

Annual report 2019

**Mutual fund reports from
Handelsbanken Fonder**

Handelsbanken

The Chief Executive's comments

I would like to begin by extending my sincere thanks to our customers who have entrusted us with the management of their assets. We undertake this task with great care and our ambition is to deliver the strongest returns possible, without burdening our world unnecessarily. Below is a short summary of 2019.

Despite the trade dispute, Brexit, an economic slowdown and political unrest in many locations worldwide, the equity markets performed exceptionally strong during the year. Many of our Swedish and Nordic equity funds rose by 40 percent, with the Norden Selektiv and Microcap Sverige funds at the forefront. Global equity funds also performed strongly, partly due to exchange rates, with Brasilien Tema posting the most strength and upturn of over 45 percent.

To put it mildly, creating returns in today's climate of low interest rates is a challenge, but we were still successful in generating positive yields in almost all of our fixed income funds. The Tillväxtmarknad Obligation fund posted strong returns and rose over 10 percent. Swedish corporate bond funds yielded almost 3 percent during the year, while our short-term fixed income funds, supported by investments in corporate bonds, yielded just over zero.

We have continued the journey within sustainable investments. The majority of our funds now have a common investment foundation, which means that we exclude controversial sectors that have products and services with a high risk of adversely affecting our climate and the world around us and are therefore considered to be inconsistent with our role as responsible investors. The funds also exclude companies considered to violate international norms and conventions related to the climate, environment, human rights, corruption and work conditions. Our funds also extended the work with the inclusion of companies that contribute to the Sustainable Development Goals. For instance, several funds have invested in companies that are transitioning operations to contribute to the climate goals, i.e., transition companies. One example is a company that is transitioning towards fossil-free energy production.

During the spring, we launched the Hållbar Global Obligation fund, which is a fixed income fund that invests in bonds issued for the purpose of financing improvements within the environment, climate, poverty or one of the other Sustainable Development Goals. The fund was also awarded the Nordic Swan Ecolabel during the year.

During the year we also published our first sustainability and corporate governance report for 2018 specifically for the Management Company. The report describes our investment processes and sustainability work based on several dimensions and is available at handelsbanken.se/responsibleinvestments. A new report for 2019 will be published in 2020.

On 1 November 2019, I was appointed the role of Chief Executive Officer for Handelsbanken Fonder. After over 20 years as a fund manager of equity funds across the world, in addition to allocation funds, I most recently held the role as Head of Operations for fund management and corporate governance. I now take on my new role with immense pride and satisfaction and look forward to leading the mission to deliver good, long-term and sustainable returns to our customers.

Magdalena Wahlqvist Alveskog

Chief Executive Officer, Handelsbanken Fonder

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Sustainability and Corporate Governance 2019

Introduction

As an important investor, Handelsbanken Fonder has a key role in the realisation of the Paris Agreement. We refer to Agenda 2030 as the world's most significant investment order, in which the UN's Sustainable Development Goals provide clear direction and targets for our fund management.

Our belief is that those companies that create value by contributing to sustainable development and work to address the major challenges facing the world today are those that will be successful in the future. Companies at the forefront with regard to innovation and entrepreneurship also have good opportunities to create the strongest returns possible without being a burden to the world around us.

It is also essential to identify a company's sustainability risks and to refrain from investing in companies that do not carry out their business operations in a responsible manner.

Development of our sustainability activities in 2019

Investments in transition companies

The starting point in our fund management is to exclude fossil fuels. To accelerate a rapid transition to a world with low carbon emissions we made the decision in 2019 to permit investments in companies that are transitioning their business operations in a sustainable direction, so-called transition companies. One example is a company transitioning from fossil fuel to renewable energy production. As a result of the decision, we can accept some exposure to fossil fuels, under the condition that the company fulfils a number of criteria to qualify as a transition company. One of our requirements for such an investment is that the company's rate of transition is at least in line with what is required to meet the climate targets of the Paris Agreement.

A greater number of funds with enhanced sustainability requirements

We already choose to exclude companies with operations involved in weapons banned under international law, nuclear weapons and coal. In 2019, we introduced enhanced sustainability requirements for nearly all of our funds. As a result, there are now a greater number of funds with the same requirements that previously only applied to our Criteria funds. A common factor shared by these funds is that we exclude controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. We also exclude companies that violate international norms and conventions regarding the environment, human rights, corruption and work conditions. How we apply this varies depending on the type of fund management used by the fund. The enhanced sustainability requirements also apply to the external funds in which our allocation funds invest.

Launch and Nordic Swan Ecolabelling of Hållbar Global Obligation

In February 2019, we launched Hållbar Global Obligation, a new actively-managed fixed income fund with a global focus that has sustainability as a central investment strategy. The fund invests in bonds that are specifically issued to finance improvements within the environment, the climate, poverty or any of the other Sustainable Development Goals. As a result, the fund has a broader investment focus than a fund that only invests in the environment through so-called green bonds. Since November, the

fund also has the Nordic Swan Ecolabel, which is an independent labelling of the fund's sustainability activities and profile. Read more about Nordic Swan Ecolabelled funds at www.svanen.se/spararen.

Our active engagements

A critical component in taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities includes the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. Through our engagements we impose requirements and/or encourage companies to improve their sustainability efforts. Our engagement efforts include dialogues that we conduct directly with the companies or together with other investors, participation in international initiatives, as well as our corporate governance efforts that consist of nomination committee work and voting at company general meetings. In 2019, we were actively involved in the following engagements:

Dialogues

During the year we worked actively with 37 dialogues that were undertaken directly with the companies by the fund managers. The dialogues consist of various sustainability issues, such as requirements for increased transparency and disclosure of sustainability efforts, specific issues regarding climate impact and human rights, as well as labour law issues.

Pooled Engagement

We participate in joint dialogues with companies together with other investors. Working together strengthens the message and sends clear signals to the company that we expect the issues to be taken seriously. The starting point for these dialogues is often suspected or confirmed violations of international norms and conventions and focuses primarily on the principle areas of the UN initiative, Global Compact: human rights, labour law, the environment and anti-corruption. During 2019, we participated in 145 such dialogues.

Collaborations and initiatives

In 2019, we participated in several international collaborations and initiatives that focused on specific sustainability issues: PRI Methane Engagement, PRI Cyber Security Engagement, FAIRR Antibiotics Engagement, PRI Sustainable Palm Oil and PRI-Ceres Sustainable Forests. Handelsbanken Fonder is a so-called "supporting investor" within these initiatives, which means that we endorse the collaborations and support company dialogues with our capital but are normally not the investors leading the dialogues with the company concerned.

Climate Action 100+ is an investor initiative that works to ensure that those companies emitting the largest amount of greenhouse gases in the world take the necessary measures to combat climate change. We are a part of a group consisting of four investors within the context of the Climate Action 100+ initiative that have begun a dialogue with a Chinese company. The company has been identified as one of the world's largest emitters of carbon dioxide. The aim of the dialogue is to persuade the company to reduce its negative impact on the climate.

Voting at general meetings

The shareholder's right to vote at the general meetings is of great importance to us. Normally, the Management Company votes at the general meetings in the companies where ownership exceeds 0.5% or when there is a vote on matters of particular concern. In 2019, we voted at 473 general meetings in 44 countries.

Nomination committees

The most direct impact we can have as owners is by serving on nomination committees. We are offered seats to participate in the nomination committees in the companies where our funds are among the larger shareholders. We accept such requests, as the nomination committee work is a good opportunity to influence the composition of the companies' boards. Our guidelines for the nomination committee work are sent to all companies that offer us a seat on their committee. The guidelines describe our focus areas: the board's expertise and needs analysis, the importance of sustainability expertise and a focus on achieving diversity and equality on the boards.

In preparation for the annual general meetings in 2019, Handelsbanken Fonder participated in 34 nomination committees. In the boards that these nomination committees proposed, the number of women represented increased from an average of 34% in 2018 to 35% in 2019. For 2020, we are entitled to serve on 40 nomination committees and we have appointed women in 70% of these committees.

Our continued efforts

Active asset management identifies and invests in future champions. The way companies are equipped to manage their sustainability risks or how they develop their businesses and take advantage of growth opportunities when the rest of the world is tackling major societal challenges is an integral part of the company analysis. In active asset management, analysis is paramount. Finding and investing in the right companies is key. The sustainability analysis helps identify risks in companies' business models and helps find companies at the forefront of the transition to sustainable development. This places increasing demands on corporate responsibility and there are higher expectations on companies to deliver long-term value to all stakeholders, not just shareholders. As asset managers, we have a major responsibility to invest in companies that contribute in a positive manner. Accordingly, we are continuing down the path within active asset management to focus our efforts and work broadly across all sectors to identify solution-driven or transition companies, whose products and services contribute to the Sustainable Development Goals, while creating returns for our customers. We are convinced that these companies will be the winners of the future.

Within our fund management we will place further focus on climate issues and investments in transition companies. Equality and human rights, where we see continuing risks in companies' complex global value chains, are also important issues for us ahead. In an effort to contribute to a sustainable development and deliver value today as well as to future generations, sustainability will continue to be a critical component of the ongoing fund management and our contacts with companies throughout 2020 and going forward.

Global markets in brief

At the end of 2018, it was certainly not a given that 2019 would be such a strong year for the financial markets. To a large extent, the debate in 2018 dealt with the monetary austerity measures and the negative effect they could have on growth and profits, which in turn could impact the markets. In addition, there was uncertainty related to the trade tensions between the US and China, as well as uncertainty about Brexit, to name just a few examples. However, a significant amount of the concerns had most likely already been reflected in the prices of financial assets, most notably during Q4 2018. Investors returned at the beginning of 2019 and the financial markets rebounded as a result.

We can conclude that 2019 was a special year in many ways, as several economic indicators suggested weaker growth at the same time as the stock market continued its upward trend – a development that can be interpreted as a promising outlook for the economy. This could be explained in part by the surprisingly positive quarterly reports overall by companies in both Europe and the US, which fuelled share price performance. Markets were relatively volatile during the year and sometimes reacted very strongly to both positive as well as negative news. The trade tensions between the US and China, Brexit and developments in Hong Kong dominated market sentiment from time to time. The central banks contributed in the background by supporting the markets: the US Federal Reserve cut key rates three times, Japan's central bank Bank of Japan continued its bond-buying and in Europe the ECB continued with stimulus measures.

The central banks' bond-buying, low inflation and concerns for weak economic growth in the future led to falling market rates in the US and in Europe. The credit markets performed in line with this, which resulted in lower borrowing costs for many companies during the year.

Regionally, stock markets in the US posted the most strength, followed by Japan, Europe and the emerging markets. Within the sectors, IT companies were the clear winners, followed by cyclical sectors such as manufacturing and consumer discretionary. Even the weakest sectors, such as energy and basic materials, posted positive performance during the year.

An encouraging development to note is an increased focus on sustainability issues by company executives, which we welcome. Interest for investing sustainably has also grown significantly and there are strong indications that 2019 will be a record year for inflows to sustainable funds. This is a development that we are convinced will persist.

Many of the risks we saw during the year remained at the outset of 2020. The global economy is at a critical juncture and there are strong arguments for believing in an acceleration as well as a cooling off period. Risks remain regarding how the trade conflict will affect company earnings and the willingness to invest. Further, at the time of writing, the Brexit issue has not been resolved. There is also a US presidential election to manage during the year, with all that implies in the form of political moves. We also know that long periods of widely available capital in a low interest rate environment, as we have experienced for some time, typically creates bubbles in one form or another. These bubbles can either slowly deflate with lower growth within the area concerned, or burst, which often results in dramatic consequences on the financial markets. We will continue to monitor these developments carefully.

On the positive side, we expect the supportive fiscal policy of the central banks to continue. There are also some early positive signals appearing in some economic data. The labour market overall appears strong, which should benefit consumption. There are also a fair number of indications that the high inventory levels within certain sectors are showing a downward trend. Outlooks are also positive for

investments within sustainable energy and within infrastructure for the next generation mobile network (5G), which should benefit many companies, to name a few niches.

There are many signs that there will be instability in the global financial markets in 2020, considering that the concerns and opportunities are relatively equally weighted. However, given our focus on well-managed companies, exposure to structural growth and sustainable business models, we believe the conditions will be favourable to take advantage of any volatility to make good investments in our funds.

Portfolio Manager: YVONNE SÖRBERG
Up to 19/05/2019 JONATHAN SCHÖNBÄCK

BASE CURRENCY



AstraZeneca Allemansfond

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund is a special fund (non-UCITS), whereby the fund deviates from a UCITS fund by concentrating holdings to a smaller number of equities issued by companies in Sweden and the Nordics. The fund invests a significant amount (maximum of 50% of assets) in AstraZeneca. We place particular emphasis on ensuring that the company's strategy concurs with our assessment of what can generate favourable share price performance as well as that valuations are attractive when we select equities for the fund. 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, war materials, tobacco, cannabis, alcohol, commercial gambling and pornography segments/sectors. However, the fund may invest in companies involved in power generation, distribution or services related to fossil fuels in those cases where the company is considered to be transitioning its operations towards fossil-free energy production. Refer to the fund's information brochure for additional information.

Portfolio

The fund rose 39.7% in 2019*. AstraZeneca, Atlas Copco, Assa Abloy and Sectra were the most positive contributors to fund returns. Hexagon and Lagercrantz were also significant contributors. AstraZeneca is successfully continuing its transformation from a company with a limited number of major drug preparations to one with higher growth, driven by the company's newly-developed products. Atlas Copco surprised the market in Q3 with markedly better than expected new orders and the company continues to drive customer-oriented product development in a manner that increases the customers' productivity. Assa Abloy continues to show strong growth, driven by electronic locks and digital security solutions. Handelsbanken and IAR Systems were the most negative contributors. Banks have been weighed down by lower interest rates and Handelsbanken was also affected by concerns about cost growth and new regulation requirements. IAR Systems has been weighed down by a sharp slowdown in growth and new product areas have not had the expected impact. During the summer we took a new position in Bravida, which is a Nordic leader in technical installations and historically has shown stable growth and profitability. Strong cash flow has also made it possible to make complementary acquisitions. Bravida's demand is driven by greater complexity in installations and services, as well as the need for higher energy efficiency in buildings. We decreased the holdings slightly in IAR Systems during the year.

* Refer to fund statistics for comparable index.

Significant risks

An investment in an equity fund is characterised by high risk as well as by the potential for high returns. As a result, the value of the fund can fluctuate significantly over time. The fund's investments are concentrated geographically to investments in companies listed in Sweden and the Nordics, of which a significant portion is invested in AstraZeneca. As a result, the risk in the fund is higher than an investment in a diversified global equity fund that distributes its investments across several regions or sectors. The fund's liquidity risk is deemed to be moderately high due to the fund's size in relation to the size or turnover of the markets and securities in which the fund invests. This can impact the fund's ability to complete the purchase and sale of securities under stressful market conditions. The fund may invest in derivatives to protect the value of the fund's underlying assets, to maintain the desired level of risk in the fund portfolio or to minimise management costs. The volume of trading is limited where applicable and is expected to have a marginal impact on the fund's risk profile.

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 2019. The fund has the option of lending securities. The fund used this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

On 30 April 2019, the fund changed index from MSCI All Country World Index Net 50.0%, VINX Benchmark Cap Net Index SEK 20.0% and Oslo Stock Exchange Mutual Fund Index 30.0% to Solactive ISS ESG Screened Global Markets Index NTR 50.0%, SIX SRI Nordic 200 Net Index 20.0% and Oslo Stock Exchange Mutual Fund Index 30.0%. This was due to the change to a sustainability-oriented index that excludes a greater number of controversial business operations than previously. The fund's investment focus has not been affected by the change.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Shareholder commitments

Based on the Management Company's Policy for Shareholder Engagement, which includes guidelines for responsible investment, voting at general meetings, work on the nomination committee, and dialogue with the portfolio management companies are undertaken independently or in collaboration with others. It is our understanding that this work leads to better governance and reduced sustainability risks in the portfolio management companies, which in turn leads to a positive value growth.

The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management Company then takes independent decisions on those matters that will be subject to a vote or another decision-making process.

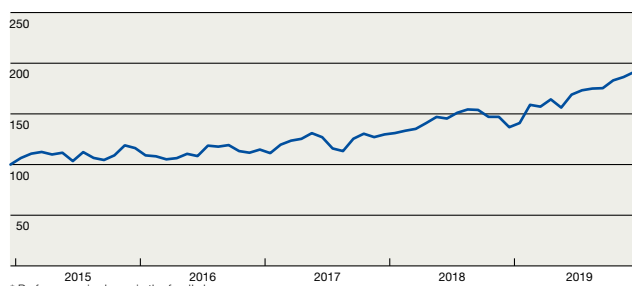
The Management Company normally votes for all of the equities in the fund in those companies where voting takes place, although there are exceptions, such as in markets where the equities are in a lock-up period to enable registration for voting at a general meeting. Any securities loans are typically recalled prior to a general meeting to ensure that votes can be cast for all of the equities, although the securities loans can remain in effect at the time of the general meeting if it is deemed to be in the common interest of unit holders and there is no significant impact on active ownership.

No conflicts of interest have arisen between the Management Company and the portfolio management company in conjunction with the funds' investments. Information is available in the Management Company's Policy for Shareholder Engagement on how the Management Company in general manages conflicts of interest that can arise as a result of the funds' investments.

Read more about how Handelsbanken Fonder acts in ownership matters and about the fund company's guidelines for responsible investments in the company's Policy for shareholder engagement and responsible investments which can be found under <https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>

AstraZeneca Allemansfond, cont.

Fund Performance*



Fund Facts - History

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net asset value, SEK ¹⁾	2,154.66	1,541.94	1,461.70	1,293.12	1,309.48	1,126.60	860.61	670.17	631.54	688.17
The fund's total net flow, mSEK	302	91	-25	-18	30	65	19	-13	-	-
Fund capital, mSEK	2,161	1,313	1,169	1,062	1,093	915	644	485	450	451
Number of units, 1000's	1,003	851	800	822	835	812	748	724	712	655
Total returns in %, SEK	+39.7	+5.5	+13.0	-1.2	+16.2	+30.9	+28.4	+10.5	-5.1	+17.1
Average yearly return, 2 yrs. %	+21.4	+9.2	+5.7	+7.1	+23.4	+29.7	+19.1	+2.4	+5.4	+29.8
Average yearly return, 5 yrs. %	+13.8	+12.4	+16.9	+16.3	+15.4	+15.6	+17.8	+7.5	+2.8	+5.8
Average yearly return, 10 yrs. %	+14.7	+15.0	+12.1	+9.3	+10.5	+13.1	+9.9	+9.4	-	-
Dividends per unit, SEK	-	-	-	-	-	-	-	26.35	20.71	16.18

¹⁾ The net asset value was adjusted on June 16, 2014 after a judgment in the Administrative Court in Falun. Pursuant to the judgment, funds with U.S. Holdings shall be charged with full U.S. withholding taxes as of January 1, 2012. As of June 16, 2014, full U.S. withholding taxes were deducted until an Administrative Court of Appeals in Sundsvall changed the Administrative Court's judgment on March 30, 2015, and the withholding taxes previously reserved were repaid to each fund concerned.

Relevant benchmark is not available.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.20
Collected mgmt. costs in % of average fund capital	0.90
Annual fees in %	0.90
Transaction costs, SEKt	197
Transaction costs in % of turnover	0.03
Costs in SEK for a one-time subscription, 10 000 SEK	109.36
Costs in SEK for monthly savings, 100 SEK	6.48

A maximum fixed fee of 3% may be deducted annually for the management of the underlying funds in which the fund invests assets. During each measurement period, any potential performance-based management fees in the underlying funds may total a maximum of 30% of the excess returns in relation to each of the fund's comparison norms (index or equivalent).

Fund Facts - Other Key Figures

Turnover rate	0.1
Share of turnover conducted via closely-related securities companies in %	31.4
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk %	13.9	Active Share % ¹⁾	46.2
		Sharpe ratio	1.6

¹⁾ As of the balance sheet date.

* 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.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	519,871	29,517
Interest income	-1	-13
Dividends	41,674	35,165
Other financial income ¹⁾	259	207
Other income	0	0
Total income and changes in value	561,803	64,876
EXPENSES		
Management costs:		
- Remuneration to the Management Company	15,333	11,883
Interest expense	12	4
Other financial expenses ²⁾	52	42
Other expenses	198	254
Total expenses	15,595	12,183
Net income	546,208	52,693
* Details of changes in value		
Capital gains	54,024	107,432
Capital losses	-6,924	-6,359
Unrealised gains/losses	472,771	-71,556
Sum	519,871	29,517

¹⁾ The item consists primarily of premiums for securities lent.

²⁾ The items consist primarily of expenses for securities borrowed.

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	2,065,279	95.6	1,305,768	99.5
Total financial instruments with positive market value ^{Note 2)}	2,065,279	95.6	1,305,768	99.5
Bank assets and other liquid assets	97,063	4.5	7,775	0.6
Prepaid expenses and accrued income	20	0.0	8	0.0
Total assets	2,162,362	100.1	1,313,551	100.1
LIABILITIES				
Accrued expenses and prepaid income	1,611	0.1	1,039	0.1
Total liabilities	1,611	0.1	1,039	0.1
Fund capital ^{Note 1)}	2,160,751	100.0	1,312,512	100.0
Financial instruments lent	102,931	4.8	35,679	2.7
Collateral received for financial instruments lent	112,796	5.2	38,594	2.9

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	1,312,512	1,169,166
Units issued	656,009	355,220
Units redeemed	-353,978	-264,567
Profit according to Income Statement	546,208	52,693
Dividends to unit holders	-	-
Fund capital at the close of the period	2,160,751	1,312,512

AstraZeneca Allemansfond, cont.

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
Autoliv	89,000	70,399	3.3
Fenix Outdoor B	32,000	37,376	1.7
Husqvarna B	890,000	66,768	3.1
Thule Group	130,000	28,080	1.3
		202,623	9.4
CONSUMER STAPLES			
AarhusKarlshamn	250,000	44,500	2.1
Duni	160,000	20,672	1.0
		65,172	3.0
FINANCIALS AND REAL ESTATE			
Handelsbanken A	990,000	99,891	4.6
		99,891	4.6
HEALTH CARE			
AstraZeneca SDB	900,000	846,180	39.2
Lifco B	63,000	36,036	1.7
SECTRA B	170,000	66,470	3.1
		948,686	43.9
INDUSTRIALS			
ABB SDB	285,000	64,154	3.0
ÅF B	226,000	49,404	2.3
Assa Abloy B	363,000	79,497	3.7
Atlas Copco A	280,000	104,608	4.8
Bravida Holding	254,872	23,181	1.1
EPIROC A	375,000	42,881	2.0
Hexagon B	155,000	81,375	3.8
Indutrade	125,000	41,900	1.9
Loomis B	156,000	60,497	2.8
NIBE Industrier B	80,000	12,992	0.6
Troax Group A	243,000	29,354	1.4
		589,842	27.3
INFORMATION TECHNOLOGY			
HIQ IL	420,483	21,739	1.0
HMS Network AB	254,000	43,891	2.0
I.A.R. Systems Group B	138,000	25,668	1.2
Lagercrantz B	303,066	44,369	2.1
		135,667	6.3
MATERIALS			
Hexpol B	254,875	23,398	1.1
		23,398	1.1
Total listed equities		2,065,279	95.6
Total transferable securities		2,065,279	95.6
Total holdings in financial instruments		2,065,279	95.6
Net, other assets and liabilities		95,472	4.4
Total fund capital		2,160,751	100.0

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

Additional information on loaned securities

Volume of lent securities as a % of total lendable assets **4.99**

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

The British Government	48 372
The French Government	4 942
Toyota Motor Corp	3 645
Marubeni Corp	3 645
Central Japan Railway Co	3 642
Oriental Land Co Ltd/Japan	3 620
Synopsis Inc	3 614
Citizens Financial Group Inc	2 670
Aegon Nv	2 590
Aviva Plc	2 304

The largest counterparties for securities lending, SEK thousand:

J.P. Morgan Securities Plc, Great Britain	82 819
Svenska Handelsbanken AB (publ), Sweden	20 112
	102 931

Type and quality of collateral, SEK thousand:

Equities	57 747
Bonds and other interest-bearing instruments	55 049
	112 796

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 one day	-
One day to one week	-
One week to one month	-
One to three months	-
Three months to one year	1 732
Greater than one year	53 317
Indeterminate duration	57 747
	112 796

Currency of the collateral, SEK thousand:

CAD	191
CHF	1 190
EUR	19 060
GBP	61 799
HKD	3 930
JPY	16 492
SEK	2 130
SGD	628
USD	7 376
	112 796

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

Settlement and clearing for securities lending is conducted through a third party. The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 21 SEK 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:

-Citigroup Global Markets Ltd, Great Britain
 -Credit Suisse Securities (Europe) Ltd, Great Britain
 -Goldman Sachs Intl, Great Britain
 -HSBC Bank Plc, Great Britain
 -J.P. Morgan Securities Plc, Great Britain
 -Merrill Lynch Intl, Great Britain
 -Svenska Handelsbanken AB (publ), Sweden
 -UBS AG, London Branch, Great Britain

AstraZeneca Allemansfond

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes in its entirety companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies with key activities within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our

commitments and the international norms and conventions we respect. We conduct dialogues for the purpose of encouraging companies to improve their sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
 - B. Dialogues together with other investors/capital owners
 - C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP
- A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.
- B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.
- C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

Annual General Meetings and nomination committees

Handelsbanken Fonder normally votes at general meetings in those companies where ownership exceeds 0.5 or when there is a vote on matters of particular concern. 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 general meetings.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.

Follow-up of sustainability work

Inclusion

During the year, the fund invested in the technology installation company Bravida. Bravida is a leading Nordic installer of technology and services, such as electricity, heating and cooling, water, ventilation, security and energy efficiency. Growth is driven by more complex and integrated technical services with the aim of installing renewable electricity, increasing energy efficiency and improving security, which are important sustainability areas. The EU is also pursuing requirements for increased energy efficiency in buildings.

Exclusion

The fund's only investment within the bank sector was Handelsbanken. Overall, the sector has a major challenge in improving the control of customers and flow of transactions. This is a complex area with obvious difficulties, particularly related to ensuring the proper control in markets where Nordic banks have limited business experience, such as the Baltics and Russia. We believe there is a continuing need among banks in general to improve routines to limit the risk for potential money laundering, which is an area that had increased focus during the year.

The Management Company's engagement activities

- A. The fund engaged in two targeted dialogues directly with a companies during the year. During the year, ongoing dialogues continued with AAK. The dialogues focused on AAK's purchases of palm oil. Palm oil is a critical input for AAK's production of vegetable fats. We would like to be assured that the company's plantations have not arisen through deforestation and that the company respects the rights of the indigenous people to cultivate the land. Our engagement dialogues have been conducted through personal meetings with management and hopefully have not led AAK to limit their sustainability efforts to high traceability to the mill, but rather that focus intensifies to include traceability to the plantations and control of subcontractors.
- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund held holdings in one of these companies. A dialogue was conducted with Loomis AB concerning allegations that the company does not respect the union rights of their employees in Turkey.
- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.

General meetings and nomination committees

The Management Company voted at 4 annual general meetings on behalf of the fund during the year.

The Management Company participated in three nomination committees on behalf of the fund: Indutrade AB, Thule AB and ÅF Pöry AB.



Handelsbanken Amerika Småbolag Tema

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in U.S., Canadian and Mexican small caps or in such small caps that have a minimum of 50% of their business operations in these countries. The market value of the company at the time of the investment may not exceed 0.03% of the total market value on the New York Stock Exchange, NASDAQ Stock Exchange, Toronto Stock Exchange and Mexican Stock Exchange. As a result, the fund has a currency exposure to these markets. The thematic investment strategy implies that investments occur primarily in companies associated with long-term investment themes that have been carefully selected, analysed and are expected to experience a long period of growth. Examples of the main themes include Demographics, Productivity, Lifestyles and the Environment. International norms and guidelines for the environment, social responsibility and corporate governance are taken into consideration within the scope of the fund's investment focus. The fund applies an exclusion strategy on companies active within the fossil fuel, war materials, tobacco, cannabis, alcohol, commercial gambling and pornography areas/sectors. However, the fund may invest in companies that are involved in power generation, distribution or services related to fossil fuel in which the company is deemed to be transitioning its business operations to more renewable energy. Further information is available in the fund's information brochure. The fund may invest a maximum of 10% of the fund capital in fund units. We compare fund performance with Solactive ISS ESG Screened USA Small Cap. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 29.5% in 2019*. Following a weak close to 2018, the equity markets posted strength in 2019. The strong upturn was primarily due to the US central bank's (FED) reversal from higher interest rates and the move to begin stimulating the economy with interest rate cuts, which made equities more attractive. Concerns about an escalation to the trade war decreased when the US and China came closer together in the autumn and appear to have reached at least a temporary solution to resolve the risk for further tariffs. The USD also strengthened against the SEK and contributed positively to fund returns.

The Digitalisation theme was the most positive contribution. The software company FICO was the strongest contributor, which raised its guidance after price increases in conjunction with reports during the year. Mellanox also contributed positively after the technology company Nvidia made a bid on the company. Mellanox is a market leader in network technology, most notably for so-called supercomputers. Returns also benefitted from several bids on our holdings during the year. The pharmaceutical giant Pfizer placed a bid on Array, which has a very exciting oncology business operation. Bids were also placed on Zayo (fiber assets across the US) and AquaVentures (market leader in filtered drinking water and sea-water desalination). The Demographics theme was the weakest performer in the year. Performance was relatively weak in several holdings within healthcare after a number of moves related to "Healthcare for all" from the Democrats before the election in 2020. This also had a negative impact on education companies, with Grand Canyon Education contributed negatively to returns for the year. Holdings in Allegion, Pool Corp and Mastec were the strongest positive contributors to returns, while Boingo Wireless and TPI composites had a negative impact on fund returns. We increased exposure to the digitalisation theme through investments in Park City Group and PluralSight. Pluralsight is a platform for education and skill development within technology. We also purchased holdings in a new company, Masimo. The company has developed a technology (algorithm) that can measure oxygen levels in blood more accurately than

any other method. The fund increased its exposure to the Environment theme with investments in Darling Ingredients (leader in renewable diesel) and SolarEdge (inverters to residential solar). The fund also sold its holdings in IPG Photonics, Bloom Energy and Agios after a period of weaker share price performance.

*) 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

An investment in an equity fund is characterised by high risk as well as by the potential for high returns. As a result, the value of the fund can fluctuate significantly over time. The fund's investments are concentrated geographically to the North American equity market. As a result, the risk in the fund is higher than an investment in a diversified global equity fund that distributes its investments across several regions. However, the fund's investments are made in companies in several sectors, branches or themes that contribute to lowering the risk in the fund over time. Given that the fund's investments are made in foreign equities denominated in currencies other than the fund's base currency, an investment in the fund is associated with currency risk. Given that the fund consists of different share classes, the changes in exchange rates can result in a differentiation in risk classifications between different share classes depending on the type of currency in which the share class is traded. The fund's liquidity risk is deemed to be moderately high due to the fund's size in relation to the size or turnover of the markets and securities in which the fund invests. This can impact the fund's ability to complete the purchase and sale of securities under stressful market conditions. The fund may invest in derivatives to protect the value of the fund's underlying assets, to maintain the desired level of risk in the fund portfolio or to minimise management costs. The volume of trading is limited where applicable and is expected to have a marginal impact on the fund's risk profile.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund used this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

On 31 March 2019, the fund changed index from MSCI USA Small Cap Net to Solactive ISS ESG Screened USA Small Cap. This was due to the change to a sustainability-oriented index that excludes a greater number of controversial business operations than previously. The fund's investment focus has not been affected by the change. The fund changed its fund rules on 1 June 2019.

The fund's historical performance prior to the launch date is attributed to the merger between Handelsbanken Funds America Small Cap (Luxemburg) and Handelsbanken Amerika Småbolag Tema (Sweden) that occurred on December 7, 2018.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Shareholder commitments

Based on the Management Company's Policy for Shareholder Engagement, which includes guidelines for responsible investment, voting

Handelsbanken Amerika Småbolag Tema, cont.

at general meetings, work on the nomination committee, and dialogue with the portfolio management companies are undertaken independently or in collaboration with others. It is our understanding that this work leads to better governance and reduced sustainability risks in the portfolio management companies, which in turn leads to a positive value growth.

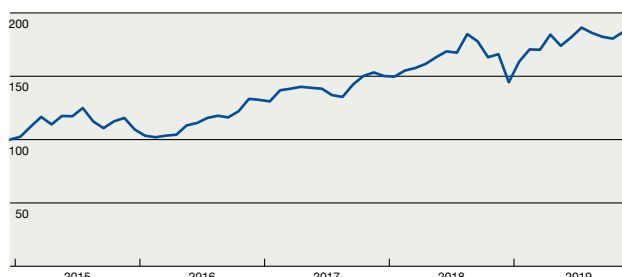
The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management Company then takes independent decisions on those matters that will be subject to a vote or another decision-making process.

The Management Company normally votes for all of the equities in the fund in those companies where voting takes place, although there are exceptions, such as in markets where the equities are in a lock-up period to enable registration for voting at a general meeting. Any securities loans are typically recalled prior to a general meeting to ensure that votes can be cast for all of the equities, although the securities loans can remain in effect at the time of the general meeting if it is deemed to be in the common interest of unit holders and there is no significant impact on active ownership.

No conflicts of interest have arisen between the Management Company and the portfolio management company in conjunction with the funds' investments. Information is available in the Management Company's Policy for Shareholder Engagement on how the Management Company in general manages conflicts of interest that can arise as a result of the funds' investments.

Read more about how Handelsbanken Fonder acts in ownership matters and about the fund company's guidelines for responsible investments in the company's Policy for shareholder engagement and responsible investments which can be found under <https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>

Fund Performance*



* Performance is shown in the fund's base currency. The fund may have several share classes, which are referred to in the Fund Facts.

Fund Facts - History

	2019	7/12-31/12 2018	2017	2016	2015	2014	2013	2012	2011	2010
Net asset value										
Amerika Småbolag Tema A1 - SEK	940.85	726.65	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A1 - EUR	89.54	71.70	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A1 - NOK	883.19	709.71	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A10 - SEK	956.37	732.01	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A10 - EUR	91.02	72.23	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A10 - NOK	897.75	714.94	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	-1,596	-358	-	-	-	-	-	-	-	-
Fund capital total, mSEK	11,712	10,265	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A1 - SEK	6,650	6,371	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A1 - EUR	32	29	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A1 - NOK	74	242	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A10 - SEK	4,093	3,056	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A10 - EUR	4	4	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A10 - NOK	480	255	-	-	-	-	-	-	-	-
Number of units, 1000's	12,368	14,092	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A1 - SEK	7,068	8,767	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A1 - EUR	357	403	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A1 - NOK	84	341	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A10 - SEK	4,279	4,174	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A10 - EUR	45	50	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A10 - NOK	535	357	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Amerika Småbolag Tema A1 - SEK	+29.5	-3.3	+14.3	+21.7	+7.9	+23.6	-	-	-	-
Amerika Småbolag Tema A1 - EUR	+24.9	-6.2	+11.4	+16.3	+11.6	+15.5	+34.2	+16.0	+1.0	+23.2
Amerika Småbolag Tema A1 - NOK	+24.4	-5.4	+20.5	+9.8	+18.3	+25.3	+52.9	+9.9	-2.7	+19.5
Amerika Småbolag Tema A10 - SEK	+30.6	-2.4	+15.3	+22.8	+8.9	+24.7	+39.7	+12.8	-2.5	+12.9
Amerika Småbolag Tema A10 - EUR	+26.0	-5.3	+12.4	+17.4	+12.6	+16.5	+35.4	+17.0	-1.2	+28.2
Amerika Småbolag Tema A10 - NOK	+25.6	-4.6	+21.6	+10.8	+19.4	+26.4	+54.2	+10.9	-1.8	+20.6
Index including dividends in %, SEK										
Amerika Småbolag Tema A1 - SEK	+35.7	-3.0	+5.2	+28.4	+3.3	+30.5	-	-	-	-
Amerika Småbolag Tema A1 - EUR	+30.8	-5.9	+2.6	+22.7	+6.8	+21.9	+27.6	+13.6	+4.8	+22.7
Amerika Småbolag Tema A1 - NOK	+30.4	-5.1	+10.9	+15.9	+13.2	+32.3	+45.4	+7.5	+4.1	+15.5
Amerika Småbolag Tema A10 - SEK	+35.7	-3.0	+5.2	+28.4	+3.3	+30.5	+31.7	+9.4	+3.4	+8.1
Amerika Småbolag Tema A10 - EUR	+30.8	-5.9	+2.6	+22.7	+6.8	+21.9	+27.6	+13.6	+4.8	+22.7
Amerika Småbolag Tema A10 - NOK	+30.4	-5.1	+10.9	+15.9	+13.2	+32.3	+45.4	+7.5	+4.1	+15.5
Tracking error, 2 yrs. %										
Amerika Småbolag Tema A1 - SEK	5.5	4.8	5.6	6.5	6.2	-	-	-	-	-
Amerika Småbolag Tema A1 - EUR	5.5	4.8	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A1 - NOK	5.5	4.8	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A10 - SEK	5.5	4.8	-	-	-	-	-	-	-	-

Handelsbanken Amerika Småbolag Tema, cont.

Fund Facts - History cont.

	2019	7/12-31/12 2018	2017	2016	2015	2014	2013	2012	2011	2010
Amerika Småbolag Tema A10 - EUR	5.5	4.8	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A10 - NOK	5.5	4.8	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Amerika Småbolag Tema A1 - SEK	+11.9	+5.2	+18.0	+14.6	+15.5	-	-	-	-	-
Amerika Småbolag Tema A1 - EUR	+8.2	+2.2	+13.8	+14.0	+13.5	+24.5	+24.8	+8.3	+11.6	+25.3
Amerika Småbolag Tema A1 - NOK	+8.5	+6.8	+15.1	+14.0	+21.8	+38.4	+29.6	+3.4	+7.9	+13.9
Amerika Småbolag Tema A10 - SEK	+12.9	+6.1	+19.0	+15.6	+16.5	+32.0	+25.5	+4.9	+4.9	+16.2
Amerika Småbolag Tema A10 - EUR	+9.2	+3.2	+14.9	+15.0	+14.5	+25.6	+25.9	+7.6	+12.6	+28.3
Amerika Småbolag Tema A10 - NOK	+9.5	+7.7	+16.1	+15.0	+22.8	+39.6	+30.8	+4.3	+8.8	+14.9
Comparison to index including dividends, %										
SEK	+14.7	+1.0	+16.2	+15.1	+16.1	+31.1	+20.0	+6.4	+5.7	+11.0
EUR	+11.0	-1.8	+12.2	+14.5	+14.1	+24.7	+20.4	+9.1	+13.4	+22.5
NOK	+11.2	+2.6	+13.4	+14.5	+22.4	+38.7	+25.0	+5.8	+9.6	+9.7
Average yearly return, 5 yrs. %										
Amerika Småbolag Tema A1 - SEK	+13.5	+12.4	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A1 - EUR	+11.1	+9.4	+17.5	+18.5	+15.2	+17.5	+19.8	-	-	-
Amerika Småbolag Tema A1 - NOK	+13.0	+13.2	+24.6	+22.3	+19.4	+19.6	+16.2	+2.4	-	-
Amerika Småbolag Tema A10 - SEK	+14.5	+13.4	+21.9	+21.3	+15.8	+16.7	+15.7	+2.9	+0.8	+1.0
Amerika Småbolag Tema A10 - EUR	+12.1	+10.4	+18.6	+19.5	+15.5	+18.5	+20.9	+4.9	+1.1	+1.8
Amerika Småbolag Tema A10 - NOK	+14.0	+14.2	+25.7	+23.4	+20.4	+20.7	+17.2	+3.3	-0.1	+1.3
Comparison to index including dividends, %										
SEK	+12.9	+12.1	+19.1	+20.0	+15.0	+16.0	+12.9	+1.1	-0.9	-1.8
EUR	+10.6	+9.1	+15.9	+18.3	+14.6	+17.8	+17.9	+3.1	-0.6	-1.0
NOK	+12.5	+12.8	+22.9	+22.1	+19.5	+20.0	+14.4	+1.5	-1.8	-1.4
Average yearly return, 10 yrs. %										
Amerika Småbolag Tema A1 - EUR	+14.3	+14.5	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A1 - NOK	+16.3	+14.7	+12.9	-	-	-	-	-	-	-
Amerika Småbolag Tema A10 - SEK	+15.6	+14.6	+12.0	+10.6	+8.2	+9.8	+7.4	+4.4	-1.8	-2.3
Amerika Småbolag Tema A10 - EUR	+15.3	+15.5	+11.5	+9.9	+8.4	+9.3	+7.7	+5.1	-1.3	-2.5
Amerika Småbolag Tema A10 - NOK	+17.3	+15.7	+13.9	+11.0	+10.5	+10.3	+7.7	+5.2	-1.6	-3.1
Comparison to index including dividends, %										
SEK	+14.5	+12.5	+9.7	+9.1	+6.3	+8.3	+5.7	+3.4	-2.0	-2.5
EUR	+14.2	+13.4	+9.3	+8.4	+6.5	+7.8	+5.9	+4.0	-1.5	-2.7
NOK	+16.2	+13.6	+11.6	+9.5	+8.5	+8.9	+5.9	+4.1	-1.8	-3.3
Exchange rate EUR/SEK	10.51	10.13	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.07	1.02	-	-	-	-	-	-	-	-

Benchmark: Solactive ISS ESG Screened USA Small Cap

Up to 31/03/2019: MSCI USA Small Cap Net

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

Detailed information for the share classes' designation (nomenclature) is provided in the information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Amerika Småbolag Tema A1	1.50
Amerika Småbolag Tema A10	0.60
Collected mgmt. costs in % of average fund capital	
Amerika Småbolag Tema A1	1.50
Amerika Småbolag Tema A10	0.60
Annual fees in %	
Amerika Småbolag Tema A1	1.50
Amerika Småbolag Tema A10	0.60
Transaction costs, SEKt	4,265
Transaction costs in % of turnover	0.03
Costs in SEK for a one-time subscription, 10 000 SEK	
Amerika Småbolag Tema A1	182.67
Amerika Småbolag Tema A10	73.40
Costs in SEK for monthly savings, 100 SEK	
Amerika Småbolag Tema A1	10.40
Amerika Småbolag Tema A10	4.17

Fund Facts - Other Key Figures

Turnover rate	0.6
Share of turnover conducted via closely-related securities companies in %	0.0
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	18.0	Information ratio - A1 EUR	Negative
Total risk % - A1 EUR	15.6	Information ratio - A1 NOK	Negative
Total risk % - A1 NOK	14.7	Information ratio - A10 SEK	Negative
Total risk % - A10 SEK	18.0	Information ratio - A10 EUR	Negative
Total risk % - A10 EUR	15.6	Information ratio - A10 NOK	Negative
Total risk % - A10 NOK	14.7	Sharpe ratio - A1 SEK	0.7
Total risk in index % - A1 SEK	20.3	Sharpe ratio - A1 EUR	0.6
Total risk in index % - A1 EUR	18.2	Sharpe ratio - A1 NOK	0.5
Total risk in index % - A1 NOK	17.5	Sharpe ratio - A10 SEK	0.8
Total risk in index % - A10 SEK	20.3	Sharpe ratio - A10 EUR	0.6
Total risk in index % - A10 EUR	18.2	Sharpe ratio - A10 NOK	0.6
Total risk in index % - A10 NOK	17.5	Sharpe ratio in index - A1 SEK	0.8
Benchmark	Solactive ISS ESG	Sharpe ratio in index - A1 EUR	0.6
	Screened USA Small Cap	Sharpe ratio in index - A1 NOK	0.6
Active return % - A1 SEK	-2.8	Sharpe ratio in index - A10 SEK	0.8
Active return % - A1 EUR	-2.7	Sharpe ratio in index - A10 EUR	0.6
Active return % - A1 NOK	-2.7	Sharpe ratio in index - A10 NOK	0.6
Active return % - A10 SEK	-1.8	Active Share % ¹⁾	92.9
Active return % - A10 EUR	-1.7		
Active return % - A10 NOK	-1.8		
Information ratio - A1 SEK	Negative		

¹⁾ As of the balance sheet date.* 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.

Handelsbanken Amerika Småbolag Tema, cont.

Income Statement, SEKt

	2019	7/12-31/12 2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	3,039,244	-1,081,128
Interest income	5,177	236
Dividends	105,034	9,245
Currency exchange profits and losses, net	35,698	-6,173
Other financial income ¹⁾	12,910	0
Other income	0	0
Total income and changes in value	3,198,063	-1,077,820
EXPENSES		
Management costs:		
- Remuneration to the Management Company	147,937	8,549
Interest expense	171	21
Other financial expenses ²⁾	2,582	0
Other expenses	4,376	201
Total expenses	155,066	8,771
Net income	3,042,997	-1,086,591
* Details of changes in value		
Capital gains	2,002,409	79,168
Capital losses	-729,073	-88,405
Unrealised gains/losses	1,765,908	-1,071,891
Sum	3,039,244	-1,081,128

1) The item consists primarily of premiums for securities lent.

2) The item consists primarily of expenses for securities lent.

