fixed or variable remuneration payments during the financial year:</b>  <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>  Total remuneration - of wich fixed remuneration 181 923 tkr - of wich variable remuneration 10 746 tkr	153 persons    192 669 tSEK	128 persons    147 032 tSEK
<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>	149 507 tSEK	112 931 tSEK
<b>- Executive Management Group:</b>  <i>The total remuneration paid to members of the Executive management group, that reports directly to CEO, is reported here.</i>	22 801 tSEK	27 556 tSEK
<b>- Employees in senior strategic positions:</b>  <i>Those holding strategic positions are included in the Executive management group.</i>	23 124 tSEK	3 274 tSEK
<b>- Employees with responsibility for control functions:</b>  <i>The Head of Risk Management is included in the Executive management group.</i>	0 tSEK	0 tSEK
<b>- Risk-takers:</b>  <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>	96 482 tSEK	71 451 tSEK
<b>- Employees with total remuneration that amounts to, or exceeds, the total remuneration of any of the Group executives:</b>  <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>	7 100 tSEK	10 650 tSEK
<b>3. Method for the calculation of remuneration and benefits to employees (FFFS 2013:9 and 2013:10):</b>  <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>		
<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>  <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>		
* The total amount of remuneration consists of payment in both Swedish kronor and euros, exchange rate as of 31 December 2024.		

# 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 .

**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.

# Handelsbanken | Fonder

Styrelsen och verkställande direktören för Handelsbanken Fonder AB får härmed avge årsberättelse för XACT Obligation (UCITS ETF) med organisationsnummer 515602-7830. Signatursida följer.

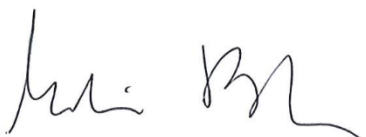
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# Handelsbanken | Fonder

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 XACT Obligation (UCITS ETF), org.nr 515602-7830

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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 XACT Obligation (UCITS ETF) för år 2024, med undantag för hållbarhetsinformationen under rubrikerna "Om hållbarhet i fondens förvaltning" och "Uppföljning av hållbarhetsarbetet" ('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 XACT Obligation (UCITS ETF):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 rubrikerna "Om hållbarhet i fondens förvaltning" och "Uppföljning av hållbarhetsarbetet" ('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 revisionsssed 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. Risken 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 rubrikerna "Om hållbarhet i fondens förvaltning" och "Uppföljning av hållbarhetsarbetet" 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 revisionsssed 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](#).