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	11,392,827	97.3	9,912,754	96.6
Total financial instruments with positive market value ^{Note 2)}	11,392,827	97.3	9,912,754	96.6
Bank assets and other liquid assets	363,426	3.1	310,812	3.0
Prepaid expenses and accrued income	6,186	0.1	6,108	0.1
Other assets	63,402	0.5	73,494	0.7
Total assets	11,825,841	101.0	10,303,168	100.4
LIABILITIES				
Accrued expenses and prepaid income	11,352	0.1	8,549	0.1
Other liabilities	102,969	0.9	29,777	0.3
Total liabilities	114,321	1.0	38,326	0.4
Fund capital ^{Note 1)}	11,711,520	100.0	10,264,842	100.0
Financial instruments lent	831,411	7.1	-	-
Collateral received for financial instruments lent	946,486	8.1	-	-

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	10,264,842	-
Units issued ¹⁾	3,703,516	11,815,434
Units redeemed	-5,299,835	-464,001
Profit according to Income Statement	3,042,997	-1,086,591
Dividends to unit holders	-	-
Fund capital at the close of the period	11,711,520	10,264,842

1) SEK 11 709 607 t refers to the total capital of the Luxembourg-registered fund Handelsbanken Funds America Small Cap which was merged on 7 December 2018.

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
Bright Horizons Family Solutions	175,000	246,203	2.1
Cavco Industries Ord Shs	120,000	219,475	1.9
Columbia Sportswear Ord Shs	140,000	131,304	1.1
Grand Canyon Education	450,000	403,513	3.4
LCI Industries	150,000	150,427	1.3
Planet Fitness Ord Shs Class A	150,000	104,862	0.9
Pool	210,000	417,501	3.6
Service Corporation International	1,150,000	495,523	4.2
Strategic Education Ord Shs	97,500	145,028	1.2
Vail Resorts	140,000	314,308	2.7
Visteon	70,000	56,740	0.5
		2,684,884	22.9
CONSUMER STAPLES			
Darling Ingredients Ord Shs	550,000	144,572	1.2
Gruma	1,350,000	129,687	1.1
Reeds Ord Shs	2,475,000	21,083	0.2
		295,342	2.5

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FINANCIALS AND REAL ESTATE			
East West Bancorp	725,000	330,515	2.8
eHealth ord	90,000	80,947	0.7
First Horizon National Ord Shs	1,250,000	193,774	1.7
National Bank Holdings Ord Shs Class A	450,000	148,363	1.3
Prosperity Bancshares	250,000	168,241	1.4
Redfin Ord Shs	500,000	98,946	0.8
Southside Bancshares	400,000	139,068	1.2
SVB Financial Group	30,000	70,500	0.6
Trupanion Ord Shs	350,000	122,733	1.0
Vesta	5,000,000	84,569	0.7
Western Alliance Ord Shs	380,000	202,760	1.7
		1,707,114	14.6
HEALTH CARE			
Aerie Pharmaceuticals	200,000	45,251	0.4
Allakos Rg	30,000	26,780	0.2
ArQule Ord Shs	275,000	51,383	0.4
Biohaven Pharmaceutical	120,000	61,154	0.5
CryoPort Rg	250,000	38,521	0.3
Exact Sciences	190,000	164,485	1.4
Insulet Ord Shs	40,000	64,104	0.5
Masimo	80,000	118,369	1.0
Neurocrine Biosciences	100,000	100,622	0.9
PTC Therapeutics	140,000	62,946	0.5
Tabula Rasa Hlth Rg	190,000	86,582	0.7
Teladoc Ord Shs	110,000	86,208	0.7
The Cooper Companies	75,000	225,571	1.9
Tivity Health Ord Shs	600,000	114,270	1.0
Veracyte Rg	100,000	26,136	0.2
		1,272,382	10.9
INDUSTRIALS			
Allegrion	290,000	338,089	2.9
Evoqua Water Technologies Ord Shs	500,000	88,696	0.8
Gates Industrial Ord Shs	150,000	19,321	0.2
Grupo Aeroportuario del Centro Norte	3,000,000	210,520	1.8
IAA Ord Shs	315,000	138,767	1.2
Kadant	400,000	394,437	3.4
KAR Auction Services Ord Shs	300,000	61,193	0.5
MasTec	350,000	210,212	1.8
MSA Safety Ord Shs	145,500	172,106	1.5
PINFRA	1,700,000	163,082	1.4
Proto Labs Ord Shs	30,000	28,518	0.2
Rollins	375,000	116,405	1.0
TPI Composites Ord Shs	800,000	138,618	1.2
Trex Ord Shs	100,000	84,137	0.7
Welbilt Rg	600,000	87,676	0.7
		2,251,778	19.2
INFORMATION TECHNOLOGY			
Alarm.com Holdings Ord Shs	375,000	150,842	1.3
Alteryx-A Rg	30,000	28,103	0.2
Cerence	675,000	142,992	1.2
Cognex	90,000	47,213	0.4
Digimarc Ord Shs	120,000	37,699	0.3
Everbridge Ord Shs	110,000	80,400	0.7
Everspin Technologies Ord Shs	557,735	27,462	0.2
FICO	95,000	333,203	2.8
Glu Mobile Ord Shs	1,200,000	67,961	0.6
Maximus	275,000	191,501	1.6
Mellanox Technologies Ord Shs1	240,000	263,263	2.2
NAPCO Security Technologies Ord Shs	80,000	22,010	0.2
Nuance Communication	1,250,000	208,634	1.8
Park City Group Ord Shs	1,100,000	52,104	0.4
Pluralsight-A Rg	250,000	40,276	0.3
Proofpoint	120,000	128,935	1.1
Shotspotter Ord Shs	175,000	41,774	0.4
Solaredge Technologies Ord Shs	80,000	71,211	0.6
Tyler Technologies Ord Shs	30,000	84,255	0.7
		2,019,839	17.3
MATERIALS			
Ashland Global Ord Shs	225,000	161,190	1.4
Loop Industries Ord Shs	140,000	12,974	0.1
		174,165	1.5
REAL ESTATE			
Colony Capital Ord Shs Class A	1,500,000	66,697	0.6
		1,707,114	14.6
TELECOMMUNICATION SERVICES			
Boingo Wireless Ord Shs	1,863,900	191,056	1.6
InterActiveCorp	70,000	163,235	1.4
		354,291	3.0
UTILITIES			
Aquaventure Holdings Ord Shs	900,000	228,485	2.0
Global Water Resources Ord Shs	1,027,150	126,440	1.1
Sunnova Energy International Ord Shs	725,000	75,740	0.6
Watco Inc	120,000	202,367	1.7
		633,032	5.4
Total listed equities		11,392,827	97.3
Total transferable securities		11,392,827	97.3
Total holdings in financial instruments		11,392,827	97.3
Net, other assets and liabilities		318,693	2.7
Total fund capital		11,711,520	100.0

Handelsbanken Amerika Småbolag Tema, cont.

Additional information on loaned securities**Volume of lent securities as a % of total lendable assets** 7**The ten largest issuers of collateral for securities lending per issuer, SEK thousand:**

U.S.A	222 517
The British Government	132 650
The French Government	25 595
Bhp Group Plc	18 621
Royal Dutch Shell Plc	16 827
Nestle Sa	15 779
Aia Group Ltd	14 296
General Electric Co	11 322
Lowe's Cos Inc	10 776
The Federal Government of Belgium	10 055

The largest counterparties for securities lending, SEK thousand:

UBS AG, London Branch, Great Britain	501 431
HSBC Bank Plc, Great Britain	146 235
Credit Suisse Securities (Europe) Ltd, Great Britain	121 337
Skandinaviska Enskilda Banken AB (publ), Sverige	52 129
J.P. Morgan Securities Plc, Great Britain	10 279
	831 411

Type and quality of collateral, SEK thousand:

Equities	539 439
Bonds and other interest-bearing instruments	407 047
	946 486

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 one day	-
One day to one week	14
One week to one month	25 202
One to three months	8 872
Three months to one year	47 636
Greater than one year	325 324
Indeterminate duration	539 439
	946 486

Currency of the collateral, SEK thousand:

AUD	10 341
CAD	2 980
CHF	18 878
DKK	1 577
EUR	196 100
GBP	328 781
HKD	34 857
JPY	44 520
SEK	1 962
SGD	2 289
USD	304 201
	946 486

The profile of the duration for securities lending is undetermined, but may be immediately terminated. Settlement and clearing for securities lending is conducted through a third party. The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 12 910 SEK 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:

-Credit Suisse Securities (Europe) Ltd, Great Britain
 -HSBC Bank Plc, Great Britain
 -J.P. Morgan Securities Plc, Great Britain
 -Skandinaviska Enskilda Banken AB (publ), Sweden
 -UBS AG, London Branch, Great Britain

Handelsbanken Amerika Småbolag Tema

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes in its entirety companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies with key activities within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies deemed to be in breach of international norms and conventions. Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We

conduct dialogues for the purpose of encouraging companies to improve their sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
- B. Dialogues together with other investors/capital owners
- C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP.

The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.

Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.

In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

Annual General Meetings and nomination committees

Handelsbanken Fonder normally votes at general meetings in those companies where ownership exceeds 0.5% or when there is a vote on matters of particular concern. 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 general meetings.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service*

Follow-up of sustainability work

Inclusion

During the year the fund invested in Loop Industries and visited the company's management and manufacturing process in Montreal. Loop has developed a patented process for the recycling of plastics. Plastics are currently a major problem for our environment since up to 90 percent is made up of oil and up to 90 percent is not recycled or degradable. Loop's process is unique, as it can recycle both PET plastics and other plastics, as well as eliminate toxins, dirt and dyes without needing to melt the plastics. As a result, Loop Industries reduces emissions by over 60 percent, while also reducing the costs for recycling. Large leading consumer companies such as Coca-Cola and Pepsi have set ambitious targets for the use of more sustainable plastics, which should mean that demand will be greater than the supply in the coming ten years. Since Loop is able to recycle all types of plastics, this is the most circular company we have encountered.

During the year we also invested in Texas-based Darling Ingredients. Darling recycles food waste, oils and fats to produce ingredients, fats and protein for food. Most interesting is that Darling can use its "feedstock" to produce renewable diesel through its joint venture with Valero. This is currently just over 10 percent of sales, although this segment will represent over 50 percent of sales after major investments (which are already partially underway) over the next three to five years. We believe that more states than just California will reward a larger share of renewable diesel in their diesel mix.

During the year we invested in the decking manufacturer Trex, which is one of the world's largest producers of composite decking. The composite is made of 95 percent recycled materials, such as plastic that is not only sustainable but is also a relatively inexpensive input. In contrast to wood decking, there is no maintenance required for the lifetime of the composite decking. As a result, the product is taking market share from wood decking.

Exclusion

The fund sold its entire holding in the specialty chemical company Sensient during the year. We have seen a major trend over several years from synthetic to natural dyes where the company has a strong market position. After several restructuring programmes and adjustments to their strategic objectives, we believe that management has a credibility issue. We believe that the company has not listened sufficiently to its larger shareholders and we are not satisfied

with how company leadership is handling the management and control of the business operations. Therefore, we sold the fund's entire position in the company during the year.

The Management Company's engagement activities

The fund engaged in two dialogues directly with companies. As a major shareholder, we have had a good and ongoing dialogue with Kadant Inc.'s management group for many years about sustainability issues. Kadant Inc. is a subcontractor to the packaging industry. The company manufactures small but critical products for large machinery and has a very strong market position globally. The company has developed products and filters for some time to reduce the usage of water in the production of packaging. During the year, the company developed a technology to reduce the usage of plastic in straws and cups. The company was designated as "the greenest company in Massachusetts" in 2019 and will release its first ESG report at the beginning of 2020.

During the year we also had a more formal dialogue with MasTec, Inc. The company specialises in the construction, installation, service and repair of infrastructure in the US. MasTec, Inc. is one of a maximum of three players in the market with sufficient scale, technical expertise and balance sheet to undertake major projects. We believe that the company's model is misunderstood – over 40 percent is service, operation and maintenance of the customers' assets. We also believe that the major work undertaken by the company within safety (work conditions) is not known to the market. Thus, our objective is to have the company begin reporting KPIs related to this in 2020.

In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund did not have any investments in these companies.

In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.

General meetings and nomination committees

The Management Company voted at 46 annual general meetings on behalf of the fund during the year. The fund did not have any holdings in companies in which the Management Company was represented on a nomination committee.



Handelsbanken Amerika Tema

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The objective is to exceed the returns in the underlying market (defined as the benchmark index) over the long term. The fund invests in equities that are primarily issued by companies in the U.S., as well as in Canada and Mexico, and thereby have a currency exposure in these markets. The thematic investment strategy implies that investments occur primarily in companies associated with long-term investment themes that have been carefully selected, analysed and are expected to experience a long period of growth. Examples of the main themes are Demographics, Productivity, Lifestyles and the Environment. International norms and guidelines for the environment, social responsibility and corporate governance are taken into consideration within the scope of the fund's investment focus. The fund applies an exclusion strategy on companies active within the fossil fuel, war materials, tobacco, cannabis, alcohol, commercial gambling and pornography areas/sectors. However, the fund may invest in companies that are involved in power generation, distribution or services related to fossil fuel in which the company is deemed to be transitioning its business operations to more renewable energy. Further information is available in the fund's information brochure. The fund may invest a maximum of 10% of the fund capital in fund units. We compare the fund's performance with Solactive ISS ESG Screened USA Index. As the fund is actively managed the performance will over time deviate from this index.

Portfolio

The fund rose 37.0% in 2019*. The equity market performed strongly in 2019 after a weak close to 2018. The strong upturn was primarily due to the US central bank's (FED) softer tone to higher interest rates going forward and the postponement of a number of the proposed US tariffs against China. At the same time, the US economy continues to be strong, driven by a strong consumer. The US has also become more competitive, driven by favourable demographics and innovation. However, the USD has strengthened and contributed positively to fund returns. The Digitalisation theme was the most positive contribution. The software companies Microsoft and FICO were the strongest contributors after raising outlooks in conjunction with reports during the year. Returns also benefitted from several bids on our holdings during the year. The pharmaceutical giant Pfizer placed a bid on Array, which has oncology business operations that Pfizer would like to acquire. A bid was also made on the IT company Mellanox from its sector colleague Nvidia and the Atlanta-based bank Suntrust was acquired by its competitor BB&T. Performance in the Demographics theme was weaker than expected since several holdings within healthcare and banking posted weak performance during the year. Examples include several moves related to "Healthcare for all" that contributed to increased uncertainty for healthcare equities, such as Centene and Eli Lilly, which contributed negatively to returns. We increased exposure to the digitalisation theme through investments in the network testing companies Keysight, Qualcomm and Boing Wireless, which are well-positioned for the future roll-out of the 5G network, as well as through investments in the software companies Salesforce and Veeva Systems, which are both growing rapidly and are being driven by demand for cloud-based services. The fund increased its exposure to the Environment theme with investments in Nextera and Trex. We also invested in the consumer staples retailer Kroger, which we do not believe has a valuation that reflects the strategic changes the company is making within online retail. The fund also sold its holdings in IPG Photonics, Aeri Pharma, Gruma, Arca and Watsco after a period of weaker share price performance.

* 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

An investment in an equity fund is characterised by high risk as well as by

the potential for high returns. As a result, the value of the fund can fluctuate significantly over time. The fund's investments are concentrated geographically to the North American market. As a result, the risk in the fund is higher than an investment in a diversified global equity fund that distributes its investments across several regions. However, the fund's investments are made in companies in several sectors, branches or themes that contribute to lowering the risk in the fund over time. Given that the fund's investments are made in foreign equities denominated in currencies other than the fund's base currency, an investment in the fund is associated with currency risk. Given that the fund consists of different share classes, the changes in exchange rates can result in a differentiation in risk classifications between different share classes depending on the type of currency in which the share class is traded. The fund may invest in derivatives to protect the value of the fund's underlying assets, to maintain the desired level of risk in the fund portfolio or to minimise management costs. The volume of trading is limited where applicable and is expected to have a marginal impact on the fund's risk profile.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund used this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

On 31 March 2019, the fund changed index from MSCI USA Select Global Norms and Criteria Index to Solactive ISS ESG Screened USA as a result of a change in the index provider. The fund's investment focus has not been affected by the change. The fund changed its fund rules on 1 June 2019.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fund report.

Shareholder commitments

Based on the Management Company's Policy for Shareholder Engagement, which includes guidelines for responsible investment, voting at general meetings, work on the nomination committee, and dialogue with the portfolio management companies are undertaken independently or in collaboration with others. It is our understanding that this work leads to better governance and reduced sustainability risks in the portfolio management companies, which in turn leads to a positive value growth.

The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management Company then takes independent decisions on those matters that will be subject to a vote or another decision-making process.

The Management Company normally votes for all of the equities in the fund in those companies where voting takes place, although there are exceptions, such as in markets where the equities are in a lock-up period to enable registration for voting at a general meeting. Any securities loans are typically recalled prior to a general meeting to ensure that votes can be cast for all of the equities, although the securities loans can remain in

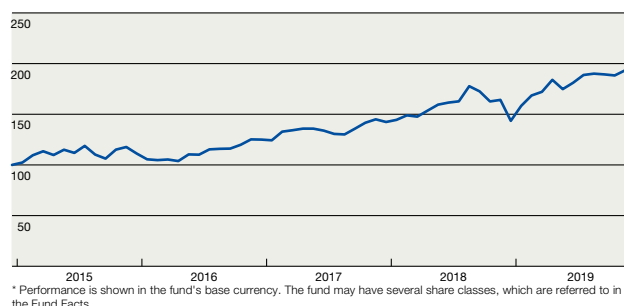
Handelsbanken Amerika Tema, cont.

effect at the time of the general meeting if it is deemed to be in the common interest of unit holders and there is no significant impact on active ownership.

No conflicts of interest have arisen between the Management Company and the portfolio management company in conjunction with the funds' investments. Information is available in the Management Company's Policy for Shareholder Engagement on how the Management Company in general manages conflicts of interest that can arise as a result of the funds' investments.

Read more about how Handelsbanken Fonder acts in ownership matters and about the fund company's guidelines for responsible investments in the company's Policy for shareholder engagement and responsible investments which can be found under <https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>

Fund Performance*



Fund Facts - History

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net asset value										
Amerika Tema A1 - SEK ¹⁾	1,115.50	814.20	807.70	709.12	631.11	567.34	450.71	342.87	308.59	312.16
Amerika Tema A1 - EUR ¹⁾	106.16	80.34	82.15	74.01	68.91	-	-	-	-	-
Amerika Tema A1 - NOK ¹⁾	1,047.13	795.22	806.89	671.89	662.61	-	-	-	-	-
Amerika Tema A10 - SEK	1,136.04	820.94	-	-	-	-	-	-	-	-
Amerika Tema A10 - EUR	108.11	81.00	-	-	-	-	-	-	-	-
Amerika Tema A10 - NOK	1,066.42	801.80	-	-	-	-	-	-	-	-
Amerika Tema B1 - SEK ¹⁾	859.59	643.56	664.02	605.47	562.47	524.80	434.41	-	-	-
Amerika Tema B10 - SEK	875.48	648.90	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	-1,325	-50	902	-2,776	746	579	1,529	408	-	-
Fund capital total, mSEK	12,813	10,327	10,267	8,198	10,001	8,414	6,119	3,332	2,598	2,099
Amerika Tema A1 - SEK	10,420	8,420	8,577	7,497	8,561	7,908	5,925	3,332	2,598	2,099
Amerika Tema A1 - EUR	103	85	96	23	95	-	-	-	-	-
Amerika Tema A1 - NOK	302	258	422	97	21	-	-	-	-	-
Amerika Tema A10 - SEK	47	52	-	-	-	-	-	-	-	-
Amerika Tema A10 - EUR	17	14	-	-	-	-	-	-	-	-
Amerika Tema A10 - NOK	491	317	-	-	-	-	-	-	-	-
Amerika Tema B1 - SEK	157	198	327	378	546	506	194	-	-	-
Amerika Tema B10 - SEK	84	65	-	-	-	-	-	-	-	-
Number of units, 1000's	11,537	12,763	12,799	11,653	15,953	14,902	13,591	9,718	8,418	6,725
Amerika Tema A1 - SEK	9,342	10,341	10,619	10,573	13,565	13,938	13,146	9,718	8,418	6,725
Amerika Tema A1 - EUR	974	1,063	1,164	311	1,385	-	-	-	-	-
Amerika Tema A1 - NOK	288	325	523	145	32	-	-	-	-	-
Amerika Tema A10 - SEK	41	63	-	-	-	-	-	-	-	-
Amerika Tema A10 - EUR	154	167	-	-	-	-	-	-	-	-
Amerika Tema A10 - NOK	460	395	-	-	-	-	-	-	-	-
Amerika Tema B1 - SEK	182	308	493	624	971	964	445	-	-	-
Amerika Tema B10 - SEK	96	100	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Amerika Tema A1 - SEK	+37.0	+0.8	+13.9	+12.4	+11.2	+25.9	+31.5	+11.7	-0.8	+11.4
Amerika Tema A1 - EUR	+32.1	-2.2	+11.0	+7.4	+15.1	-	-	-	-	-
Amerika Tema A1 - NOK	+31.7	-1.4	+20.1	+1.4	+21.9	-	-	-	-	-
Amerika Tema A10 - SEK	+38.4	+1.8	-	-	-	-	-	-	-	-
Amerika Tema A10 - EUR	+33.5	-1.2	-	-	-	-	-	-	-	-
Amerika Tema A10 - NOK	+33.0	-0.5	-	-	-	-	-	-	-	-
Amerika Tema B1 - SEK	+37.0	+0.8	+13.9	+12.4	+11.2	+25.9	+3.3	-	-	-
Amerika Tema B10 - SEK	+38.4	+1.8	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Amerika Tema A1 - SEK	+40.8	+5.3	+11.8	+19.9	+8.4	+37.4	+30.1	+9.4	+3.4	+8.1
Amerika Tema A1 - EUR	+35.8	+2.1	+9.0	+14.6	+12.2	-	-	-	-	-
Amerika Tema A1 - NOK	+35.3	+2.9	+17.9	+8.2	+18.9	-	-	-	-	-
Amerika Tema A10 - SEK	+40.8	+5.3	-	-	-	-	-	-	-	-
Amerika Tema A10 - EUR	+35.8	+2.1	-	-	-	-	-	-	-	-
Amerika Tema A10 - NOK	+35.3	+2.9	-	-	-	-	-	-	-	-
Amerika Tema B1 - SEK	+40.8	+5.3	+11.8	+19.9	+8.4	+37.4	+3.5	-	-	-
Amerika Tema B10 - SEK	+40.8	+5.3	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Amerika Tema A1 - SEK	3.0	2.8	2.6	3.1	3.9	3.4	2.0	2.1	2.4	2.0
Amerika Tema A1 - EUR	3.0	2.8	2.6	3.1	3.9	-	-	-	-	-
Amerika Tema B1 - SEK	3.0	2.8	2.6	3.1	-	-	-	-	-	-
Amerika Tema A1 - NOK	3.0	2.8	2.6	3.1	3.9	-	-	-	-	-
Amerika Tema A10 - SEK	3.0	2.8	-	-	-	-	-	-	-	-
Amerika Tema A10 - EUR	3.0	2.8	-	-	-	-	-	-	-	-
Amerika Tema A10 - NOK	3.0	2.8	-	-	-	-	-	-	-	-
Amerika Tema B10 - SEK	3.0	2.8	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Amerika Tema A1 - SEK	+17.5	+7.2	+13.1	+11.8	+18.3	+28.6	+21.2	+5.3	+5.1	+15.6
Amerika Tema A1 - EUR	+13.7	+4.2	+9.2	+11.2	+16.3	-	-	-	-	-
Amerika Tema A1 - NOK	+13.9	+8.8	+10.4	+11.2	+24.8	-	-	-	-	-
Amerika Tema A10 - SEK	+18.7	+8.2	-	-	-	-	-	-	-	-
Amerika Tema A10 - EUR	+14.8	+5.2	-	-	-	-	-	-	-	-
Amerika Tema A10 - NOK	+15.1	+9.9	-	-	-	-	-	-	-	-
Amerika Tema B1 - SEK	+17.5	+7.2	+13.1	+11.8	+18.3	-	-	-	-	-
Amerika Tema B10 - SEK	+18.7	+8.2	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+21.7	+8.5	+15.8	+14.0	+22.0	+33.7	+19.3	+6.4	+5.7	+11.0
EUR	+17.8	+5.5	+11.8	+13.4	+20.0	-	-	-	-	-

Handelsbanken Amerika Tema, cont.

Fund Facts - History cont.

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
NOK	+18.0	+10.2	+13.0	+13.4	+28.7	-	-	-	-	-
Average yearly return, 5 yrs. %										
Amerika Tema A1 - SEK	+14.5	+12.6	+18.7	+18.2	+15.3	+15.4	+14.2	+2.7	+0.7	+0.3
Amerika Tema A1 - EUR	+12.1	+9.5	+15.5	+16.5	+15.0	-	-	-	-	-
Amerika Tema A1 - NOK	+14.0	+13.3	+22.4	+20.2	+19.9	-	-	-	-	-
Amerika Tema A10 - SEK	+15.6	+13.7	-	-	-	-	-	-	-	-
Amerika Tema A10 - EUR	+13.2	+10.6	-	-	-	-	-	-	-	-
Amerika Tema A10 - NOK	+15.2	+14.4	-	-	-	-	-	-	-	-
Amerika Tema B1 - SEK	+14.5	+12.6	-	-	-	-	-	-	-	-
Amerika Tema B10 - SEK	+15.6	+13.7	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+16.6	+16.0	+21.1	+20.5	+17.0	+16.9	+12.6	+1.1	-0.9	-1.8
EUR	+14.2	+12.9	+17.8	+18.8	+16.6	-	-	-	-	-
NOK	+16.1	+16.8	+24.9	+22.6	+21.6	-	-	-	-	-
Average yearly return, 10 yrs. %										
Amerika Tema A1 - SEK	+14.9	+13.4	+10.4	+9.1	+7.5	+8.9	+6.4	+4.0	-2.1	-2.8
Amerika Tema A1 - EUR	+14.6	+14.3	+10.0	+8.5	+7.8	-	-	-	-	-
Amerika Tema A1 - NOK	+16.6	+14.5	+12.3	+9.6	+9.8	-	-	-	-	-
Amerika Tema A10 - SEK	+16.1	+14.5	-	-	-	-	-	-	-	-
Amerika Tema A10 - EUR	+15.8	+15.5	-	-	-	-	-	-	-	-
Amerika Tema A10 - NOK	+17.8	+15.6	-	-	-	-	-	-	-	-
Amerika Tema B10 - SEK	+16.1	+14.5	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+16.8	+14.3	+10.6	+9.3	+7.2	+8.7	+5.5	+3.4	-2.0	-2.5
EUR	+16.5	+15.3	+10.2	+8.6	+7.5	-	-	-	-	-
NOK	+18.5	+15.4	+12.6	+9.7	+9.5	-	-	-	-	-
Dividends per unit, SEK										
Amerika Tema A1 - SEK	-	-	-	-	-	-	-	1.73	1.06	1.62
Amerika Tema B1 - SEK	19.31	26.56	24.22	22.50	20.99	17.38	16.10	-	-	-
Amerika Tema B10 - SEK	19.47	26.56	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.51	10.13	9.83	9.58	9.16	-	-	-	-	-
Exchange rate NOK/SEK	1.07	1.02	1.00	1.06	0.95	-	-	-	-	-

1) The net asset value was adjusted on June 16, 2014 after a judgment in the Administrative Court in Falun. Pursuant to the judgment, funds with U.S. Holdings shall be charged with full U.S. withholding taxes as of January 1, 2012. As of June 16, 2014, full U.S. withholding taxes were deducted until an Administrative Court of Appeals in Sundsvall changed the Administrative Court's judgment on March 30, 2015, and the withholding taxes previously reserved were repaid to each fund concerned.

Benchmark: Solactive ISS ESG Screened USA

Up to 01/05/2016: MSCI USA Net

Up to 31/03/2019: MSCI USA Select Global Norms and Criteria

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 information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Amerika Tema A1	1.60
Amerika Tema A10	0.60
Amerika Tema B1	1.60
Amerika Tema B10	0.60
Collected mgmt. costs in % of average fund capital	
Amerika Tema A1	1.60
Amerika Tema A10	0.60
Amerika Tema B1	1.60
Amerika Tema B10	0.60
Annual fees in %	
Amerika Tema A1	1.60
Amerika Tema A10	0.60
Amerika Tema B1	1.60
Amerika Tema B10	0.60
Transaction costs, SEKt	2,511
Transaction costs in % of turnover	0.02
Costs in SEK for a one-time subscription, 10 000 SEK	
Amerika Tema A1	199.90
Amerika Tema A10	75.35
Amerika Tema B1	199.90
Amerika Tema B10	75.35
Costs in SEK for monthly savings, 100 SEK	
Amerika Tema A1	11.39
Amerika Tema A10	4.29
Amerika Tema B1	11.39
Amerika Tema B10	4.29

Fund Facts - Other Key Figures

Turnover rate	0.4
Share of turnover conducted via closely-related securities companies in %	0.0
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	17.0	Information ratio - A1 SEK	Negative
Total risk % - A1 EUR	14.8	Information ratio - A1 EUR	Negative
Total risk % - A1 NOK	14.0	Information ratio - A1 NOK	Negative
Total risk % - A10 SEK	17.0	Information ratio - A10 SEK	Negative
Total risk % - A10 EUR	14.8	Information ratio - A10 EUR	Negative
Total risk % - A10 NOK	14.0	Information ratio - A10 NOK	Negative
Total risk % - B1 SEK	17.0	Information ratio - B1 SEK	Negative
Total risk % - B10 SEK	17.0	Information ratio - B10 SEK	Negative
Total risk in index % - A1 SEK	16.2	Sharpe ratio - A1 SEK	1.1
Total risk in index % - A1 EUR	14.3	Sharpe ratio - A1 EUR	1.0
Total risk in index % - A1 NOK	13.6	Sharpe ratio - A1 NOK	0.9
Total risk in index % - A10 SEK	16.2	Sharpe ratio - A10 SEK	1.1
Total risk in index % - A10 EUR	14.3	Sharpe ratio - A10 EUR	1.0
Total risk in index % - A10 NOK	13.6	Sharpe ratio - A10 NOK	1.0
Total risk in index % - B1 SEK	16.2	Sharpe ratio - B1 SEK	1.1
Total risk in index % - B10 SEK	16.2	Sharpe ratio - B10 SEK	1.1
Benchmark	Solactive ISS ESG Screened USA	Sharpe ratio in index - A1 SEK	1.4
Active Share % 1)	70.2	Sharpe ratio in index - A1 EUR	1.3
Active return % - A1 SEK	-4.2	Sharpe ratio in index - A1 NOK	1.3
Active return % - A1 EUR	-4.1	Sharpe ratio in index - A10 SEK	1.4
Active return % - A1 NOK	-4.1	Sharpe ratio in index - A10 EUR	1.3
Active return % - A10 SEK	-3.1	Sharpe ratio in index - A10 NOK	1.3
Active return % - A10 EUR	-3.0	Sharpe ratio in index - B1 SEK	1.4
Active return % - A10 NOK	-3.0	Sharpe ratio in index - B10 SEK	1.4
Active return % - B1 SEK	-4.2		
Active return % - B10 SEK	-3.1		

1) As of the balance sheet date.

* 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.

Handelsbanken Amerika Tema, cont.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	3,862,827	158,346
Interest income	2,455	1,390
Dividends	133,447	125,543
Currency exchange profits and losses, net	3,707	9,213
Other financial income ¹⁾	2,652	1,372
Other income	0	0
Total income and changes in value	4,005,088	295,864
EXPENSES		
Management costs:		
- Remuneration to the Management Company	190,049	183,522
Interest expense	91	209
Other financial expenses ²⁾	530	274
Other expenses	2,529	1,544
Total expenses	193,199	185,549
Net income	3,811,889	110,315
* Details of changes in value		
Capital gains	2,295,861	756,798
Capital losses	-276,326	-396,407
Unrealised gains/losses	1,843,292	-202,046
Sum	3,862,827	158,346

¹⁾ The item consists primarily of premiums for securities lent.²⁾ The items consist primarily of expenses for securities borrowed.

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	12,444,088	97.1	10,198,204	98.8
Total financial instruments with positive market value ^{Note 2)}	12,444,088	97.1	10,198,204	98.8
Bank assets and other liquid assets	377,963	3.0	135,832	1.3
Prepaid expenses and accrued income	4,179	0.0	6,645	0.1
Other assets	3,421	0.0	25,556	0.2
Total assets	12,829,651	100.1	10,366,237	100.4
LIABILITIES				
OTC derivative instruments with negative market value	-	-	23	0.0
Total financial instruments with negative market value ^{Note 2)}	-	-	23	0.0
Accrued expenses and prepaid income	16,534	0.1	14,591	0.1
Other liabilities	-	-	25,023	0.3
Total liabilities	16,534	0.1	39,637	0.4
Fund capital ^{Note 1)}	12,813,117	100.0	10,326,600	100.0
Financial instruments lent	464,216	3.6	240,253	2.3
Collateral received for financial instruments lent	524,766	4.1	264,459	2.6

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	10,326,600	10,267,089
Units issued	2,948,195	2,693,671
Units redeemed	-4,267,337	-2,730,507
Profit according to Income Statement	3,811,889	110,315
Dividends to unit holders	-6,230	-13,968
Fund capital at the close of the period	12,813,117	10,326,600

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
Amazon.com	30,863	533,860	4.2
Bright Horizons Family Solutions	61,950	87,156	0.7
Columbia Sportswear Ord Shs	200,000	187,577	1.5
Comcast A	677,317	285,128	2.2
Costco Wholesale	33,450	92,034	0.7
Grand Canyon Education	308,275	276,429	2.2
Home Depot	116,401	237,955	1.9
Nike B	88,550	83,978	0.7
Pool	113,688	226,023	1.8
Royal Caribbean Cruises	100,000	124,979	1.0
Service Corporation International	525,063	226,244	1.8
Starbucks	161,300	132,754	1.0
Walt Disney	47,100	63,768	0.5
		2,557,885	20.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
CONSUMER STAPLES			
Darling Ingredients Ord Shs	325,000	85,429	0.7
Kroger	800,000	217,101	1.7
		302,530	2.4
FINANCIALS AND REAL ESTATE			
American Express	146,600	170,841	1.3
East West Bancorp	571,935	260,736	2.0
Fidelity National Information Services	60,800	79,163	0.6
First Republic Bank	103,207	113,471	0.9
IntercontinentalExchange	132,800	115,053	0.9
NASDAQ OMX Group	150,300	150,686	1.2
Progressive Ohio	271,568	184,027	1.4
Prosperity Bancshares	155,500	104,646	0.8
SVB Financial Group	85,902	201,870	1.6
Zions Bancorporation Ord Shs	259,000	125,881	1.0
		1,506,374	11.7
HEALTH CARE			
Abbott Laboratories	228,700	185,956	1.5
AbbVie	207,900	172,313	1.3
Amgen	74,600	168,347	1.3
Baxter International	140,000	109,588	0.9
Eli Lilly	269,893	332,056	2.6
Estée Lauder Companies A	94,000	181,743	1.4
Exact Sciences	69,950	60,556	0.5
Merck	359,134	305,762	2.4
Thermo Fisher Scientific	97,785	297,376	2.3
UnitedHealth Group	141,705	389,967	3.0
		2,203,664	17.1
INDUSTRIALS			
A. O. Smith	70,000	31,217	0.2
Allegion	151,410	176,518	1.4
Grupo Aeroportuario del Centro Norte	1,441,800	101,176	0.8
Kadant	90,000	88,748	0.7
MasTec	154,000	92,493	0.7
MSA Safety Ord Shs	48,900	57,842	0.5
PINFRA	730,500	70,077	0.5
TPI Composites Ord Shs	341,000	59,086	0.5
Trex Ord Shs	150,600	126,710	1.0
Veeva Systems A	42,450	55,895	0.4
Welbilt Rg	200,000	29,225	0.2
Xylem	127,800	94,260	0.7
		983,248	7.6
INFORMATION TECHNOLOGY			
Activision Blizzard	232,600	129,380	1.0
Adobe Systems	72,122	222,667	1.7
Apple	151,234	415,723	3.2
Cognex	108,000	56,656	0.4
FICO	44,300	155,378	1.2
Intuit	58,257	142,843	1.1
Keysight Technologies Ord Shs	165,500	159,000	1.2
Mastercard	128,340	358,725	2.8
Mellanox Technologies Ord Shs1	84,731	92,944	0.7
Microsoft	671,000	990,555	7.7
Nuance Communication	402,000	67,097	0.5
NVIDIA	126,800	279,297	2.2
PayPal	170,100	172,241	1.3
Qualcomm	230,000	189,963	1.5
Salesforce.com	139,700	212,691	1.7
		3,645,158	28.5
MATERIALS			
Ecolab	40,950	73,980	0.6
WestRock	299,709	120,388	0.9
		194,368	1.5
TELECOMMUNICATION SERVICES			
Alphabet A	44,279	555,174	4.3
Boingo Wireless Ord Shs	894,900	91,730	0.7
Facebook	58,000	111,439	0.9
InterActiveCorp	100,700	234,825	1.8
		993,169	7.8
UTILITIES			
NextEra Energy	25,450	57,692	0.5
		57,692	0.5
Total listed equities		12,444,088	97.1
Total transferable securities		12,444,088	97.1
Total holdings in financial instruments		12,444,088	97.1
Net, other assets and liabilities		369,029	2.9
Total fund capital		12,813,117	100.0

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

Handelsbanken Amerika Tema, cont.

Additional information on loaned securities

Volume of lent securities as a % of total lendable assets	3,75
------------------------------------------------------------------	-------------

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

U.S.A	141 377
The British Government	62 736
The French Government	22 565
Nestle Sa	13 302
Bhp Group Plc	13 302
Aia Group Ltd	11 437
Royal Dutch Shell Plc	10 945
General Electric Co	9 544
Lowe's Cos Inc	9 084
The Federal Government of Belgium	8 901

The largest counterparties for securities lending, SEK thousand:

UBS AG, London Branch, Great Britain	399 855
HSBC Bank Plc, Great Britain	64 361
	464 216

Type and quality of collateral, SEK thousand:

Equities	279 033
Bonds and other interest-bearing instruments	245 733
	524 766

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 one day	-
One day to one week	-
One week to one month	21 067
One to three months	7 432
Three months to one year	9 917
Greater than one year	207 317
Indeterminate duration	279 033
	524 766

Currency of the collateral, SEK thousand:

AUD	6 976
CAD	2 488
CHF	14 702
DKK	966
EUR	102 381
GBP	183 791
HKD	12 559
JPY	7 624
SEK	1
SGD	1 740
USD	191 538
	524 766

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

Settlement and clearing for securities lending is conducted through a third party.

The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 21 SEK 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:

-Citigroup Global Markets Ltd, Great Britain
 -Credit Suisse Securities (Europe) Ltd, Great Britain
 -Goldman Sachs Intl, Great Britain
 -HSBC Bank Plc, Great Britain
 -J.P. Morgan Securities Plc, Great Britain
 -Merrill Lynch Intl, Great Britain
 -UBS AG, London Branch, Great Britain

Handelsbanken Amerika Tema

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes in its entirety companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies with key activities within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies deemed to be in breach of international norms and conventions. Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We conduct dialogues for the purpose of encouraging companies to improve their

sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
 - B. Dialogues together with other investors/capital owners
 - C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP
- A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.
- B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.
- C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

Annual General Meetings and nomination committees

Handelsbanken Fonder normally votes at general meetings in those companies where ownership exceeds 0.5 or when there is a vote on matters of particular concern. 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 general meetings.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.*

Follow-up of sustainability work

Inclusion

During the year we invested in the decking manufacturer Trex, which is one of the world's largest producers of composite decking. The composite is made of 95% recycled materials, such as plastic that is not only sustainable but is also a relatively inexpensive input. In contrast to wood decking, there is no maintenance required for the lifetime of the composite decking. As a result, the product is taking market share from wood decking.

During the year we also invested in Texas-based Darling Ingredients. Darling recycles food waste, oils and fats to produce ingredients, fats and protein for food. Most interesting is that Darling can use its "feedstock" to produce renewable diesel through its joint venture with Valero. This is currently just over 10 percent of sales, although this segment will represent over 50 percent of sales after major investments (which are already partially underway) over the next three to five years. We believe that more states than just California will reward a larger share of renewable diesel in their diesel mix.

Exclusion

The fund sold its entire holding in the specialty chemical company Sensient during the year. We have seen a major trend over several years from synthetic to natural dyes where the company has a strong market position. After several restructuring programmes and adjustments to their strategic objectives, we believe that management has a credibility issue. We believe that the company has not listened sufficiently to its larger shareholders and we are not satisfied with how company leadership is handling the management and control of the business operations. Therefore, we sold the fund's entire position in the company during the year.

The Management Company's engagement activities

- A. The fund engaged in two targeted dialogues directly with companies. The fund invested in the power company Nextera, which primarily distributes electricity to customers in Florida. The company also has a growing business within renewable energy and is one of the largest wind and solar power operators in the US. Nextera has a high rating for its sustainability activities. In conjunction with investments in gas

transport pipelines, we held dialogues with the company related to the inappropriateness of making new investments in fossil fuels, which is the case for natural gas. Although natural gas is preferable to burning oil, it is still a fossil fuel and we do not agree with the company's analysis that defines it as "clean energy".

As a major shareholder, we have had a good and ongoing dialogue with Kadant's management group for many years about sustainability issues. Kadant is a subcontractor to the packaging industry. The company manufactures small but critical products for large machinery and has a very strong market position globally. The company has developed products and filters for some time to reduce the usage of water in the production of packaging. During the year, the company developed a technology to reduce the usage of plastic in straws and cups. The company was designated as "the greenest company in Massachusetts" in 2019 and will release its first ESG report at the beginning of 2020.

During the year we also had a more formal dialogue with MasTec, Inc. The company specialises in the construction, installation, service and repair of infrastructure in the US. MasTec, Inc. is one of a maximum of three players in the market with sufficient scale, technical expertise and balance sheet to undertake major projects. We believe that the company's model is misunderstood – over 40 percent is service, operation and maintenance of the customers' assets. We also believe that the major work undertaken by the company within safety (work conditions) is not known to the market. Thus, our objective is to have the company begin reporting KPIs related to this in 2020.

- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund held holdings in five of these companies.

One of the companies subject to dialogue was UnitedHealth Group. The dialogue concerned allegations that the company does not respect consumer rights in the US. The company is accused of using deceptive and misleading marketing practices.

- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.



Handelsbanken Asien Tema

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The objective is to exceed the returns in the underlying market (defined as the benchmark index) over the long term. The fund invests in equities that are primarily issued by companies in Asia, New Zealand and Australia or in companies that have a minimum of 50% of their business activity or market in Asia, and thereby have a currency exposure in these markets. The thematic investment strategy implies that investments occur primarily in companies associated with long-term investment themes that have been carefully selected, analysed and are expected to experience a long period of growth. Examples of the main themes are Demographics, Productivity, Lifestyles and the Environment. International norms and guidelines for the environment, social responsibility and corporate governance are taken into consideration within the scope of the fund's investment focus. The fund applies an exclusion strategy on companies active within the fossil fuel, war materials, tobacco, cannabis, alcohol, commercial gambling and pornography areas/sectors. However, the fund may invest in companies that are involved in power generation, distribution or services related to fossil fuel in which the company is deemed to be transitioning its business operations to more renewable energy. Further information is available in the fund's information brochure. The fund may invest a maximum of 10% of the fund capital in fund units. We compare fund performance with an index consisting of Solactive ISS ESG Screened GM Asia ex Japan UCITS Index. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 30.2% in 2019*. The strongest contributors to fund returns were the Chinese internet companies Alibaba, Tencent, NetEase and Momo Inc., the insurance companies AIA and Ping An, the technology companies TSMC, Samsung Electronics, Sunny Optical and Largan, the casino company Sands, the education company New Oriental Education, the Chinese cement company Anhui Conch and the bank China Merchants Bank. None of the holdings had a particularly negative impact on returns during the period. The fund's focus on strong companies within technology and digitalisation was very positive for returns in 2019. We increased our holdings in Alibaba, Tencent and Momo Inc. We remain positive to these areas over the long term since they benefit from the greater purchasing power of the middle class and demonstrate good growth, high profitability and strong cash flows. We expect Alibaba's and Tencent's business operations within fintech to contribute very positively to their total profit growth in the coming years.

*) 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

An investment in an equity fund is characterised by high risk as well as by the potential for high returns. As a result, the value of the fund can fluctuate significantly over time. The fund's investments are concentrated geographically to equities issued by companies in Asia, New Zealand and Australia, with emphasis on countries in Southeast Asia. As a result, the risk in the fund is higher than an investment in a diversified global equity fund that distributes its investments across several regions. However, the fund's investments are made in companies in several sectors or branches that contribute to lowering the risk in the fund over time. Given that the fund's investments are made in foreign equities denominated in currencies other than the fund's base currency, an investment in the fund is associated with currency risk. Given that the fund consists of different share classes, the changes in exchange rates can result in a differentiation in risk classifications between different share classes depending on the type of currency in which the share class is traded. The fund's liquidity risk is deemed to be moderately high due to the fund's size in relation to the size or turnover of the markets and securities in which

the fund invests. This can impact the fund's ability to complete the purchase and sale of securities under stressful market conditions. The fund may invest in derivatives to protect the value of the fund's underlying assets, to maintain the desired level of risk in the fund portfolio or to minimise management costs. The volume of trading is limited where applicable and is expected to have a marginal impact on the fund's risk profile. Investments in emerging markets may be subject to increased exposure for operational risks such as the risk that political decisions, shortcomings in the financial infrastructure or weaknesses in the securities regulations that can negatively impact the fund's performance and value.

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 2019. The fund has the option of lending securities. The fund used this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

On 30 April 2019, the fund changed index from MSCI AC Asia ex Japan Net to Solactive ISS ESG Screened GM Asia ex Japan UCITS Index. The change in the index was to adapt the fund for sustainability to exclude a greater number of controversial business operations than previously. The fund changed its fund rules on 1 June 2019.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fund report.

Shareholder commitments

Based on the Management Company's Policy for Shareholder Engagement, which includes guidelines for responsible investment, voting at general meetings, work on the nomination committee, and dialogue with the portfolio management companies are undertaken independently or in collaboration with others. It is our understanding that this work leads to better governance and reduced sustainability risks in the portfolio management companies, which in turn leads to a positive value growth.

The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management Company then takes independent decisions on those matters that will be subject to a vote or another decision-making process.

The Management Company normally votes for all of the equities in the fund in those companies where voting takes place, although there are exceptions, such as in markets where the equities are in a lock-up period to enable registration for voting at a general meeting. Any securities loans are typically recalled prior to a general meeting to ensure that votes can be cast for all of the equities, although the securities loans can remain in effect at the time of the general meeting if it is deemed to be in the common interest of unit holders and there is no significant impact on active ownership.

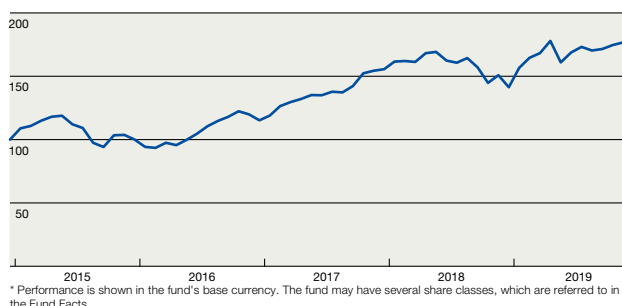
No conflicts of interest have arisen between the Management Company and the portfolio management company in conjunction with the funds' investments. Information is available in the Management Company's

Policy for Shareholder Engagement on how the Management Company in general manages conflicts of interest that can arise as a result of the funds' investments.

Read more about how Handelsbanken Fonder acts in ownership matters and about the fund company's guidelines for responsible investments in the company's Policy for shareholder engagement and responsible investments which can be found under

<https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>

Fund Performance*



Fund Facts - History

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net asset value										
Asien Tema A1 - SEK ¹⁾	753.86	578.92	637.21	471.96	409.56	409.61	324.62	311.40	272.91	317.05
Asien Tema A1 - EUR ¹⁾	71.74	57.12	64.81	49.25	44.72	-	-	-	-	-
Asien Tema A1 - NOK ¹⁾	707.57	565.42	636.58	447.18	430.00	-	-	-	-	-
Asien Tema A10 - SEK	766.23	583.23	-	-	-	-	-	-	-	-
Asien Tema A10 - EUR	72.93	57.55	-	-	-	-	-	-	-	-
Asien Tema A10 - NOK	719.39	569.63	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	-4,898	3,441	776	385	-322	102	-380	-104	-	-
Fund capital total, mSEK	8,303	10,746	8,205	5,441	3,474	3,702	2,852	3,105	2,760	3,171
Asien Tema A1 - SEK	7,747	9,021	7,635	5,129	3,407	3,702	2,852	3,105	2,760	3,171
Asien Tema A1 - EUR	24	26	30	17	5	-	-	-	-	-
Asien Tema A1 - NOK	160	279	276	145	18	-	-	-	-	-
Asien Tema A10 - SEK	12	1,073	-	-	-	-	-	-	-	-
Asien Tema A10 - EUR	4	4	-	-	-	-	-	-	-	-
Asien Tema A10 - NOK	76	62	-	-	-	-	-	-	-	-
Number of units, 1000's	11,011	18,547	12,876	11,530	8,481	9,037	8,785	9,971	10,114	10,001
Asien Tema A1 - SEK	10,277	15,582	11,982	10,867	8,317	9,037	8,785	9,971	10,114	10,001
Asien Tema A1 - EUR	332	456	460	338	122	-	-	-	-	-
Asien Tema A1 - NOK	226	494	434	325	42	-	-	-	-	-
Asien Tema A10 - SEK	16	1,840	-	-	-	-	-	-	-	-
Asien Tema A10 - EUR	54	66	-	-	-	-	-	-	-	-
Asien Tema A10 - NOK	106	109	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Asien Tema A1 - SEK	+30.2	-9.1	+35.0	+15.2	0.0	+26.2	+4.2	+16.5	-12.8	+12.6
Asien Tema A1 - EUR	+25.6	-11.9	+31.6	+10.1	+3.4	-	-	-	-	-
Asien Tema A1 - NOK	+25.1	-11.2	+42.4	+4.0	+9.6	-	-	-	-	-
Asien Tema A10 - SEK	+31.4	-8.3	-	-	-	-	-	-	-	-
Asien Tema A10 - EUR	+26.7	-11.1	-	-	-	-	-	-	-	-
Asien Tema A10 - NOK	+26.3	-10.4	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Asien Tema A1 - SEK	+25.6	-7.3	+27.7	+13.6	-2.2	+27.7	+2.4	+15.8	-13.1	+12.5
Asien Tema A1 - EUR	+21.2	-10.1	+24.5	+8.6	+1.2	-	-	-	-	-
Asien Tema A1 - NOK	+20.8	-9.3	+34.7	+2.5	+7.2	-	-	-	-	-
Asien Tema A10 - SEK	+25.6	-7.3	-	-	-	-	-	-	-	-
Asien Tema A10 - EUR	+21.2	-10.1	-	-	-	-	-	-	-	-
Asien Tema A10 - NOK	+20.8	-9.3	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Asien Tema A1 - SEK	2.7	2.4	2.5	2.6	2.6	2.4	2.0	2.2	2.0	1.0
Asien Tema A1 - EUR	2.7	2.4	2.5	2.6	2.6	-	-	-	-	-
Asien Tema A1 - NOK	2.7	2.4	2.5	2.6	2.6	-	-	-	-	-
Asien Tema A10 - SEK	2.7	2.4	-	-	-	-	-	-	-	-
Asien Tema A10 - EUR	2.7	2.4	-	-	-	-	-	-	-	-
Asien Tema A10 - NOK	2.7	2.4	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Asien Tema A1 - SEK	+8.8	+10.8	+24.7	+7.3	+12.3	+14.7	+10.2	+0.8	-0.9	+30.8
Asien Tema A1 - EUR	+5.2	+7.7	+20.4	+6.7	+10.4	-	-	-	-	-
Asien Tema A1 - NOK	+5.4	+12.4	+21.7	+6.8	+18.4	-	-	-	-	-
Asien Tema A10 - SEK	+9.7	+11.7	-	-	-	-	-	-	-	-
Asien Tema A10 - EUR	+6.2	+8.7	-	-	-	-	-	-	-	-
Asien Tema A10 - NOK	+6.4	+13.5	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+7.9	+8.8	+20.5	+5.4	+11.8	+14.4	+8.9	+0.3	-1.1	+31.0
EUR	+4.4	+5.8	+16.3	+4.8	+9.9	-	-	-	-	-
NOK	+4.6	+10.5	+17.5	+4.9	+17.9	-	-	-	-	-
Average yearly return, 5 yrs. %										
Asien Tema A1 - SEK	+13.0	+12.3	+15.4	+12.0	+6.0	+8.5	+12.6	+0.1	+1.9	+6.3
Asien Tema A1 - EUR	+10.7	+9.3	+12.3	+10.4	+5.6	-	-	-	-	-
Asien Tema A1 - NOK	+12.5	+13.0	+19.0	+14.0	+10.2	-	-	-	-	-
Asien Tema A10 - SEK	+14.0	+13.3	-	-	-	-	-	-	-	-
Asien Tema A10 - EUR	+11.7	+10.3	-	-	-	-	-	-	-	-
Asien Tema A10 - NOK	+13.5	+14.1	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+10.6	+11.0	+13.2	+11.0	+5.2	+8.2	+12.1	+0.9	+3.1	+8.7
EUR	+8.3	+8.0	+10.1	+9.4	+4.9	-	-	-	-	-
NOK	+10.1	+11.7	+16.8	+12.9	+9.4	-	-	-	-	-
Average yearly return, 10 yrs. %										
Asien Tema A1 - SEK	+10.7	+12.4	+7.5	+6.9	+6.1	+10.0	+7.4	+8.6	+3.7	+5.5
Asien Tema A1 - EUR	+10.4	+13.4	+7.0	+6.2	+6.4	-	-	-	-	-
Asien Tema A1 - NOK	+12.4	+13.5	+9.4	+7.3	+8.4	-	-	-	-	-
Asien Tema A10 - SEK	+11.8	+13.5	-	-	-	-	-	-	-	-
Asien Tema A10 - EUR	+11.5	+14.4	-	-	-	-	-	-	-	-

Handelsbanken Asien Tema, cont.

Fund Facts - History cont.

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Asien Tema A10 - NOK	+13.4	+14.6	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+9.4	+11.5	+6.8	+6.9	+6.9	+11.2	+9.3	+11.1	+6.8	+9.4
EUR	+9.1	+12.4	+6.4	+6.3	+7.2	-	-	-	-	-
NOK	+11.0	+12.6	+8.7	+7.4	+9.2	-	-	-	-	-
Dividends per unit, SEK	-	-	-	-	-	-	-	6.18	3.81	1.58
Exchange rate EUR/SEK	10.51	10.13	9.83	9.58	9.16	-	-	-	-	-
Exchange rate NOK/SEK	1.07	1.02	1.00	1.06	0.95	-	-	-	-	-

1) The net asset value was adjusted on June 16, 2014 after a judgment in the Administrative Court in Falun. Pursuant to the judgment, funds with U.S. Holdings shall be charged with full U.S. withholding taxes as of January 1, 2012. As of June 16, 2014, full U.S. withholding taxes were deducted until an Administrative Court of Appeals in Sundsvall changed the Administrative Court's judgment on March 30, 2015, and the withholding taxes previously reserved were repaid to each fund concerned.

Benchmark: Solactive ISS ESG Screened GM Asia ex Japan UCITS Index

Up to 02/01/2014: MSCI All Country Far East ex Japan Net

Up to 30/04/2019: MSCI Asia AC ex Japan

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 information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Asien Tema A1	1.50
Asien Tema A10	0.60
Collected mgmt. costs in % of average fund capital	
Asien Tema A1	1.50
Asien Tema A10	0.60
Annual fees in %	
Asien Tema A1	1.50
Asien Tema A10	0.60
Transaction costs, SEKt	13,565
Transaction costs in % of turnover	0.10
Costs in SEK for a one-time subscription, 10 000 SEK	
Asien Tema A1	183.98
Asien Tema A10	73.93
Costs in SEK for monthly savings, 100 SEK	
Asien Tema A1	10.56
Asien Tema A10	4.24

Fund Facts - Other Key Figures

Turnover rate	0.4
Share of turnover conducted via closely-related securities companies in %	0.0
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	16.3	Information ratio - A1 SEK	0.3
Total risk % - A1 EUR	15.3	Information ratio - A1 EUR	0.3
Total risk % - A1 NOK	14.3	Information ratio - A1 NOK	0.3
Total risk % - A10 SEK	16.3	Information ratio - A10 SEK	0.7
Total risk % - A10 EUR	15.3	Information ratio - A10 EUR	0.7
Total risk % - A10 NOK	14.3	Information ratio - A10 NOK	0.7
Total risk in index % - A1 SEK	15.2	Sharpe ratio - A1 SEK	0.6
Total risk in index % - A1 EUR	14.1	Sharpe ratio - A1 EUR	0.4
Total risk in index % - A1 NOK	13.5	Sharpe ratio - A1 NOK	0.3
Total risk in index % - A10 SEK	15.2	Sharpe ratio - A10 SEK	0.6
Total risk in index % - A10 EUR	14.1	Sharpe ratio - A10 EUR	0.4
Total risk in index % - A10 NOK	13.5	Sharpe ratio - A10 NOK	0.4
Benchmark	Solactive ISS ESG Screened GM Asia ex Japan UCITS Index	Sharpe ratio in index - A1 SEK	0.6
		Sharpe ratio in index - A1 EUR	0.3
		Sharpe ratio in index - A1 NOK	0.3
Active Share % ¹⁾	51.9	Sharpe ratio in index - A10 SEK	0.6
Active return % - A1 SEK	0.8	Sharpe ratio in index - A10 EUR	0.3
Active return % - A1 EUR	0.8	Sharpe ratio in index - A10 NOK	0.3
Active return % - A1 NOK	0.8		
Active return % - A10 SEK	1.8		
Active return % - A10 EUR	1.8		
Active return % - A10 NOK	1.8		

1) As of the balance sheet date.

* 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.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	2,387,407	-926,727
Changes in value for other derivative instruments**	317	-246
Interest income	3,474	3,230
Dividends	209,082	150,980
Currency exchange profits and losses, net	31,355	12,968
Other financial income ¹⁾	989	1,394
Other income	4	1
Total income and changes in value	2,632,628	-758,400
EXPENSES		
Management costs:		
- Remuneration to the Management Company	151,896	127,993
Interest expense	323	83
Other financial expenses ²⁾	198	282
Other expenses	25,477	12,613
Total expenses	177,894	140,971
Net income	2,454,734	-899,371

* Details of changes in value

Capital gains	1,428,012	1,148,986
Capital losses	-452,077	-173,034
Unrealised gains/losses	1,411,472	-1,902,679
Sum	2,387,407	-926,727

** Details of changes in value

Capital gains	25	-
Unrealised gains/losses	293	-246
Sum	317	-246

1) The item consists primarily of premiums for securities lent.

2) The items consist primarily of expenses for securities borrowed.

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	8,197,401	98.7	9,533,018	88.7
Other derivative instruments with positive market value	317	0.0	25	0.0
Total financial instruments with positive market value ^{Note 2)}	8,197,718	98.7	9,533,043	88.7
Bank assets and other liquid assets	97,311	1.2	1,203,181	11.2
Prepaid expenses and accrued income	7,357	0.1	12,885	0.1
Other assets	26,134	0.3	9,529	0.1
Total assets	8,328,520	100.3	10,758,638	100.1
LIABILITIES				
Accrued expenses and prepaid income	10,336	0.1	12,691	0.1
Other liabilities	15,501	0.2	38	0.0
Total liabilities	25,837	0.3	12,729	0.1
Fund capital ^{Note 1)}	8,302,683	100.0	10,745,909	100.0
Financial instruments lent	274,388	3.3	235,599	2.2
Collateral received for financial instruments lent	304,040	3.7	261,840	2.4

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	10,745,909	8,204,667
Units issued	3,198,752	5,942,806
Units redeemed	-8,096,712	-2,502,193
Profit according to Income Statement	2,454,734	-899,371
Dividends to unit holders	-	-
Fund capital at the close of the period	8,302,683	10,745,909

Handelsbanken Asien Tema, cont.

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
CHINA (CNY)			
3SBio HK	1,200,000	14,561	0.2
51job ADR	5,000	3,974	0.0
58.com ADR	141,254	85,592	1.0
Alibaba Group Holding ADR	398,429	791,072	9.5
Alibaba Group Holding Ord Shs	60,000	14,936	0.2
Anhui Conch Cement HKD	3,095,159	211,212	2.5
Autohome ADR	44,694	33,475	0.4
Baidu ADR	10,515	12,442	0.1
China Construction Bank	17,326,846	140,095	1.7
China Life Insurance HKD	100,000	2,601	0.0
China Merchants Bank	2,569,500	123,634	1.5
China Mobile HKD	1,326,413	104,377	1.3
China South Locomotive and Rolling Stock	2,200,000	15,013	0.2
Fosun International	1,070,000	14,603	0.2
Hainan Meilan International Airport	848,747	5,639	0.1
Industrial & Commercial Bank of China HKD	14,833,593	106,926	1.3
JD.com ADR	580,000	191,278	2.3
Meituan Dianpi-B Rg	400,000	48,969	0.6
MOMO	670,070	210,131	2.5
NetEase	30,032	86,206	1.0
New Oriental	108,370	123,003	1.5
Ping An Insurance	2,685,618	297,160	3.6
Shenzhen International Group Holdings	150,000	20,526	0.2
Sunac China Holdings	1,500,000	83,888	1.0
Sunny Optical Technology Group	770,000	124,793	1.5
Tencent	1,792,648	808,923	9.7
Trip.com Group ADR	100,000	31,397	0.4
Weibo Sp ADS-A	47,648	20,674	0.2
WuXi Biologics (Cayman) Inc.	200,000	23,704	0.3
		3,750,801	45.2
HONG KONG (HKD)			
AIA Group	3,167,443	311,278	3.7
Bank of China HKD	428,582	13,928	0.2
China Mengniu Dairy	900,000	34,060	0.4
China Overseas Land & Investment	5,343,564	194,839	2.3
China Resources Land	2,256,905	105,204	1.3
CK Asset Holdings	371,940	25,135	0.3
Geely Automobile Holdings	1,100,000	20,140	0.2
Hang Seng Bank	348,876	67,481	0.8
Hong Kong Exchanges and Clearing	456,137	138,644	1.7
New World Development	1,290,973	16,564	0.2
Nine Dragons Paper Holdings	1,000,000	9,731	0.1
NWS Holdings	1,134,598	14,885	0.2
Sino Biopharmaceutical	2,250,000	29,464	0.4
Sun Hung Kai Properties	560,686	80,361	1.0
Techtronic Industries	100,000	7,635	0.1
Wharf Real Estate Investment	676,000	38,617	0.5
Wheelock	292,943	18,283	0.2
Xinyi Glass Holdings	4,200,000	52,073	0.6
		1,178,326	14.2
INDIA (INR)			
HDFC Bank Ord Shs	1,614,420	269,338	3.2
HDFC Standard Rg	250,000	20,526	0.2
Housing Development Finance	575,000	181,930	2.2
Maruti Suzuki India	10,000	9,664	0.1
Tata Consultancy Services	208,282	59,048	0.7
		540,505	6.5
INDONESIA (IDR)			
Bank Central Asia	1,800,000	40,570	0.5
Bank Rakyat Indonesia	16,527,650	49,037	0.6
Pakuwon Jati	55,000,000	21,139	0.3
Surya Citra Media	7,800,000	7,416	0.1
Telkom Indonesia	13,701,552	36,679	0.4
		154,841	1.9
KOREA, REPUBLIC OF (KRW)			
CJ O Shopping Ord Shs	13,328	17,219	0.2
Daum Kakao	32,000	39,761	0.5
Hynix Semiconductor	35,000	26,660	0.3
KB Financial Group	44,000	16,971	0.2
Modetour Network	48,826	7,193	0.1
NCSOFT	5,000	21,896	0.3
Samsung Electronics	261,357	118,050	1.4
Samsung Electronics pref	303,100	111,388	1.3
Shinhan Financial Group	61,361	21,532	0.3
SK Telecom	6,000	11,559	0.1
		392,229	4.6
MALAYSIA (MYR)			
Malaysia Airports	650,000	11,305	0.1
		11,305	0.1
PHILIPPINES (PHP)			
Ayala	120,000	17,423	0.2
Ayala Land	14,562,045	122,468	1.5
BDO Unibank	932,158	27,223	0.3
D&L Industries	8,002,162	14,051	0.2
Globe Telecom	109,263	40,796	0.5
Jollibee Foods	250,000	9,981	0.1
Megawide Construction Ord Shs	4,774,300	14,455	0.2
SM Investments	244,500	47,136	0.6
SM Prime Holdings	9,833,750	76,523	0.9
		370,055	4.5

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
SINGAPORE (SGD)			
CapitaCommercial Trust	691,852	9,585	0.1
CapitaLand	465,743	12,159	0.1
DBS Group Holdings	1,415,623	255,051	3.1
Oversea-Chinese Banking	1,038,765	79,403	1.0
Singapore Telecommunications	1,134,641	26,620	0.3
United Overseas Bank	360,000	66,189	0.8
		449,006	5.4
TAIWAN, PROVINCE OF CHINA (TWD)			
Cathay Financial Holding	1,400,000	18,602	0.2
Largan Precision	100,000	156,137	1.9
Nan Liu Enterprise	185,000	7,943	0.1
Taiwan Semiconductor	7,381,321	762,954	9.2
Uni-President Enterprises	549,776	12,739	0.2
		958,376	11.5
THAILAND (THB)			
Airports of Thailand Ord Shs F	6,317,360	146,590	1.8
Bangkok Dusit Medical Services	4,875,000	39,612	0.5
Berli Jucker Ord Shs F	300,000	3,938	0.0
Central Pattana	3,390,000	65,950	0.8
CP All	1,003,226	22,652	0.3
Kasikornbank f/r	200,000	9,407	0.1
Major Cineplex	1,225,000	9,667	0.1
Minor International	4,706,657	52,953	0.6
Muangthai Capital Pcl Ord shs	150,000	2,988	0.0
		353,756	4.3
UNITED STATES (USD)			
Yum China Holdings Ord Shs When Issued	85,000	38,201	0.5
		38,201	0.5
Total listed equities		8,197,401	98.7

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
UNLISTED EQUITIES***			
HONG KONG (HKD)			
EganaGoldpfeil Holdings	128,000	0	0.0
		0	0.0
Total unlisted equities		0	0.0
Total transferable securities		8,197,401	98.7

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
EXCHANGE-TRADED DERIVATIVES**			
OPTIONS AND WARRANTS			
MINT W6 TB 1)	315,333	317	0.0
Total options and warrants		317	0.0
Total exchange-traded derivatives		317	0.0
Total holdings in financial instruments		8,197,718	98.7
Net, other assets and liabilities		104,965	1.3
Total fund capital		8,302,683	100.0

1) Options and warrants with underlying exposure of 317 tSEK, which is equivalent to 0.0% of fund capital.

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Samsung	2.7	Ayala	1.7

* 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.

Handelsbanken Asien Tema, cont.

Additional information on loaned securities

Volume of lent securities as a % of total lendable assets	4,45
------------------------------------------------------------------	-------------

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

The British Government	52 192
U.S.A	15 033
Nestle Sa	10 966
Bhp Group Plc	10 746
Aia Group Ltd	9 239
General Electric Co	7 710
Lowe's Cos Inc	7 338
Royal Dutch Shell Plc	7 123
The French Government	7 016
Prudential Plc	5 336

The largest counterparties for securities lending, SEK thousand:

UBS AG, London Branch, Great Britain	191 245
Goldman Sachs Intl, Great Britain	51 396
Citigroup Global Markets Ltd, Great Britain	29 698
Credit Suisse Securities (Europe) Ltd, Great Britain	2 049
	274 388

Type and quality of collateral, SEK thousand:

Equities	223 408
Bonds and other interest-bearing instruments	80 632
	304 040

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 one day	-
One day to one week	-
One week to one month	168
One to three months	511
Three months to one year	1 963
Greater than one year	77 989
Indeterminate duration	223 408
	304 040

Currency of the collateral, SEK thousand:

AUD	5 711
CAD	2 010
CHF	11 285
DKK	1 549
EUR	49 599
GBP	95 330
HKD	9 771
JPY	16 755
SEK	31
SGD	1 310
USD	110 689
	304 040

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

Settlement and clearing for securities lending is conducted through a third party.

The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 21 SEK 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:

-Citigroup Global Markets Ltd, Great Britain
 -Credit Suisse Securities (Europe) Ltd, Great Britain
 -Goldman Sachs Intl, Great Britain
 -J.P. Morgan Securities Plc, Great Britain
 -Merrill Lynch Intl, Great Britain
 -UBS AG, London Branch, Great Britain

Handelsbanken Asien Tema

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes in its entirety companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies with key activities within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We conduct dialogues for the purpose of encouraging companies to improve their

sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
 - B. Dialogues together with other investors/capital owners
 - C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP
- A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.
- B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.
- C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

Annual General Meetings and nomination committees

Handelsbanken Fonder normally votes at general meetings in those companies where ownership exceeds 0.5 or when there is a vote on matters of particular concern. 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 general meetings.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.

Follow-up of sustainability work

Inclusion

The fund has had a major investment in Taiwan Semiconductor Manufacturing Corporation for some time. We increased our investment in the company further in 2019 and the holding currently totals approximately 9 percent of the fund's total value. The company is a major role model within global manufacturing with its strong focus on sustainability. For example, the company's production facilities are highly energy-efficient and almost all of the water used is recycled. The fund also invested in CapitalLand Commercial Trust, which is a leading property management company in Asia with regard to green buildings. All of the company's buildings are certified as green buildings. Geely Automobile was also added to the portfolio. The company is at the forefront within electrical cars and also takes great care of its employees. Geely provides extensive amounts of training and has a competitive reward system.

Exclusion

The fund began to apply enhanced sustainability requirements during the year. As a result, we sold holdings in Reliance Industries, which is active within fossil fuels, as well as the casino companies Sands China and Galaxy Entertainment Group. These companies are relatively sustainable within their sectors, although the sectors as a whole were excluded.

The Management Company's engagement activities

- A. The fund engaged in three targeted dialogues directly with companies. We began a dialogue with Anhui Conch Cement due to the company's substantial carbon emissions. The company's level of emissions are not satisfactory and our objective is to have Conch reduce the gap to the best companies within the same sector. In collaboration with other major investors, we analysed a number of companies in the cement industry and have an ongoing dialogue with Conch about what

measures could be taken to reduce the company's emissions. We also initiated dialogues with Nine Dragons Paper and Xinyi Glass concerning emissions.

- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund held holdings in two of these companies.

One of the companies subject to dialogue was Industrial & Commercial Bank of China. The dialogue concerned the follow-up of an investigation on potential money laundering in Spain.

- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.

General meetings and nomination committees

The Management Company voted at 34 annual general meetings on behalf of the fund during the year.

The fund did not have any holdings in companies in which the Management Company was represented on a nomination committee.



Handelsbanken Brasilien Tema

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in equities issued by companies in Brazil and in companies that have a minimum of 50% of their operations or market in Brazil. Consequently, the fund has a currency exposure to this market. The thematic investment strategy implies that investments occur primarily in companies associated with long-term investment themes that have been carefully selected, analysed and are expected to experience a long period of growth. Examples of the main themes are Demographics, Productivity, Lifestyles and the Environment. International norms and guidelines for the environment, social responsibility and corporate governance are taken into consideration within the scope of the fund's investment focus. The fund applies an exclusion strategy on companies active within the fossil fuel, war materials, tobacco, cannabis, alcohol, commercial gambling and pornography areas/sectors. However, the fund may invest in companies that are involved in power generation, distribution or services related to fossil fuel in which the company is deemed to be transitioning its business operations to more renewable energy. Further information is available in the fund's information brochure. The fund may invest a maximum of 10% of the fund capital in fund units. We compare fund performance with Solactive ISS ESG Screened Brazil Small & Mid Cap UCITS Index. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 52.4% in 2019*. The fund is managed with a thematic investment process, where focus is on stable companies with strong balance sheets. Current themes in the fund include Demographics, Productivity and the Environment. 2019 was characterised by political developments in Brazil, where the newly-elected president Jair Bolsonaro's government worked to drive a number of reforms through Congress. There appears to be an understanding between Congress and the president regarding what needs to be accomplished, which is positive. The important pension reforms were approved in H2. The pension reforms are essential for stabilising public spending. In addition, Congress approved a telecom reform that makes it possible to transition from obsolete investment areas with negative returns to technologies that enhance competitiveness. We expect this to be positive for both Brazil as well as the telecom sector. The water and sewage sector in Brazil is suffering from under-investment. A re-regulation of the market is currently being worked through Congress with the objective of having more transparent regulations and improved opportunities for privatisation. The sewage system in Brazil has major deficiencies and investments are far from being sufficient. We believe this can change rapidly with improved regulations, which can result in major environmental and health benefits as an extra bonus. The water and sewage company Sabesp was one of the strongest contributors to returns in 2019. The event management company Time for Fun was the weakest contributor to returns. The company had a difficult year and had a weak pipeline of major concerts and a ruling that limits the potential for charging fees to sell tickets to events in Brazil. The fund implemented specific sustainability criteria at the turn of the month April/May. As a result, the fund may no longer invest in a number of controversial sectors, such as alcohol and fossil fuels, as well as in companies that violate international norms. The introduction of sustainability criteria does not result in any change to the composition of the portfolio.

* 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

An investment in an equity fund is characterised by high risk as well as by

the potential for high returns. As a result, the value of the fund can fluctuate significantly over time. The fund's investments are concentrated geographically to the Brazilian equity market. As a result, the risk in the fund is higher than an investment in a diversified global equity fund that distributes its investments across several regions. However, the fund's investments are made in companies in several sectors, branches or themes that contribute to lowering the risk in the fund over time. Given that the fund's investments are made in foreign equities denominated in currencies other than the fund's base currency, an investment in the fund is associated with currency risk. Given that the fund consists of different share classes, the changes in exchange rates can result in a differentiation in risk classifications between different share classes depending on the type of currency in which the share class is traded. The fund's liquidity risk is deemed to be moderately high due to the fund's size in relation to the size or turnover of the markets and securities in which the fund invests. This can impact the fund's ability to complete the purchase and sale of securities under stressful market conditions. The fund may invest in derivatives to protect the value of the fund's underlying assets, to maintain the desired level of risk in the fund portfolio or to minimise management costs. The volume of trading is limited where applicable and is expected to have a marginal impact on the fund's risk profile.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

On 30 April 2019, the fund changed index from MSCI Brazil SMID Net to Solactive ISS ESG Screened Brazil Small & Mid Cap UCITS Index. The change in the index was to adapt the fund for sustainability to exclude a greater number of controversial business operations than previously. The fund changed its fund rules on 1 June 2019. The fund changed its name from Handelsbanken Brasilien to Handelsbanken Brasilien Tema.

The fund's historical performance prior to the launch date is attributed to the merger between Handelsbanken Funds Brazil (Luxemburg) and Handelsbanken Brasilien (Sweden) that occurred on December 7, 2018.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Shareholder commitments

Based on the Management Company's Policy for Shareholder Engagement, which includes guidelines for responsible investment, voting at general meetings, work on the nomination committee, and dialogue with the portfolio management companies are undertaken independently or in collaboration with others. It is our understanding that this work leads to better governance and reduced sustainability risks in the portfolio management companies, which in turn leads to a positive value growth.

The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management

Handelsbanken Brasilien Tema, cont.

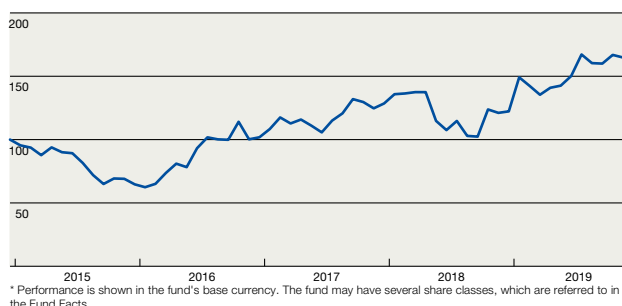
Company then takes independent decisions on those matters that will be subject to a vote or another decision-making process.

The Management Company normally votes for all of the equities in the fund in those companies where voting takes place, although there are exceptions, such as in markets where the equities are in a lock-up period to enable registration for voting at a general meeting. Any securities loans are typically recalled prior to a general meeting to ensure that votes can be cast for all of the equities, although the securities loans can remain in effect at the time of the general meeting if it is deemed to be in the common interest of unit holders and there is no significant impact on active ownership.

No conflicts of interest have arisen between the Management Company and the portfolio management company in conjunction with the funds' investments. Information is available in the Management Company's Policy for Shareholder Engagement on how the Management Company in general manages conflicts of interest that can arise as a result of the funds' investments.

Read more about how Handelsbanken Fonder acts in ownership matters and about the fund company's guidelines for responsible investments in the company's Policy for shareholder engagement and responsible investments which can be found under <https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>

Fund Performance*



Fund Facts - History

	2019	7/12-31/12 2018	2017	2016	2015	2014	2013	2012	2011	2010
Net asset value										
Brasilien Tema A1 - SEK	142.74	93.68	-	-	-	-	-	-	-	-
Brasilien Tema A1 - EUR	13.58	9.24	-	-	-	-	-	-	-	-
Brasilien Tema A1 - NOK	133.99	91.50	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	127	-36	-	-	-	-	-	-	-	-
Fund capital total, mSEK	980	565	-	-	-	-	-	-	-	-
Brasilien Tema A1 - SEK	931	530	-	-	-	-	-	-	-	-
Brasilien Tema A1 - EUR	1	1	-	-	-	-	-	-	-	-
Brasilien Tema A1 - NOK	32	24	-	-	-	-	-	-	-	-
Number of units, 1000's	6,866	6,032	-	-	-	-	-	-	-	-
Brasilien Tema A1 - SEK	6,521	5,662	-	-	-	-	-	-	-	-
Brasilien Tema A1 - EUR	106	109	-	-	-	-	-	-	-	-
Brasilien Tema A1 - NOK	239	260	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Brasilien Tema A1 - SEK	+52.4	-4.9	+26.2	+57.4	-35.3	+4.2	-21.1	+27.8	-22.5	-
Brasilien Tema A1 - EUR	+47.0	-7.7	+23.0	+50.5	-33.1	-2.7	-23.6	+32.6	-21.5	-
Brasilien Tema A1 - NOK	+46.4	-7.0	+33.1	+42.1	-29.1	+5.6	-12.9	+25.5	-22.0	-
Index including dividends in %, SEK										
Brasilien Tema A1 - SEK	+56.1	+5.9	+24.6	+75.5	-36.3	+3.2	-23.3	+8.6	-22.4	-
Brasilien Tema A1 - EUR	+50.6	+2.8	+21.4	+67.8	-34.1	-3.5	-25.7	+12.7	-21.3	-
Brasilien Tema A1 - NOK	+50.1	+3.6	+31.3	+58.4	-30.1	+4.7	-15.4	+6.8	-21.8	-
Tracking error, 2 yrs. %										
Brasilien Tema A1 - SEK	5.4	5.6	5.1	7.3	6.9	5.5	5.4	5.0	-	-
Brasilien Tema A1 - EUR	5.4	5.6	-	-	-	-	-	-	-	-
Brasilien Tema A1 - NOK	5.4	5.6	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Brasilien Tema A1 - SEK	+20.4	+9.6	+41.0	+0.9	-17.9	-9.4	+0.4	-0.5	-	-
Brasilien Tema A1 - EUR	+16.5	+6.6	+36.1	+0.3	-19.3	-13.7	+0.7	+2.0	-	-
Brasilien Tema A1 - NOK	+16.7	+11.3	+37.5	+0.4	-13.5	-4.1	+4.6	-1.0	-	-
Comparison to index including dividends, %										
SEK	+28.6	+14.9	+47.9	+5.8	-18.9	-11.0	-8.7	-8.2	-	-
EUR	+24.4	+11.7	+42.7	+5.2	-20.3	-15.3	-8.5	-5.8	-	-
NOK	+24.7	+16.6	+44.2	+5.2	-14.5	-5.9	-4.9	-8.7	-	-
Average yearly return, 5 yrs. %										
Brasilien Tema A1 - SEK	+13.3	+5.0	+1.1	+1.3	-12.1	-	-	-	-	-
Brasilien Tema A1 - EUR	+10.9	+2.2	-1.6	-0.1	-12.3	-	-	-	-	-
Brasilien Tema A1 - NOK	+12.8	+5.7	+4.3	+3.1	-8.6	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+18.2	+8.8	+2.0	-0.8	-15.7	-	-	-	-	-
EUR	+15.7	+5.9	-0.8	-2.2	-16.0	-	-	-	-	-
NOK	+17.7	+9.5	+5.2	+0.9	-12.4	-	-	-	-	-
Exchange rate EUR/SEK	10.51	10.13	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.07	1.02	-	-	-	-	-	-	-	-

Benchmark: MSCI Brazil SMID Net

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

Detailed information for the share classes' designation (nomenclature) is provided in the information provided by the Management Company.

Refer to the last page for definitions.

Handelsbanken Brasilien Tema, cont.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.85
Collected mgmt. costs in % of average fund capital	1.85
Annual fees in %	1.85
Transaction costs, SEKT	1,307
Transaction costs in % of turnover	0.07
Costs in SEK for a one-time subscription, 10 000 SEK	228.63
Costs in SEK for monthly savings, 100 SEK	13.30

Fund Facts - Other Key Figures

Turnover rate	1.1
Share of turnover conducted via closely-related securities companies in %	0.0
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	29.4	Information ratio - A1 EUR	Negative
Total risk % - A1 EUR	29.3	Information ratio - A1 NOK	Negative
Total risk % - A1 NOK	28.2	Sharpe ratio - A1 SEK	0.7
Total risk in index % - A1 SEK	26.8	Sharpe ratio - A1 EUR	0.6
Total risk in index % - A1 EUR	26.6	Sharpe ratio - A1 NOK	0.6
Total risk in index % - A1 NOK	25.1	Sharpe ratio in index - A1 SEK	1.1
Benchmark	MSCI Brazil SMID Net	Sharpe ratio in index - A1 EUR	0.9
Active return % - A1 SEK	-8.2	Sharpe ratio in index - A1 NOK	1.0
Active return % - A1 EUR	-7.9	Active Share % ¹⁾	64.9
Active return % - A1 NOK	-8.0		
Information ratio - A1 SEK	Negative		

1) As of the balance sheet date.

* 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.

Income Statement, SEKT

	2019	7/12-31/12 2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	284,145	5,055
Changes in value for fund units **	3,296	-850
Interest income	134	8
Dividends	16,833	1,193
Currency exchange profits and losses, net	-1,115	-2,607
Other income	574	6,131
Total income and changes in value	303,867	8,930
EXPENSES		
Management costs:		
- Remuneration to the Management Company	14,226	699
Interest expense	42	2
Other expenses	1,308	323
Total expenses	15,576	734
Net income	288,291	8,197
* Details of changes in value		
Capital gains	106,643	466
Capital losses	-22,583	-851
Unrealised gains/losses	200,085	5,440
Sum	284,145	5,055
** Details of changes in value		
Capital gains	4,993	400
Capital losses	-1,748	-95
Unrealised gains/losses	51	-1,155
Sum	3,296	-850

Balance Sheet, SEKT

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	940,400	96.0	533,474	94.4
Fund units	-	-	15,915	2.8
Total financial instruments with positive market value ^{Note 2)}	940,400	96.0	549,389	97.2
Bank assets and other liquid assets	73,336	7.5	12,282	2.2
Prepaid expenses and accrued income	3,561	0.4	1,102	0.2
Other assets	9,361	0.9	2,987	0.5
Total assets	1,026,658	104.8	565,760	100.1
LIABILITIES				
Accrued expenses and prepaid income	1,341	0.1	699	0.1
Other liabilities	45,342	4.7	0	0.0
Total liabilities	46,683	4.8	699	0.1
Fund capital ^{Note 1)}	979,975	100.0	565,061	100.0

Note 1) for Balance Sheet

Changes in fund capital, SEKT

	2019	2018
Fund capital at beginning of year	565,061	-
Units issued ¹⁾	1,500,721	602,060
Units redeemed	-1,374,098	-45,196
Profit according to Income Statement	288,291	8,197
Dividends to unit holders	-	-
Fund capital at the close of the period	979,975	565,061

1) SEK 592 449 1 refers to the total capital of the Luxembourg-registered fund Brasilienfonden which was merged on 7 December 2018.

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
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LISTED EQUITIES

CONSUMER DISCRETIONARY

B2W	295,093	43,166	4.4
Cogna Educacao Ord Shs	1,189,650	31,643	3.2
Even	437,450	15,840	1.6
GAEC Educacao	316,100	21,913	2.2
Lojas American Right	3,161	69	0.0
Lojas Americanas	395,577	23,851	2.4
Lojas Renner	194,425	25,422	2.6
Magazine Luiza N Rg	43,200	4,795	0.5
São Paulo Alpargatas	278,175	21,491	2.2
T4F Entretenimento	552,983	8,043	0.8
Valid	192,000	7,587	0.8
		203,819	20.9

CONSUMER STAPLES

Andina B ADR	21,827	3,576	0.4
Grupo Pão de Açúcar pref	184,753	37,683	3.8
M. Dias Branco	144,500	12,828	1.3
Natura & Co Holding	306,634	27,593	2.8
		81,681	8.3

FINANCIALS AND REAL ESTATE

Alliance Sonae Shopping Centers Ord Shs	315,852	36,853	3.8
B3 Brasil Bolsa Balcao Ord Shs	249,737	24,972	2.5
Banco ABC Brasil pref	471,958	22,174	2.3
Banco do Brasil	360,396	44,298	4.5
BR Malls	853,702	35,878	3.7
LPS Brasil	483,186	10,716	1.1
SulAmérica	385,373	53,735	5.5
		228,627	23.3

HEALTH CARE

Fleury	478,913	34,024	3.5
Hapvida Rg	60,000	8,922	0.9
Ouro Fino Saude Animal Participacoes Or	44,750	4,478	0.5
Profarma	354,596	5,339	0.5
Raia Drogasil	28,000	7,274	0.7
		60,037	6.1

INDUSTRIALS

Companhia de Locacao das Americas Ord S			
hs	409,000	21,615	2.2
COPEL	311,294	50,034	5.1
Duralex	710,000	27,625	2.8
EcoRodovias	566,006	21,469	2.2
Localiza Rent a Car	136,773	15,090	1.5
Portobello Ord Shs	214,552	2,681	0.3
Santos Brasil Participacoes Ord Shs	1,129,371	21,498	2.2
		160,012	16.3

INFORMATION TECHNOLOGY

Totvs	250,150	37,575	3.8
		37,575	3.8

MATERIALS

Klabin UNT	719,845	30,839	3.1
Suzano Bahia Sul Papel E Celulose Ord S	78,500	7,249	0.7
		38,088	3.9

TELECOMMUNICATION SERVICES

Jereissati Participacoes Ord Shs	167,434	14,728	1.5
Oi	5,420,000	10,847	1.1
Telefônica Brasil	106,926	14,427	1.5
		40,002	4.1

UTILITIES

CESP pref	163,762	12,172	1.2
COPASA	67,500	10,680	1.1
CTEEP	76,000	3,993	0.4
Light	404,170	22,347	2.3
SABESP	192,090	27,071	2.8
		76,262	7.8

OTHER

Arezzo	96,000	14,297	1.5
		14,297	1.5

Total listed equities	940,400	96.0
Total transferable securities	940,400	96.0

Handelsbanken Brasilien Tema, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Total holdings in financial instruments		940,400	96.0
Net, other assets and liabilities		39,575	4.0
Total fund capital		979,975	100.0

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

96.0

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

-

*** Refers to other financial instruments.

-

Handelsbanken Brasilien Tema

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes in its entirety companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies with key activities within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We

conduct dialogues for the purpose of encouraging companies to improve their sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
- B. Dialogues together with other investors/capital owners
- C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP

A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.

B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.

C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

Annual General Meetings and nomination committees

Handelsbanken Fonder normally votes at general meetings in those companies where ownership exceeds 0.5 or when there is a vote on matters of particular concern. 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 general meetings.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.

Follow-up of sustainability work

Inclusion

A major problem for Brazil is the shortage of qualified labour and a lack of good educational opportunities. The market for privately financed education has changed in Brazil due to the revised study grant system and increased supply of distance learning (e-learning). We believe that the changes have made it even more important to focus on high-quality education to assist in a positive development of society and to create conditions for a sustainable business model. Anima is a company we see as a leader within high-quality education. Anima has been conservative with regard to distance learning, which protects the company's brand and reduces the risk for price competition.

Exclusion

The fund has actively chosen not to invest in Bradespar. Bradespar is an investment company that controls the mining giant Vale, together with a number of other shareholders (Bradespar's only investment). We see a number of issues with an investment in Vale, including oppression of the rights of minorities. During the year the shortcomings in Vale's sustainability activities emerged further. The dam accident in Brumadinho, the second of the same type in three years, had devastating consequences and over 250 people lost their lives in the accident.

The Management Company's engagement activities

- A. The fund engaged in three targeted dialogues directly with the companies during the year.

The forests of the Amazon is not only critical for Brazil and South America, but also for the entire world. Increased deforestation, often aimed at expanding agriculture, emerged as an issue in Brazil during the year. We do not have any direct exposure to the agriculture sector, but we have initiated a dialogue with the bank Banco do Brasil. The bank has a significant portion of its lending to the agriculture sector. As a result of the dialogue, we hope to gain a better understanding of how the bank works with this issue when it extends credit.

- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund held holdings in one of these companies.

A dialogue was held with Cia Paranaense De Energia Copel to have the company strengthen its guidelines for environment impact assessments for new projects in Brazil.

- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.

General meetings and nomination committees

The Management Company voted at 23 annual general meetings on behalf of the fund during the year.

The fund did not have any holdings in companies in which the Management Company was represented on a nomination committee.



Handelsbanken EMEA Tema

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in equities issued by companies in the EMEA region (Eastern Europe, including the former Soviet republics and Greece, the Middle East and Africa) and thereby has currency exposure to these markets. The thematic investment strategy implies that investments occur primarily in companies associated with long-term investment themes that have been carefully selected, analysed and are expected to experience a long period of growth. Examples of the main themes include Demographics, Productivity, Lifestyles and the Environment. International norms and guidelines for the environment, social responsibility and corporate governance are taken into consideration within the scope of the fund's investment focus. The fund applies an exclusion strategy on companies active within the fossil fuel, war materials, tobacco, cannabis, alcohol, commercial gambling and pornography areas/sectors. However, the fund may invest in companies that are involved in power generation, distribution or services related to fossil fuel in which the company is deemed to be transitioning its business operations to more renewable energy. Further information is available in the fund's information brochure. The fund may invest a maximum of 10% of the fund capital in fund units. We compare fund performance with Solactive ISS ESG Screened EM EMEA ex Saudi Arabia UCITS Index. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 20.1% in 2019*. Currencies had a positive impact on fund performance, as the SEK weakened against most currencies. Russia and Rumania posted the most strength. The strongest holdings were within the renewable energy theme, with the solar energy companies Israeli Energiz and Norwegian Scatec Solar that have a significant exposure to Africa. Rumanian Banca Transilvania, Serbian Asseco SAE and South African Capitec were positive contributors within the financial inclusion theme. Other major holdings within banks included Russian Sberbank and Hungarian OTP Bank, which contributed positively for the second year in a row. However, the education theme did not fare well when companies with operations in South Africa such as Curro were sold and Advtech was hurt by the weak economic growth in the country. Within healthcare, the South African pharmacy chain Clicks rose on the back of a weak market, given a well-positioned business model and effective allocation of capital.

*) 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

An investment in an equity fund is characterised by high risk as well as by the potential for high returns. As a result, the value of the fund can fluctuate significantly over time. The fund's investments are concentrated geographically to equities issued by companies in the EMEA region (Eastern Europe, including all of the former Soviet republics, the Middle East and Africa). As a result, the risk in the fund is higher than an investment in a diversified global equity fund that distributes its investments across several regions. However, the fund's investments are made in companies in several sectors or branches that contribute to lowering the risk in the fund over time. Given that the fund's investments are made in foreign equities denominated in currencies other than the fund's base currency, an investment in the fund is associated with currency risk. Given that the fund consists of different share classes, the changes in exchange rates can result in a differentiation in risk classifications between different share classes depending on the type of currency in which the share class is traded. The fund's liquidity risk is deemed to be moderately high due to the fund's size in relation to the size

or turnover of the markets and securities in which the fund invests. This can impact the fund's ability to complete the purchase and sale of securities under stressful market conditions. The fund may invest in derivatives to protect the value of the fund's underlying assets, to maintain the desired level of risk in the fund portfolio or to minimise management costs. The volume of trading is limited where applicable and is expected to have a marginal impact on the fund's risk profile. Investments in emerging markets may be subject to increased exposure for operational risks such as the risk for unforeseen political decisions, shortcomings in the financial infrastructure or weaknesses in the securities regulations of a country or region. The operational risks can negatively impact the fund's performance and value if the risks materialise.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund used this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

On 30 April 2019, the fund changed index from MSCI EM EMEA 10/40 Net to Solactive ISS ESG Screened EM EMEA ex Saudi Arabia UCITS Index. This was due to the change to a sustainability-oriented index that excludes a greater number of controversial business operations than previously. The fund's investment focus has not been affected by the change. The fund changed its fund rules on 1 June 2019.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Shareholder commitments

Based on the Management Company's Policy for Shareholder Engagement, which includes guidelines for responsible investment, voting at general meetings, work on the nomination committee, and dialogue with the portfolio management companies are undertaken independently or in collaboration with others. It is our understanding that this work leads to better governance and reduced sustainability risks in the portfolio management companies, which in turn leads to a positive value growth.

The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management Company then takes independent decisions on those matters that will be subject to a vote or another decision-making process.

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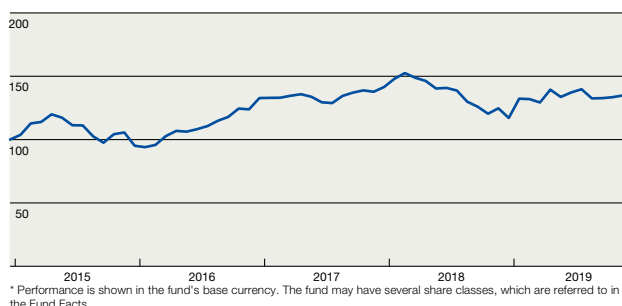
No conflicts of interest have arisen between the Management Company

Handelsbanken EMEA Tema, cont.

and the portfolio management company in conjunction with the funds' investments. Information is available in the Management Company's Policy for Shareholder Engagement on how the Management Company in general manages conflicts of interest that can arise as a result of the funds' investments.

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Fund Performance*



Fund Facts - History

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net asset value										
EMEA Tema A1 - SEK	433.18	360.60	435.88	408.99	292.93	308.00	381.83	394.05	326.70	436.46
EMEA Tema A1 - EUR	41.23	35.58	44.33	42.68	31.99	-	-	-	-	-
EMEA Tema A1 - NOK	406.63	352.19	435.44	387.52	307.55	-	-	-	-	-
EMEA Tema A10 - SEK	441.04	363.49	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	-452	101	-171	-85	58	-307	-263	-219	-	-
Fund capital total, mSEK	1,331	1,506	1,101	1,203	944	939	1,502	1,821	1,687	2,371
EMEA Tema A1 - SEK	1,268	1,448	1,041	1,144	905	939	1,502	1,821	1,687	2,371
EMEA Tema A1 - EUR	3	3	2	2	1	-	-	-	-	-
EMEA Tema A1 - NOK	27	27	43	41	28	-	-	-	-	-
EMEA Tema A10 - SEK	1	1	-	-	-	-	-	-	-	-
Number of units, 1000's	3,073	4,178	2,525	2,942	3,222	3,049	3,933	4,621	5,164	5,431
EMEA Tema A1 - SEK	2,929	4,016	2,389	2,797	3,091	3,049	3,933	4,621	5,164	5,431
EMEA Tema A1 - EUR	76	84	38	39	42	-	-	-	-	-
EMEA Tema A1 - NOK	66	76	98	106	89	-	-	-	-	-
EMEA Tema A10 - SEK	2	2	-	-	-	-	-	-	-	-
Total returns in %, SEK										
EMEA Tema A1 - SEK	+20.1	-17.3	+6.6	+39.6	-4.9	-19.3	-3.1	+22.6	-24.4	+13.8
EMEA Tema A1 - EUR	+15.9	-19.7	+3.9	+33.4	-1.6	-	-	-	-	-
EMEA Tema A1 - NOK	+15.5	-19.1	+12.4	+26.0	+4.3	-	-	-	-	-
EMEA Tema A10 - SEK	+21.3	-16.4	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
EMEA Tema A1 - SEK	+23.0	-5.3	+8.5	+35.5	-8.1	-14.1	-5.6	+20.9	-23.0	+11.1
EMEA Tema A1 - EUR	+18.6	-8.2	+5.7	+29.5	-5.0	-	-	-	-	-
EMEA Tema A1 - NOK	+18.2	-7.4	+14.4	+22.2	+0.7	-	-	-	-	-
EMEA Tema A10 - SEK	+23.0	-5.3	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
EMEA Tema A1 - SEK	4.7	5.5	4.6	4.7	4.5	3.3	2.1	1.7	1.9	1.7
EMEA Tema A1 - EUR	4.7	5.5	4.6	4.7	4.5	-	-	-	-	-
EMEA Tema A1 - NOK	4.7	5.5	4.6	4.7	4.5	-	-	-	-	-
EMEA Tema A10 - SEK	4.7	5.5	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
EMEA Tema A1 - SEK	-0.3	-6.1	+22.0	+15.2	-12.4	-11.6	+9.0	-3.7	-7.3	+41.0
EMEA Tema A1 - EUR	-3.6	-8.7	+17.7	+14.6	-13.9	-	-	-	-	-
EMEA Tema A1 - NOK	-3.4	-4.7	+19.0	+14.6	-7.7	-	-	-	-	-
EMEA Tema A10 - SEK	+0.7	-5.2	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+7.9	+1.3	+21.2	+11.5	-11.2	-9.9	+6.8	-3.5	-7.5	+38.1
EUR	+4.4	-1.5	+17.0	+10.9	-12.7	-	-	-	-	-
NOK	+4.6	+2.9	+18.2	+10.9	-6.3	-	-	-	-	-
Average yearly return, 5 yrs. %										
EMEA Tema A1 - SEK	+7.1	-1.1	+2.0	+4.9	-7.2	-3.8	+12.3	-6.6	-6.3	+3.8
EMEA Tema A1 - EUR	+4.9	-3.8	-0.7	+3.4	-7.4	-	-	-	-	-
EMEA Tema A1 - NOK	+6.6	-0.5	+5.3	+6.7	-3.5	-	-	-	-	-
EMEA Tema A10 - SEK	+8.1	-0.2	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+9.5	+1.9	+1.8	+4.1	-7.0	-3.4	+10.9	-6.3	-5.9	+5.1
EUR	+7.2	-0.8	-0.9	+2.5	-7.3	-	-	-	-	-
NOK	+9.0	+2.6	+5.0	+5.8	-3.4	-	-	-	-	-
Average yearly return, 10 yrs. %										
EMEA Tema A1 - SEK	+1.5	+5.4	-2.4	-0.8	-1.8	+4.4	+8.9	+12.2	+8.6	+11.6
EMEA Tema A1 - EUR	+1.2	+6.2	-2.7	-1.4	-1.6	-	-	-	-	-
EMEA Tema A1 - NOK	+3.0	+6.4	-0.7	-0.4	+0.3	-	-	-	-	-
EMEA Tema A10 - SEK	+2.5	+6.4	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+2.8	+6.3	-2.3	-1.0	-1.2	+5.3	+9.4	+13.3	+9.8	+12.3
EUR	+2.5	+7.2	-2.7	-1.6	-0.9	-	-	-	-	-
NOK	+4.3	+7.3	-0.6	-0.6	+0.9	-	-	-	-	-
Dividends per unit, SEK	-	-	-	-	-	-	-	6.37	4.40	4.53
Exchange rate EUR/SEK	10.51	10.13	9.83	9.58	9.16	-	-	-	-	-
Exchange rate NOK/SEK	1.07	1.02	1.00	1.06	0.95	-	-	-	-	-

Benchmark: Solactive ISS ESG Screened EM EMEA ex Saudi Arabia UCITS Index

Up to 02/07/2018: MSCI Emerging Market Europe 10/40 Net

Up to 30/04/2019: MSCI EM EMEA 10/40 Net

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

Detailed information for the share classes' designation (nomenclature) is provided in the information provided by the Management Company.

Refer to the last page for definitions.

Handelsbanken EMEA Tema, cont.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
EMEA Tema A1	1.60
EMEA Tema A10	0.60
Collected mgmt. costs in % of average fund capital	
EMEA Tema A1	1.60
EMEA Tema A10	0.60
Annual fees in %	
EMEA Tema A1	1.60
EMEA Tema A10	0.60
Transaction costs, SEKt	2,045
Transaction costs in % of turnover	0.11
Costs in SEK for a one-time subscription, 10 000 SEK	
EMEA Tema A1	182.56
EMEA Tema A10	68.80
Costs in SEK for monthly savings, 100 SEK	
EMEA Tema A1	10.72
EMEA Tema A10	4.03

Fund Facts - Other Key Figures

Turnover rate	0.4
Share of turnover conducted via closely-related securities companies in %	0.4
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	15.6	Information ratio - A1 SEK	Negative
Total risk % - A1 EUR	15.2	Information ratio - A1 EUR	Negative
Total risk % - A1 NOK	13.0	Information ratio - A1 NOK	Negative
Total risk % - A10 SEK	15.6	Information ratio - A10 SEK	Negative
Total risk in index % - A1 SEK	14.7	Sharpe ratio - A1 SEK	0.0
Total risk in index % - A1 EUR	14.8	Sharpe ratio - A1 EUR	-0.2
Total risk in index % - A1 NOK	12.4	Sharpe ratio - A1 NOK	-0.3
Total risk in index % - A10 SEK	14.7	Sharpe ratio - A10 SEK	0.1
Benchmark	Solactive ISS ESG	Sharpe ratio in index - A1 SEK	0.6
	Screened EM EMEA ex	Sharpe ratio in index - A1 EUR	0.3
	Saudi Arabia UCITS Index	Sharpe ratio in index - A1 NOK	0.3
Active Share % ¹⁾	61.3	Sharpe ratio in index - A10 SEK	0.6
Active return % - A1 SEK	-8.2		
Active return % - A1 EUR	-7.9		
Active return % - A1 NOK	-8.0		
Active return % - A10 SEK	-7.2		

1) As of the balance sheet date.

* 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.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	245,684	-220,038
Interest income	359	140
Dividends	50,279	32,850
Currency exchange profits and losses, net	2,744	-3,171
Other financial income ¹⁾	6,690	112
Other income	43	1
Total income and changes in value	305,799	-190,106
EXPENSES		
Management costs:		
- Remuneration to the Management Company	24,818	17,239
Interest expense	105	118
Other financial expenses ²⁾	1,338	22
Other expenses	2,700	2,922
Total expenses	28,961	20,301
Net income	276,838	-210,407
* Details of changes in value		
Capital gains	160,491	186,363
Capital losses	-131,650	-151,308
Unrealised gains/losses	216,843	-255,093
Sum	245,684	-220,038

1) The item consists primarily of premiums for securities lent.

2) The items consist primarily of expenses for securities borrowed.

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	1,309,816	98.4	1,483,271	98.5
Total financial instruments with positive market value ^{Note 2)}	1,309,816	98.4	1,483,271	98.5
Bank assets and other liquid assets	21,127	1.6	19,255	1.3
Prepaid expenses and accrued income	26	0.0	551	0.0
Other assets	1,826	0.1	12,082	0.8
Total assets	1,332,795	100.1	1,515,159	100.6
LIABILITIES				
Accrued expenses and prepaid income	1,778	0.1	1,958	0.1
Other liabilities	-	-	6,716	0.5
Total liabilities	1,778	0.1	8,674	0.6
Fund capital ^{Note 1)}	1,331,017	100.0	1,506,485	100.0
Financial instruments lent	74,170	5.6	16,503	1.1
Collateral received for financial instruments lent	84,854	6.4	19,321	1.3

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	1,506,485	1,100,510
Units issued ¹⁾	130,545	902,914
Units redeemed	-582,851	-286,532
Profit according to Income Statement	276,838	-210,407
Dividends to unit holders	-	-
Fund capital at the close of the period	1,331,017	1,506,485

1) SEK 515 147 t refers to the total capital of the Luxembourg-registered Rysslandsfonden which was merged on 7 December 2018.

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
CYPRUS (EUR)			
Mail.ru ADR	67,000	13,986	1.1
MD Medical Group GDR	416,032	19,395	1.5
		33,381	2.6
EGYPT (EGP)			
Commercial International Bank	745,000	35,567	2.7
Edita Food Industries GDR	130,432	6,593	0.5
EFG Hermes Holding Co	400,000	8,238	0.6
		50,398	3.8
GREECE (EUR)			
Fourlis Holdings	100,000	6,084	0.5
JUMBO	76,067	14,827	1.1
Terna Energy	437,659	35,227	2.6
		56,138	4.2
HUNGARY (HUF)			
OTP Bank	85,000	41,672	3.1
		41,672	3.1
ISRAEL (ILS)			
Solaredge Technologies Ord Shs	30,000	26,704	2.0
		26,704	2.0
JERSEY (GBP)			
Integrated Diagnostics	329,121	12,324	0.9
		12,324	0.9
KAZAKHSTAN (KZT)			
Halyk Bank	88,000	10,997	0.8
		10,997	0.8
KUWAIT (KWD)			
HumanSoft Hldg Br	130,000	12,085	0.9
National Bank of Kuwait Ord Shs	500,000	16,512	1.2
		28,597	2.2
NETHERLANDS (EUR)			
Yandex	125,000	50,889	3.8
		50,889	3.8
NIGERIA (NGN)			
Guaranty Trust Bank GDR	600,000	25,050	1.9
		25,050	1.9
NORWAY (NOK)			
Scatec Solar	260,000	34,373	2.6
		34,373	2.6
POLAND (PLN)			
Asseco South Eastern Europe Ord Shs	120,000	7,356	0.6
Bank Pekao	115,000	28,552	2.1
Benefit Systems	5,908	12,880	1.0
CD Projekt	15,000	10,363	0.8
		59,150	4.4

Handelsbanken EMEA Tema, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
QATAR (QAR)			
Commercial Bank of Qatar	600,000	7,250	0.5
		7,250	0.5
ROMANIA (RON)			
Banca Transilvania	2,200,000	12,534	0.9
Med Life Rg	50,000	3,732	0.3
		16,266	1.2
RUSSIAN FEDERATION (RUB)			
Bank St. Petersburg	919,720	7,804	0.6
Detsky Mir PJSC - USD	1,080,000	16,277	1.2
GTRK USD	676,440	5,984	0.4
LSR Group	55,000	6,333	0.5
M.video	100,000	7,816	0.6
Novolipetskiy Metallurgicheskiy Kombina	550,000	11,913	0.9
Obuv Rossii OOO1	1,207,352	7,825	0.6
Phosagro Ord Shs	24,000	8,710	0.7
Sberbank	2,965,000	113,840	8.6
Sberbank pref	580,000	19,957	1.5
		206,459	15.5
SLOVENIA (EUR)			
Nova Ljubljanska banka GDR	70,000	8,871	0.7
		8,871	0.7
SOUTH AFRICA (ZAR)			
Abds Group Ltd	215,000	21,489	1.6
Advtech Ord Shs	1,560,000	11,279	0.8
Bidvest Group	195,000	26,731	2.0
Capitec Bank	32,500	31,464	2.4
City Lodge	200,000	9,639	0.7
Clicks Group	155,000	26,624	2.0
Discovery	255,000	20,592	1.5
FirstRand	965,000	40,569	3.0
Johannesburg Stock Exchange	105,000	8,401	0.6
LIFE Healthcare Group	1,400,000	23,102	1.7
MTN Group	465,000	25,678	1.9
MultiChoice Group Ord Shs (Proposed)	270,000	21,057	1.6
Naspers	84,700	129,890	9.8
Oceana Grp ord sh	170,000	7,005	0.5
Old Mutual Limited Ord Shs	1,250,000	16,451	1.2
PSG Group	45,000	7,054	0.5
Sanlam	380,000	20,122	1.5
Stadio Holdings	2,842,088	3,805	0.3
Transaction Capital Ord	600,000	8,475	0.6
		459,427	34.5
SWEDEN (SEK)			
Ferronordic Machines Ord Shs	50,000	8,150	0.6
		8,150	0.6
TURKEY (TRY)			
AvivaSA Emeklilik ve Hayat	313,584	6,876	0.5
Lokman Hekim Engurusag Saglik Turizm Eg	1,000,000	9,092	0.7
Turkcell	790,000	17,149	1.3
Ülker	250,000	8,793	0.7
		41,911	3.2
UNITED ARAB EMIRATES (AED)			
Aramex Ord Shs	1,170,000	10,645	0.8
DP World	115,000	14,102	1.1
Dubai Islamic Bank	950,000	13,340	1.0
Emaar Properties	1,000,000	10,245	0.8
Emirates	1,477,493	48,950	3.7
		97,283	7.3
UNITED KINGDOM (GBP)			
Airtel Africa Ord Shs When Issued	1,950,000	19,334	1.5
Network International Holdings Ord Shs	65,000	5,167	0.4
NMC Health Ord Shs	20,000	4,383	0.3
Tbc Bank Group Ord Shs	35,000	5,642	0.4
		34,526	2.6
Total listed equities		1,309,816	98.4
Total transferable securities		1,309,816	98.4
Total holdings in financial instruments		1,309,816	98.4
Net, other assets and liabilities		21,201	1.6
Total fund capital		1,331,017	100.0

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

98.4

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

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*** Refers to other financial instruments.

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Compilation, Company and Group exposure*

Company/Group	% of fund capital
Sberbank	10.1

* 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.

Additional information on loaned securities

Volume of lent securities as a % of total lendable assets **7.79**

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

The British Government	44 148
Toyota Motor Corp	2 337
Marubeni Corp	2 337
Central Japan Railway Co	2 335
Oriental Land Co Ltd/Japan	2 321
Synopsis Inc	2 318
Citizens Financial Group Inc	1 713
Koninklijke Ahold Delhaize Nv	1 486
The French Government	1 271
National Grid Plc	1 262

The largest counterparties for securities lending, SEK thousand:

J.P. Morgan Securities Plc, Great Britain	47 372
HSBC Bank Plc, Great Britain	24 532
Merrill Lynch Intl, Great Britain	1 161
Citigroup Global Markets Ltd, Great Britain	833
Goldman Sachs Intl, Great Britain	272
	74 170

Type and quality of collateral, SEK thousand:

Equities	37 888
Bonds and other interest-bearing instruments	46 966
	84 854

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 one day	-
One day to one week	-
One week to one month	-
One to three months	-
Three months to one year	1 272
Greater than one year	45 694
Indeterminate duration	37 888
	84 854

Currency of the collateral, SEK thousand:

AUD	2
CAD	123
CHF	406
DKK	150
EUR	12 519
GBP	51 316
HKD	2 745
JPY	11 009
SEK	35
SGD	451
USD	6 098
	84 854

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

Settlement and clearing for securities lending is conducted through a third party.

The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 21 SEK 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:

-Credit Suisse Securities (Europe) Ltd, Great Britain
 -Goldman Sachs Intl, Great Britain
 -J.P. Morgan Securities Plc, Great Britain, Great Britain
 -Merrill Lynch Intl, Great Britain
 -UBS AG, London Branch, Great Britain

Handelsbanken EMEA Tema

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes in its entirety companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies with key activities within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We conduct dialogues for the purpose of encouraging companies to improve their

sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
 - B. Dialogues together with other investors/capital owners
 - C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP
- A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.
- B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.
- C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

Annual General Meetings and nomination committees

Handelsbanken Fonder normally votes at general meetings in those companies where ownership exceeds 0.5 or when there is a vote on matters of particular concern. 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 general meetings.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.

Follow-up of sustainability work

Inclusion

The fund invested in Tema Energy, which owns wind-, hydro-, solar- and biopower in Greece, Poland and Bulgaria. The company is in a growth phase and invests in new renewable facilities that allow fossil fuels to be phased out from the market and thereby contribute to a reduction in carbon emissions.

Another example is Diagnostics, which operates laboratories for health tests in Egypt, Sudan, Nigeria and Jordan. Improved data can reduce suffering and cure diseases at an earlier stage in a cost-effective manner. The company collaborates with local healthcare authorities.

Exclusion

In general, the fund has avoided mining companies, as the sustainability risks are significant in these companies. We also chose to sell our holdings in the steel company MMK, as the company has not shown a sufficient level of improvement in its sustainability report and we would also like to see clearer targets regarding reduced emissions.

The Management Company's engagement activities

- A. During the year the fund had three targeted dialogues directly with companies. We held dialogues with a number of banks, such as Sberbank in Russia and OTP in Hungary, to ensure that AML (Anti-Money Laundering) is implemented in a secure and transparent manner, as well as that the companies have addressed any previous irregularities. We have received appropriate responses from both of these banks.
- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund did not have any holdings in these companies.
- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.

General meetings and nomination committees

The Management Company voted at 29 annual general meetings on behalf of the fund during the year.

The fund did not have any holdings in companies in which the Management Company was represented on a nomination committee.



Handelsbanken Europa Selektiv

Management Report

Investment Focus

The fund is actively managed, which means that the fund manager is responsible for taking the active investment decisions. The fund's objective is to outperform the returns of the underlying market, defined as the benchmark index, over the long term. The fund invests over the long term in 16-35 European companies. We select companies that have historically demonstrated stable profit growth, strong balance sheets, sound business operations and dividend growth. 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 on companies active within the fossil fuel, war materials, tobacco, cannabis, alcohol, commercial gambling and pornography areas/sectors. However, the fund may invest in companies that are involved in power generation, distribution or services related to fossil fuel in which the company is deemed to be transitioning its business operations to more renewable energy. Further information is available in the fund's information brochure. The fund may invest a maximum of 10% of the fund capital in fund units. We compare the fund's performance with Solactive ISS ESG Screened Europe. As the fund is actively managed the performance will over time deviate from this index.

Portfolio

The fund rose 34.2% in SEK during 2019*. SAP, Novo Nordisk and CTS Eventim were the strongest positive contributors to fund returns. The largest negative contributor was the British outsourcing and distribution company Bunzl, which posted lower growth during the year. Uncertainty about Brexit also contributed to the relatively weak performance. The German business systems company SAP, which is the fund's largest holding, raised outlooks during the year for the full year 2019, at the same time as the company presented its ambition to improve operating margins until 2023, which was received positively by the market. Danish Novo Nordisk is a world leader within diabetes medications and has seen good growth during the year, driven primarily by the GLP-1 product category. German CTS Eventim is Europe's leading ticket sales company for live entertainment and showed strong growth and higher margins. The company also completed a number of acquisitions during the year. We continue to focus on constructing a portfolio of high-quality companies with varying drivers and strong outlooks, as well as with reasonable valuations. We took new positions in Associated British Foods, Deutsche Börse and Roche during the year. The existing holding in Prudential was spun-off in October by M&G, which became a new holding in the fund as a result. British Associated British Foods is a diversified company with strong positions within retail, foods and ingredients. German Deutsche Börse offers a high share of stable/recurring sales and structural growth within a number of areas. The Swiss pharmaceutical company Roche is a global leader within oncology. Roche has a strong portfolio and pipeline of new products within the core area of oncology as well as new segments such as neurology. We sold all of our holdings in Prosegur, Kingspan, Johnson Matthey and M&G during the year. Other adjustments to the portfolio included a reduction to the holdings in Huhtamäki, Straumann and Legrand, primarily to finance the new investments made by the fund during the year.

*) 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

An investment in an equity fund is characterised by high risk as well as by the potential for high returns. As a result, the value of the fund can fluctuate significantly over time. The fund's investments are concentrated geographically to equities issued by companies in Europe. As a result, the risk in the fund is higher than an investment in a diversified global equity fund that distributes its investments across several regions. However, the

fund's investments are made in a limited number of companies, which means that the fund has a higher risk than a fund that invests in several companies or sectors. Given that the fund's investments are made in foreign equities denominated in currencies other than the fund's base currency, an investment in the fund is associated with currency risk. Given that the fund consists of different share classes, the changes in exchange rates can result in a differentiation in risk classifications between different share classes depending on the type of currency in which the share class is traded. The fund's liquidity risk is deemed to be moderately high due to the fund's size in relation to the size or turnover of the markets and securities in which the fund invests. This can impact the fund's ability to complete the purchase and sale of securities under stressful market conditions. The fund may invest in derivatives to protect the value of the fund's underlying assets, to maintain the desired level of risk in the fund portfolio or to minimise management costs. The volume of trading is limited where applicable and is expected to have a marginal impact on the fund's risk profile.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund used this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

On 31 March 2019, the fund changed index from MSCI Europe Select Global Norms and Criteria Index to Solactive ISS ESG Screened Europe as a result of a change in the index provider. The fund's investment focus has not been affected by the change. The fund changed its fund rules on 1 June 2019.

The fund's historical performance prior to the launch date is attributed to the merger between Placeringsfonden Handelsbanken Europa Selektiv (Finland) and Handelsbanken Europa Selektiv (Sweden) that occurred on October 17, 2014.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Shareholder commitments

Based on the Management Company's Policy for Shareholder Engagement, which includes guidelines for responsible investment, voting at general meetings, work on the nomination committee, and dialogue with the portfolio management companies are undertaken independently or in collaboration with others. It is our understanding that this work leads to better governance and reduced sustainability risks in the portfolio management companies, which in turn leads to a positive value growth.

The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management Company then takes independent decisions on those matters that will be subject to a vote or another decision-making process.

The Management Company normally votes for all of the equities in the fund in those companies where voting takes place, although there are

Handelsbanken Europa Selektiv, cont.

Fund Facts - History cont.

	2019	2018	2017	2016	2015	17/10-31/12 2014	2013	2012	2011	2010
Europa Selektiv A1 - SEK	4.3	4.1	4.0	4.6	4.1	-	-	-	-	-
Europa Selektiv A1 - EUR	4.3	4.2	4.0	4.6	4.1	-	-	-	-	-
Europa Selektiv B1 - SEK	4.3	4.1	4.0	4.6	-	-	-	-	-	-
Europa Selektiv A1 - NOK	4.3	4.1	4.0	4.6	4.1	-	-	-	-	-
Europa Selektiv A9 - EUR	4.3	4.2	4.0	4.6	-	-	-	-	-	-
Europa Selektiv B1 - EUR	4.3	4.1	4.0	4.6	-	-	-	-	-	-
Europa Selektiv A10 - SEK	4.3	4.2	-	-	-	-	-	-	-	-
Europa Selektiv A10 - EUR	4.3	4.2	-	-	-	-	-	-	-	-
Europa Selektiv A10 - NOK	4.3	4.2	-	-	-	-	-	-	-	-
Europa Selektiv B10 - SEK	4.3	4.2	-	-	-	-	-	-	-	-
Europa Selektiv B10 - EUR	4.3	4.2	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Europa Selektiv A1 - SEK	+9.5	-1.8	+4.2	+3.5	+8.7	+15.3	+18.9	+5.0	+6.7	+24.0
Europa Selektiv A1 - EUR	+5.9	-4.5	+0.5	+2.9	+6.8	+9.7	+19.2	+7.7	+14.5	+36.9
Europa Selektiv A1 - NOK	+6.1	-0.3	+1.6	+3.0	+14.6	+22.0	+23.8	+4.5	+10.7	+22.5
Europa Selektiv A9 - EUR	+6.9	-3.7	+1.4	+3.8	-	-	-	-	-	-
Europa Selektiv A10 - SEK	+10.9	-0.6	-	-	-	-	-	-	-	-
Europa Selektiv A10 - EUR	+7.2	-3.3	-	-	-	-	-	-	-	-
Europa Selektiv A10 - NOK	+7.5	+0.9	-	-	-	-	-	-	-	-
Europa Selektiv B1 - SEK	+9.5	-1.8	+4.2	+3.5	+8.7	+15.3	+18.8	+5.0	+6.7	+24.0
Europa Selektiv B1 - EUR	+5.9	-4.5	+0.5	+2.9	+6.8	+9.7	+19.2	+7.7	+14.5	+36.9
Europa Selektiv B10 - SEK	+10.9	-0.6	-	-	-	-	-	-	-	-
Europa Selektiv B10 - EUR	+7.2	-3.3	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+10.1	+1.7	+9.9	+5.5	+8.4	-	-	-	-	-
EUR	+6.5	-1.1	+6.1	+4.9	+6.6	-	-	-	-	-
NOK	+6.7	+3.3	+7.2	+4.9	+14.3	-	-	-	-	-
Average yearly return, 5 yrs. %										
Europa Selektiv A1 - SEK	+6.8	+2.7	+9.0	+10.9	+9.3	+12.3	+15.3	+6.2	+1.1	+5.4
Europa Selektiv A1 - EUR	+4.6	0.0	+6.1	+9.3	+9.0	+14.0	+20.4	+8.3	+1.4	+6.3
Europa Selektiv A1 - NOK	+6.3	+3.4	+12.4	+12.8	+13.7	+16.1	+16.8	+6.6	-	-
Europa Selektiv A9 - EUR	+5.5	-	-	-	-	-	-	-	-	-
Europa Selektiv A10 - SEK	+8.1	+4.0	-	-	-	-	-	-	-	-
Europa Selektiv A10 - EUR	+5.9	+1.2	-	-	-	-	-	-	-	-
Europa Selektiv A10 - NOK	+7.7	+4.7	-	-	-	-	-	-	-	-
Europa Selektiv B1 - SEK	+6.8	+2.7	+9.0	+10.9	+9.3	+12.3	+15.2	+6.2	-	-
Europa Selektiv B1 - EUR	+4.6	0.0	+6.1	+9.3	+9.0	+14.0	+20.4	+8.3	-	-
Europa Selektiv B10 - SEK	+8.1	+4.0	-	-	-	-	-	-	-	-
Europa Selektiv B10 - EUR	+5.9	+1.2	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
EUR	+6.4	+2.8	+8.7	+10.2	+8.0	-	-	-	-	-
NOK	+8.2	+6.3	+15.3	+13.7	+12.6	-	-	-	-	-
SEK	+8.6	+5.6	+11.8	+11.8	+8.3	-	-	-	-	-
Average yearly return, 10 yrs. %										
Europa Selektiv A1 - SEK	+9.5	+8.8	+7.6	+5.9	+7.4	-	-	-	-	-
Europa Selektiv A1 - EUR	+9.2	+9.7	+7.2	+5.3	+7.6	-	-	-	-	-
Europa Selektiv A1 - NOK	+11.1	+9.9	+9.5	-	-	-	-	-	-	-
Europa Selektiv A10 - SEK	+10.8	+10.2	-	-	-	-	-	-	-	-
Europa Selektiv A10 - EUR	+10.6	+11.1	-	-	-	-	-	-	-	-
Europa Selektiv A10 - NOK	+12.5	+11.3	-	-	-	-	-	-	-	-
Europa Selektiv B1 - SEK	+9.5	+8.8	+7.6	-	-	-	-	-	-	-
Europa Selektiv B1 - EUR	+9.2	+9.7	+7.2	-	-	-	-	-	-	-
Europa Selektiv B10 - SEK	+10.8	+10.2	-	-	-	-	-	-	-	-
Europa Selektiv B10 - EUR	+10.6	+11.1	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+7.7	+6.9	+3.4	+3.1	+3.7	-	-	-	-	-
EUR	+7.4	+7.7	+3.0	+2.5	+3.9	-	-	-	-	-
NOK	+9.3	+7.9	+5.2	-	-	-	-	-	-	-
Dividends per unit, SEK										
Europa Selektiv B1 - SEK	5.87	6.79	6.39	6.71	6.30	-	-	-	-	-
Europa Selektiv B1 - EUR	0.56	0.67	0.67	0.72	0.68	-	-	-	-	-
Europa Selektiv B10 - SEK	5.94	6.79	-	-	-	-	-	-	-	-
Europa Selektiv B10 - EUR	0.56	0.67	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK										
	10.51	10.13	9.83	9.58	9.16	9.47	-	-	-	-
Exchange rate EUR/NOK										
	9.86	9.90	9.82	9.08	9.62	9.07	-	-	-	-

1) The net asset value was adjusted on June 16, 2014 after a judgment in the Administrative Court in Falun. Pursuant to the judgment, funds with U.S. Holdings shall be charged with full U.S. withholding taxes as of January 1, 2012. As of June 16, 2014, full U.S. withholding taxes were deducted until an Administrative Court of Appeals in Sundsvall changed the Administrative Court's judgment on March 30, 2015, and the withholding taxes previously reserved were repaid to each fund concerned.

Benchmark: Solactive ISS ESG Screened Europe

Up to 29/11/2018: MSCI Pan Euro Net Index

Up to 31/03/2019: MSCI Europe Select Global Norms and Criteria 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.

Detailed information for the share classes' designation (nomenclature) is provided in the information provided by the Management Company.

Refer to the last page for definitions.

Handelsbanken Europa Selektiv, cont.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Europa Selektiv A1	1.85
Europa Selektiv A9	0.95
Europa Selektiv A10	0.60
Europa Selektiv B1	1.85
Europa Selektiv B10	0.60
Collected mgmt. costs in % of average fund capital	
Europa Selektiv A1	1.85
Europa Selektiv A9	0.95
Europa Selektiv A10	0.60
Europa Selektiv B1	1.85
Europa Selektiv B10	0.60
Annual fees in %	
Europa Selektiv A1	1.85
Europa Selektiv A9	0.95
Europa Selektiv A10	0.60
Europa Selektiv B1	1.85
Europa Selektiv B10	0.60
Transaction costs, EURt	558
Transaction costs in % of turnover	0.12
Costs in EUR for a one-time subscription, 1 000 EUR	
Europa Selektiv A1	21.70
Europa Selektiv A9	11.19
Europa Selektiv A10	7.08
Europa Selektiv B1	21.70
Europa Selektiv B10	7.08
Costs in EUR for monthly savings, 10 EUR	
Europa Selektiv A1	1.29
Europa Selektiv A9	0.66
Europa Selektiv A10	0.42
Europa Selektiv B1	1.29
Europa Selektiv B10	0.42

Fund Facts - Other Key Figures

Turnover rate	0.7
Share of turnover conducted via closely-related securities companies in %	6.8
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	14.3	Information ratio - A1 SEK	Negative
Total risk % - A1 EUR	13.0	Information ratio - A1 EUR	Negative
Total risk % - A1 NOK	12.0	Information ratio - A1 NOK	Negative
Total risk % - A9 EUR	12.9	Information ratio - A9 EUR	0.1
Total risk % - A10 SEK	14.3	Information ratio - A10 SEK	0.2
Total risk % - A10 EUR	12.9	Information ratio - A10 EUR	0.2
Total risk % - A10 NOK	12.0	Information ratio - A10 NOK	0.2
Total risk % - B1 SEK	14.3	Information ratio - B1 SEK	Negative
Total risk % - B1 EUR	13.0	Information ratio - B1 EUR	Negative
Total risk % - B10 SEK	14.3	Information ratio - B10 SEK	0.2
Total risk % - B10 EUR	12.9	Information ratio - B10 EUR	0.2
Total risk in index % - A1 SEK	13.2	Sharpe ratio - A1 SEK	0.7
Total risk in index % - A1 EUR	11.7	Sharpe ratio - A1 EUR	0.5
Total risk in index % - A1 NOK	10.7	Sharpe ratio - A1 NOK	0.4
Total risk in index % - A9 EUR	11.7	Sharpe ratio - A9 EUR	0.6
Total risk in index % - A10 SEK	13.2	Sharpe ratio - A10 SEK	0.8
Total risk in index % - A10 EUR	11.7	Sharpe ratio - A10 EUR	0.6
Total risk in index % - A10 NOK	10.7	Sharpe ratio - A10 NOK	0.6
Total risk in index % - B1 SEK	13.2	Sharpe ratio - B1 SEK	0.7
Total risk in index % - B1 EUR	11.7	Sharpe ratio - B1 EUR	0.5
Total risk in index % - B10 SEK	13.2	Sharpe ratio - B10 SEK	0.8
Total risk in index % - B10 EUR	11.7	Sharpe ratio - B10 EUR	0.6
Benchmark	Solactive ISS ESG	Sharpe ratio in index - A1 SEK	0.8
	Screened Europe	Sharpe ratio in index - A1 EUR	0.6
Active Share % ¹⁾	86.2	Sharpe ratio in index - A1 NOK	0.5
Active return % - A1 SEK	-0.6	Sharpe ratio in index - A9 EUR	0.6
Active return % - A1 EUR	-0.6	Sharpe ratio in index - A10 SEK	0.8
Active return % - A1 NOK	-0.6	Sharpe ratio in index - A10 EUR	0.6
Active return % - A9 EUR	0.3	Sharpe ratio in index - A10 NOK	0.5
Active return % - A10 SEK	0.7	Sharpe ratio in index - B1 SEK	0.8
Active return % - A10 EUR	0.7	Sharpe ratio in index - B1 EUR	0.6
Active return % - A10 NOK	0.7	Sharpe ratio in index - B10 SEK	0.8
Active return % - B1 SEK	-0.6	Sharpe ratio in index - B10 EUR	0.6
Active return % - B1 EUR	-0.6		
Active return % - B10 SEK	0.8		
Active return % - B10 EUR	0.7		

1) As of the balance sheet date.

* 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.

Income Statement, EURt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities ¹⁾	71,979	-40,590
Interest income	-5	-12
Dividends	6,983	9,131
Currency exchange profits and losses, net	-133	126
Other financial income ¹⁾	30	62
Other income	13	0
Total income and changes in value	78,867	-31,283
EXPENSES		
Management costs:		
- Remuneration to the Management Company	4,893	6,261
Interest expense	1	1
Other financial expenses ²⁾	6	13
Other expenses	562	137
Total expenses	5,462	6,412
Net income	73,405	-37,695
* Details of changes in value		
Capital gains	33,644	41,884
Capital losses	-11,654	-14,113
Unrealised gains/losses	49,989	-68,361
Sum	71,979	-40,590

1) The item consists primarily of premiums for securities lent.

2) The items consist primarily of expenses for securities borrowed.

Balance Sheet, EURt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	301,544	98.2	251,674	97.9
Total financial instruments with positive market value ^{Note 2)}	301,544	98.2	251,674	97.9
Bank assets and other liquid assets	5,663	1.8	6,097	2.4
Prepaid expenses and accrued income	374	0.1	163	0.0
Total assets	307,581	100.1	257,934	100.3
LIABILITIES				
Accrued expenses and prepaid income	441	0.1	393	0.2
Other liabilities	-	-	330	0.1
Total liabilities	441	0.1	723	0.3
Fund capital ^{Note 1)}	307,140	100.0	257,211	100.0
Financial instruments lent	12,035	3.9	15,735	6.1
Collateral received for financial instruments lent	12,684	4.1	16,792	6.5

Note 1) for Balance Sheet

Changes in fund capital, EURt

	2019	2018
Fund capital at beginning of year	257,211	471,500
Units issued	37,902	34,133
Units redeemed	-60,944	-209,864
Profit according to Income Statement	73,405	-37,695
Dividends to unit holders	-434	-863
Fund capital at the close of the period	307,140	257,211

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
LISTED EQUITIES			
DENMARK (DKK)			
Novo Nordisk	325,000	16,817	5.5
		16,817	5.5
FINLAND (EUR)			
Huhtamaki	55,000	2,276	0.7
		2,276	0.7
FRANCE (EUR)			
Air Liquide	143,000	18,047	5.9
Capgemini	95,000	10,346	3.4
Legrand	145,000	10,533	3.4
L'Oreal	45,000	11,880	3.9
		50,805	16.5
GERMANY (EUR)			
Continental	77,000	8,875	2.9
CTS Eventim Ord Shs	150,000	8,408	2.7
Deutsche Börse	107,000	14,996	4.9
SAP	170,000	20,454	6.7
		52,733	17.2

Handelsbanken Europa Selektiv, cont.

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
NETHERLANDS (EUR)			
ING Groep Ord Shs	1,310,000	14,001	4.6
		14,001	4.6
SWEDEN (SEK)			
Assa Abloy B	390,000	8,128	2.6
Autoliv	117,000	8,807	2.9
EPIROC B	1,040,000	10,991	3.6
Handelsbanken A	1,330,000	12,771	4.2
		40,698	13.3
SWITZERLAND (CHF)			
Partners Group	15,500	12,654	4.1
Roche Holding	61,000	17,621	5.7
SGS	5,300	12,926	4.2
Straumann	8,000	6,995	2.3
		50,196	16.3
UNITED KINGDOM (GBP)			
Associated British Foods	635,000	19,470	6.3
Bunzl	595,000	14,501	4.7
CPG	540,000	12,045	3.9
Prudential	800,000	13,681	4.5
Reckitt Benckiser	198,000	14,322	4.7
		74,018	24.1
Total listed equities		301,544	98.2
Total transferable securities		301,544	98.2
Total holdings in financial instruments		301,544	98.2
Net, other assets and liabilities		5,596	1.8
Total fund capital		307,140	100.0

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 98.2

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46). -

*** Refers to other financial instruments. -

Additional information on loaned securities

Volume of lent securities as a % of total lendable assets 3.98

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

U.S.A	6 147
The British Government	4 498
The Dutch Government	1 968
The French Government	70

The largest counterparties for securities lending, EUR thousand:

Morgan Stanley & Co International Plc, Great Britain	12 035
	12 035

Type and quality of collateral, EUR thousand:

Equities	-
Bonds and other interest-bearing instruments	12 684
	12 684

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, EUR thousand:

Less than one day	-
One day to one week	-
One week to one month	-
One to three months	-
Three months to one year	87
Greater than one year	2 324
Indeterminate duration	10 273
	12 684

Currency of the collateral, EUR thousand:

EUR	2 039
GBP	4 498
USD	6 147
	12 684

The profile of the duration for securities lending is undetermined, but may be immediately terminated. Settlement and clearing for securities lending is conducted through a third party. The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 21 SEK 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:

-Citigroup Global Markets Ltd, Great Britain
 -J.P. Morgan Securities Plc, Great Britain
 -Merrill Lynch Intl, Great Britain
 -Morgan Stanley & Co International Plc, Great Britain
 -UBS AG, London Branch, Great Britain

Handelsbanken Europa Selektiv

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes in its entirety companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies with key activities within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We conduct dialogues for the purpose of encouraging companies to improve their

sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
 - B. Dialogues together with other investors/capital owners
 - C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP
- A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.
- B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.
- C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

Annual General Meetings and nomination committees

Handelsbanken Fonder normally votes at general meetings in those companies where ownership exceeds 0.5 or when there is a vote on matters of particular concern. 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 general meetings.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.

Follow-up of sustainability work

Inclusion

During the year the fund invested in Deutsche Börse, which is a German company that runs market places for securities trading and is a provider of transaction services. Deutsche Börse plays not only a critical role for a well-functioning capital market, but also has a significant impact regarding sustainability and the possibility for investing sustainably, e.g., by providing sustainability indexes and by being a market place for green bonds.

Exclusion

Sustainability issues were a critical factor in the decision to sell all of the holdings in the Spanish security company Prosegur. Prosegur has a high exposure to Latin America and has an ongoing controversy concerning work conditions and its stance toward unions. Given that we do not see any clear improvements in the issue, we chose to reduce the fund's holdings in the company.

The Management Company's engagement activities

- A. The fund engaged in one targeted dialogue directly with a company during the year.
A dialogue was held with the Dutch bank ING concerning the bank's routines for customer due diligence (KYC) and for preventing money laundering (AML), both areas where the bank has showed shortcomings. The work to prevent money laundering is a very key issue, as well as complex. We were also given good insight in how the bank works to prevent the risk for money laundering by the establishment of a global KYC center as well as by developing a global policy concerning AML.
- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund held holdings in one of these companies.

A dialogue was conducted with ING Groep concerning the follow-up of an investigation of potential money laundering in the Netherlands.

- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.

General meetings and nomination committees

The Management Company voted at 4 annual general meetings on behalf of the fund during the year.

The fund did not have any holdings in companies in which the Management Company was represented on a nomination committee.



Handelsbanken Europa Tema

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in equities issued by European companies and may also invest in equities issued by companies outside of Europe. As a result, the fund has a currency exposure to these markets. The thematic investment strategy implies that investments occur primarily in companies associated with long-term investment themes that have been carefully selected, analysed and are expected to experience a long period of growth. Examples of the main themes include Demographics, Productivity, Lifestyles and the Environment. International norms and guidelines for the environment, social responsibility and corporate governance are taken into consideration within the scope of the fund's investment focus. The fund applies an exclusion strategy for companies operating within the fossil fuels, war materials, 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. Refer to the fund's information brochure for additional information. The fund may invest a maximum of 10% of the fund capital in fund units. We compare fund performance with Solactive ISS ESG Screened Europe. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 28.8% in 2019*. The equities with the most positive impact on fund returns were Nestle (Demographics /Growing population), which benefits from a growing middle class within emerging markets; Roche (Demographics /Aging population), which benefits from an increase to the number of people in need of care; Schneider Electronic (Environment/Energy efficiency), which benefits from more energy efficient solutions within buildings; Vinci (Productivity/Infrastructure), which benefits from the need for transport and infrastructure; BNP Paribas (Productivity/Reforms), which is a bank that is at the forefront within sustainability and benefits from reforms in France; Veolia Environment (Environment /Water), which benefits from the need for clean water and the increased need for waste management in the world; and SAP (Productivity/Automation), which benefits from digitalisation and more efficient business systems. Equities that had the most negative impact on returns were within Productivity and included Burford, Biocartis and Ambu. The fund focuses on structural growth. Productivity is the largest theme within this focus, followed by Demographics, Lifestyles and the Environment.

* 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

An investment in an equity fund is characterised by high risk as well as by the potential for high returns. As a result, the value of the fund can fluctuate significantly over time. The fund's investments are concentrated geographically to equities issued by companies in Europe. As a result, the risk in the fund is higher than an investment in a diversified global equity fund that distributes its investments across several regions. However, the fund's investments are made in companies in several sectors, branches or themes that contribute to lowering the risk in the fund over time. Given that the fund's investments are made in foreign equities denominated in currencies other than the fund's base currency, an investment in the fund is associated with currency risk. Given that the fund consists of different share classes, the changes in exchange rates can result in a differentiation in risk classifications between different share classes depending on the type of currency in which the share class is traded. The

fund's liquidity risk is deemed to be moderately high due to the fund's size in relation to the size or turnover of the markets and securities in which the fund invests. This can impact the fund's ability to complete the purchase and sale of securities under stressful market conditions. The fund may invest in derivatives to protect the value of the fund's underlying assets, to maintain the desired level of risk in the fund portfolio or to minimise management costs. The volume of trading is limited where applicable and is expected to have a marginal impact on the fund's risk profile.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund used this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

On 31 March 2019, the fund changed index from MSCI Europe Select Global Norms and Criteria Index to Solactive ISS ESG Screened Europe as a result of a change in the index provider. The fund's investment focus has not been affected by the change. The fund changed its fund rules on 1 June 2019.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Shareholder commitments

Based on the Management Company's Policy for Shareholder Engagement, which includes guidelines for responsible investment, voting at general meetings, work on the nomination committee, and dialogue with the portfolio management companies are undertaken independently or in collaboration with others. It is our understanding that this work leads to better governance and reduced sustainability risks in the portfolio management companies, which in turn leads to a positive value growth.

The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management Company then takes independent decisions on those matters that will be subject to a vote or another decision-making process.

The Management Company normally votes for all of the equities in the fund in those companies where voting takes place, although there are exceptions, such as in markets where the equities are in a lock-up period to enable registration for voting at a general meeting. Any securities loans are typically recalled prior to a general meeting to ensure that votes can be cast for all of the equities, although the securities loans can remain in effect at the time of the general meeting if it is deemed to be in the common interest of unit holders and there is no significant impact on active ownership.

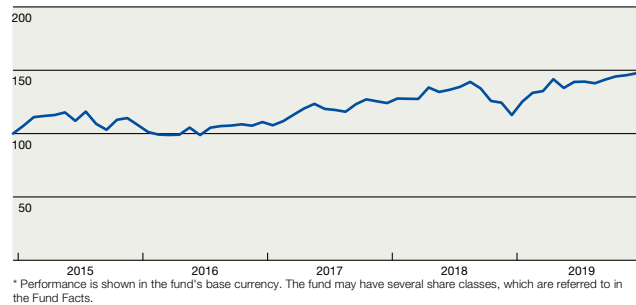
No conflicts of interest have arisen between the Management Company and the portfolio management company in conjunction with the funds' investments. Information is available in the Management Company's Policy for Shareholder Engagement on how the Management Company in general manages conflicts of interest that can arise as a result of the

Handelsbanken Europa Tema , cont.

funds' investments.

Read more about how Handelsbanken Fonder acts in ownership matters and about the fund company's guidelines for responsible investments in the company's Policy for shareholder engagement and responsible investments which can be found under <https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>

Fund Performance*



Fund Facts - History

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net asset value										
Europa Tema A1 - SEK ¹⁾	449.30	348.87	377.69	332.03	325.02	304.30	268.10	220.58	203.58	238.54
Europa Tema A1 - EUR	42.76	34.42	38.42	34.65	35.49	-	-	-	-	-
Europa Tema A1 - NOK	421.76	340.73	377.31	314.60	341.24	-	-	-	-	-
Europa Tema A10 - SEK	457.54	351.74	-	-	-	-	-	-	-	-
Europa Tema A10 - EUR	43.54	34.71	-	-	-	-	-	-	-	-
Europa Tema A10 - NOK	429.50	343.54	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	-1,942	1,435	1,202	-1,485	1,778	552	620	-154	-	-
Fund capital total, mSEK	5,980	6,257	5,579	3,703	5,309	3,372	2,471	1,514	1,512	1,764
Europa Tema A1 - SEK	4,993	4,786	4,828	3,368	4,645	3,372	2,471	1,514	1,512	1,764
Europa Tema A1 - EUR	41	43	46	28	71	-	-	-	-	-
Europa Tema A1 - NOK	155	152	302	62	17	-	-	-	-	-
Europa Tema A10 - SEK	85	562	-	-	-	-	-	-	-	-
Europa Tema A10 - EUR	9	9	-	-	-	-	-	-	-	-
Europa Tema A10 - NOK	203	219	-	-	-	-	-	-	-	-
Number of units, 1000's	13,293	17,914	14,771	11,151	16,333	11,080	9,218	6,865	7,425	7,394
Europa Tema A1 - SEK	11,112	13,717	12,782	10,143	14,290	11,080	9,218	6,865	7,425	7,394
Europa Tema A1 - EUR	952	1,249	1,188	811	1,992	-	-	-	-	-
Europa Tema A1 - NOK	368	447	801	197	51	-	-	-	-	-
Europa Tema A10 - SEK	186	1,597	-	-	-	-	-	-	-	-
Europa Tema A10 - EUR	203	268	-	-	-	-	-	-	-	-
Europa Tema A10 - NOK	472	636	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Europa Tema A1 - SEK	+28.8	-7.6	+13.8	+2.2	+6.8	+13.5	+21.5	+11.6	-12.2	-5.5
Europa Tema A1 - EUR	+24.2	-10.4	+10.9	-2.4	+10.5	-	-	-	-	-
Europa Tema A1 - NOK	+23.8	-9.7	+19.9	-7.8	+17.1	-	-	-	-	-
Europa Tema A10 - SEK	+30.1	-6.7	-	-	-	-	-	-	-	-
Europa Tema A10 - EUR	+25.5	-9.5	-	-	-	-	-	-	-	-
Europa Tema A10 - NOK	+25.0	-8.8	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Europa Tema A1 - SEK	+31.3	-9.3	+12.7	+6.0	+3.2	+13.9	+22.8	+12.5	-8.2	-3.6
Europa Tema A1 - EUR	+26.6	-12.1	+9.8	+1.3	+6.7	-	-	-	-	-
Europa Tema A1 - NOK	+26.2	-11.4	+18.8	-4.3	+13.1	-	-	-	-	-
Europa Tema A10 - SEK	+31.3	-9.3	-	-	-	-	-	-	-	-
Europa Tema A10 - EUR	+26.6	-12.1	-	-	-	-	-	-	-	-
Europa Tema A10 - NOK	+26.2	-11.4	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Europa Tema A1 - SEK	3.2	3.4	2.8	2.6	2.1	1.2	1.2	1.7	1.7	1.7
Europa Tema A1 - EUR	3.2	3.4	2.8	2.6	2.1	-	-	-	-	-
Europa Tema A1 - NOK	3.2	3.4	2.8	2.6	2.1	-	-	-	-	-
Europa Tema A10 - SEK	3.2	3.4	-	-	-	-	-	-	-	-
Europa Tema A10 - EUR	3.2	3.4	-	-	-	-	-	-	-	-
Europa Tema A10 - NOK	3.2	3.4	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Europa Tema A1 - SEK	+9.1	+2.5	+7.8	+4.5	+10.1	+17.5	+16.5	-1.0	-8.9	+6.8
Europa Tema A1 - EUR	+5.5	-0.3	+4.0	+3.9	+8.2	-	-	-	-	-
Europa Tema A1 - NOK	+5.7	+4.1	+5.2	+3.9	+16.1	-	-	-	-	-
Europa Tema A10 - SEK	+10.2	+3.5	-	-	-	-	-	-	-	-
Europa Tema A10 - EUR	+6.6	+0.7	-	-	-	-	-	-	-	-
Europa Tema A10 - NOK	+6.8	+5.1	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+9.1	+1.1	+9.3	+4.6	+8.4	+18.3	+17.5	+1.6	-6.0	+8.1
EUR	+5.5	-1.7	+5.5	+4.0	+6.6	-	-	-	-	-
NOK	+5.8	+2.6	+6.6	+4.0	+14.3	-	-	-	-	-
Average yearly return, 5 yrs. %										
Europa Tema A1 - SEK	+8.1	+5.4	+11.4	+10.9	+7.6	+5.0	+6.3	-6.1	-6.5	-1.9
Europa Tema A1 - EUR	+5.9	+2.6	+8.4	+9.3	+7.3	-	-	-	-	-
Europa Tema A1 - NOK	+7.7	+6.1	+14.9	+12.8	+11.9	-	-	-	-	-
Europa Tema A10 - SEK	+9.2	+6.5	-	-	-	-	-	-	-	-
Europa Tema A10 - EUR	+6.9	+3.6	-	-	-	-	-	-	-	-
Europa Tema A10 - NOK	+8.7	+7.2	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+8.0	+4.9	+11.5	+11.5	+8.3	+6.8	+8.2	-4.3	-4.9	-0.7
EUR	+5.7	+2.1	+8.5	+9.8	+8.0	-	-	-	-	-
NOK	+7.5	+5.6	+15.0	+13.4	+12.6	-	-	-	-	-

Handelsbanken Europa Tema , cont.

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Average yearly return, 10 yrs. %										
Europa Tema A1 - SEK	+6.6	+5.9	+2.2	+1.9	+2.7	+4.9	+4.5	+3.8	-1.9	-2.9
Europa Tema A1 - EUR	+6.3	+6.7	+1.8	+1.3	+3.0	-	-	-	-	-
Europa Tema A1 - NOK	+8.1	+6.9	+4.0	+2.3	+4.9	-	-	-	-	-
Europa Tema A10 - SEK	+7.6	+6.9	-	-	-	-	-	-	-	-
Europa Tema A10 - EUR	+7.3	+7.8	-	-	-	-	-	-	-	-
Europa Tema A10 - NOK	+9.2	+8.0	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+7.4	+6.5	+3.3	+3.0	+3.7	+6.2	+5.8	+4.9	-0.3	-0.6
EUR	+7.1	+7.4	+2.9	+2.3	+3.9	-	-	-	-	-
NOK	+9.0	+7.6	+5.1	+3.4	+5.9	-	-	-	-	-
Dividends per unit, SEK	-	-	-	-	-	-	-	6.30	6.89	5.34
Exchange rate EUR/SEK	10.51	10.13	9.83	9.58	9.16	-	-	-	-	-
Exchange rate NOK/SEK	1.07	1.02	1.00	1.06	0.95	-	-	-	-	-

1) The net asset value was adjusted on June 16, 2014 after a judgment in the Administrative Court in Falun. Pursuant to the judgment, funds with U.S. Holdings shall be charged with full U.S. withholding taxes as of January 1, 2012. As of June 16, 2014, full U.S. withholding taxes were deducted until an Administrative Court of Appeals in Sundsvall changed the Administrative Court's judgment on March 30, 2015, and the withholding taxes previously reserved were repaid to each fund concerned.

Benchmark: Solactive ISS ESG Screened Europe

Up to 01/05/2016: MSCI Pan Euro Net Index

Up to 31/03/2019: MSCI Europe Select Global Norms and Criteria

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 information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Europa Tema A1	1.60
Europa Tema A10	0.60
Collected mgmt. costs in % of average fund capital	
Europa Tema A1	1.60
Europa Tema A10	0.60
Annual fees in %	
Europa Tema A1	1.60
Europa Tema A10	0.60
Transaction costs, SEKt	10,724
Transaction costs in % of turnover	0.08
Costs in SEK for a one-time subscription, 10 000 SEK	
Europa Tema A1	191.27
Europa Tema A10	72.09
Costs in SEK for monthly savings, 100 SEK	
Europa Tema A1	11.12
Europa Tema A10	4.19

Fund Facts - Other Key Figures

Turnover rate	0.9
Share of turnover conducted via closely-related securities companies in %	6.1
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	14.5	Information ratio - A1 SEK	Negative
Total risk % - A1 EUR	12.4	Information ratio - A1 EUR	Negative
Total risk % - A1 NOK	11.5	Information ratio - A1 NOK	Negative
Total risk % - A10 SEK	14.5	Information ratio - A10 SEK	0.3
Total risk % - A10 EUR	12.4	Information ratio - A10 EUR	0.3
Total risk % - A10 NOK	11.5	Information ratio - A10 NOK	0.3
Total risk in index % - A1 SEK	13.3	Sharpe ratio - A1 SEK	0.7
Total risk in index % - A1 EUR	11.6	Sharpe ratio - A1 EUR	0.5
Total risk in index % - A1 NOK	10.9	Sharpe ratio - A1 NOK	0.4
Total risk in index % - A10 SEK	13.3	Sharpe ratio - A10 SEK	0.7
Total risk in index % - A10 EUR	11.6	Sharpe ratio - A10 EUR	0.6
Total risk in index % - A10 NOK	10.9	Sharpe ratio - A10 NOK	0.5
Benchmark	Solactive ISS ESG Screened Europe	Sharpe ratio in index - A1 SEK	0.7
		Sharpe ratio in index - A1 EUR	0.5
Active Share % ¹⁾	69.0	Sharpe ratio in index - A1 NOK	0.5
Active return % - A1 SEK	0.0	Sharpe ratio in index - A10 SEK	0.7
Active return % - A1 EUR	0.0	Sharpe ratio in index - A10 EUR	0.5
Active return % - A1 NOK	0.0	Sharpe ratio in index - A10 NOK	0.5
Active return % - A10 SEK	1.1		
Active return % - A10 EUR	1.0		
Active return % - A10 NOK	1.0		

1) As of the balance sheet date.

* 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.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	1,579,501	-768,736
Interest income	-154	-271
Dividends	184,468	111,299
Currency exchange profits and losses, net	7,743	-818
Other financial income ¹⁾	2,294	784
Other income	152	18
Total income and changes in value	1,774,004	-657,724
EXPENSES		
Management costs:		
- Remuneration to the Management Company	97,106	83,784
Interest expense	397	79
Other financial expenses ²⁾	459	157
Other expenses	10,910	15,733
Total expenses	108,871	99,753
Net income	1,665,132	-757,477
* Details of changes in value		
Capital gains	917,785	869,499
Capital losses	-492,449	-484,947
Unrealised gains/losses	1,154,165	-1,153,288
Sum	1,579,501	-768,736

1) The item consists primarily of premiums for securities lent.

2) The items consist primarily of expenses for securities borrowed.

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	5,891,462	98.5	6,147,459	98.3
Total financial instruments with positive market value ^{Note 2)}	5,891,462	98.5	6,147,459	98.3
Bank assets and other liquid assets	97,229	1.6	124,809	2.0
Prepaid expenses and accrued income	88	0.0	1,841	0.0
Total assets	5,988,779	100.2	6,274,109	100.3
LIABILITIES				
Accrued expenses and prepaid income	7,679	0.1	8,123	0.1
Other liabilities	1,309	0.1	9,292	0.2
Total liabilities	8,988	0.2	17,415	0.3
Fund capital ^{Note 1)}	5,979,791	100.0	6,256,694	100.0
Financial instruments lent	113,312	1.9	178,482	2.9
Collateral received for financial instruments lent	119,370	2.0	197,428	3.2

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	6,256,694	5,578,821
Units issued	1,350,015	5,869,208
Units redeemed	-3,292,050	-4,433,858
Profit according to Income Statement	1,665,132	-757,477
Dividends to unit holders	-	-
Fund capital at the close of the period	5,979,791	6,256,694

Handelsbanken Europa Tema , cont.

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
AUSTRIA (EUR)			
Erste Group Bank	135,000	47,607	0.8
Verbund	121,000	56,884	1.0
		104,491	1.8
BELGIUM (EUR)			
Biocartis Ord Shs	155,058	9,320	0.2
		9,320	0.2
DENMARK (DKK)			
Novo Nordisk	277,021	150,618	2.5
Rockwool International B	27,000	59,912	1.0
Vestas Wind Systems	65,000	61,532	1.0
		272,063	4.6
FINLAND (EUR)			
Stora Enso R EUR	855,000	116,480	1.9
Valmet	380,000	85,290	1.4
		201,769	3.4
FRANCE (EUR)			
Air Liquide	69,730	92,468	1.5
BNP Paribas	265,756	147,528	2.5
Capgemini	55,773	63,821	1.1
Dassault Systèmes	40,097	61,746	1.0
Essilor International	52,400	74,773	1.3
France Télécom	420,470	57,967	1.0
Groupe SEB	39,760	55,315	0.9
L'Oreal	49,963	138,600	2.3
Saint-Gobain	201,685	77,353	1.3
Sanofi	74,600	70,251	1.2
Schneider Electric	153,358	147,448	2.5
Smcp Ord Shs	556,218	55,232	0.9
Veolia Environnement	479,502	119,463	2.0
Vinci	115,448	120,097	2.0
		1,282,061	21.4
GERMANY (EUR)			
Adidas	38,799	118,149	2.0
Allianz	42,871	98,385	1.6
Covestro	97,737	42,569	0.7
CTS Eventim Ord Shs	50,000	29,448	0.5
Deutsche Börse	79,200	116,635	2.0
Deutsche Post	314,135	112,262	1.9
Merck KGaA	76,637	84,837	1.4
New Work N Ord Shs	13,646	41,870	0.7
SAP	113,279	143,218	2.4
		787,372	13.0
IRELAND (EUR)			
Keywords Rg	319,746	59,398	1.0
		59,398	1.0
ITALY (EUR)			
Cerved Information Solution	800,103	73,102	1.2
Datalogic Ord Shs	295,000	52,294	0.9
ERG SpA	310,000	62,607	1.0
Prysmian	520,934	117,633	2.0
Reply Ord Shs1	58,953	43,022	0.7
		348,658	5.8
LUXEMBOURG (EUR)			
Solutions 30 Ord Shs	557,988	58,398	1.0
		58,398	1.0
NETHERLANDS (EUR)			
ArcaDIS NV	250,000	54,588	0.9
arGEN-X	26,000	39,232	0.7
ASML Holding	17,993	49,857	0.8
ING Groep Ord Shs	1,199,572	134,720	2.3
Randstad	217,019	124,144	2.1
		402,541	6.7
NORWAY (NOK)			
DNB	430,000	75,124	1.3
Lerøy Seafood Group	940,000	58,380	1.0
Scatec Solar	552,545	73,048	1.2
		206,553	3.5
RUSSIAN FEDERATION (RUB)			
Sberbank ADR	409,815	63,069	1.1
		63,069	1.1
SPAIN (EUR)			
Aena	64,201	115,021	1.9
Banco Santander	3,688,027	144,549	2.4
BBVA	1,685,039	88,229	1.5
CaixaBank	4,582,945	134,742	2.3
Construcciones Y Auxiliar De Ferrocarril	143,000	61,607	1.0
EDP Renováveis	1,127,923	124,446	2.1
Telefónica	1,664,223	108,893	1.8
		777,487	13.0
SWEDEN (SEK)			
AstraZeneca SDB	130,529	122,723	2.1
Essity B	380,138	114,726	1.9
SKISTAR AB ser. B	477,217	56,693	0.9
		294,142	4.9

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
SWITZERLAND (CHF)			
Lonza Group	17,132	58,495	1.0
Nestlé	161,136	163,216	2.7
Richemont	86,311	63,462	1.1
Roche Holding	59,740	181,337	3.0
Straumann	6,614	60,766	1.0
		527,277	8.8
UNITED KINGDOM (GBP)			
Aviva	2,636,284	136,884	2.3
Lloyds Banking Group	7,700,000	59,680	1.0
Prudential	423,095	76,026	1.3
Reckitt Benckiser	102,937	78,238	1.3
Rio Tinto GBP	164,900	92,083	1.5
Unilever	100,000	53,951	0.9
		496,863	8.3
Total listed equities		5,891,462	98.5
Total transferable securities		5,891,462	98.5
Total holdings in financial instruments		5,891,462	98.5
Net, other assets and liabilities		88,329	1.5
Total fund capital		5,979,791	100.0

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

Additional information on loaned securities

Volume of lent securities as a % of total lendable assets **1.94**

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

U.S.A	59 288
The British Government	43 988
The Dutch Government	9 263
The French Government	4 577
The Federal Government of Belgium	780
The German Government	648
The Austrian Government	536
The Finnish Government	290

The largest counterparties for securities lending, SEK thousand:

Morgan Stanley & Co International Plc, Great Britain	104 640
UBS AG, London Branch, Great Britain	4 599
J.P. Morgan Securities Plc, Great Britain	3 786
Merrill Lynch Intl, Great Britain	288
	113 312

Type and quality of collateral, SEK thousand:

Equities	-
Bonds and other interest-bearing instruments	119 370
	119 370

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 one day	-
One day to one week	-
One week to one month	-
One to three months	2 53
Three months to one year	9 038
Grater than one year	10 499
Indeterminate duration	97 780
	119 370

Currency of the collateral, SEK thousand:

EUR	16 095
GBP	43 988
USD	59 287
	119 370

The profile of the duration for securities lending is undetermined, but may be immediately terminated. Settlement and clearing for securities lending is conducted through a third party. The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 21 SEK 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:

-Citigroup Global Markets Ltd, Great Britain
 -Credit Suisse Securities (Europe) Ltd, Great Britain
 -J.P. Morgan Securities Plc, Great Britain
 -Morgan Stanley & Co International Plc, Great Britain
 -UBS AG, London Branch, Great Britain

Handelsbanken Europa Tema

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes in its entirety companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies with key activities within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We conduct dialogues for the purpose of encouraging companies to improve their

sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
 - B. Dialogues together with other investors/capital owners
 - C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP
- A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.
- B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.
- C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

Annual General Meetings and nomination committees

Handelsbanken Fonder normally votes at general meetings in those companies where ownership exceeds 0.5 or when there is a vote on matters of particular concern. 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 general meetings.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service

Follow-up of sustainability work

Inclusion

We invested in ERG, which is an Italian wind power operator. The company has undergone an impressive transformation in recent years and sold its oil-related operations and invested this in renewable energy. The main investment is in wind power, although they also have a significant share of hydropower and solar power. The company will continue to grow primarily in renewable energy outside of Italy, but will also modernise and enhance the efficiency of wind parks. We met ERG a number of times and feel they have made significant progress in their sustainability work. Most important, however, is that they have shown it is possible to transform a traditional company within energy to renewable energy.

Exclusion

The fund sold Danish Ambu in the period. The company's CEO was dismissed unexpectedly in May, which was followed by a major profit warning. We chose to sell the company due to increased uncertainty in the company management.

The Management Company's engagement activities

- A. The fund engaged in five dialogues directly with the companies during the year.
A dialogue was held with the Dutch bank ING concerning the bank's routines for customer due diligence (KYC) and for preventing money laundering (AML), both areas where the bank has showed shortcomings. The work to prevent money laundering is a very key issue, as well as complex. We were also given good insight in how the bank works to prevent the risk for money laundering by the establishment of a global KYC center as well as by developing a global policy concerning AML.
- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund held holdings in four of these companies.

One of the companies was ING Groep. The dialogue concerned the follow-up of an investigation of potential money laundering in the Netherlands.

- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.

General meetings and nomination committees

The Management Company voted at 21 annual general meetings on behalf of the fund during the year.

The fund did not have any holdings in companies in which the Management Company was represented on a nomination committee.



Handelsbanken Finland

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The objective is to exceed the returns in the underlying market (defined as the benchmark index) over the long term. The fund invests primarily in equities issued by companies in Finland or that have a minimum of 50% of their business operations or market in Finland. As a result, the fund has a currency exposure to these markets. We place particular emphasis on ensuring that the company's strategy concurs with our assessment of what can generate favourable share price performance in equities as well as that the valuations are attractive when we select equities for the fund. 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 on companies active within the fossil fuel, war materials, tobacco, cannabis, alcohol, commercial gambling and pornography areas/sectors. However, the fund may invest in companies that are involved in power generation, distribution or services related to fossil fuel in which the company is deemed to be transitioning its business operations to more renewable energy. Further information is available in the fund's information brochure. We compare the fund's performance with SIX SRI Finland 40 Net Index. As the fund is actively managed the performance will over time deviate from this index.

Portfolio

The fund rose 35.9% in 2019*. Small caps posted the most strength in 2019 and the fund benefited from this performance. One example is Admicom, which assists the construction sector through digitalisation of everything from invoices and quotes to salary payments. Admicom has a strong market share and continues to grow strongly with high profitability. Revenio, which measures eye pressure to detect glaucoma, was another smaller company that contributed positively to returns. The market is driven by an aging population and people can become blind if glaucoma is not identified and treated. Several of the fund's holdings were also acquired, such as the property developer Hoivatilat that was purchased by a Belgium property developer, the construction company Cramothat that was acquired by the Dutch machine rental company Boels, and the telecom company DNA that was purchased by Telenor. The weakest performing companies during the year included Nokia, which issued a profit warning in October, and Wärtsilä, which has challenges in its energy division.

*) 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

An investment in an equity fund is characterised by high risk as well as by the potential for high returns. As a result, the value of the fund can fluctuate significantly over time. The fund's investments are concentrated geographically to equities issued by Finnish companies or companies with a strong connection to Finland. As a result, the risk in the fund is higher than an investment in a diversified global equity fund that distributes its investments across several regions. However, the fund's investments are made in companies in several sectors or branches that contribute to lowering the risk in the fund over time. Given that the fund's investments are made in foreign equities denominated in currencies other than the fund's base currency, an investment in the fund is associated with currency risk. Given that the fund consists of different share classes, the changes in exchange rates can result in a differentiation in risk classifications between different share classes depending on the type of currency in which the share class is traded. The fund may invest in derivatives to protect the value of the fund's underlying assets, to maintain the desired level of risk in the fund portfolio or to minimise management costs. The volume of trading is limited where applicable and is expected to have a marginal impact on the fund's risk profile.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund used this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

On 30 April 2019, the fund changed index from OMX Helsinki Cap Gross Index to SIX SRI Finland 40 Net Index. The change in the index was to adapt the fund for sustainability to exclude a greater number of controversial business operations than previously. The fund changed its fund rules on 1 June 2019. The fund changed its name from Handelsbanken Finlandsfond to Handelsbanken Finland.

The fund's historical performance prior to the launch date is attributed to the merger between Placeringsfonden Handelsbanken Finland (Finland) and Handelsbanken Finlandsfond (Sweden) that occurred on October 10, 2014.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Shareholder commitments

Based on the Management Company's Policy for Shareholder Engagement, which includes guidelines for responsible investment, voting at general meetings, work on the nomination committee, and dialogue with the portfolio management companies are undertaken independently or in collaboration with others. It is our understanding that this work leads to better governance and reduced sustainability risks in the portfolio management companies, which in turn leads to a positive value growth.

The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management Company then takes independent decisions on those matters that will be subject to a vote or another decision-making process.

The Management Company normally votes for all of the equities in the fund in those companies where voting takes place, although there are exceptions, such as in markets where the equities are in a lock-up period to enable registration for voting at a general meeting. Any securities loans are typically recalled prior to a general meeting to ensure that votes can be cast for all of the equities, although the securities loans can remain in effect at the time of the general meeting if it is deemed to be in the common interest of unit holders and there is no significant impact on active ownership.

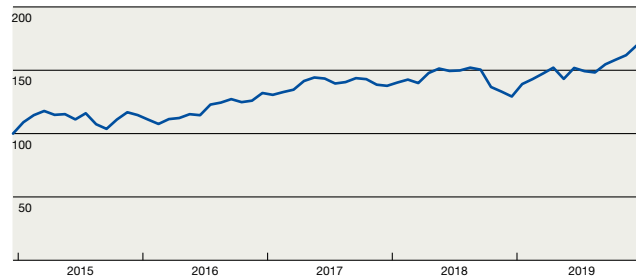
No conflicts of interest have arisen between the Management Company and the portfolio management company in conjunction with the funds' investments. Information is available in the Management Company's Policy for Shareholder Engagement on how the Management Company in general manages conflicts of interest that can arise as a result of the funds' investments.

Read more about how Handelsbanken Fonder acts in ownership matters and about the fund company's guidelines for responsible investments in

Handelsbanken Finland, cont.

the company's Policy for shareholder engagement and responsible investments which can be found under <https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>

Fund Performance*



* Performance is shown in the fund's base currency. The fund may have several share classes, which are referred to in the Fund Facts.

Fund Facts - History

	2019	2018	2017	2016	2015	10/10-31/12 2014	2013	2012	2011	2010
Net asset value										
Finland A1 - SEK	93.27	68.62	70.91	66.26	54.97	49.61	-	-	-	-
Finland A1 - EUR	8.88	6.77	7.21	6.92	6.00	5.24	-	-	-	-
Finland A10 - EUR	10.16	-	-	-	-	-	-	-	-	-
The fund's total net flow, mEUR	-1	0	-2	4	-3	-15	-	-	-	-
Fund capital total, mEUR	53	41	45	45	36	34	-	-	-	-
Finland A1 - SEK	241	175	180	185	125	125	-	-	-	-
Finland A1 - EUR	30	24	26	25	22	20	-	-	-	-
Finland A10 - EUR	0	-	-	-	-	-	-	-	-	-
Number of units, 1000's	6,018	6,102	6,174	6,462	5,952	6,422	-	-	-	-
Finland A1 - SEK	2,584	2,556	2,537	2,796	2,265	2,513	-	-	-	-
Finland A1 - EUR	3,424	3,546	3,637	3,666	3,687	3,909	-	-	-	-
Finland A10 - EUR	10	-	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Finland A1 - SEK	+35.9	-3.2	+7.0	+20.5	+10.8	+12.8	+34.0	+13.2	-26.6	+15.0
Finland A1 - EUR	+31.1	-6.1	+4.3	+15.2	+14.6	+5.4	+29.9	+17.4	-25.6	+30.6
Finland A10 - EUR	+1.6	-	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Finland A1 - SEK	+23.8	-0.9	+14.4	+18.5	+12.1	+18.4	+35.8	+11.3	-25.9	+14.2
Finland A1 - EUR	+19.4	-3.9	+11.5	+13.3	+15.9	+10.6	+31.6	+15.5	-24.9	+29.8
Finland A10 - EUR	+0.1	-	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Finland A1 - SEK	3.0	2.3	2.5	2.4	2.9	2.5	-	-	-	-
Finland A1 - EUR	3.0	2.3	2.5	2.4	2.9	2.5	2.3	3.0	3.0	2.6
Average yearly return, 2 yrs. %										
Finland A1 - SEK	+14.7	+1.8	+13.6	+15.6	+11.8	+23.0	+23.2	-8.9	-8.2	+24.6
Finland A1 - EUR	+10.9	-1.1	+9.6	+14.9	+9.9	+17.0	+23.5	-6.5	-1.5	+37.7
Comparison to index including dividends, %										
SEK	+10.7	+6.5	+16.5	+15.3	+15.2	+26.8	+22.9	-9.2	-8.0	+24.0
EUR	+7.1	+3.5	+12.4	+14.6	+13.2	+20.6	+23.3	-6.9	-1.3	+36.9
Average yearly return, 5 yrs. %										
Finland A1 - SEK	+13.5	+9.3	+16.7	+18.0	+6.8	+7.6	+11.6	-5.2	-5.0	-
Finland A1 - EUR	+11.1	+6.4	+13.5	+16.2	+6.5	+9.3	+16.6	-3.4	-4.7	+6.7
Comparison to index including dividends, %										
SEK	+13.3	+12.3	+19.6	+18.9	+8.2	+8.6	+11.5	-4.9	-4.6	-
EUR	+10.9	+9.3	+16.3	+17.2	+7.9	+10.4	+16.4	-3.1	-4.3	+6.8
Average yearly return, 10 yrs. %										
Finland A1 - SEK	+10.5	+10.4	+5.1	+5.9	-	-	-	-	-	-
Finland A1 - EUR	+10.2	+11.4	+4.7	+5.2	+6.6	+8.5	+10.0	+9.5	+6.1	+7.2
Comparison to index including dividends, %										
SEK	+10.9	+11.9	+6.6	+6.5	-	-	-	-	-	-
EUR	+10.6	+12.8	+6.2	+5.9	+7.3	+8.9	+10.0	+9.2	+6.1	+7.0
Exchange rate EUR/SEK	10.51	10.13	9.83	9.58	9.16	9.47	-	-	-	-

Benchmark: SIX SRI Finland 40 Net Index

Up to 30/04/2019: OMXHCAPGI

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 information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Finland A1	1.85
Finland A10	0.50
Collected mgmt. costs in % of average fund capital	
Finland A1	1.85
Finland A10	0.50
Annual fees in %	
Finland A1	1.85
Finland A10	0.50
Transaction costs, EURt	19
Transaction costs in % of turnover	0.02
Costs in EUR for a one-time subscription, 1 000 EUR	
Finland A1	21.66
Finland A10	-
Costs in EUR for monthly savings, 10 EUR	
Finland A1	1.29
Finland A10	-

Fund Facts - Other Key Figures

Turnover rate	0.9
Share of turnover conducted via closely-related securities companies in %	20.2
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Handelsbanken Finland, cont.

Risk and Return Measurements*

Total risk % - A1 SEK	15.6	Information ratio - A1 SEK	1.3
Total risk % - A1 EUR	13.4	Information ratio - A1 EUR	1.3
Total risk in index % - A1 SEK	16.3	Sharpe ratio - A1 SEK	1.0
Total risk in index % - A1 EUR	13.7	Sharpe ratio - A1 EUR	0.8
Benchmark	SIX SRI Finland 40 Net Index	Sharpe ratio in index - A1 SEK	0.7
		Sharpe ratio in index - A1 EUR	0.5
Active Share % ¹⁾	32.4		
Active return % - A1 SEK	3.9		
Active return % - A1 EUR	3.8		

¹⁾ As of the balance sheet date.

* 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.

Income Statement, EURt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	11,938	-3,453
Interest income	0	0
Dividends	1,751	1,384
Currency exchange profits and losses, net	7	17
Other financial income ¹⁾	2	17
Other income	0	0
Total income and changes in value	13,698	-2,035
EXPENSES		
Management costs:		
- Remuneration to the Management Company	900	896
Interest expense	1	1
Other financial expenses ²⁾	0	4
Other expenses	19	20
Total expenses	920	921
Net income	12,778	-2,956
* Details of changes in value		
Capital gains	7,074	4,998
Capital losses	-2,291	-4,020
Unrealised gains/losses	7,155	-4,431
Sum	11,938	-3,453

¹⁾ The item consists primarily of premiums for securities lent.²⁾ The items consist primarily of expenses for securities borrowed.

Balance Sheet, EURt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	52,305	97.9	40,807	98.8
Total financial instruments with positive market value ^{Note 2)}	52,305	97.9	40,807	98.8
Bank assets and other liquid assets	1,216	2.3	570	1.4
Prepaid expenses and accrued income	-	-	1	0.0
Other assets	-	-	0	0.0
Total assets	53,521	100.2	41,378	100.2
LIABILITIES				
Accrued expenses and prepaid income	83	0.2	67	0.2
Other liabilities	14	0.0	0	0.0
Total liabilities	97	0.2	67	0.2
Fund capital ^{Note 1)}	53,424	100.0	41,311	100.0
Financial instruments lent	-	-	2,713	6.6
Collateral received for financial instruments lent	-	-	2,921	7.1

Note 1) for Balance Sheet

Changes in fund capital, EURt

	2019	2018
Fund capital at beginning of year	41,311	44,527
Units issued	14,605	19,908
Units redeemed	-15,270	-20,168
Profit according to Income Statement	12,778	-2,956
Dividends to unit holders	-	-
Fund capital at the close of the period	53,424	41,311

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
Harvia	170,193	1,779	3.3
Sanoma	110,000	1,039	1.9
Tokmanni Group Corporation Ord Shs	110,000	1,388	2.6
		4,206	7.9
CONSUMER STAPLES			
Kesko B	16,384	1,034	1.9
		1,034	1.9
FINANCIALS AND REAL ESTATE			
Admicom Oyj	10,000	644	1.2
Aktia Bank	138,506	1,294	2.4
Kojamo Plc	125,000	2,025	3.8
Nordea Bank Abp	374,168	2,709	5.1
Oma Säästöpankki Oyj	94,495	839	1.6
Sampo A	81,563	3,174	5.9
		10,684	20.0
HEALTH CARE			
Orion B	38,036	1,570	2.9
Revenio	26,663	700	1.3
Terveystalo Plc	147,732	1,652	3.1
		3,921	7.3
INDUSTRIALS			
Exel Composites	149,640	970	1.8
Kone	49,619	2,892	5.4
Konecranes	40,000	1,096	2.1
Metso	68,305	2,403	4.5
Outotec	87,796	506	0.9
Ponsse	19,063	591	1.1
Uponor	89,018	1,037	1.9
Valmet	106,606	2,277	4.3
Wärtsilä	108,066	1,064	2.0
YIT	140,000	834	1.6
		13,669	25.6
INFORMATION TECHNOLOGY			
Detection Technology	39,540	1,012	1.9
Nixu	44,000	462	0.9
Nokia	988,641	3,259	6.1
Teleste	44,456	237	0.4
Tieto EUR	35,765	991	1.9
Vaisala	18,652	592	1.1
		6,554	12.3
MATERIALS			
Huhtamäki	54,370	2,250	4.2
Metsä Board	160,000	959	1.8
Munksjö	49,452	708	1.3
Outokumpu	230,000	645	1.2
Stora Enso R EUR	247,955	3,215	6.0
Tikkurila	77,461	1,112	2.1
UPM-Kymmene	65,263	2,017	3.8
		10,907	20.4
TELECOMMUNICATION SERVICES			
Elisa	27,000	1,330	2.5
		1,330	2.5
Total listed equities		52,305	97.9
Total transferable securities		52,305	97.9
Total holdings in financial instruments		52,305	97.9
Net, other assets and liabilities		1,119	2.1
Total fund capital		53,424	100.0

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

97.9

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

Handelsbanken Finland

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

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Exclusion

The fund excludes in its entirety companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies with key activities within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We conduct dialogues for the purpose of encouraging companies to improve their sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
- B. Dialogues together with other investors/capital owners
- C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP

A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.

B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.

C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

Annual General Meetings and nomination committees

Handelsbanken Fonder normally votes at general meetings in those companies where ownership exceeds 0.5 or when there is a vote on matters of particular concern. 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 general meetings.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service

Follow-up of sustainability work

Inclusion

An example of a holding in the fund with a good sustainability profile is Revenio. The company has developed a pressure measurement technique for the early detection of several diseases such as glaucoma, osteoporosis and skin cancer, as well as for diagnostic use during treatment. The products are sold worldwide. The company has declared its intention to enable efficient technology to combat these diseases which have a tendency to grow as the world's population ages.

Exclusion

The fund has chosen not to invest in Finnair. The airline sector will be facing major sustainability challenges, at the same time as overcapacity and extremely low prices decrease the potential for good returns.

The Management Company's engagement activities

- A. During the year the fund has not held any new targeted dialogues directly with companies.
We have had an ongoing dialogue with Huhtamäki since 2018. The dialogue concerns what they should do to improve their CRS communication to further clarify the positive sides of their products, such as more environmentally-friendly packaging solutions, together with all of the sustainability activities ongoing in the company. We believe that quality and the quantity of the CRS report for 2018 is significantly higher than the report for 2017.
- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund did not have any holdings in these companies.

- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.

General meetings and nomination committees

The Management Company voted at 20 annual general meetings on behalf of the fund during the year.

The Management Company participated in one nomination committee on behalf of the fund: Exel Composites Oy

Portfolio Manager: VIKING KJELLSTRÖM
Up to 30/06/2019 LINN HANSSON

BASE CURRENCY



Handelsbanken Global Selektiv

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests over the long term in 16-35 equities issued by companies worldwide. Consequently, the fund has a currency exposure to these markets. Our focus is on constructing a portfolio of high-quality companies with a variety of drivers and good outlooks for reasonable valuations. 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 on companies active within the fossil fuel, war materials, tobacco, cannabis, alcohol, commercial gambling and pornography areas/sectors. However, the fund may invest in companies that are involved in power generation, distribution or services related to fossil fuel in which the company is deemed to be transitioning its business operations to more renewable energy. Further information is available in the fund's information brochure. The fund may invest a maximum of 10% of the fund capital in fund units. We compare fund performance with Solactive ISS ESG Screened Global Markets Index. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 27.2% in 2019*. The software company SAP, the credit card company Mastercard, the manufacturing company Legrand and the Japanese automation company Keyence were the most positive contributors to fund returns. The weakest contributors to the portfolio included the British companies Reckitt Benckiser and Bunzl, which have been negatively affected during the year by Brexit and fundamental factors. Apple's strong upturn also contributed negatively to the relative returns. Fund activity was significant given the sales that occurred in Prudential, G8 Education, Johnson & Johnson and AVI. The latter two issued profit warnings after the fund sold its holdings in the companies. The fund took new positions in the mining automation company Epiroc, India's leading HDCF Bank and the global private equity company Partners Group. Substantial reweightings occurred, particularly during Q4, when Tencent returned as the largest holding. We also increased the holdings in several companies that have posted weak performance, such as Bunzl, which returned as a significant weighting in 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

An investment in an equity fund is characterised by high risk as well as by the potential for high returns. As a result, the value of the fund can fluctuate significantly over time. The fund may invest globally and investments are made in a limited number of companies. As a result, the fund has a higher risk than a fund that invests in several companies or sectors. Given that the fund's investments are made in foreign equities denominated in currencies other than the fund's base currency, an investment in the fund is associated with currency risk. Given that the fund consists of different share classes, the changes in exchange rates can result in a differentiation in risk classifications between different share classes depending on the type of currency in which the share class is traded. The fund's liquidity risk is deemed to be moderately high due to the fund's size in relation to the size or turnover of the markets and securities in which the fund invests. This can impact the fund's ability to complete the purchase and sale of securities under stressful market conditions. The fund may invest in derivatives to protect the value of the fund's underlying assets, to maintain the desired level of risk in the fund portfolio or to minimise management costs. The volume of trading is limited where applicable and is expected to have a marginal impact on the fund's risk profile.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund used this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

On 30 April 2019, the fund changed index from MSCI ACWI Select Global Norms and Criteria Index to Solactive ISS ESG Screened Global Markets Index NTR as a result of a change in the index provider. The fund's investment focus has not been affected by the change. The fund changed its fund rules on 1 June 2019.

The fund's historical performance prior to the launch date is attributed to the merger between Handelsbanken Funds Global Selective Criteria (Luxemburg) and Handelsbanken Global Selektiv (Sweden) that occurred on December 14, 2018.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Shareholder commitments

Based on the Management Company's Policy for Shareholder Engagement, which includes guidelines for responsible investment, voting at general meetings, work on the nomination committee, and dialogue with the portfolio management companies are undertaken independently or in collaboration with others. It is our understanding that this work leads to better governance and reduced sustainability risks in the portfolio management companies, which in turn leads to a positive value growth.

The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management Company then takes independent decisions on those matters that will be subject to a vote or another decision-making process.

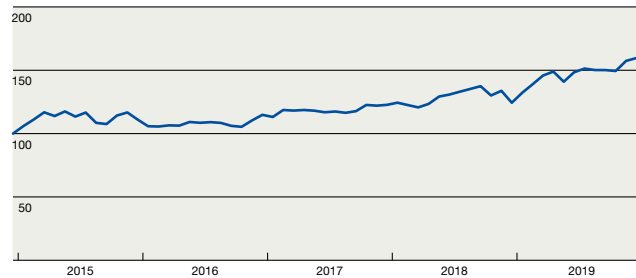
The Management Company normally votes for all of the equities in the fund in those companies where voting takes place, although there are exceptions, such as in markets where the equities are in a lock-up period to enable registration for voting at a general meeting. Any securities loans are typically recalled prior to a general meeting to ensure that votes can be cast for all of the equities, although the securities loans can remain in effect at the time of the general meeting if it is deemed to be in the common interest of unit holders and there is no significant impact on active ownership.

No conflicts of interest have arisen between the Management Company and the portfolio management company in conjunction with the funds' investments. Information is available in the Management Company's Policy for Shareholder Engagement on how the Management Company in general manages conflicts of interest that can arise as a result of the funds' investments.

Read more about how Handelsbanken Fonder acts in ownership matters and about the fund company's guidelines for responsible investments in the company's Policy for shareholder engagement and responsible

Handelsbanken Global Selektiv, cont.

investments which can be found under

<https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>**Fund Performance***

* Performance is shown in the fund's base currency. The fund may have several share classes, which are referred to in the Fund Facts.

Fund Facts - History

	2019	14/12-31/12 2018	2017	2016	2015	2014	2013	2012	2011	2010
Net asset value										
Global Selektiv A1 - SEK	250.81	190.16	-	-	-	-	-	-	-	-
Global Selektiv A1 - EUR	23.87	18.76	-	-	-	-	-	-	-	-
Global Selektiv A1 - NOK	235.48	185.73	-	-	-	-	-	-	-	-
Global Selektiv A9 - EUR	25.38	19.77	-	-	-	-	-	-	-	-
Global Selektiv A10 - SEK	256.59	192.09	-	-	-	-	-	-	-	-
Global Selektiv A10 - EUR	24.42	-	-	-	-	-	-	-	-	-
Global Selektiv A10 - NOK	240.86	187.61	-	-	-	-	-	-	-	-
Global Selektiv B1 - SEK	189.05	148.51	-	-	-	-	-	-	-	-
Global Selektiv B1 - EUR	17.99	14.65	-	-	-	-	-	-	-	-
Global Selektiv B10 - SEK	193.47	150.03	-	-	-	-	-	-	-	-
Global Selektiv B10 - EUR	18.41	-	-	-	-	-	-	-	-	-
The fund's total net flow, mEUR	26	-2	-	-	-	-	-	-	-	-
Fund capital total, mEUR	298	213	-	-	-	-	-	-	-	-
Global Selektiv A1 - SEK	1,832	1,222	-	-	-	-	-	-	-	-
Global Selektiv A1 - EUR	7	7	-	-	-	-	-	-	-	-
Global Selektiv A1 - NOK	32	84	-	-	-	-	-	-	-	-
Global Selektiv A9 - EUR	10	8	-	-	-	-	-	-	-	-
Global Selektiv A10 - SEK	14	18	-	-	-	-	-	-	-	-
Global Selektiv A10 - EUR	1	-	-	-	-	-	-	-	-	-
Global Selektiv A10 - NOK	37	0	-	-	-	-	-	-	-	-
Global Selektiv B1 - SEK	974	636	-	-	-	-	-	-	-	-
Global Selektiv B1 - EUR	1	1	-	-	-	-	-	-	-	-
Global Selektiv B10 - SEK	32	30	-	-	-	-	-	-	-	-
Global Selektiv B10 - EUR	0	-	-	-	-	-	-	-	-	-
Number of units, 1000's	13,768	12,306	-	-	-	-	-	-	-	-
Global Selektiv A1 - SEK	7,305	6,425	-	-	-	-	-	-	-	-
Global Selektiv A1 - EUR	308	387	-	-	-	-	-	-	-	-
Global Selektiv A1 - NOK	134	453	-	-	-	-	-	-	-	-
Global Selektiv A9 - EUR	390	390	-	-	-	-	-	-	-	-
Global Selektiv A10 - SEK	55	94	-	-	-	-	-	-	-	-
Global Selektiv A10 - EUR	30	-	-	-	-	-	-	-	-	-
Global Selektiv A10 - NOK	152	0	-	-	-	-	-	-	-	-
Global Selektiv B1 - SEK	5,153	4,282	-	-	-	-	-	-	-	-
Global Selektiv B1 - EUR	50	76	-	-	-	-	-	-	-	-
Global Selektiv B10 - SEK	167	198	-	-	-	-	-	-	-	-
Global Selektiv B10 - EUR	25	-	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Global Selektiv A1 - SEK	+31.9	+4.3	+9.6	+8.2	+7.3	-	-	-	-	-
Global Selektiv A1 - EUR	+27.2	+1.3	+6.8	+3.4	+11.0	-	-	-	-	-
Global Selektiv A1 - NOK	+26.8	+2.1	+15.6	-2.4	+17.6	-	-	-	-	-
Global Selektiv A9 - EUR	+28.4	+1.3	+6.9	+3.4	+11.0	-	-	-	-	-
Global Selektiv A10 - SEK	+33.6	+5.6	+11.0	+9.5	+8.6	-	-	-	-	-
Global Selektiv A10 - EUR	+7.5	-	-	-	-	-	-	-	-	-
Global Selektiv A10 - NOK	+28.4	+3.4	+17.0	-1.2	+19.1	-	-	-	-	-
Global Selektiv B1 - SEK	+31.9	+4.1	+9.7	+8.2	+7.3	-	-	-	-	-
Global Selektiv B1 - EUR	+27.2	+1.1	+6.9	+3.4	+11.0	-	-	-	-	-
Global Selektiv B10 - SEK	+33.5	+5.4	+11.0	+9.5	+8.7	-	-	-	-	-
Global Selektiv B10 - EUR	+7.5	-	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Global Selektiv A1 - SEK	+35.7	-1.8	+11.7	+16.2	+5.1	-	-	-	-	-
Global Selektiv A1 - EUR	+30.8	-4.7	+8.9	+11.1	+8.8	-	-	-	-	-
Global Selektiv A1 - NOK	+30.4	-4.0	+17.8	+4.9	+15.3	-	-	-	-	-
Global Selektiv A9 - EUR	+30.8	-4.7	+8.9	+11.1	+8.8	-	-	-	-	-
Global Selektiv A10 - SEK	+35.7	-1.8	+11.7	+16.2	+5.1	-	-	-	-	-
Global Selektiv A10 - EUR	+10.1	-	-	-	-	-	-	-	-	-
Global Selektiv A10 - NOK	+30.4	-4.0	+17.8	+4.9	+15.3	-	-	-	-	-
Global Selektiv B1 - SEK	+35.7	-1.8	+11.7	+16.2	+5.1	-	-	-	-	-
Global Selektiv B1 - EUR	+30.8	-4.7	+8.9	+11.1	+8.8	-	-	-	-	-
Global Selektiv B10 - SEK	+35.7	-1.8	+11.7	+16.2	+5.1	-	-	-	-	-
Global Selektiv B10 - EUR	+10.1	-	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Global Selektiv A1 - SEK	4.4	3.2	-	-	-	-	-	-	-	-
Global Selektiv A1 - EUR	4.4	3.2	3.9	5.1	-	-	-	-	-	-
Global Selektiv A1 - NOK	4.4	3.2	-	-	-	-	-	-	-	-
Global Selektiv A9 - SEK	-	3.2	-	-	-	-	-	-	-	-
Global Selektiv A9 - EUR	4.3	3.2	-	-	-	-	-	-	-	-
Global Selektiv A10 - SEK	4.4	3.2	-	-	-	-	-	-	-	-
Global Selektiv A10 - NOK	4.4	3.2	-	-	-	-	-	-	-	-
Global Selektiv B1 - SEK	4.3	3.2	-	-	-	-	-	-	-	-
Global Selektiv B1 - EUR	4.4	3.2	-	-	-	-	-	-	-	-

Handelsbanken Global Selektiv, cont.

Fund Facts - History cont.

	2019	14/12-31/12 2018	2017	2016	2015	2014	2013	2012	2011	2010
Global Selektiv B10 - SEK	4.3	3.2	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Global Selektiv A1 - SEK	+17.3	+6.9	+8.9	+7.7	-	-	-	-	-	-
Global Selektiv A1 - EUR	+13.5	+4.0	+5.1	+7.1	-	-	-	-	-	-
Global Selektiv A1 - NOK	+13.8	+8.6	+6.2	+7.1	-	-	-	-	-	-
Global Selektiv A9 - EUR	+14.1	+4.1	+5.1	+7.2	-	-	-	-	-	-
Global Selektiv A10 - SEK	+18.8	+8.2	+10.2	+9.1	-	-	-	-	-	-
Global Selektiv A10 - NOK	+15.2	+10.0	+7.5	+8.5	-	-	-	-	-	-
Global Selektiv B1 - SEK	+17.2	+6.8	+8.9	+7.8	-	-	-	-	-	-
Global Selektiv B1 - EUR	+13.4	+3.9	+5.1	+7.2	-	-	-	-	-	-
Global Selektiv B10 - SEK	+18.6	+8.2	+10.3	+9.1	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+15.4	+4.7	+14.0	+10.6	-	-	-	-	-	-
EUR	+11.6	+1.9	+10.0	+9.9	-	-	-	-	-	-
NOK	+11.9	+6.4	+11.2	+10.0	-	-	-	-	-	-
Average yearly return, 5 yrs. %										
Global Selektiv A1 - SEK	+11.8	-	-	-	-	-	-	-	-	-
Global Selektiv A1 - EUR	+9.6	-	-	-	-	-	-	-	-	-
Global Selektiv A1 - NOK	+11.4	-	-	-	-	-	-	-	-	-
Global Selektiv A9 - EUR	+9.8	-	-	-	-	-	-	-	-	-
Global Selektiv A10 - SEK	+13.2	-	-	-	-	-	-	-	-	-
Global Selektiv A10 - NOK	+12.8	-	-	-	-	-	-	-	-	-
Global Selektiv B1 - SEK	+11.8	-	-	-	-	-	-	-	-	-
Global Selektiv B1 - EUR	+9.6	-	-	-	-	-	-	-	-	-
Global Selektiv B10 - SEK	+13.2	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+12.7	-	-	-	-	-	-	-	-	-
EUR	+10.4	-	-	-	-	-	-	-	-	-
NOK	+12.3	-	-	-	-	-	-	-	-	-
Dividends per unit, SEK										
Global Selektiv B1 - SEK	6.17	-	-	-	-	-	-	-	-	-
Global Selektiv B1 - EUR	0.59	-	-	-	-	-	-	-	-	-
Global Selektiv B10 - SEK	6.17	-	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.51	10.13	-	-	-	-	-	-	-	-
Exchange rate EUR/NOK	9.86	9.90	-	-	-	-	-	-	-	-

Benchmark: Solactive ISS ESG Screened Global Markets Index NTR

Up to 30/04/2019: MSCI ACWI Select Global Norms and Criteria 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.

Detailed information for the share classes' designation (nomenclature) is provided in the information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Global Selektiv A1	1.85
Global Selektiv A9	0.95
Global Selektiv A10	0.60
Global Selektiv B1	1.85
Global Selektiv B10	0.60
Collected mgmt. costs in % of average fund capital	
Global Selektiv A1	1.85
Global Selektiv A9	0.95
Global Selektiv A10	0.60
Global Selektiv B1	1.85
Global Selektiv B10	0.60
Annual fees in %	
Global Selektiv A1	1.85
Global Selektiv A9	0.95
Global Selektiv A10	0.60
Global Selektiv B1	1.85
Global Selektiv B10	0.60
Transaction costs, EURt	1,007
Transaction costs in % of turnover	0.10
Costs in EUR for a one-time subscription, 1 000 EUR	
Global Selektiv A1	21.85
Global Selektiv A9	11.27
Global Selektiv A10	7.13
Global Selektiv B1	21.85
Global Selektiv B10	7.13
Costs in EUR for monthly savings, 10 EUR	
Global Selektiv A1	1.28
Global Selektiv A9	0.66
Global Selektiv A10	0.42
Global Selektiv B1	1.28
Global Selektiv B10	0.42

Fund Facts - Other Key Figures

Turnover rate	2.0
Share of turnover conducted via closely-related securities companies in %	3.0
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	13.7	Information ratio - A1 EUR	0.4
Total risk % - A1 EUR	12.2	Information ratio - A1 NOK	0.4
Total risk % - A1 NOK	11.3	Information ratio - A9 EUR	0.6
Total risk % - A9 EUR	12.2	Information ratio - A10 SEK	0.8
Total risk % - A10 SEK	13.7	Information ratio - A10 NOK	0.8
Total risk % - A10 NOK	11.3	Information ratio - B1 SEK	0.4
Total risk % - B1 SEK	13.7	Information ratio - B1 EUR	0.4
Total risk % - B1 EUR	12.1	Information ratio - B10 SEK	0.7
Total risk % - B10 SEK	13.7	Sharpe ratio - A1 SEK	1.3
Total risk in index % - A1 SEK	14.1	Sharpe ratio - A1 EUR	1.1
Total risk in index % - A1 EUR	12.4	Sharpe ratio - A1 NOK	1.1
Total risk in index % - A1 NOK	11.4	Sharpe ratio - A9 EUR	1.2
Total risk in index % - A9 EUR	12.4	Sharpe ratio - A10 SEK	1.4
Total risk in index % - A10 SEK	14.1	Sharpe ratio - A10 NOK	1.3
Total risk in index % - A10 NOK	11.4	Sharpe ratio - B1 SEK	1.3
Total risk in index % - B1 SEK	14.1	Sharpe ratio - B1 EUR	1.1
Total risk in index % - B1 EUR	12.4	Sharpe ratio - B10 SEK	1.4
Total risk in index % - B10 SEK	14.1	Sharpe ratio in index - A1 SEK	1.1
Benchmark	Solactive ISS ESG	Sharpe ratio in index - A1 EUR	1.0
	Screened Global Markets	Sharpe ratio in index - A1 NOK	1.0
	Index NTR	Sharpe ratio in index - A9 EUR	1.0
Active return % - A1 SEK	1.9	Sharpe ratio in index - A10 SEK	1.1
Active return % - A1 EUR	1.9	Sharpe ratio in index - A10 NOK	1.0
Active return % - A1 NOK	1.9	Sharpe ratio in index - B1 SEK	1.1
Active return % - A9 EUR	2.4	Sharpe ratio in index - B1 EUR	1.0
Active return % - A10 SEK	3.3	Sharpe ratio in index - B10 SEK	1.1
Active return % - A10 NOK	3.3	Active Share % ¹⁾	95.3
Active return % - B1 SEK	1.7		
Active return % - B1 EUR	1.8		
Active return % - B10 SEK	3.2		
Information ratio - A1 SEK	0.4		

¹⁾ As of the balance sheet date.

* 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.

Handelsbanken Global Selektiv, cont.

Income Statement, EURt

	2019	14/12-31/12 2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	62,244	-8,141
Changes in value for other derivative instruments **	-369	-
Changes in value for fund units ***	5	-
Interest income	148	-2
Dividends	3,919	0
Currency exchange profits and losses, net	-646	-18
Other financial income ¹⁾	7	-
Other income	37	0
Total income and changes in value	65,345	-8,161
EXPENSES		
Management costs:		
- Remuneration to the Management Company	4,692	177
Interest expense	49	0
Other financial expenses ²⁾	17	-
Other expenses	1,126	23
Total expenses	5,884	200
Net income	59,461	-8,361
* Details of changes in value		
Capital gains	49,546	414
Capital losses	-13,879	-1,101
Unrealised gains/losses	26,578	-7,455
Sum	62,244	-8,141
** Details of changes in value		
Capital gains	3,291	-
Capital losses	-3,640	-
Unrealised gains/losses	-20	-
Sum	-369	-
*** Details of changes in value		
Capital gains	9	-
Capital losses	-3	-
Sum	5	-

1) The item consists primarily of premiums for securities lent.

2) The item consists primarily of expenses for securities lent.

Balance Sheet, EURt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	292,285	98.2	211,571	99.5
OTC derivative instruments with positive market value	-	-	12	0.0
Total financial instruments with positive market value ^{Note 2)}	292,285	98.2	211,583	99.5
Bank assets and other liquid assets	5,681	1.9	3,820	1.8
Prepaid expenses and accrued income	215	0.1	-1	0.0
Other assets	1	0.0	3,094	1.5
Total assets	298,182	100.2	218,496	102.8
LIABILITIES				
OTC derivative instruments with negative market value	-	-	0	0.0
Total financial instruments with negative market value ^{Note 2)}	-	-	0	0.0
Accrued expenses and prepaid income	452	0.2	177	0.1
Other liabilities	-	-	5,710	2.7
Total liabilities	452	0.2	5,887	2.8
Fund capital ^{Note 1)}	297,730	100.0	212,609	100.0
Financial instruments lent	11,746	3.9	-	-
Collateral received for financial instruments lent	12,379	4.2	-	-

Note 1) for Balance Sheet

Changes in fund capital, EURt

	2019	2018
Fund capital at beginning of year	212,609	-
Units issued ¹⁾	115,302	233,382
Units redeemed	-86,790	-12,412
Profit according to Income Statement ¹⁾	59,461	-8,361
Dividends to unit holders	-2,852	-
Fund capital at the close of the period	297,730	212,609

1) EUR 222 583 t refers to the total capital of the Luxembourg-registered funds Global Selective and Global Selective Criteria which were merged on 14 December 2018.

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
CPG	539,308	12,029	4.0
Nike B	116,253	10,492	3.5
TJX Companies	217,936	11,855	4.0
		34,377	11.5
CONSUMER STAPLES			
Church & Dwight	231,125	14,483	4.9
Reckitt Benckiser	230,187	16,650	5.6
		31,133	10.5
FINANCIALS AND REAL ESTATE			
AIA Group	801,653	7,497	2.5
HDFC Bank Ord Shs	646,928	10,271	3.4
Partners Group	15,128	12,350	4.1
		30,119	10.1
HEALTH CARE			
Estée Lauder Companies A	48,241	8,876	3.0
Novo Nordisk	222,167	11,496	3.9
The Cooper Companies	42,430	12,145	4.1
UnitedHealth Group	49,284	12,907	4.3
		45,424	15.3
INDUSTRIALS			
Bunzl	708,619	17,270	5.8
EPIROC B	840,002	8,877	3.0
Legrand	159,863	11,612	3.9
Rockwell Automation	48,766	8,805	3.0
		46,564	15.6
INFORMATION TECHNOLOGY			
Automatic Data Processing	108,154	16,428	5.5
Capgemini	68,126	7,419	2.5
Intuit	59,337	13,846	4.7
Keyence	23,939	7,553	2.5
Mastercard	44,728	11,898	4.0
SAP	106,995	12,874	4.3
		70,018	23.5
MATERIALS			
Air Liquide	130,986	16,530	5.6
		16,530	5.6
TELECOMMUNICATION SERVICES			
Tencent	421,945	18,120	6.1
		18,120	6.1
Total listed equities		292,285	98.2
Total transferable securities		292,285	98.2
Total holdings in financial instruments		292,285	98.2
Net, other assets and liabilities		5,445	1.8
Total fund capital		297,730	100.0

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 98.2

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46). -

*** Refers to other financial instruments. -

Additional information on loaned securities

Volume of lent securities as a % of total lendable assets 4.16

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

U.S.A	5 999
The British Government	4 390
The Dutch Government	1 921
The French Government	69

The largest counterparties for securities lending, EUR thousand:

Morgan Stanley & Co International Plc, Great Britain	11 746
	11 746

Type and quality of collateral, EUR thousand:

Equities	-
Bonds and other interest-bearing instruments	12 379
	12 379

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.

Handelsbanken Global Selektiv, cont.

Profile of the collateral's duration, EUR thousand:

Less than one day	-
One day to one week	-
One week to one month	-
One to three months	85
Three months to one year	85
Greater than one year	2 268
Indeterminate duration	10 026
	12 379

Currency of the collateral, EUR thousand:

EUR	1 990
GBP	4 390
USD	5 999
	12 379

The profile of the duration for securities lending is undetermined, but may be immediately terminated. Settlement and clearing for securities lending is conducted through a third party. The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 21 SEK 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:

-Citigroup Global Markets Ltd, Great Britain
 -Credit Suisse Securities (Europe) Ltd, Great Britain
 -HSBC Bank Plc, Great Britain
 -Morgan Stanley & Co International Plc, Great Britain
 -UBS AG, London Branch, Great Britain

Handelsbanken Global Selektiv

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes in its entirety companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies with key activities within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We conduct dialogues for the purpose of encouraging companies to improve their

sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
 - B. Dialogues together with other investors/capital owners
 - C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP
- A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.
- B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.
- C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

Annual General Meetings and nomination committees

Handelsbanken Fonder normally votes at general meetings in those companies where ownership exceeds 0.5 or when there is a vote on matters of particular concern. 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 general meetings.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.

Follow-up of sustainability work

Inclusion

The fund invested in a new holding, Epiroc, which supplies equipment to the mining industry. The company has strongly integrated sustainability activities, both related to their own business operations and their products. For example, the company, together with leading customers, has set a new standard for sustainable mining operations that can lead to a safe, carbon-free, digitalised and autonomous mine in the future. A strong, sustainable position, in combination with a structural investment trend at the customer level, as well as a profitable and stable business growth, is the basis for the investment decision.

Exclusion

The fund sold the entire holding in G8 Education. Although the stock seems to have an attractive valuation, we believe that the company has not worked adequately with its most valuable resource, its employees at almost 500 preschools. In addition to a minor conflict regarding wages, G8 Education has not been able to balance the needs of the company and its employees to allow for flexibility and provide satisfactory compensation. This has resulted in low employee satisfaction, which has had a direct impact on customer satisfaction and profitability in a period of greater competition. After we sold our holdings, the company issued a profit warning with a significant downturn in the stock price as a result.

The Management Company's engagement activities

- A. The fund did not engage in any new targeted dialogues directly with companies during the year. A dialogue was conducted in 2018 with Johnson & Johnson concerning repeated health and safety incidents and a recall of products within the medical technology and consumer segments, such as Baby Powder, hip implants and morcellator devices. The company was also involved in

several litigation processes. We conducted a dialogue with the company concerning these incidents to be assured that improvements are being made within the company's processes and that patient safety is always the first priority. According to the company, improvements have been made within quality and compliance. We believe that the company currently has major issues (with close to 400,000 lawsuits), that make it difficult for us to justify an investment in the company since Global Selektiv is a fund with a limited number of holdings. Consequently, the entire holding was sold in Q1 2019.

- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund held holdings in one of these companies. One of the companies subject to dialogue was UnitedHealth Group. The dialogue concerned allegations that the company does not respect consumer rights in the US. The company is accused of using deceptive and misleading marketing practices.
- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.

General meetings and nomination committees

The Management Company voted at 10 annual general meetings on behalf of the fund during the year.

The fund did not have any holdings in companies in which the Management Company was represented on a nomination committee.



Handelsbanken Global Tema

Management Report

Investment Focus

The fund is actively managed, which means that the fund manager is responsible for taking the active investment decisions. The fund's objective is to outperform the returns of the underlying market, defined as the benchmark index, over the long term. The fund invests in equities issued by companies in the larger equity markets worldwide. The thematic investment strategy implies that investments occur primarily in companies associated with long-term investment themes that have been carefully selected, analysed and are expected to experience a long period of growth. Examples of these themes include Demographics, Productivity, Lifestyles and the Environment. International norms and guidelines for the environment, social responsibility and corporate governance are taken into consideration within the scope of the fund's investment focus. The fund applies an exclusion strategy on companies active within the fossil fuel, war materials, tobacco, cannabis, alcohol, commercial gambling and pornography areas/sectors. However, the fund may invest in companies that are involved in power generation, distribution or services related to fossil fuel in which the company is deemed to be transitioning its business operations to more renewable energy. Further information is available in the fund's information brochure. The fund may invest a maximum of 10% of the fund capital in fund units. We compare the fund's performance with Solactive ISS ESG Screened Global Markets Index. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 36.8% in 2019*. Company holdings with the strongest contribution to fund holdings were primarily companies within the Productivity theme, more specifically the Digitalisation sub-theme, e.g., the financial company Mastercard, Apple and Dutch ASML, which produces equipment for manufacturing semi-conductors. The Taiwanese semi-conductor manufacturer TSMC, Microsoft and the solar panel glass manufacturer Xinyi Solar were also strong positive contributors.

Rockwool and the pharmaceutical company Abbvie, which were both sold during the year, and the Chilean consumer company Andina were among those equities that posted weaker performance and were thereby negative contributors to fund returns. The portfolio continued to be invested in selected companies with exposure to the structural growth themes we have identified. Within the scope of the thematic investment process, we purchased holdings in companies such as the pharmaceutical company NovoNordisk (Lifestyles), the technology company Nuance (Digitalisation) and Indian HDFC Bank (Growing populations). These purchases were financed by the sale of holdings in the pharmaceutical company Johnson & Johnson (Demographics), the airline Wizzair (Lifestyles) and the financial company Banco Santander (Growing populations).

*) 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

An investment in an equity fund is characterised by high risk as well as by the potential for high returns. As a result, the value of the fund can fluctuate significantly over time. Investments in the fund are normally made globally and are distributed across several markets and sectors to maintain a good diversification that contributes to lowering the risk in the fund. Given that the fund's investments are made in foreign equities denominated in currencies other than the fund's base currency, an investment in the fund is associated with currency risk. Given that the fund consists of different share classes, the changes in exchange rates can result in a differentiation in risk classifications between different share classes depending on the type of currency in which the share class is traded. The fund may invest in derivatives to protect the value of the fund's underlying assets, to maintain the desired level of risk in the fund portfolio or to minimise management costs. The volume of trading is limited where applicable and is expected to have a marginal impact on

the fund's risk profile.

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 2019. The fund has the option of lending securities. The fund used this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

On 30 April 2019, the fund changed index from MSCI ACWI Select Global Norms and Criteria Index to Solactive ISS ESG Screened Global Markets Index NTR as a result of a change in the index provider. The fund's investment focus has not been affected by the change. The fund changed its fund rules on 1 June 2019.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Shareholder commitments

Based on the Management Company's Policy for Shareholder Engagement, which includes guidelines for responsible investment, voting at general meetings, work on the nomination committee, and dialogue with the portfolio management companies are undertaken independently or in collaboration with others. It is our understanding that this work leads to better governance and reduced sustainability risks in the portfolio management companies, which in turn leads to a positive value growth.

The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management Company then takes independent decisions on those matters that will be subject to a vote or another decision-making process.

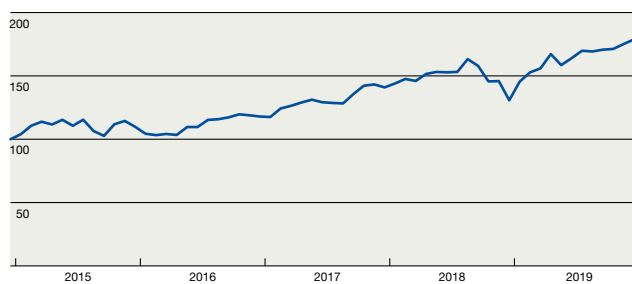
The Management Company normally votes for all of the equities in the fund in those companies where voting takes place, although there are exceptions, such as in markets where the equities are in a lock-up period to enable registration for voting at a general meeting. Any securities loans are typically recalled prior to a general meeting to ensure that votes can be cast for all of the equities, although the securities loans can remain in effect at the time of the general meeting if it is deemed to be in the common interest of unit holders and there is no significant impact on active ownership.

No conflicts of interest have arisen between the Management Company and the portfolio management company in conjunction with the funds' investments. Information is available in the Management Company's Policy for Shareholder Engagement on how the Management Company in general manages conflicts of interest that can arise as a result of the funds' investments.

Read more about how Handelsbanken Fonder acts in ownership matters and about the fund company's guidelines for responsible investments in the company's Policy for shareholder engagement and responsible investments which can be found under <https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>

Handelsbanken Global Tema, cont.

Fund Performance*



Fund Facts - History

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net asset value										
Global Tema A1 - SEK ¹⁾	582.45	425.87	459.12	384.18	357.67	325.79	264.14	223.38	205.53	231.43
Global Tema A1 - EUR ¹⁾	55.43	42.02	46.70	40.09	39.05	-	-	-	-	-
Global Tema A1 - NOK ¹⁾	546.76	415.94	458.66	364.01	375.52	-	-	-	-	-
Global Tema A10 - SEK	590.98	428.67	-	-	-	-	-	-	-	-
Global Tema A10 - EUR	56.24	42.30	-	-	-	-	-	-	-	-
Global Tema A10 - NOK	554.76	418.68	-	-	-	-	-	-	-	-
Global Tema B1 - SEK ¹⁾	503.23	377.55	423.28	368.02	357.67	-	-	-	-	-
Global Tema B10 - SEK	510.63	380.03	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	-604	-769	-712	-1,019	617	1,967	-32	-200	-	-
Fund capital total, mSEK	26,739	20,032	22,335	19,331	19,060	4,926	2,357	2,020	2,018	2,210
Global Tema A1 - SEK	26,314	19,590	22,143	19,059	18,386	4,926	2,357	2,020	2,018	2,210
Global Tema A1 - EUR	6	5	6	5	5	-	-	-	-	-
Global Tema A1 - NOK	20	77	77	168	175	-	-	-	-	-
Global Tema A10 - SEK	84	89	-	-	-	-	-	-	-	-
Global Tema A10 - EUR	0	0	-	-	-	-	-	-	-	-
Global Tema A10 - NOK	37	0	-	-	-	-	-	-	-	-
Global Tema B1 - SEK	158	144	54	43	459	-	-	-	-	-
Global Tema B10 - SEK	50	76	-	-	-	-	-	-	-	-
Number of units, 1000's	45,959	47,101	48,659	50,322	53,291	15,120	8,922	9,045	9,820	9,548
Global Tema A1 - SEK	45,178	46,001	48,231	49,610	51,406	15,120	8,922	9,045	9,820	9,548
Global Tema A1 - EUR	113	117	134	133	135	-	-	-	-	-
Global Tema A1 - NOK	37	185	167	463	466	-	-	-	-	-
Global Tema A10 - SEK	143	207	-	-	-	-	-	-	-	-
Global Tema A10 - EUR	9	10	-	-	-	-	-	-	-	-
Global Tema A10 - NOK	67	0	-	-	-	-	-	-	-	-
Global Tema B1 - SEK	313	382	127	116	1,284	-	-	-	-	-
Global Tema B10 - SEK	98	199	-	-	-	-	-	-	-	-
of which are outstanding share certificates, 1000's	69	69	69	69	69	70	70	70	70	70
Total returns in %, SEK										
Global Tema A1 - SEK	+36.8	-7.2	+19.5	+7.4	+9.8	+23.3	+18.2	+10.5	-9.9	+7.1
Global Tema A1 - EUR	+31.9	-10.0	+16.5	+2.7	+13.6	+15.2	+14.6	+14.6	-8.7	+21.6
Global Tema A1 - NOK	+31.4	-9.3	+26.0	-3.1	+20.3	+25.1	+30.6	+8.6	-9.3	+14.4
Global Tema A10 - SEK	+37.9	-6.5	-	-	-	-	-	-	-	-
Global Tema A10 - EUR	+33.0	-9.3	-	-	-	-	-	-	-	-
Global Tema A10 - NOK	+32.5	-8.6	-	-	-	-	-	-	-	-
Global Tema B1 - SEK	+36.8	-7.2	+19.5	+7.4	+9.8	-	-	-	-	-
Global Tema B10 - SEK	+37.9	-6.5	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Global Tema A1 - SEK	+35.7	-1.1	+13.6	+16.3	+5.1	+27.0	+21.2	+10.2	-5.5	+6.1
Global Tema A1 - EUR	+30.8	-4.1	+10.8	+11.1	+8.8	+18.6	+17.5	+14.3	-4.2	+20.5
Global Tema A1 - NOK	+30.4	-3.3	+19.8	+4.9	+15.3	+28.7	+33.9	+8.3	-4.9	+13.4
Global Tema A10 - SEK	+35.7	-1.1	-	-	-	-	-	-	-	-
Global Tema A10 - EUR	+30.8	-4.1	-	-	-	-	-	-	-	-
Global Tema A10 - NOK	+30.4	-3.3	-	-	-	-	-	-	-	-
Global Tema B1 - SEK	+35.7	-1.1	+13.6	+16.3	+5.1	-	-	-	-	-
Global Tema B10 - SEK	+35.7	-1.1	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Global Tema A1 - SEK	3.3	3.7	4.0	3.9	2.4	1.1	1.4	1.8	1.8	1.2
Global Tema A1 - EUR	3.3	3.7	4.0	3.9	2.4	-	-	-	-	-
Global Tema B1 - SEK	3.3	3.7	4.0	-	-	-	-	-	-	-
Global Tema A1 - NOK	3.3	3.7	4.0	3.9	2.4	-	-	-	-	-
Global Tema A10 - SEK	3.3	3.7	-	-	-	-	-	-	-	-
Global Tema A10 - EUR	3.3	3.7	-	-	-	-	-	-	-	-
Global Tema A10 - NOK	3.3	3.7	-	-	-	-	-	-	-	-
Global Tema B10 - SEK	3.3	3.7	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Global Tema A1 - SEK	+12.6	+5.3	+13.3	+8.6	+16.4	+20.8	+14.3	-0.2	-1.8	+13.3
Global Tema A1 - EUR	+8.9	+2.4	+9.3	+8.0	+14.4	+14.9	+14.6	+2.3	+5.4	+25.1
Global Tema A1 - NOK	+9.2	+6.9	+10.5	+8.0	+22.7	+27.8	+19.1	-0.7	+1.9	+11.9
Global Tema A10 - SEK	+13.5	+6.1	-	-	-	-	-	-	-	-
Global Tema A10 - EUR	+9.8	+3.2	-	-	-	-	-	-	-	-
Global Tema A10 - NOK	+10.1	+7.7	-	-	-	-	-	-	-	-
Global Tema B1 - SEK	+12.6	+5.3	+13.3	+8.6	+16.4	-	-	-	-	-
Global Tema B10 - SEK	+13.5	+6.1	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+15.8	+6.0	+15.0	+10.6	+15.5	+24.1	+15.6	+2.0	+0.1	+11.8
EUR	+12.0	+3.1	+10.9	+9.9	+13.6	+18.1	+15.9	+4.6	+7.4	+23.4
NOK	+12.3	+7.6	+12.1	+10.0	+21.8	+31.3	+20.4	+1.5	+3.8	+10.4

Handelsbanken Global Tema, cont.

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Average yearly return, 5 yrs. %										
Global Tema A1 - SEK	+12.3	+10.0	+15.5	+13.7	+9.8	+9.2	+8.6	-2.1	-3.1	-1.1
Global Tema A1 - EUR	+10.0	+7.1	+12.4	+12.0	+9.4	+11.0	+13.4	-0.2	-2.8	-0.3
Global Tema A1 - NOK	+11.9	+10.8	+19.1	+15.6	+14.1	+13.0	+10.0	-1.7	-4.0	-0.7
Global Tema A10 - SEK	+13.2	+11.0	-	-	-	-	-	-	-	-
Global Tema A10 - EUR	+10.9	+8.0	-	-	-	-	-	-	-	-
Global Tema A10 - NOK	+12.8	+11.7	-	-	-	-	-	-	-	-
Global Tema B1 - SEK	+12.3	+10.0	+15.5	+13.7	+9.8	-	-	-	-	-
Global Tema B10 - SEK	+13.2	+11.0	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+13.3	+11.8	+16.4	+15.7	+11.0	+11.2	+9.5	-1.2	-2.5	-0.8
EUR	+10.9	+8.8	+13.3	+14.0	+10.7	+13.0	+14.4	+0.8	-2.2	0.0
NOK	+12.8	+12.5	+20.1	+17.7	+15.4	+15.0	+11.0	-0.8	-3.4	-0.4
Average yearly return, 10 yrs. %										
Global Tema A1 - SEK	+10.8	+9.3	+6.3	+5.0	+4.2	+6.2	+4.0	+2.9	-2.9	-3.2
Global Tema A1 - EUR	+10.5	+10.2	+5.9	+4.3	+4.5	+5.7	+4.2	+3.5	-2.4	-3.4
Global Tema A1 - NOK	+12.4	+10.4	+8.2	+5.4	+6.4	+6.7	+4.2	+3.6	-2.7	-4.0
Global Tema A10 - SEK	+11.8	+10.3	-	-	-	-	-	-	-	-
Global Tema A10 - EUR	+11.5	+11.2	-	-	-	-	-	-	-	-
Global Tema A10 - NOK	+13.4	+11.4	-	-	-	-	-	-	-	-
Global Tema B1 - SEK	+10.8	+9.3	+6.3	+5.0	+4.2	-	-	-	-	-
Global Tema B10 - SEK	+11.8	+10.3	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+12.2	+10.6	+7.3	+6.2	+5.0	+7.3	+4.9	+3.6	-1.4	-1.5
EUR	+11.9	+11.5	+6.8	+5.6	+5.2	+6.8	+5.2	+4.3	-0.9	-1.7
NOK	+13.9	+11.7	+9.1	+6.6	+7.2	+7.8	+5.1	+4.4	-1.2	-2.3
Dividends per unit, SEK										
Global Tema A1 - SEK	-	-	-	-	-	-	-	3.65	3.31	2.99
Global Tema B1 - SEK	11.33	16.93	14.72	14.31	-	-	-	-	-	-
Global Tema B10 - SEK	11.40	16.93	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK										
	10.51	10.13	9.83	9.58	9.16	9.47	8.85	8.58	8.90	9.02
Exchange rate NOK/SEK										
	1.07	1.02	1.00	1.06	0.95	1.04	1.06	1.17	1.15	1.16

1) The net asset value was adjusted on June 16, 2014 after a judgment in the Administrative Court in Falun. Pursuant to the judgment, funds with U.S. Holdings shall be charged with full U.S. withholding taxes as of January 1, 2012. As of June 16, 2014, full U.S. withholding taxes were deducted until an Administrative Court of Appeals in Sundsvall changed the Administrative Court's judgment on March 30, 2015, and the withholding taxes previously reserved were repaid to each fund concerned.

Benchmark: Solactive ISS ESG Screened Global Markets Index NTR

Up to 01/05/2016: MSCI All Country World Index Net

Up to 30/04/2019: MSCI ACWI Select Global Norms and Criteria 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.

Detailed information for the share classes' designation (nomenclature) is provided in the information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Global Tema A1	1.40
Global Tema A10	0.60
Global Tema B1	1.40
Global Tema B10	0.60
Collected mgmt. costs in % of average fund capital	
Global Tema A1	1.40
Global Tema A10	0.60
Global Tema B1	1.40
Global Tema B10	0.60
Annual fees in %	
Global Tema A1	1.40
Global Tema A10	0.60
Global Tema B1	1.40
Global Tema B10	0.60
Transaction costs, SEKt	11,667
Transaction costs in % of turnover	0.10
Costs in SEK for a one-time subscription, 10 000 SEK	
Global Tema A1	173.62
Global Tema A10	74.71
Global Tema B1	173.62
Global Tema B10	74.71
Costs in SEK for monthly savings, 100 SEK	
Global Tema A1	9.92
Global Tema A10	4.26
Global Tema B1	9.92
Global Tema B10	4.26

Fund Facts - Other Key Figures

Turnover rate	0.2
Share of turnover conducted via closely-related securities companies in %	1.5
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	16.1	Information ratio - A1 SEK	Negative
Total risk % - A1 EUR	14.0	Information ratio - A1 EUR	Negative
Total risk % - A1 NOK	12.8	Information ratio - A1 NOK	Negative
Total risk % - A10 SEK	16.1	Information ratio - A10 SEK	Negative
Total risk % - A10 EUR	14.0	Information ratio - A10 EUR	Negative
Total risk % - A10 NOK	12.8	Information ratio - A10 NOK	Negative
Total risk % - B1 SEK	16.1	Information ratio - B1 SEK	Negative
Total risk % - B10 SEK	16.1	Information ratio - B10 SEK	Negative
Total risk in index % - A1 SEK	14.4	Sharpe ratio - A1 SEK	0.8
Total risk in index % - A1 EUR	12.6	Sharpe ratio - A1 EUR	0.7
Total risk in index % - A1 NOK	11.8	Sharpe ratio - A1 NOK	0.6
Total risk in index % - A10 SEK	14.4	Sharpe ratio - A10 SEK	0.9
Total risk in index % - A10 EUR	12.6	Sharpe ratio - A10 EUR	0.7
Total risk in index % - A10 NOK	11.8	Sharpe ratio - A10 NOK	0.7
Total risk in index % - B1 SEK	14.4	Sharpe ratio - B1 SEK	0.8
Total risk in index % - B10 SEK	14.4	Sharpe ratio - B10 SEK	0.9
Benchmark	Solactive ISS ESG	Sharpe ratio in index - A1 SEK	1.1
	Screened Global Markets	Sharpe ratio in index - A1 EUR	1.0
	Index NTR	Sharpe ratio in index - A1 NOK	1.0
Active Share % ¹⁾	83.9	Sharpe ratio in index - A10 SEK	1.1
Active return % - A1 SEK	-3.2	Sharpe ratio in index - A10 EUR	1.0
Active return % - A1 EUR	-3.1	Sharpe ratio in index - A10 NOK	1.0
Active return % - A1 NOK	-3.1	Sharpe ratio in index - B1 SEK	1.1
Active return % - A10 SEK	-2.3	Sharpe ratio in index - B10 SEK	1.1
Active return % - A10 EUR	-2.2		
Active return % - A10 NOK	-2.2		
Active return % - B1 SEK	-3.2		
Active return % - B10 SEK	-2.3		

1) As of the balance sheet date.

* 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.

Handelsbanken Global Tema, cont.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	7,323,300	-1,502,546
Interest income	4,373	95
Dividends	320,064	285,509
Currency exchange profits and losses, net	14,953	2,345
Other financial income ¹⁾	4,389	16,608
Other income	59,206	109
Total income and changes in value	7,726,285	-1,197,881
EXPENSES		
Management costs:		
- Remuneration to the Management Company	344,219	324,418
Interest expense	289	86
Other financial expenses ²⁾	878	3,322
Other expenses	69,833	8,090
Total expenses	415,219	335,915
Net income	7,311,066	-1,533,796
* Details of changes in value		
Capital gains	2,098,102	1,561,886
Capital losses	-498,811	-604,663
Unrealised gains/losses	5,724,010	-2,459,770
Sum	7,323,300	-1,502,546

1) The item consists primarily of premiums for securities lent.

2) The items consist primarily of expenses for securities borrowed.

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	26,094,702	97.6	19,463,534	97.2
Total financial instruments with positive market value ^{Note 2)}	26,094,702	97.6	19,463,534	97.2
Bank assets and other liquid assets	831,497	3.1	586,727	2.9
Prepaid expenses and accrued income	12,313	0.1	10,145	0.0
Total assets	26,938,512	100.8	20,060,406	100.1
LIABILITIES				
Accrued expenses and prepaid income	31,509	0.1	24,907	0.1
Other liabilities	168,242	0.7	3,337	0.0
Total liabilities	199,751	0.8	28,244	0.1
Fund capital ^{Note 1)}	26,738,761	100.0	20,032,162	100.0
Financial instruments lent	1,421,857	5.3	1,294,663	6.5
Collateral received for financial instruments lent	1,570,720	5.9	1,530,288	7.6

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	20,032,162	22,335,353
Units issued	1,382,938	1,411,608
Units redeemed	-1,982,552	-2,177,600
Profit according to Income Statement	7,311,066	-1,533,796
Dividends to unit holders	-4,853	-3,403
Fund capital at the close of the period	26,738,761	20,032,162

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
AUSTRALIA (AUD)			
Orocobre	3,484,950	60,770	0.2
		60,770	0.2
AUSTRIA (EUR)			
Erste Group Bank	782,708	276,015	1.0
		276,015	1.0
BRAZIL (BRL)			
Cogna Educacao Ord Shs	4,500,000	119,692	0.4
		119,692	0.4
CHILE (CLP)			
Andina B ADR	586,746	96,120	0.4
		96,120	0.4
CHINA (CNY)			
Alibaba Group Holding ADR	207,635	412,255	1.5
Ping An Insurance	2,892,717	320,075	1.2
Tencent	719,055	324,470	1.2
Xinyi Solar Holdings	48,093,249	319,519	1.2
		1,376,319	5.2

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
DENMARK (DKK)			
Novo Nordisk	894,446	486,316	1.8
Vestas Wind Systems	503,688	476,817	1.8
		963,133	3.6
FRANCE (EUR)			
Capgemini	234,000	267,766	1.0
Danone	442,631	343,714	1.3
Dassault Systèmes	145,000	223,288	0.8
Ubisoft Ord	512,651	331,721	1.2
		1,166,488	4.4
GERMANY (EUR)			
Adidas	90,000	274,064	1.0
HelloFresh Ord Shs	798,017	156,471	0.6
RIB Software Ord Shs	808,777	192,065	0.7
SAP	270,000	341,360	1.3
		963,960	3.6
HONG KONG (HKD)			
AIA Group	4,139,493	406,806	1.5
		406,806	1.5
INDIA (INR)			
HDFC Bank Ord Shs	2,345,021	391,226	1.5
		391,226	1.5
INDONESIA (IDR)			
Bank Rakyat Indonesia	132,247,561	392,371	1.5
		392,371	1.5
IRELAND (EUR)			
Keywords Rg	748,046	138,963	0.5
		138,963	0.5
ISRAEL (ILS)			
Check Point Software Technologies	345,438	358,807	1.3
		358,807	1.3
ITALY (EUR)			
Cerved Information Solution	1,875,343	171,341	0.6
Prisma	1,719,575	388,301	1.5
		559,642	2.1
JAPAN (JPY)			
CyberAgent	172,257	56,607	0.2
Keyence	101,386	336,140	1.3
Nihon M&A Center	205,601	66,678	0.2
Nintendo	119,764	453,605	1.7
Persol Holdings	747,039	131,979	0.5
Square Enix Holdings	712,038	333,041	1.2
Terumo	960,000	321,260	1.2
		1,699,310	6.4
KOREA, REPUBLIC OF (KRW)			
Hynix Semiconductor	405,991	309,246	1.2
		309,246	1.2
MEXICO (MXN)			
Gruma	1,782,197	171,205	0.6
Grupo Aeroportuario del Centro Norte	2,724,986	191,221	0.7
Grupo Aeroportuario del Pacifico ADR	201,719	353,849	1.3
		716,275	2.7
NETHERLANDS (EUR)			
ASML Holding	158,531	439,274	1.6
Randstad	727,607	416,223	1.6
		855,497	3.2
NORWAY (NOK)			
Mowi ASA	1,660,516	403,671	1.5
		403,671	1.5
SPAIN (EUR)			
Aena	134,000	240,071	0.9
Construcciones Y Auxiliar De Ferrocarril	147,220	63,425	0.2
		303,496	1.1
SWEDEN (SEK)			
AstraZeneca SDB	335,127	315,086	1.2
		315,086	1.2
SWITZERLAND (CHF)			
Roche Holding	136,095	413,108	1.5
Straumann	26,051	239,344	0.9
		652,453	2.4
TAIWAN, PROVINCE OF CHINA (TWD)			
Taiwan Semiconductor ADR	1,070,000	581,948	2.2
		581,948	2.2
THAILAND (THB)			
Airports of Thailand Ord Shs F	10,700,000	248,287	0.9
		248,287	0.9
UNITED KINGDOM (GBP)			
Ocado Group	1,903,462	301,907	1.1
Prudential	1,935,117	347,724	1.3
		649,631	2.4
UNITED STATES (USD)			
Abbott Laboratories	409,629	333,070	1.2
Activision Blizzard	297,239	165,334	0.6
Albemarle	202,573	138,505	0.5
Alphabet C	37,440	468,596	1.8
Amazon.com	20,000	345,954	1.3
Ansys	84,800	204,336	0.8
Apple	209,208	575,086	2.2
Booking Holding	19,731	379,330	1.4
Bright Horizons Family Solutions	258,701	363,959	1.4
East West Bancorp	795,257	362,544	1.4
Eli Lilly	339,696	417,936	1.6
Fidelity National Information Services	299,359	389,774	1.5

Handelsbanken Global Tema, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
First Republic Bank	418,336	459,942	1.7
Grand Canyon Education	261,805	234,759	0.9
Home Depot	178,330	364,554	1.4
InterActiveCorp	167,156	389,796	1.5
Mastercard	229,410	641,228	2.4
Microsoft	345,016	509,326	1.9
NASDAQ OMX Group	445,200	446,343	1.7
Nuance Communication	1,197,252	199,830	0.7
NVIDIA	72,812	160,380	0.6
PayPal	405,302	410,403	1.5
Pool	140,466	279,260	1.0
Progressive Ohio	575,484	389,975	1.5
Proto Labs Ord Shs	192,711	183,194	0.7
Royal Caribbean Cruises	259,586	324,429	1.2
Service Corporation International	974,362	419,842	1.6
Sunnova Energy International Ord Shs	1,125,000	117,528	0.4
SVB Financial Group	65,154	153,112	0.6
The Cooper Companies	87,418	262,919	1.0
Thermo Fisher Scientific	135,752	412,839	1.5
Trex Ord Shs	280,000	235,584	0.9
UnitedHealth Group	199,491	548,992	2.1
Walt Disney	345,147	467,291	1.7
Welbilt Rg	435,205	63,595	0.2
Xylem	366,000	269,946	1.0
		12,089,490	45.2
Total listed equities		26,094,702	97.6
Total transferable securities		26,094,702	97.6
Total holdings in financial instruments		26,094,702	97.6
Net, other assets and liabilities		644,059	2.4
Total fund capital		26,738,761	100.0

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 97.6

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46). -

*** Refers to other financial instruments. -

Additional information on loaned securities

Volume of lent securities as a % of total lendable assets 5,71

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

U.S.A	316 645
The British Government	194 122
The French Government	55 675
The Austrian Government	27 877
Just Eat Plc	19 548
Bhp Group Plc	19 255
Nestle Sa	18 401
Walt Disney Co/The	16 618
The Federal Government of Belgium	16 598
Aia Group Ltd	15 821

The largest counterparties for securities lending, SEK thousand:

Credit Suisse AG, Dublin Branch, Ireland	941 910
UBS AG, London Branch, Great Britain	334 560
J.P. Morgan Securities Plc, Great Britain	62 366
Merrill Lynch Intl, Great Britain	29 820
Credit Suisse Securities (Europe) Ltd, Great Britain	18 987
Morgan Stanley & Co International Plc, Great Britain	16 989
Skandinaviska Enskilda Banken AB (publ), Sweden	12 267
Svenska Handelsbanken AB (publ), Sweden	4 360
Citigroup Global Markets Ltd, Great Britain	598
	1 421 857

Type and quality of collateral, SEK thousand:

Equities	931 919
Bonds and other interest-bearing instruments	638 801
	1 570 720

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 one day	-
One day to one week	4 133
One week to one month	15 033
One to three months	2 762
Three months to one year	58 626
Greater than one year	558 247
Indeterminate duration	931 919
	1 570 720

Currency of the collateral, SEK thousand:

AUD	11 732
CAD	42 583
CHF	22 679
DKK	965
EUR	272 926
GBP	430 706
HKD	34 502
JPY	44 793
SGD	2 758
USD	697 358
	1 570 720

The profile of the duration for securities lending is undetermined, but may be immediately terminated. Settlement and clearing for securities lending is conducted through a third party. The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 21 SEK 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:

-Citigroup Global Markets Ltd, Great Britain
 -Credit Suisse AG, Dublin Branch, Ireland
 -Credit Suisse Securities (Europe) Ltd, Great Britain
 -HSBC Bank Plc, Great Britain
 -J.P. Morgan Securities Plc, Great Britain
 -Merrill Lynch Intl, Great Britain
 -Morgan Stanley & Co International Plc, Great Britain
 -Skandinaviska Enskilda Banken AB (publ), Sweden
 -Svenska Handelsbanken AB (publ), Sweden
 -UBS AG, London Branch, Great Britain

Physical share certificates in the fund shall be redeemed. Some fund unit holders hold so-called share certificates (holdings certificate) instead of a fund account. The certificates are issued by "Koncentra Reinvest" or "Öppna Aktiefonden Lågkoncentra". In accordance with the Swedish Investment Funds Act, all such share certificates shall be redeemed and the fund units shall instead be registered. Given that a register of the unit holders in possession of these share certificates does not exist, we are urging those of you who hold such certificates to contact one of the bank branches to have the fund units registered.

Handelsbanken Global Tema

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes in its entirety companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies with key activities within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We conduct dialogues for the purpose of encouraging companies to improve their

sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
 - B. Dialogues together with other investors/capital owners
 - C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP
- A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.
- B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.
- C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

Annual General Meetings and nomination committees

Handelsbanken Fonder normally votes at general meetings in those companies where ownership exceeds 0.5 or when there is a vote on matters of particular concern. 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 general meetings.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.

Follow-up of sustainability work

Inclusion

During the year the fund continued to identify companies with business operations that contribute to a more sustainable development. For example, we invested in the US solar energy company Sunnova, whose principal business is to sell roof-mounted solar systems for residential homes. We also continued to invest in Spanish CAF, which is one of the world's leading manufacturers of trams and thereby benefits from increased investments in sustainable transport.

Exclusion

During the year we chose to sell the holdings in Johnson & Johnson, as we considered the company's work with product safety to be unsatisfactory.

The Management Company's engagement activities

- A. The fund engaged in two targeted dialogues directly with the companies during the year.
During the year the fund held a dialogue with Albemarle concerning their handling of water risks and human rights for investments in Latin America. We believe that the company has managed these risks in a more thorough manner than what the company's official document suggests.

We also began and completed a dialogue with Vestas concerning health and safety issues at a production facility in Spain. In our opinion, Vestas managed the issue in a very satisfactory manner and well beyond what can be considered to be common practice. Our view thereby deviates from that of the external consultant regarding this matter.

- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund held holdings in three of these companies.

One of the companies subject to dialogue was UnitedHealth Group. The dialogue concerned allegations that the company does not respect consumer rights in the US. The company is accused of using deceptive and misleading marketing practices.

- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.

General meetings and nomination committees

The Management Company voted at 44 annual general meetings on behalf of the fund during the year.

The fund did not have any holdings in companies in which the Management Company was represented on a nomination committee.



Handelsbanken Hållbar Energi

Management Report

Investment Focus

The fund is actively managed, which means that the portfolio manager takes active, independent investment decisions. The objective of the fund is to attain returns over the long term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests globally in companies that develop or use technologies and methods to limit global warming by directly or indirectly reducing carbon dioxide and other greenhouse gas emissions, including companies that can positively contribute to energy efficiency through alternative energy sources and environmental technology. We place particular emphasis on ensuring that the company's strategy concurs with our assessment of what can generate favourable share price performance in equities as well as that the valuations are attractive when we select equities for the fund. 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 on companies active within the fossil fuel, war materials, tobacco, cannabis, alcohol, commercial gambling and pornography areas/sectors. However, the fund may invest in companies that are involved in power generation, distribution or services related to fossil fuel in which the company is deemed to be transitioning its business operations to more renewable energy. Further information is available in the fund's information brochure. The fund may invest a maximum of 10% of the fund capital in fund units. We compare fund performance with the Wilderhill New Energy Global Innovation Index. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 37.4% in 2019*. The strongest positive contributions were from companies within solar power, where we see additional potential for strong growth ahead. Bioenergy/geothermal energy were also significant contributors during the year and we look forward with confidence, most notably in selected companies within geothermal energy. Energy storage had a difficult year as the Chinese market took what we see as a temporary breather during H2. Aggressive emissions regulations, together with major investments among auto manufacturers, should result in a rapid growth within electric automobiles/energy storage in the coming year. In general, performance in energy savings was slower in 2019, but we have selectively increased the fund's exposure to streamlining within the industrial sector. The wind power segment grew rapidly in 2019, although we see increasing risks for a more difficult market toward the end of the year. As a result, we slightly decreased the positions in the sector. Solar energy companies such as SolarEdge, Xinyi Solar and Scatec continued to be the largest individual contributors to fund returns, together with Hannon Armstrong (financing of energy savings projects) and Omat (geothermal energy). On the negative side, the fuel cell company Bloom Energy TPIC Composites (wind turbine blades) and Aumann (systems manufacturing of electric motors) weighed on returns.

*) 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

An investment in an equity fund is characterised by high risk as well as by the potential for high returns. As a result, the value of the fund can fluctuate significantly over time. Investments in the fund are normally made globally and are distributed across several markets and sectors to maintain a good diversification that contributes to lowering the risk in the fund. Given that the fund's investments are made in foreign equities denominated in currencies other than the fund's base currency, an investment in the fund is associated with currency risk. Given that the fund consists of different share classes, the changes in exchange rates can result in a differentiation in risk classifications between different share classes depending on the type of currency in which the share class is traded. The fund may invest in derivatives to protect the value of the

fund's underlying assets, to maintain the desired level of risk in the fund portfolio or to minimise management costs. The volume of trading is limited where applicable and is expected to have a marginal impact on the fund's risk profile.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund used this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

As of June 1, 2019 the fund changed its fund rules.

The fund's historical performance prior to the launch date is attributed to the merger between Placeringsfonden Handelsbanken Ny Energi (Finland) and Handelsbanken Hållbar Energi (Sweden) that occurred on October 10, 2014.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fund report.

Shareholder commitments

Based on the Management Company's Policy for Shareholder Engagement, which includes guidelines for responsible investment, voting at general meetings, work on the nomination committee, and dialogue with the portfolio management companies are undertaken independently or in collaboration with others. It is our understanding that this work leads to better governance and reduced sustainability risks in the portfolio management companies, which in turn leads to a positive value growth.

The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management Company then takes independent decisions on those matters that will be subject to a vote or another decision-making process.

The Management Company normally votes for all of the equities in the fund in those companies where voting takes place, although there are exceptions, such as in markets where the equities are in a lock-up period to enable registration for voting at a general meeting. Any securities loans are typically recalled prior to a general meeting to ensure that votes can be cast for all of the equities, although the securities loans can remain in effect at the time of the general meeting if it is deemed to be in the common interest of unit holders and there is no significant impact on active ownership.

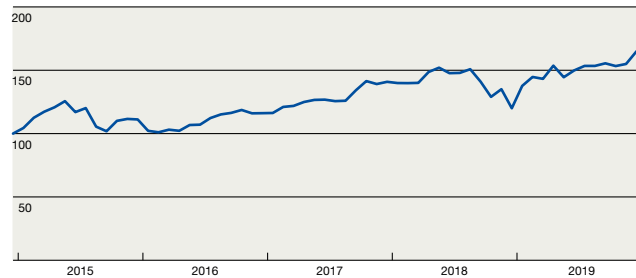
No conflicts of interest have arisen between the Management Company and the portfolio management company in conjunction with the funds' investments. Information is available in the Management Company's Policy for Shareholder Engagement on how the Management Company in general manages conflicts of interest that can arise as a result of the funds' investments.

Read more about how Handelsbanken Fonder acts in ownership matters and about the fund company's guidelines for responsible investments in

Handelsbanken Hållbar Energi, cont.

the company's Policy for shareholder engagement and responsible investments which can be found under <https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>

Fund Performance*



* Performance is shown in the fund's base currency. The fund may have several share classes, which are referred to in the Fund Facts.

Fund Facts - History

	2019	2018	2017	2016	2015	10/10-31/12 2014	2013	2012	2011	2010
Net asset value										
Hållbar Energi A1 - SEK ¹⁾	196.11	142.68	167.49	138.06	132.17	118.90	-	-	-	-
Hållbar Energi A1 - EUR ¹⁾	18.66	14.08	17.04	14.41	14.43	12.55	-	-	-	-
Hållbar Energi A1 - NOK ¹⁾	184.09	139.35	167.32	130.81	138.77	113.88	-	-	-	-
Hållbar Energi B1 - SEK	106.23	-	-	-	-	-	-	-	-	-
Hållbar Energi A10 - SEK	199.35	143.73	-	-	-	-	-	-	-	-
Hållbar Energi A10 - EUR	18.97	14.18	-	-	-	-	-	-	-	-
Hållbar Energi A10 - NOK	187.13	140.38	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	507	1,118	1,389	63	143	-66	-	-	-	-
Fund capital total, mSEK	4,706	3,025	2,435	743	654	472	-	-	-	-
Hållbar Energi A1 - SEK	3,508	2,624	2,104	648	570	405	-	-	-	-
Hållbar Energi A1 - EUR	20	14	13	6	6	5	-	-	-	-
Hållbar Energi A1 - NOK	176	176	202	33	29	18	-	-	-	-
Hållbar Energi B1 - SEK	97	-	-	-	-	-	-	-	-	-
Hållbar Energi A10 - SEK	476	15	-	-	-	-	-	-	-	-
Hållbar Energi A10 - EUR	4	1	-	-	-	-	-	-	-	-
Hållbar Energi A10 - NOK	175	54	-	-	-	-	-	-	-	-
Number of units, 1000's	24,356	21,197	14,537	5,381	4,947	3,968	-	-	-	-
Hållbar Energi A1 - SEK	17,887	18,390	12,560	4,694	4,310	3,404	-	-	-	-
Hållbar Energi A1 - EUR	1,083	966	769	433	426	405	-	-	-	-
Hållbar Energi A1 - NOK	955	1,262	1,208	254	211	159	-	-	-	-
Hållbar Energi B1 - SEK	911	-	-	-	-	-	-	-	-	-
Hållbar Energi A10 - SEK	2,386	102	-	-	-	-	-	-	-	-
Hållbar Energi A10 - EUR	202	92	-	-	-	-	-	-	-	-
Hållbar Energi A10 - NOK	933	386	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Hållbar Energi A1 - SEK	+37.4	-14.8	+21.3	+4.5	+11.2	+12.5	+36.7	+6.2	-19.6	-1.5
Hållbar Energi A1 - EUR	+32.6	-17.4	+18.2	-0.2	+15.0	+5.1	+32.5	+10.1	-18.5	+11.9
Hållbar Energi A1 - NOK	+32.1	-16.7	+27.9	-5.7	+21.9	+14.1	+50.9	+4.3	-19.0	+5.2
Hållbar Energi B1 - SEK	+6.2	-	-	-	-	-	-	-	-	-
Hållbar Energi A10 - SEK	+38.7	-14.0	-	-	-	-	-	-	-	-
Hållbar Energi A10 - EUR	+33.8	-16.6	-	-	-	-	-	-	-	-
Hållbar Energi A10 - NOK	+33.3	-16.0	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Hållbar Energi A1 - SEK	+47.2	-12.3	+15.4	+0.8	+8.7	+19.2	+53.6	-9.1	-38.4	-19.0
Hållbar Energi A1 - EUR	+42.0	-15.0	+12.5	-3.7	+12.4	+11.4	+48.9	-5.6	-37.5	-7.9
Hållbar Energi A1 - NOK	+41.5	-14.4	+21.7	-9.1	+19.1	+20.9	+69.6	-10.6	-37.9	-13.4
Hållbar Energi B1 - SEK	+9.6	-	-	-	-	-	-	-	-	-
Hållbar Energi A10 - SEK	+47.2	-12.3	-	-	-	-	-	-	-	-
Hållbar Energi A10 - EUR	+42.0	-15.0	-	-	-	-	-	-	-	-
Hållbar Energi A10 - NOK	+41.5	-14.4	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Hållbar Energi A1 - SEK	6.2	5.7	4.4	5.9	6.3	8.5	11.6	10.0	6.8	8.4
Hållbar Energi A1 - EUR	6.2	5.7	4.4	5.9	6.3	8.5	-	-	-	-
Hållbar Energi A1 - NOK	6.2	5.7	4.4	5.9	6.3	8.5	-	-	-	-
Hållbar Energi A10 - SEK	6.2	5.7	-	-	-	-	-	-	-	-
Hållbar Energi A10 - EUR	6.2	5.7	-	-	-	-	-	-	-	-
Hållbar Energi A10 - NOK	6.2	5.7	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Hållbar Energi A1 - SEK	+8.2	+1.7	+12.6	+7.8	+11.8	+24.0	+20.5	-7.6	-11.0	+12.6
Hållbar Energi A1 - EUR	+4.7	-1.2	+8.6	+7.1	+9.9	+18.0	+20.8	-5.3	-4.5	+24.3
Hållbar Energi A1 - NOK	+4.9	+3.2	+9.8	+7.2	+17.9	+31.2	+25.5	-8.1	-7.7	+11.2
Hållbar Energi A10 - SEK	+9.2	+2.6	-	-	-	-	-	-	-	-
Hållbar Energi A10 - EUR	+5.6	-0.3	-	-	-	-	-	-	-	-
Hållbar Energi A10 - NOK	+5.8	+4.1	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+13.6	+0.6	+7.8	+4.6	+13.8	+35.3	+18.2	-25.1	-29.3	+1.7
EUR	+9.8	-2.2	+4.1	+4.0	+11.9	+28.8	+18.5	-23.2	-24.2	+12.2
NOK	+10.1	+2.1	+5.2	+4.1	+20.0	+43.2	+23.1	-25.5	-26.7	+0.4
Average yearly return, 5 yrs. %										
Hållbar Energi A1 - SEK	+10.5	+6.2	+16.7	+13.6	+7.8	+5.3	+8.1	-	-	-
Hållbar Energi A1 - EUR	+8.3	+3.3	+13.6	+12.0	+7.5	+6.9	+12.9	-	-	-
Hållbar Energi A1 - NOK	+10.1	+6.9	+20.4	+15.6	+12.1	+8.9	+9.5	-	-	-
Hållbar Energi A10 - SEK	+11.5	+7.1	-	-	-	-	-	-	-	-
Hållbar Energi A10 - EUR	+9.2	+4.3	-	-	-	-	-	-	-	-
Hållbar Energi A10 - NOK	+11.1	+7.9	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+10.3	+5.7	+18.3	+12.8	+2.2	-3.6	-2.3	-	-	-
EUR	+8.0	+2.9	+15.1	+11.1	+1.9	-2.1	+2.0	-	-	-
NOK	+9.8	+6.4	+22.0	+14.7	+6.3	-0.3	-1.0	-	-	-

Handelsbanken Hållbar Energi, cont.

	2019	2018	2017	2016	2015	10/10-31/12 2014	2013	2012	2011	2010
Average yearly return, 10 yrs. %										
Hållbar Energi A1 - SEK	+7.9	+7.2	-	-	-	-	-	-	-	-
Hållbar Energi A1 - EUR	+7.6	+8.0	-	-	-	-	-	-	-	-
Hållbar Energi A1 - NOK	+9.5	+8.2	-	-	-	-	-	-	-	-
Hållbar Energi A10 - SEK	+8.9	+8.2	-	-	-	-	-	-	-	-
Hållbar Energi A10 - EUR	+8.6	+9.1	-	-	-	-	-	-	-	-
Hållbar Energi A10 - NOK	+10.5	+9.3	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+3.1	+1.6	-	-	-	-	-	-	-	-
EUR	+2.8	+2.4	-	-	-	-	-	-	-	-
NOK	+4.6	+2.6	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.51	10.13	9.83	9.58	9.16	9.47	-	-	-	-
Exchange rate NOK/SEK	1.07	1.02	1.00	1.06	0.95	1.04	-	-	-	-

1) The net asset value was adjusted on June 16, 2014 after a judgment in the Administrative Court in Falun. Pursuant to the judgment, funds with U.S. Holdings shall be charged with full U.S. withholding taxes as of January 1, 2012. As of June 16, 2014, full U.S. withholding taxes were deducted until an Administrative Court of Appeals in Sundsvall changed the Administrative Court's judgment on March 30, 2015, and the withholding taxes previously reserved were repaid to each fund concerned.

Benchmark: Wilderhill New Energy Global Innovation Total Return Index 100%.

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 information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Hållbar Energi A1	1.50
Hållbar Energi B1	1.50
Hållbar Energi A10	0.60
Collected mgmt. costs in % of average fund capital	
Hållbar Energi A1	1.50
Hållbar Energi B1	1.50
Hållbar Energi A10	0.60
Annual fees in %	
Hållbar Energi A1	1.50
Hållbar Energi B1	1.50
Hållbar Energi A10	0.60
Transaction costs, SEKt	2,196
Transaction costs in % of turnover	0.05
Costs in SEK for a one-time subscription, 10 000 SEK	
Hållbar Energi A1	185.53
Hållbar Energi B1	185.53
Hållbar Energi A10	74.55
Costs in SEK for monthly savings, 100 SEK	
Hållbar Energi A1	10.45
Hållbar Energi B1	10.45
Hållbar Energi A10	4.20

Fund Facts - Other Key Figures

Turnover rate	0.5
Share of turnover conducted via closely-related securities companies in %	5.2
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	19.0	Information ratio - A1 SEK	Negative
Total risk % - A1 EUR	17.2	Information ratio - A1 EUR	Negative
Total risk % - A1 NOK	16.1	Information ratio - A1 NOK	Negative
Total risk % - A10 SEK	19.0	Information ratio - A10 SEK	Negative
Total risk % - A10 EUR	17.2	Information ratio - A10 EUR	Negative
Total risk % - A10 NOK	16.1	Information ratio - A10 NOK	Negative
Total risk in index % - A1 SEK	18.7	Sharpe ratio - A1 SEK	0.5
Total risk in index % - A1 EUR	17.4	Sharpe ratio - A1 EUR	0.3
Total risk in index % - A1 NOK	16.4	Sharpe ratio - A1 NOK	0.3
Total risk in index % - A10 SEK	18.7	Sharpe ratio - A10 SEK	0.5
Total risk in index % - A10 EUR	17.4	Sharpe ratio - A10 EUR	0.3
Total risk in index % - A10 NOK	16.4	Sharpe ratio - A10 NOK	0.3
Benchmark Wilderhill New Energy Global Innovation Total Return Index 100%.		Sharpe ratio in index - A1 SEK	0.8
		Sharpe ratio in index - A1 EUR	0.6
		Sharpe ratio in index - A1 NOK	0.6
Active Share % ¹⁾	71.9	Sharpe ratio in index - A10 SEK	0.8
Active return % - A1 SEK	-5.3	Sharpe ratio in index - A10 EUR	0.6
Active return % - A1 EUR	-5.2	Sharpe ratio in index - A10 NOK	0.6
Active return % - A1 NOK	-5.2		
Active return % - A10 SEK	-4.4		
Active return % - A10 EUR	-4.2		
Active return % - A10 NOK	-4.2		

1) As of the balance sheet date.

* 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.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	1,166,238	-532,876
Interest income	528	-192
Dividends	51,153	43,863
Currency exchange profits and losses, net	6,842	2,830
Other financial income ¹⁾	6,726	9,684
Other income	1,651	520
Total income and changes in value	1,233,138	-476,171
EXPENSES		
Management costs:		
- Remuneration to the Management Company	55,710	47,830
Interest expense	127	72
Other financial expenses ²⁾	1,345	1,937
Other expenses	2,354	2,012
Total expenses	59,536	51,851
Net income	1,173,602	-528,022
* Details of changes in value		
Capital gains	455,996	318,595
Capital losses	-218,445	-161,388
Unrealised gains/losses	928,688	-690,083
Sum	1,166,238	-532,876

1) The item consists primarily of premiums for securities lent.

2) The items consist primarily of expenses for securities borrowed.

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	4,525,214	96.2	2,899,960	95.9
Total financial instruments with positive market value ^{Note 2)}	4,525,214	96.2	2,899,960	95.9
Bank assets and other liquid assets	183,468	3.9	126,094	4.1
Prepaid expenses and accrued income	3,157	0.1	2,877	0.1
Other assets	16,687	0.3	192	0.0
Total assets	4,728,526	100.5	3,029,123	100.1
LIABILITIES				
Accrued expenses and prepaid income	5,346	0.1	4,068	0.1
Other liabilities	17,088	0.4	10	0.0
Total liabilities	22,434	0.5	4,078	0.1
Fund capital ^{Note 1)}	4,706,092	100.0	3,025,045	100.0
Financial instruments lent	403,365	8.6	197,186	6.5
Collateral received for financial instruments lent	458,102	9.7	217,805	7.2

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	3,025,045	2,434,840
Units issued	2,084,033	1,966,430
Units redeemed	-1,576,588	-848,203
Profit according to Income Statement	1,173,602	-528,022
Dividends to unit holders	-	-
Fund capital at the close of the period	4,706,092	3,025,045

Handelsbanken Hållbar Energi, cont.

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
AUSTRALIA (AUD)			
Orocobre	5,917,801	103,194	2.2
		103,194	2.2
AUSTRIA (EUR)			
Verbund	178,479	83,906	1.8
		83,906	1.8
BRAZIL (BRL)			
São Martinho	1,753,911	96,812	2.1
		96,812	2.1
CANADA (CAD)			
Advantaged Lithium Ord Shs	8,571,450	22,275	0.5
Boralex A	680,012	120,072	2.6
Loop Industries Ord Shs	272,307	25,236	0.5
		167,583	3.6
CHINA (CNY)			
Daqo New En Sp ADR	161,293	77,305	1.6
Goldwind	6,937,103	75,425	1.6
Huaneng Renewables	17,849,029	64,975	1.4
JinkoSolar ADR	274,797	57,853	1.2
Tianneng Power International	9,463,684	67,422	1.4
Xinyi Energy Holdings Ord Shs (Proposed)	39,024,756	95,644	2.0
Xinyi Solar Holdings	24,577,766	163,288	3.5
		601,912	12.8
DENMARK (DKK)			
Rockwool International B	31,627	70,180	1.5
Vestas Wind Systems	165,952	157,099	3.3
		227,278	4.8
FAROE ISLANDS (DKK)			
Bakkafrost	202,748	140,391	3.0
		140,391	3.0
FINLAND (EUR)			
Vaisala	37,652	12,562	0.3
		12,562	0.3
FRANCE (EUR)			
Neoen Promesses Ord Shs	53,058	17,227	0.4
Schneider Electric	39,635	38,108	0.8
		55,335	1.2
GERMANY (EUR)			
Aumann Ord Shs	141,821	23,039	0.5
Nordex	270,389	34,322	0.7
Wacker Chemie	16,107	11,448	0.2
		68,808	1.5
HONG KONG (HKD)			
Canvest Environment Protection	699,000	3,023	0.1
China Everbright Greentech Ltd	8,073,105	40,930	0.9
China Everbright International	3,448,347	25,893	0.6
		69,846	1.5
INDIA (INR)			
Azure Power Global Ord Shs	786,120	92,575	2.0
		92,575	2.0
ISRAEL (ILS)			
Solaredge Technologies Ord Shs	146,709	130,592	2.8
		130,592	2.8
ITALY (EUR)			
ERG SpA	355,329	71,762	1.5
Prysmian	544,776	123,017	2.6
		194,779	4.1
JAPAN (JPY)			
Ulvac Ord Shs	111,434	41,706	0.9
		41,706	0.9
NETHERLANDS (EUR)			
Alfen Beheer Ord Shs When Issued	278,091	48,040	1.0
		48,040	1.0
NORWAY (NOK)			
Atlantic Sapphire Rg	74,409	10,225	0.2
Leroy Seafood Group	1,220,546	75,804	1.6
Mowi ASA	191,197	46,480	1.0
NEL	2,077,700	19,146	0.4
Scatec Solar	1,122,976	148,461	3.2
		300,116	6.4
SINGAPORE (SGD)			
CapitaCommercial Trust	5,462,937	75,682	1.6
		75,682	1.6
SPAIN (EUR)			
EDP Renováveis	1,337,849	147,607	3.1
Gamesa	269,917	44,344	0.9
		191,952	4.1
SWEDEN (SEK)			
ABB SDB	207,976	46,815	1.0
ÅF B	158,119	34,565	0.7
CLIMEON B	1,363,878	93,289	2.0
Greater Than Ord Shs	143,002	12,227	0.3
		186,896	4.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
TAIWAN, PROVINCE OF CHINA (TWD)			
Epistar	2,696,562	27,241	0.6
Everlight Electronics	1,298,597	14,092	0.3
Taiwan Semiconductor	860,926	88,988	1.9
		130,320	2.8
UNITED KINGDOM (GBP)			
Johnson Matthey	108,901	40,461	0.9
		40,461	0.9
UNITED STATES (USD)			
A. O. Smith	88,836	39,617	0.8
Albemarle	53,327	36,461	0.8
Ameresco Ord Shs Class A	642,938	105,325	2.2
Bloom Energy Class A Ord Shs	745,509	52,131	1.1
Darling Ingredients Ord Shs	346,356	91,043	1.9
First Solar	291,040	152,460	3.2
Hannon Armstrong	726,827	218,948	4.7
IPG Photonics	42,428	57,558	1.2
Ormat Technologies	116,541	81,297	1.7
Renewable Energy Ord Shs	510,607	128,816	2.7
Sunnova Energy International Ord Shs	973,164	101,666	2.2
Sunrun	580,400	75,032	1.6
Tesla Motors	10,214	39,998	0.8
TPI Composites Ord Shs	678,611	117,585	2.5
Universal Display	10,169	19,616	0.4
Vivint Solar	506,728	34,438	0.7
Willdan Group Ord Shs	378,081	112,477	2.4
		1,464,468	29.8
Total listed equities		4,525,214	96.2
Total transferable securities		4,525,214	96.2
Total holdings in financial instruments		4,525,214	96.2
Net, other assets and liabilities		180,878	3.8
Total fund capital		4,706,092	100.0

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

96.2

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

Additional information on loaned securities

Volume of lent securities as a % of total lendable assets 9.46

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

The British Government	151 741
U.S.A	93 155
The Dutch Government	16 944
The French Government	11 055
Royal Dutch Shell Plc	7 336
National Grid Plc	5 919
Bhp Group Plc	5 885
The German Government	5 699
Sap Se	5 673
Linde Plc	5 326

The largest counterparties for securities lending, SEK thousand:

Morgan Stanley & Co International Plc, Great Britain	128 261
UBS AG, London Branch, Great Britain	120 404
HSBC Bank Plc, Great Britain	120 330
J.P. Morgan Securities Plc, Great Britain	23 967
Citigroup Global Markets Ltd, Great Britain	9 182
Merrill Lynch Intl, Great Britain	1 221
	403 365

Type and quality of collateral, SEK thousand:

Equities	175 730
Bonds and other interest-bearing instruments	282 372
	458 102

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 one day	-
One day to one week	-
One week to one month	3 702
One to three months	12 304
Three months to one year	18 186
Greater than one year	248 181
Indeterminate duration	175 730
	458 102

Handelsbanken Hållbar Energi, cont.

Currency of the collateral, SEK thousand:

AUD	2 777
CAD	1 025
CHF	7 393
DKK	790
EUR	92 445
GBP	223 642
HKD	6 784
JPY	6 050
SGD	970
USD	116 226
	458 102

The profile of the duration for securities lending is undetermined, but may be immediately terminated. Settlement and clearing for securities lending is conducted through a third party. The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 21 SEK 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:

-Citigroup Global Markets Ltd, Great Britain
 -Credit Suisse Securities (Europe) Ltd, Great Britain
 -Goldman Sachs Intl, Great Britain
 -HSBC Bank Plc, Great Britain, Great Britain
 -J.P. Morgan Securities Plc, Great Britain
 -Merrill Lynch Intl, Great Britain
 -Morgan Stanley & Co International Plc, Great Britain
 -Svenska Handelsbanken AB (publ), Sweden
 -UBS AG, London Branch, Great Britain

Handelsbanken Hållbar Energi

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors. The fund has been awarded the Nordic Swan Ecolabel and thereby fulfils the Nordic Swan Ecolabel's 25 mandatory criteria. Read more at svanen.se/spararen.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes in its entirety companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies with key activities within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our

commitments and the international norms and conventions we respect. We conduct dialogues for the purpose of encouraging companies to improve their sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
- B. Dialogues together with other investors/capital owners
- C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP

A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.

B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.

C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

Annual General Meetings and nomination committees

Handelsbanken Fonder normally votes at general meetings in those companies where ownership exceeds 0.5 or when there is a vote on matters of particular concern. 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 general meetings.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.

Follow-up of sustainability work

Inclusion

Sustainability dimensions are key to the fund manager's selection of companies. The fund has specific and communicated criteria for the selection of companies based on environmental, social and business ethics issues. An analysis of the companies' sustainability efforts is crucial to the selection of companies in the fund. The fund invests worldwide in companies that develop or use technologies and methods to limit the effects of global warming. The following criteria guide the process for investment decisions:

- All investments should have a portion of the turnover associated with products or services (WHAT) that result in improvements to the environment or social sustainability.
- The fund only selects companies where a minimum of 10 percent of turnover is attributed to products that improve the environment.
- A minimum of 50 percent of the fund's underlying turnover must target measures to improve the environment. Only companies with environmental measures that exceed 50% will contribute to the calculation; companies with a smaller amount will be counted as zero.

Examples of new companies in the fund are Darling Industries and Renewable Energy Group, both active within biofuels. Through the recycling of food oils and slaughterhouse wastes, Darling Industries is a good example of both circular economy and renewable energy. Focus is currently on renewable diesel, but as the Swedish word "flygskam" (flight shame) spreads, we believe there will be great potential within biofuels to the airline industry.

Exclusion

During the year the fund chose to terminate its investment in the Chinese company Hans Laser. An expansion of the company's R&D capacity in Europe was conducted in a manner that raises significant questions about corporate governance and the division of interests between the principal owners and the company.

The Management Company's engagement activities

- A. The fund engaged in seven targeted dialogues directly with the companies during the year.

During the year the fund held a dialogue with Albemarle concerning their handling of water risks and human rights for investments in Latin America. We believe that the company has managed these risks in a more thorough manner than what the company's official document suggests.

We also began and completed a dialogue with Vestas concerning health and safety issues at a production facility in Spain. In our opinion, Vestas managed the issue in a very satisfactory manner and well beyond what can be considered to be common practice. Our view thereby deviates from that of the external consultant regarding this matter.

- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund held holdings in two of these companies.

One of the companies was Vestas Wind Systems. A dialogue was held with the company to have the company strengthen guidelines for how it consults stakeholders during sales for new projects, primarily linked to the rights of the indigenous.

- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.

General meetings and nomination committees

The Management Company voted at 67 annual general meetings on behalf of the fund during the year.

The Management Company participated in one nomination committees on behalf of the fund: ÅF Pöry AB.



Handelsbanken Hälsovård Tema

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests globally in equities issued by companies within the healthcare sector. The healthcare sector refers to the pharmaceutical, medical technology, biotech, service and other healthcare-related branches. The thematic investment strategy implies that investments occur primarily in companies associated with long-term investment themes that have been carefully selected, analysed and are expected to experience a long period of growth. Examples of the main themes include Demographics, Productivity, Lifestyles and the Environment. International norms and guidelines for the environment, social responsibility and corporate governance are taken into consideration within the scope of the fund's investment focus. The fund applies an exclusion strategy on companies active within the fossil fuel, war materials, tobacco, cannabis, alcohol, commercial gambling and pornography areas/sectors. However, the fund may invest in companies that are involved in power generation, distribution or services related to fossil fuel in which the company is deemed to be transitioning its business operations to more renewable energy. Further information is available in the fund's information brochure. The fund may invest a maximum of 10% of the fund capital in fund units. We compare fund performance with Solactive ISS ESG Screened DM Health Care UCITS Index. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 29.6% in 2019*. Upturns within the pharmaceutical, biotech, laboratory products and medical technology sectors all contributed to the positive returns. The fund benefited in particular from Pfizer's acquisition of Array BioPharma and Merck's acquisition of Arqule, both US biotech companies. Several other pharmaceutical companies also contributed to returns, including Roche, Merck, AstraZeneca and Novo Nordisk. In contrast, IRLab Therapeutics, Retrophin and Hansa Biopharma fell after setbacks in research portfolios. Innovation remains a strong driver within the healthcare sector and benefits companies that develop medicine for cancer, neuro-degenerative diseases and rare diseases. There is also a high level of innovation within the medical technology sector, e.g., within the treatment of heart diseases and diabetes. Abbott and Terumo contributed positively to fund performance, while Ambu and Abiomed had a negative impact. US insurance companies are being driven by an aging population and more advanced healthcare. UnitedHealth Group contributed positively despite actions in conjunction with the US presidential election campaign. However, the likelihood for major reforms is considered to be low. The fund also invested in companies involved in digitalisation and cost-effective methods for managing healthcare.

*) 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

An investment in an equity fund is characterised by high risk as well as by the potential for high returns. As a result, the value of the fund can fluctuate significantly over time. The fund's investments are concentrated to equities in companies active within the healthcare sector, with an emphasis on companies listed in the US equity markets. As a result, the risk in the fund is higher than an investment in a diversified global equity fund that distributes its investments across several regions or sectors. Given that the fund's investments are made in foreign equities denominated in currencies other than the fund's base currency, an investment in the fund is associated with currency risk. Given that the fund consists of different share classes, the changes in exchange rates can result in a differentiation in risk classifications between different share

classes depending on the type of currency in which the share class is traded. The fund may invest in derivatives to protect the value of the fund's underlying assets, to maintain the desired level of risk in the fund portfolio or to minimise management costs. The volume of trading is limited where applicable and is expected to have a marginal impact on the fund's risk profile.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund used this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

On 30 April 2019, the fund changed index from MSCI World Health Care Net to Solactive ISS ESG Screened Health Care UCITS Index NTR. This was due to the change to a sustainability-oriented index that excludes a greater number of controversial business operations than previously. The fund's investment focus has not been affected by the change. The fund changed its fund rules on 1 June 2019.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Shareholder commitments

Based on the Management Company's Policy for Shareholder Engagement, which includes guidelines for responsible investment, voting at general meetings, work on the nomination committee, and dialogue with the portfolio management companies are undertaken independently or in collaboration with others. It is our understanding that this work leads to better governance and reduced sustainability risks in the portfolio management companies, which in turn leads to a positive value growth.

The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management Company then takes independent decisions on those matters that will be subject to a vote or another decision-making process.

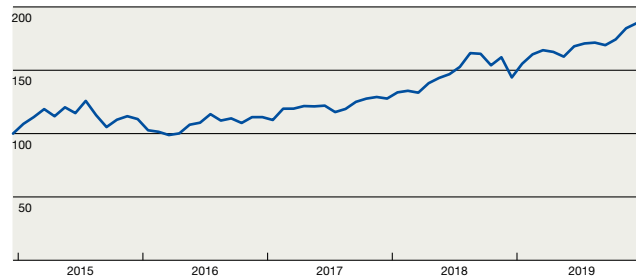
The Management Company normally votes for all of the equities in the fund in those companies where voting takes place, although there are exceptions, such as in markets where the equities are in a lock-up period to enable registration for voting at a general meeting. Any securities loans are typically recalled prior to a general meeting to ensure that votes can be cast for all of the equities, although the securities loans can remain in effect at the time of the general meeting if it is deemed to be in the common interest of unit holders and there is no significant impact on active ownership.

No conflicts of interest have arisen between the Management Company and the portfolio management company in conjunction with the funds' investments. Information is available in the Management Company's Policy for Shareholder Engagement on how the Management Company in general manages conflicts of interest that can arise as a result of the funds' investments.

Handelsbanken Hälsovård Tema, cont.

Read more about how Handelsbanken Fonder acts in ownership matters and about the fund company's guidelines for responsible investments in the company's Policy for shareholder engagement and responsible investments which can be found under <https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>

Fund Performance*



* Performance is shown in the fund's base currency. The fund may have several share classes, which are referred to in the Fund Facts.

Fund Facts - History

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net asset value										
Hälsovård Tema A1 - SEK ¹⁾	266.14	205.29	181.56	160.73	158.53	142.24	98.79	72.81	65.82	64.12
Hälsovård Tema A1 - EUR ¹⁾	25.33	20.26	18.47	16.77	17.31	-	-	-	-	-
Hälsovård Tema A1 - NOK	249.88	-	181.38	152.29	166.44	-	-	-	-	-
Hälsovård Tema B1 - SEK	135.00	107.89	-	-	-	-	-	-	-	-
Hälsovård Tema A10 - SEK	267.29	-	-	-	-	-	-	-	-	-
Hälsovård Tema A10 - NOK	250.90	-	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	2,241	2,108	72	-683	98	1,012	180	50	-	-
Fund capital total, mSEK	8,200	4,449	2,179	1,884	2,582	2,276	-	-	-	-
Hälsovård Tema A1 - SEK	7,180	4,146	2,073	1,784	2,348	2,276	790	435	349	266
Hälsovård Tema A1 - EUR	20	13	11	10	26	-	-	-	-	-
Hälsovård Tema A1 - NOK	8	-	0	0	0	-	-	-	-	-
Hälsovård Tema B1 - SEK	330	168	-	-	-	-	-	-	-	-
Hälsovård Tema A10 - SEK	386	-	-	-	-	-	-	-	-	-
Hälsovård Tema A10 - NOK	82	-	-	-	-	-	-	-	-	-
Number of units, 1000's	32,006	22,411	12,004	11,719	16,289	-	-	-	-	-
Hälsovård Tema A1 - SEK	26,980	20,197	11,418	11,101	14,808	15,999	7,995	5,976	5,295	4,152
Hälsovård Tema A1 - EUR	783	655	586	618	1,481	-	-	-	-	-
Hälsovård Tema A1 - NOK	31	-	0	0	0	-	-	-	-	-
Hälsovård Tema B1 - SEK	2,442	1,559	-	-	-	-	-	-	-	-
Hälsovård Tema A10 - SEK	1,444	-	-	-	-	-	-	-	-	-
Hälsovård Tema A10 - NOK	326	-	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Hälsovård Tema A1 - SEK	+29.6	+13.1	+13.0	+1.4	+11.5	+44.0	+35.7	+11.6	+6.1	-1.4
Hälsovård Tema A1 - EUR	+25.0	+9.7	+10.1	-3.1	+15.3	-	-	-	-	-
Hälsovård Tema A1 - NOK	+24.6	-	+19.1	-8.5	+22.2	-	-	-	-	-
Hälsovård Tema B1 - SEK	+29.6	+13.1	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Hälsovård Tema A1 - SEK	+30.7	+11.0	+8.0	+0.4	+14.8	+43.9	+34.5	+11.5	+11.6	-3.6
Hälsovård Tema A1 - EUR	+26.0	+7.7	+5.2	-4.0	+18.7	-	-	-	-	-
Hälsovård Tema A1 - NOK	+25.6	-	+13.8	-9.4	+25.8	-	-	-	-	-
Hälsovård Tema B1 - SEK	+30.7	+11.0	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Hälsovård Tema A1 - SEK	3.6	3.5	3.7	3.6	2.6	2.1	1.7	1.7	2.4	2.0
Hälsovård Tema A1 - EUR	3.6	3.5	3.7	3.6	2.6	-	-	-	-	-
Hälsovård Tema A1 - NOK	3.6	-	3.7	3.6	2.6	-	-	-	-	-
Hälsovård Tema B1 - SEK	3.6	3.5	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Hälsovård Tema A1 - SEK	+21.1	+13.0	+7.0	+6.3	+26.7	+39.8	+23.1	+8.8	+2.3	+3.3
Hälsovård Tema A1 - EUR	+17.1	+9.9	+3.3	+5.7	+24.5	-	-	-	-	-
Hälsovård Tema A1 - NOK	+17.4	-	+4.4	+5.7	+33.5	-	-	-	-	-
Hälsovård Tema B1 - SEK	+21.1	+13.0	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+20.4	+9.5	+4.1	+7.4	+28.5	+39.2	+22.5	+11.6	+3.7	+1.7
EUR	+16.5	+6.4	+0.5	+6.8	+26.4	-	-	-	-	-
NOK	+16.7	-	+1.6	+6.8	+35.5	-	-	-	-	-
Average yearly return, 5 yrs. %										
Hälsovård Tema A1 - SEK	+13.3	+15.8	+20.1	+19.8	+20.9	+17.9	+11.4	+3.3	+0.4	-2.3
Hälsovård Tema A1 - EUR	+11.0	+12.7	+16.8	+18.0	+20.5	-	-	-	-	-
Hälsovård Tema A1 - NOK	+12.9	-	+23.8	+21.8	+25.7	-	-	-	-	-
Hälsovård Tema B1 - SEK	+13.3	+15.8	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+12.5	+14.7	+19.2	+20.0	+22.6	+18.4	+11.6	+4.4	+1.7	-1.5
EUR	+10.2	+11.7	+16.0	+18.3	+22.2	-	-	-	-	-
NOK	+12.1	-	+23.0	+22.1	+27.4	-	-	-	-	-
Average yearly return, 10 yrs. %										
Hälsovård Tema A1 - SEK	+15.6	+13.6	+11.4	+9.7	+8.7	+10.5	+5.9	+2.5	-2.8	-3.7
Hälsovård Tema A1 - EUR	+15.3	+14.5	+10.9	+9.0	+9.0	-	-	-	-	-
Hälsovård Tema A1 - NOK	+17.4	-	+13.3	+10.1	+11.0	-	-	-	-	-
Hälsovård Tema B1 - SEK	+15.6	+13.6	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+15.4	+13.2	+11.5	+10.5	+9.9	+11.3	+7.1	+3.9	-1.2	-2.6
EUR	+15.1	+14.1	+11.1	+9.8	+10.2	-	-	-	-	-
NOK	+17.1	-	+13.5	+10.9	+12.2	-	-	-	-	-
Dividends per unit, SEK										
Hälsovård Tema A1 - SEK	-	-	-	-	-	-	-	0.61	2.07	1.17
Hälsovård Tema B1 - SEK	4.32	-	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.51	10.13	9.83	9.58	9.16	-	-	-	-	-
Exchange rate NOK/SEK	1.07	1.02	1.00	1.06	0.95	-	-	-	-	-

¹⁾ The net asset value was adjusted on June 16, 2014 after a judgment in the Administrative Court in Falun. Pursuant to the judgment, funds with U.S. Holdings shall be charged with full U.S. withholding taxes as of January 1, 2012. As of June 16, 2014, full U.S. withholdings taxes were deducted until an Administrative Court of Appeals in Sundsvall changed the Administrative Court's judgment on March 30, 2015, and the withholding taxes previously reserved were repaid to each fund concerned.

Benchmark: Solactive ISS ESG Screened Health Care UCITS Index NTR

Up to 30/04/2019: MSCI World Health Care Net

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

Detailed information for the share classes' designation (nomenclature) is provided in the information provided by the Management Company.

Refer to the last page for definitions.

Handelsbanken Hålsövärd Tema, cont.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Hålsövärd Tema A1	1.50
Hålsövärd Tema B1	1.50
Hålsövärd Tema A10	0.60
Collected mgmt. costs in % of average fund capital	
Hålsövärd Tema A1	1.50
Hålsövärd Tema B1	1.50
Hålsövärd Tema A10	0.60
Annual fees in %	
Hålsövärd Tema A1	1.50
Hålsövärd Tema B1	1.50
Hålsövärd Tema A10	0.60
Transaction costs, SEKt	2,786
Transaction costs in % of turnover	0.03
Costs in SEK for a one-time subscription, 10 000 SEK	
Hålsövärd Tema A1	174.13
Hålsövärd Tema B1	174.13
Hålsövärd Tema A10	-
Costs in SEK for monthly savings, 100 SEK	
Hålsövärd Tema A1	10.39
Hålsövärd Tema B1	10.39
Hålsövärd Tema A10	-

Fund Facts - Other Key Figures

Turnover rate	0.6
Share of turnover conducted via closely-related securities companies in %	3.0
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	13.8	Information ratio - A1 SEK	0.2
Total risk % - A1 EUR	13.6	Information ratio - A1 EUR	0.2
Total risk % - A1 NOK	12.9	Information ratio - A1 NOK	0.2
Total risk % - B1 SEK	13.8	Information ratio - B1 SEK	0.2
Total risk in index % - A1 SEK	13.2	Sharpe ratio - A1 SEK	1.6
Total risk in index % - A1 EUR	12.4	Sharpe ratio - A1 EUR	1.3
Total risk in index % - A1 NOK	12.6	Sharpe ratio - A1 NOK	1.3
Total risk in index % - B1 SEK	13.2	Sharpe ratio - B1 SEK	1.6
Benchmark		Sharpe ratio in index - A1 SEK	1.6
Solactive ISS ESG		Sharpe ratio in index - A1 EUR	1.4
Screened Health Care		Sharpe ratio in index - A1 NOK	1.3
UCITS Index NTR		Sharpe ratio in index - B1 SEK	1.6
Active Share % ¹⁾	57.4		
Active return % - A1 SEK	0.6		
Active return % - A1 EUR	0.6		
Active return % - A1 NOK	0.6		
Active return % - B1 SEK	0.6		

1) As of the balance sheet date.

* 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.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	1,516,321	176,100
Interest income	425	233
Dividends	76,551	41,641
Currency exchange profits and losses, net	5,996	-3,879
Other financial income ¹⁾	4,340	1,221
Other income	486	47
Total income and changes in value	1,604,119	215,365
EXPENSES		
Management costs:		
- Remuneration to the Management Company	90,677	51,291
Interest expense	28	55
Other financial expenses ²⁾	868	244
Other expenses	2,801	2,446
Total expenses	94,374	54,036
Net income	1,509,745	161,329
* Details of changes in value		
Capital gains	621,739	370,641
Capital losses	-319,207	-127,796
Unrealised gains/losses	1,213,789	-66,745
Sum	1,516,321	176,100

1) The item consists primarily of premiums for securities lent.

2) The items consist primarily of expenses for securities borrowed.

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	8,054,903	98.2	4,345,160	97.7
Total financial instruments with positive market value ^{Note 2)}	8,054,903	98.2	4,345,160	97.7
Bank assets and other liquid assets	152,354	1.9	106,797	2.4
Prepaid expenses and accrued income	2,797	0.0	3,057	0.0
Total assets	8,210,054	100.1	4,455,014	100.1
LIABILITIES				
Accrued expenses and prepaid income	9,906	0.1	6,026	0.1
Other liabilities	308	0.0	52	0.0
Total liabilities	10,214	0.1	6,078	0.1
Fund capital ^{Note 1)}	8,199,840	100.0	4,448,936	100.0
Financial instruments lent	231,995	2.8	163,656	3.7
Collateral received for financial instruments lent	266,375	3.2	182,475	4.1

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	4,448,936	2,179,419
Units issued	4,303,839	3,316,292
Units redeemed	-2,055,252	-1,208,104
Profit according to Income Statement	1,509,745	161,329
Dividends to unit holders	-7,428	-
Fund capital at the close of the period	8,199,840	4,448,936

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
BELGIUM (EUR)			
Biocartis Ord Shs	150,000	9,016	0.1
		9,016	0.1
CHINA (CNY)			
MicroPort Scientific Ord Shs	1,000,000	11,089	0.1
		11,089	0.1
DENMARK (DKK)			
ChemoMetec Ord Shs	105,000	30,268	0.4
Novo Nordisk	590,008	320,791	3.9
Zealand Pharma	200,000	66,204	0.8
		417,263	5.1
FRANCE (EUR)			
Sanofi	354,343	333,687	4.1
		333,687	4.1
GERMANY (EUR)			
Merck KGaA	113,082	125,181	1.5
MorphoSys AG	34,000	45,301	0.6
Sartorius Pref Shs	17,248	34,580	0.4
		205,063	2.5
JAPAN (JPY)			
Terumo	585,000	195,768	2.4
		195,768	2.4
NETHERLANDS (EUR)			
arGEN-X	51,700	78,011	1.0
		78,011	1.0
SWEDEN (SEK)			
Asarina Pharma	655,952	16,071	0.2
AstraZeneca SDB	306,076	287,773	3.5
BioArctic B	200,000	18,980	0.2
BiolInvent	6,250,000	7,638	0.1
Biotage	368,000	45,632	0.6
Calliditas Therapeutics AB	503,000	38,077	0.5
Cantargia	1,777,460	35,816	0.4
Cellink B	92,500	30,895	0.4
Immunovia	280,512	50,380	0.6
IRLAB	585,000	21,411	0.3
Isofol Medical	382,414	7,725	0.1
Mentice	152,000	11,172	0.1
Oncopeptides	530,000	67,257	0.8
PledPharma	697,591	13,952	0.2
SECTRA B	130,000	50,830	0.6
Surgical Science Sweden AB	69,765	29,580	0.4
Vicore Pharma Holding Ord Shs	1,100,000	16,170	0.2
		749,358	9.1
SWITZERLAND (CHF)			
Lonza Group	38,252	130,607	1.6
Novartis	398,000	353,583	4.3
Roche Holding	197,098	598,279	7.3
Straumann	5,687	52,249	0.6
		1,134,719	13.8

Handelsbanken Hålsövärd Tema, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
UNITED STATES (USD)			
Abbott Laboratories	489,548	398,052	4.9
AbbVie	434,305	359,964	4.4
Aerie Pharmaceuticals	113,000	25,567	0.3
Agios Pharmaceuticals Ord Shs	56,000	25,031	0.3
Align Technology	23,000	60,078	0.7
Allakos Rg	40,000	35,707	0.4
Amgen	151,128	341,046	4.2
Arena Pharmaceuticals Ord Shs	70,000	29,763	0.4
ArQule Ord Shs	500,000	93,423	1.1
Arrowhead Pharmaceuticals Ord Shs	54,120	32,135	0.4
Baxter International	185,000	144,813	1.8
Biogen Idec	43,872	121,863	1.5
Biohaven Pharmaceutical	97,000	49,433	0.6
CryoPort Rg	70,000	10,786	0.1
DexCom Ord Shs	23,000	47,096	0.6
Edwards Lifesciences	68,000	148,501	1.8
Eli Lilly	294,997	362,942	4.4
Exact Sciences	59,000	51,077	0.6
FibroGen	66,000	26,499	0.3
Guardant Health Rg	43,000	31,453	0.4
Ilumina	16,884	52,432	0.6
Johnson & Johnson	247,951	338,576	4.1
Masimo	68,500	101,353	1.2
Merck	331,549	282,277	3.4
Mirati Ther	31,500	37,997	0.5
Myokardia Ord Shs	53,000	36,161	0.4
Neurocrine Biosciences	29,000	29,180	0.4
PTC Therapeutics	193,000	86,775	1.1
Reata Pharmaceuticals Ord Shs Class A	15,000	28,705	0.4
Sarepta Therapeutics	21,500	25,971	0.3
Teladoc Ord Shs	92,939	72,837	0.9
The Cooper Companies	21,000	63,160	0.8
Thermo Fisher Scientific	118,006	358,871	4.4
Turning Pnt Trp Ord Sh	60,000	34,986	0.4
UnitedHealth Group	220,555	606,959	7.4
Veeva Systems A	38,474	50,660	0.6
Vertex Pharmaceuticals	137,708	282,247	3.4
Zogenix Ord Shs	60,000	29,279	0.4
		4,913,652	59.9
Total listed equities		8,047,626	98.1

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
UNLISTED EQUITIES***			
SWEDEN (SEK)			
IRLAB Therapeutics BTA 2019-12-13	269,500	7,277	0.1
		7,277	0.1
Total unlisted equities		7,277	0.1
Total transferable securities		8,054,903	98.2
Total holdings in financial instruments		8,054,903	98.2
Net, other assets and liabilities		144,937	1.8
Total fund capital		8,199,840	100.0

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

98.1

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

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*** Refers to other financial instruments.

0.1

Compilation, Company and Group exposure*

Company/Group	% of fund capital
Merck	4.9

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

Additional information on loaned securities

Volume of lent securities as a % of total lendable assets	2.90
------------------------------------------------------------------	-------------

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

The British Government	78 977
U.S.A	29 498
The French Government	20 418
The Federal Government of Belgium	8 344
The Austrian Government	5 647
Bhp Group Plc	4 082
Royal Dutch Shell Plc	3 850
The Dutch Government	3 561
National Grid Plc	3 500
Sap Se	3 355

The largest counterparties for securities lending, SEK thousand:

UBS AG, London Branch, Great Britain	120 862
HSBC Bank Plc, Great Britain	68 049
Morgan Stanley & Co International Plc, Great Britain	29 274
J.P. Morgan Securities Plc, Great Britain	5 813
Merrill Lynch Intl, Great Britain	5 292
Citigroup Global Markets Ltd, Great Britain	1 509
Credit Suisse Securities (Europe) Ltd, Great Britain	739
Goldman Sachs Intl, Great Britain	457
	231 995

Type and quality of collateral, SEK thousand:

Equities	115 128
Bonds and other interest-bearing instruments	151 247
	266 375

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 one day	-
One day to one week	-
One week to one month	1 149
One to three months	2 355
Three months to one year	5 902
Greater than one year	141 841
Indeterminate duration	115 128
	266 375

Currency of the collateral, SEK thousand:

AUD	1 274
CAD	450
CHF	3 861
DKK	430
EUR	84 678
GBP	129 197
HKD	3 702
JPY	1 922
SEK	26
SGD	431
USD	40 404
	266 375

The profile of the duration for securities lending is undetermined, but may be immediately terminated. Settlement and clearing for securities lending is conducted through a third party. The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 21 SEK 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:

-Citigroup Global Markets Ltd, Great Britain
 -Credit Suisse Securities (Europe) Ltd, Great Britain
 -Goldman Sachs Intl, Great Britain
 -J.P. Morgan Securities Plc, Great Britain
 -Merrill Lynch Intl, Great Britain
 -Morgan Stanley & Co International Plc, Great Britain
 -Svenska Handelsbanken AB (publ), Sweden
 -UBS AG, London Branch, Great Britain

Handelsbanken Hälsovård Tema

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes in its entirety companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies with key activities within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We conduct dialogues for the purpose of encouraging companies to improve their

sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
 - B. Dialogues together with other investors/capital owners
 - C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP
- A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.
- B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.
- C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

Annual General Meetings and nomination committees

Handelsbanken Fonder normally votes at general meetings in those companies where ownership exceeds 0.5 or when there is a vote on matters of particular concern. 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 general meetings.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.

Follow-up of sustainability work

Inclusion

The fund invested in Dexcom, which markets products for continuous glucose monitoring. To date, the company has priced the products relatively high, which limits usage by patients covered by health insurance, most notably in the US. During 2020 the company will be launching a new product at a considerably lower price, which should make the product available to a larger proportion of the world's 25 million insulin-dependent diabetics.

Exclusion

The fund sold Danish Ambu in the period. The company's CEO was dismissed unexpectedly in May, which was followed by a major profit warning. We chose to sell the company due to increased uncertainty in the company management.

The Management Company's engagement activities

- A. The fund engaged in one targeted dialogue directly with a company during the year.
A dialogue was held with Hansa Medical concerning the company's proposal for a company management incentive programme. The company is approaching the launch of its first pharmaceutical product in the US and Europe. The recruitment of key personnel is a critical part of the process, but at the same time it is important that the programme be reasonably proportionate and in the best interests of all shareholders.
- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund held holdings in four of these companies.

One of the companies subject to dialogue was UnitedHealth Group. The dialogue concerned allegations that the company does not respect consumer rights in the US. The company is accused of using deceptive

and misleading marketing practices.

- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.

General meetings and nomination committees

The Management Company voted at 29 annual general meetings on behalf of the fund during the year.

The Management Company participated in five nomination committees on behalf of the fund: Cellink AB, Hansa Medical AB, Immunovia AB, Isofol Medical AB and PledPharma AB.

Portfolio Manager: STAFFAN LINDFELDT
Up to 30/06/2019 LINN HANSSON

The fund's statistics up until March 8, 2016, are based on the fund's share series in SEK converted to EUR and NOK.

BASE CURRENCY



Handelsbanken Japan Tema

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in equities issued by companies in Japan and thereby has a currency exposure to this market. The thematic investment strategy provides that investments occur primarily in companies associated with long-term investment themes that have been carefully selected, analysed and are expected to experience a long period of growth. Examples of the main themes include Demographics, Productivity, Lifestyles and the Environment. International norms and guidelines for the environment, social responsibility and corporate governance are taken into consideration within the scope of the fund's investment focus. The fund applies an exclusion strategy for companies operating within the fossil fuels, war materials, tobacco, cannabis, alcohol, commercial gambling and pornography segments/sectors. However, the fund may invest in companies involved in power generation, distribution or services related to fossil fuels in those cases where the company is considered to be transitioning its operations towards fossil-free energy production. Refer to the fund's information brochure for additional information. The fund may invest a maximum of 10% of fund capital in fund units. We compare fund performance with Solactive ISS ESG Screened Japan. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 37.0% in 2019*. The fund is managed with a thematic focus, which means that we investment in themes we believe will have higher growth and returns than the rest of the market. The fund continued to have substantial investments in the Digitalisation and Automation themes (which are both sub-themes within Productivity), as well as in Tourism and Entertainment (sub-themes within Lifestyles) during 2019. M3, Hitachi Chemical and Keyence were the strongest contributors during the year, while Eisai, Sony and Toray Industries were the weakest. The health technology company M3 rose over 125%, as measured in local currency. In part, the stock rebounded after a weak close to 2018, as well as showed good momentum in orders and strong potential for developing its platform position further within health technology. The increased pressure for improved corporate governance by unwinding cross-ownership and the conglomerate structures is a positive change in the Japanese market. The chemical company Hitachi Chemical rose almost 200% during the year, after the parent company Hitachi Ltd made it clear that their intention was to sell the subsidiary in an ongoing streamlining of the group. The fund benefited from the entire strong share price journey, almost up to the final ten percent when we closed the position. The sensor company within automation, Keyence, continued to deliver strong reports during the year, despite adverse conditions from the trade conflict between China and the US. Outlooks remain strong for Keyence going forward. Among the weaker contributors, the fund sold holdings in both Eisai and Sony during H1. However, the fund reinvested in Eisai after the Alzheimer clinical trials that were discontinued prematurely are now viewed as sufficient to apply for approval. The industrial company Toray's stock fell several percent during the year due to a weak automobile market, the global trade conflict and Boeing's lower outlooks for the construction of certain airplane models. The Japanese yen strengthened a few percent against the SEK for the full-year, which contributed positively to fund returns. The fund's largest sector weighting at year-end included industrial companies, while the largest weightings at the company level included Nintendo, Keyence and Recruit Holdings.

* 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

An investment in an equity fund is characterised by high risk as well as by

the potential for high returns. As a result, the value of the fund can fluctuate significantly over time. The fund's investments are concentrated geographically to equities issued by companies in Japan. As a result, the risk in the fund is higher than an investment in a diversified global equity fund that distributes its investments across several regions. However, the fund's investments are made in companies in several sectors or branches that contribute to lowering the risk in the fund over time. Given that the fund's investments are made in foreign equities denominated in currencies other than the fund's base currency, an investment in the fund is associated with currency risk. Given that the fund consists of different share classes, the changes in exchange rates can result in a differentiation in risk classifications between different share classes depending on the type of currency in which the share class is traded. The fund may invest in derivatives to protect the value of the fund's underlying assets, to maintain the desired level of risk in the fund portfolio or to minimise management costs. The volume of trading is limited where applicable and is expected to have a marginal impact on the fund's risk profile.

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 2019. The fund has the option of lending securities. The fund used this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

On 31 March 2019, the fund changed index from MSCI Japan Select Global Norms and Criteria Index to Solactive ISS ESG Screened Japan as a result of a change in the index provider. The fund's investment focus has not been affected by the change. The fund changed its fund rules on 1 June 2019.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Shareholder commitments

Based on the Management Company's Policy for Shareholder Engagement, which includes guidelines for responsible investment, voting at general meetings, work on the nomination committee, and dialogue with the portfolio management companies are undertaken independently or in collaboration with others. It is our understanding that this work leads to better governance and reduced sustainability risks in the portfolio management companies, which in turn leads to a positive value growth.

The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management Company then takes independent decisions on those matters that will be subject to a vote or another decision-making process.

The Management Company normally votes for all of the equities in the fund in those companies where voting takes place, although there are exceptions, such as in markets where the equities are in a lock-up period to enable registration for voting at a general meeting. Any securities loans are typically recalled prior to a general meeting to ensure that votes can be cast for all of the equities, although the securities loans can remain in

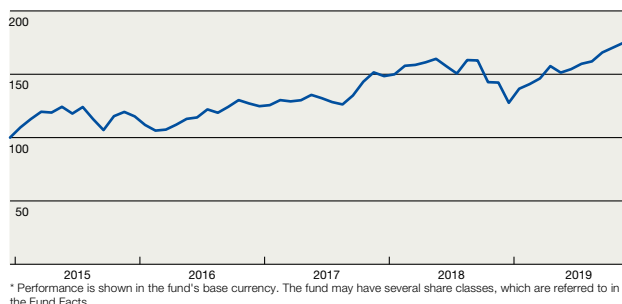
Handelsbanken Japan Tema , cont.

effect at the time of the general meeting if it is deemed to be in the common interest of unit holders and there is no significant impact on active ownership.

No conflicts of interest have arisen between the Management Company and the portfolio management company in conjunction with the funds' investments. Information is available in the Management Company's Policy for Shareholder Engagement on how the Management Company in general manages conflicts of interest that can arise as a result of the funds' investments.

Read more about how Handelsbanken Fonder acts in ownership matters and about the fund company's guidelines for responsible investments in the company's Policy for shareholder engagement and responsible investments which can be found under <https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>

Fund Performance*



Fund Facts - History

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net asset value										
Japan Tema A1 - SEK	97.12	70.90	82.62	69.42	64.94	55.63	48.24	39.42	39.80	45.53
Japan Tema A1 - EUR	9.24	7.00	8.40	7.24	-	-	-	-	-	-
Japan Tema A1 - NOK	91.17	69.24	82.54	65.78	-	-	-	-	-	-
Japan Tema A10 - SEK	98.89	71.47	-	-	-	-	-	-	-	-
Japan Tema A10 - EUR	9.41	7.05	-	-	-	-	-	-	-	-
Japan Tema A10 - NOK	92.83	69.80	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	-224	-500	1,590	713	1,002	-64	246	-50	-	-
Fund capital total, mSEK	4,811	3,679	4,770	2,541	1,770	658	639	314	359	505
Japan Tema A1 - SEK	3,253	2,590	4,108	2,329	1,770	658	639	314	359	505
Japan Tema A1 - EUR	16	6	32	14	-	-	-	-	-	-
Japan Tema A1 - NOK	122	172	350	76	-	-	-	-	-	-
Japan Tema A10 - SEK	868	701	-	-	-	-	-	-	-	-
Japan Tema A10 - EUR	5	4	-	-	-	-	-	-	-	-
Japan Tema A10 - NOK	323	105	-	-	-	-	-	-	-	-
Number of units, 1000's	49,301	51,794	57,739	36,603	27,255	11,823	13,239	7,968	9,023	11,093
Japan Tema A1 - SEK	33,493	36,526	49,720	33,548	27,255	11,823	13,239	7,968	9,023	11,093
Japan Tema A1 - EUR	1,719	880	3,777	1,903	-	-	-	-	-	-
Japan Tema A1 - NOK	1,333	2,479	4,242	1,152	-	-	-	-	-	-
Japan Tema A10 - SEK	8,777	9,802	-	-	-	-	-	-	-	-
Japan Tema A10 - EUR	497	597	-	-	-	-	-	-	-	-
Japan Tema A10 - NOK	3,480	1,511	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Japan Tema A1 - SEK	+37.0	-14.2	+19.0	+6.9	+16.7	+15.3	+22.4	+1.5	-11.4	+6.6
Japan Tema A1 - EUR	+32.1	-16.8	+16.0	+13.9	+20.8	+7.7	+18.6	+5.3	-10.2	+21.1
Japan Tema A1 - NOK	+31.7	-16.1	+25.5	+9.3	+28.0	+16.9	+35.1	-0.2	-10.8	+13.9
Japan Tema A10 - SEK	+38.4	-13.3	-	-	-	-	-	-	-	-
Japan Tema A10 - EUR	+33.5	-15.9	-	-	-	-	-	-	-	-
Japan Tema A10 - NOK	+33.0	-15.3	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Japan Tema A1 - SEK	+28.5	-6.5	+12.2	+10.3	+18.0	+17.0	+25.5	+2.7	-12.6	+8.7
Japan Tema A1 - EUR	+23.9	-9.3	+9.4	+15.2	+22.0	+9.3	+21.7	+6.5	-11.5	+23.5
Japan Tema A1 - NOK	+23.5	-8.6	+18.3	+10.9	+29.4	+18.6	+38.6	+0.9	-12.0	+16.2
Japan Tema A10 - SEK	+28.5	-6.5	-	-	-	-	-	-	-	-
Japan Tema A10 - EUR	+23.9	-9.3	-	-	-	-	-	-	-	-
Japan Tema A10 - NOK	+23.5	-8.6	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Japan Tema A1 - SEK	6.0	5.9	5.1	4.8	1.7	1.0	1.6	2.0	2.0	1.3
Japan Tema A1 - EUR	6.0	5.9	5.1	-	-	-	-	-	-	-
Japan Tema A1 - NOK	6.0	5.9	5.1	-	-	-	-	-	-	-
Japan Tema A10 - SEK	6.0	5.9	-	-	-	-	-	-	-	-
Japan Tema A10 - EUR	6.0	5.9	-	-	-	-	-	-	-	-
Japan Tema A10 - NOK	6.0	5.9	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Japan Tema A1 - SEK	+8.4	+1.1	+12.8	+11.7	+16.0	+18.8	+11.5	-5.2	-2.8	+0.6
Japan Tema A1 - EUR	+4.9	-1.7	+8.9	+11.1	+14.1	+13.0	+11.8	-2.8	+4.3	+11.0
Japan Tema A1 - NOK	+5.1	+2.6	+10.0	+11.1	+22.3	+25.7	+16.1	-5.7	+0.8	-0.6
Japan Tema A10 - SEK	+9.5	+2.1	-	-	-	-	-	-	-	-
Japan Tema A10 - EUR	+5.9	-0.8	-	-	-	-	-	-	-	-
Japan Tema A10 - NOK	+6.2	+3.6	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+9.6	+2.4	+11.3	+14.1	+17.5	+21.2	+13.5	-5.3	-2.6	+2.1
EUR	+6.0	-0.4	+7.4	+13.4	+15.5	+15.3	+13.8	-2.9	+4.6	+12.7
NOK	+6.2	+4.0	+8.5	+13.5	+23.9	+28.2	+18.3	-5.8	+1.1	+0.9
Average yearly return, 5 yrs. %										
Japan Tema A1 - SEK	+11.8	+8.0	+16.0	+12.3	+8.2	+6.2	+2.2	-4.8	-7.3	-7.1
Japan Tema A1 - EUR	+9.5	+1.1	+12.8	+10.7	+7.8	+7.9	+6.7	-2.9	-7.1	-6.3
Japan Tema A1 - NOK	+11.3	+8.7	+19.6	+14.2	+12.5	+9.9	+3.5	-4.4	-8.1	-6.8
Japan Tema A10 - SEK	+12.9	+9.1	-	-	-	-	-	-	-	-
Japan Tema A10 - EUR	+10.6	+6.2	-	-	-	-	-	-	-	-
Japan Tema A10 - NOK	+12.5	+9.8	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+11.9	+9.8	+16.5	+14.4	+9.2	+7.4	+3.3	-4.1	-6.5	-5.7
EUR	+9.6	+6.9	+13.4	+12.8	+8.9	+9.1	+7.8	-2.2	-6.3	-4.9
NOK	+11.4	+10.6	+20.2	+16.4	+13.5	+11.1	+4.6	-3.8	-7.4	-5.4

Handelsbanken Japan Tema , cont.

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Average yearly return, 10 yrs. %										
Japan Tema A1 - SEK	+9.0	+5.0	+5.1	+2.0	+0.3	+2.5	+1.4	+0.3	-2.9	-4.2
Japan Tema A1 - EUR	+8.7	+5.9	+4.7	+1.4	+0.5	-	-	-	-	-
Japan Tema A1 - NOK	+10.6	+6.1	+6.9	+2.4	+2.4	+3.0	+1.6	+1.1	-2.7	-5.0
Japan Tema A10 - SEK	+10.1	+6.1	-	-	-	-	-	-	-	-
Japan Tema A10 - EUR	+9.8	+7.0	-	-	-	-	-	-	-	-
Japan Tema A10 - NOK	+11.7	+7.1	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+9.6	+6.5	+5.7	+3.4	+1.5	+3.9	+2.8	+1.7	-1.6	-3.0
EUR	+9.4	+7.4	+5.3	+2.8	+1.8	-	-	-	-	-
NOK	+11.3	+7.5	+7.5	+3.8	+3.6	+4.4	+3.0	+2.4	-1.4	-3.8
Dividends per unit, SEK	-	-	-	-	-	-	-	1.02	0.61	0.31
Exchange rate EUR/SEK	10.51	10.13	9.83	9.58	-	-	-	-	-	-
Exchange rate NOK/SEK	1.07	1.02	1.00	1.06	-	-	-	-	-	-

Benchmark: Solactive ISS ESG Screened Japan

Up to 07/03/2017: MSCI Japan Net

Up to 31/03/2019: MSCI Japan Select Global Norms and Criteria 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.

Detailed information for the share classes' designation (nomenclature) is provided in the information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Japan Tema A1	1.60
Japan Tema A10	0.60
Collected mgmt. costs in % of average fund capital	
Japan Tema A1	1.60
Japan Tema A10	0.60
Annual fees in %	
Japan Tema A1	1.60
Japan Tema A10	0.60
Transaction costs, SEKt	825
Transaction costs in % of turnover	0.02
Costs in SEK for a one-time subscription, 10 000 SEK	
Japan Tema A1	195.43
Japan Tema A10	73.67
Costs in SEK for monthly savings, 100 SEK	
Japan Tema A1	11.51
Japan Tema A10	4.33

Fund Facts - Other Key Figures

Turnover rate	0.4
Share of turnover conducted via closely-related securities companies in %	0.0
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	16.7	Information ratio - A1 SEK	Negative
Total risk % - A1 EUR	15.1	Information ratio - A1 EUR	Negative
Total risk % - A1 NOK	14.4	Information ratio - A1 NOK	Negative
Total risk % - A10 SEK	16.7	Information ratio - A10 SEK	Negative
Total risk % - A10 EUR	15.1	Information ratio - A10 EUR	Negative
Total risk % - A10 NOK	14.4	Information ratio - A10 NOK	Negative
Total risk in index % - A1 SEK	13.3	Sharpe ratio - A1 SEK	0.5
Total risk in index % - A1 EUR	11.4	Sharpe ratio - A1 EUR	0.3
Total risk in index % - A1 NOK	11.0	Sharpe ratio - A1 NOK	0.3
Total risk in index % - A10 SEK	13.3	Sharpe ratio - A10 SEK	0.6
Total risk in index % - A10 EUR	11.4	Sharpe ratio - A10 EUR	0.4
Total risk in index % - A10 NOK	11.0	Sharpe ratio - A10 NOK	0.4
Benchmark	Solactive ISS ESG Screened Japan	Sharpe ratio in index - A1 SEK	0.8
		Sharpe ratio in index - A1 EUR	0.6
Active Share % ¹⁾	76.9	Sharpe ratio in index - A1 NOK	0.5
Active return % - A1 SEK	-1.2	Sharpe ratio in index - A10 SEK	0.8
Active return % - A1 EUR	-1.1	Sharpe ratio in index - A10 EUR	0.6
Active return % - A1 NOK	-1.1	Sharpe ratio in index - A10 NOK	0.5
Active return % - A10 SEK	-0.1		
Active return % - A10 EUR	-0.1		
Active return % - A10 NOK	-0.1		

¹⁾ As of the balance sheet date.

* 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.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	1,343,293	-598,221
Interest income	80	-112
Dividends	74,184	63,766
Currency exchange profits and losses, net	-1,928	7,454
Other financial income ¹⁾	724	1,168
Other income	0	0
Total income and changes in value	1,416,353	-525,945
EXPENSES		
Management costs:		
- Remuneration to the Management Company	59,618	64,520
Interest expense	12	28
Other financial expenses ²⁾	145	234
Other expenses	848	1,084
Total expenses	60,623	65,866
Net income	1,355,730	-591,811
* Details of changes in value		
Capital gains	412,614	433,542
Capital losses	-236,339	-249,491
Unrealised gains/losses	1,167,018	-782,272
Sum	1,343,293	-598,221

¹⁾ The item consists primarily of premiums for securities lent.²⁾ The items consist primarily of expenses for securities borrowed.

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	4,760,125	99.0	3,599,903	97.9
Total financial instruments with positive market value ^{Note 2)}	4,760,125	99.0	3,599,903	97.9
Bank assets and other liquid assets	51,514	1.1	130,291	3.5
Prepaid expenses and accrued income	4,788	0.0	3,982	0.1
Total assets	4,816,427	100.1	3,734,176	101.5
LIABILITIES				
Accrued expenses and prepaid income	5,672	0.1	4,505	0.1
Other liabilities	-	-	50,792	1.4
Total liabilities	5,672	0.1	55,297	1.5
Fund capital ^{Note 1)}	4,810,755	100.0	3,678,879	100.0
Financial instruments lent	578,397	12.0	199,722	5.4
Collateral received for financial instruments lent	614,437	12.8	211,288	5.7

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	3,678,879	4,770,431
Units issued	1,167,145	2,487,085
Units redeemed	-1,390,999	-2,986,826
Profit according to Income Statement	1,355,730	-591,811
Dividends to unit holders	-	-
Fund capital at the close of the period	4,810,755	3,678,879

Handelsbanken Japan Tema , cont.

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
Don Quijote	518,744	80,922	1.7
Marui Group	498,000	114,448	2.4
Namco Bandai Holdings	176,000	100,528	2.1
Rakuten	940,000	75,707	1.6
Toyota Industries	218,000	118,865	2.5
		490,471	10.2
CONSUMER STAPLES			
Kao	193,000	150,037	3.1
Kose	58,000	79,936	1.7
Pola Orbis	239,000	53,814	1.1
Shiseido	65,000	43,571	0.9
		327,359	6.8
FINANCIALS AND REAL ESTATE			
Mitsubishi UFJ Financial Group	1,921,000	98,157	2.0
Open House	314,000	84,658	1.8
ORIX	929,000	144,920	3.0
Sumitomo Mitsui Financial Group	248,000	86,261	1.8
		413,997	8.6
HEALTH CARE			
Eisai	85,000	60,067	1.2
Takeda Pharmaceutical	370,000	138,065	2.9
Terumo	465,000	155,610	3.2
		353,743	7.4
INDUSTRIALS			
Amada	653,744	70,390	1.5
Daifuku	190,000	108,999	2.3
Kubota	602,941	89,642	1.9
Kurita Water Industries	340,000	95,329	2.0
Minebea	694,000	136,119	2.8
MISUMI Group	185,000	43,377	0.9
Nihon M&A Center	270,000	87,564	1.8
Obayashi Corporation	1,342,000	140,682	2.9
Persol Holdings	430,000	75,968	1.6
Recruit Holdings	591,000	208,670	4.3
SHO-BOND Holdings	160,000	62,571	1.3
TechnoPro	160,000	105,433	2.2
		1,224,742	25.5
INFORMATION TECHNOLOGY			
GMO Internet	745,000	133,159	2.8
Keyence	72,000	238,713	5.0
Kyocera	122,000	78,606	1.6
Nidec	79,000	102,108	2.1
Nintendo	65,500	248,081	5.2
Nomura Research Institute	487,000	98,077	2.0
Omron	59,000	32,627	0.7
Oracle Japan	92,000	78,851	1.6
Rohm	182,400	137,948	2.9
SCSK	151,200	73,846	1.5
Shimadzu	350,000	103,710	2.2
SMS	430,000	112,044	2.3
Square Enix Holdings	189,000	88,401	1.8
TDK	160,000	170,760	3.5
Yaskawa Electric	124,186	44,607	0.9
		1,741,537	36.2
MATERIALS			
Toray Industries	1,150,000	73,412	1.5
		73,412	1.5
TELECOMMUNICATION SERVICES			
Nippon Telegraph and Telephone	460,000	109,242	2.3
		109,242	2.3
OTHER			
M3	90,000	25,622	0.5
		25,622	0.5
Total listed equities		4,760,125	99.0
Total transferable securities		4,760,125	99.0
Total holdings in financial instruments		4,760,125	99.0
Net, other assets and liabilities		50,630	1.0
Total fund capital		4,810,755	100.0

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 99.0

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46). -

*** Refers to other financial instruments. -

Additional information on loaned securities

Volume of lent securities as a % of total lendable assets 12.38

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

The British Government	398 298
The French Government	68 452
U.S.A	29 653
The German Government	29 349
The Federal Government of Belgium	10 245
The Dutch Government	6 970
The Finnish Government	5 723
Nestle Sa	2 895
Bhp Group Plc	2 772
Aia Group Ltd	2 383

The largest counterparties for securities lending, SEK thousand:

J.P. Morgan Securities Plc, Great Britain	396 541
UBS AG, London Branch, Great Britain	59 039
Merrill Lynch Intl, Great Britain	55 820
HSBC Bank Plc, Great Britain	45 916
Citigroup Global Markets Ltd, Great Britain	20 310
Credit Suisse Securities (Europe) Ltd, Great Britain	771
	578 397

Type and quality of collateral, SEK thousand:

Equities	64 474
Bonds and other interest-bearing instruments	549 963
	614 437

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 one day	-
One day to one week	-
One week to one month	83
One to three months	2 071
Three months to one year	20 909
Greater than one year	526 901
Indeterminate duration	64 473
	614 437

Currency of the collateral, SEK thousand:

AUD	1 478
CAD	518
CHF	2 983
DKK	702
EUR	131 514
GBP	423 662
HKD	2 494
JPY	7 498
SGD	338
USD	43 250
	614 437

The profile of the duration for securities lending is undetermined, but may be immediately terminated. Settlement and clearing for securities lending is conducted through a third party. The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 21 SEK 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:

-Citigroup Global Markets Ltd, Great Britain
 -Credit Suisse Securities (Europe) Ltd, Great Britain
 -J.P. Morgan Securities Plc, Great Britain
 -Merrill Lynch Intl, Great Britain
 -UBS AG, London Branch, Great Britain

Handelsbanken Japan Tema

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes in its entirety companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies with key activities within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We

conduct dialogues for the purpose of encouraging companies to improve their sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
- B. Dialogues together with other investors/capital owners
- C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP

A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.

B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.

C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

Annual General Meetings and nomination committees

Handelsbanken Fonder normally votes at general meetings in those companies where ownership exceeds 0.5% or when there is a vote on matters of particular concern. 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 general meetings.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.*

Follow-up of sustainability work

Inclusion

In general, Japanese companies have not progressed as far in sustainability as their global counterparts. However, improvements are being made with several companies producing ESG reports and highlighting these aspects at company meetings. Not least has the focus been on making improvements in corporate governance matters, driven in part by pressure from the government to break up the cross-ownership between companies. One such example is the Hitachi group that has been active in the sell-off of major holdings in non-core business operations. As part of this, Hitachi Chemical will be the next company to be sold to a more suitable owner during 2019, which has driven the stock price sharply and is a clear example of the benefit in working with ESG issues.

Another example where the company's work with sustainability matters has been paramount in our investment decisions is the electronics company Nidec, which intends to become the leading manufacturer of engines for electric automobiles. Electric cars and hybrid cars will become an increasing share of the future fleet of passenger cars, driven by the need to significantly reduce emissions to attain the global CO2 goals. Kurita Water is also a world-leading company within water treatment and was one of the companies in which we increased investments during the year.

Exclusion

During the year we sold the holdings in Softbank Group. A major contributing factor was that we have had doubts about the company's governance since a significant amount of power is concentrated to the founder who is also the Chief Executive and Chairman of the board, while the board has few independent directors.

The Management Company's engagement activities

- A. The fund engaged in two targeted dialogues directly with companies during the year. During the year we held dialogues with the cosmetic companies Kao and PolaOrbis concerning the use of palm oil in their products. The extraction of palm oil results in major sustainability challenges. We are encouraging the companies to instead increase the use of alternatives that are certified as sustainable.
- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund did not invest in any of these companies during the year.
- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.

General meetings and nomination committees

The Management Company voted at 11 annual general meetings on behalf of the fund during the year.

The fund did not have any holdings in companies in which the Management Company was represented on a nomination committee.



Handelsbanken Kina Tema

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in equities issued by companies in China, Hong Kong and Taiwan or that are traded on these markets. The fund also invests in companies for which this region is a significant business or market area. 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. The thematic investment strategy provides that investments occur primarily in companies associated with long-term investment themes that have been carefully selected, analysed and are expected to experience a long period of growth. Examples of the main themes include Demographics, Productivity, Lifestyles and the Environment. International norms and guidelines for the environment, social responsibility and corporate governance are taken into consideration within the scope of the fund's investment focus. The fund applies an exclusion strategy for companies operating within the fossil fuels, war materials, tobacco, cannabis, alcohol, commercial gambling and pornography segments/sectors. However, the fund may invest in companies involved in power generation, distribution or services related to fossil fuels in those cases where the company is considered to be transitioning its operations towards fossil-free energy production. Refer to the fund's information brochure for additional information. The fund may invest a maximum of 10% of fund capital in fund units. We compare fund performance with Solactive ISS ESG Screened Golden Dragon UCITS Index. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 35.1% in 2019*. The strongest positive contributors to fund returns included: the Chinese internet companies Alibaba, Tencent, NetEase and Momo Inc.; the insurance companies AIA and Ping An; the technology companies TSMC, Sunny Optical, Largan and Realtek; the motor manufacturer and industrial company Weichai Power; and the bank China Merchants Bank. None of the holdings had a particularly negative impact on holdings during the year. The fund's focus on strong companies within technology and digitalisation was favourable for returns in 2019. We increased our holdings in Alibaba, Tencent and Momo Inc. We remain positive to these areas over the long term since they benefit from the increased purchasing power of the middle class and show good growth, high profitability and strong cash flows. We expect the fintech business operations of Alibaba and Tencent to contribute very positively to the companies' total profit growth over the coming years.

* 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

An investment in an equity fund is characterised by high risk as well as by the potential for high returns. As a result, the value of the fund can fluctuate significantly over time. The fund's investments are concentrated geographically to equities issued by companies in China, Hong Kong and Taiwan. As a result, the risk in the fund is higher than an investment in a diversified global equity fund that distributes its investments across several regions. However, the fund's investments are made in companies in several sectors or branches that contribute to lowering the risk in the fund over time. Given that the fund's investments are made in foreign equities denominated in currencies other than the fund's base currency, an investment in the fund is associated with currency risk. Given that the fund consists of different share classes, the changes in exchange rates can result in a differentiation in risk classifications between different share classes depending on the type of currency in which the share class is

traded. The fund's liquidity risk is deemed to be moderately high due to the fund's size in relation to the size or turnover of the markets and securities in which the fund invests. The fund may invest in derivatives to protect the value of the fund's underlying assets, to maintain the desired level of risk in the fund portfolio or to minimise management costs. The volume of trading is limited where applicable and is expected to have a marginal impact on the fund's risk profile. Investments in emerging markets may be subject to increased exposure for operational risks such as the risk for unforeseen political decisions, shortcomings in the financial infrastructure or weaknesses in the securities regulations of a country or region. The operational risks can negatively impact the fund's performance and value if the risks materialise.

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 2019. The fund has the option of lending securities. The fund used this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

On 30 April 2019, the fund changed index from MSCI Golden Dragon Net 10/40 to Solactive ISS ESG Screened Golden Dragon UCITS Index. The change in the index was to adapt the fund for sustainability to exclude a greater number of controversial business operations than previously. The fund changed its fund rules on 1 June 2019. The fund changed its name from Handelsbanken Kinafond to Handelsbanken Kina Tema.

The fund's historical performance prior to the launch date is attributed to the merger between Placeringsfonden Handelsbanken Kina (Finland) and Handelsbanken Kinafond (Sweden) that occurred on October 10, 2014.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Shareholder commitments

Based on the Management Company's Policy for Shareholder Engagement, which includes guidelines for responsible investment, voting at general meetings, work on the nomination committee, and dialogue with the portfolio management companies are undertaken independently or in collaboration with others. It is our understanding that this work leads to better governance and reduced sustainability risks in the portfolio management companies, which in turn leads to a positive value growth.

The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management Company then takes independent decisions on those matters that will be subject to a vote or another decision-making process.

The Management Company normally votes for all of the equities in the fund in those companies where voting takes place, although there are exceptions, such as in markets where the equities are in a lock-up period to enable registration for voting at a general meeting. Any securities loans are typically recalled prior to a general meeting to ensure that votes can be cast for all of the equities, although the securities loans can remain in effect at the time of the general meeting if it is deemed to be in the

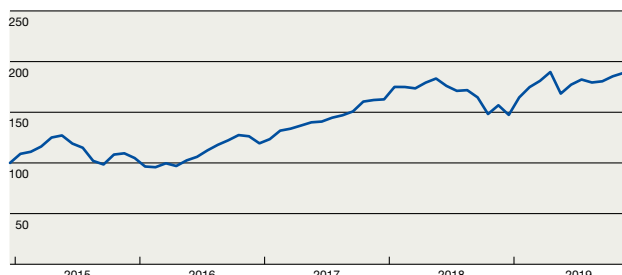
Handelsbanken Kina Tema, cont.

common interest of unit holders and there is no significant impact on active ownership.

No conflicts of interest have arisen between the Management Company and the portfolio management company in conjunction with the funds' investments. Information is available in the Management Company's Policy for Shareholder Engagement on how the Management Company in general manages conflicts of interest that can arise as a result of the funds' investments.

Read more about how Handelsbanken Fonder acts in ownership matters and about the fund company's guidelines for responsible investments in the company's Policy for shareholder engagement and responsible investments which can be found under <https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>

Fund Performance*



* Performance is shown in the fund's base currency. The fund may have several share classes, which are referred to in the Fund Facts.

Fund Facts - History

	2019	2018	2017	2016	2015	10/10-31/12 2014	2013	2012	2011	2010
Net asset value										
Kina Tema A1 - SEK ¹⁾	240.23	177.85	196.36	144.00	126.45	120.67	-	-	-	-
Kina Tema A1 - EUR ¹⁾	22.86	17.55	19.97	15.03	13.81	12.74	-	-	-	-
Kina Tema A1 - NOK ¹⁾	225.51	173.71	196.17	136.44	132.76	115.57	-	-	-	-
Kina Tema A10 - SEK	-	179.65	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	-135	-642	1,627	-44	-652	-98	-	-	-	-
Fund capital total, mSEK	2,771	2,180	3,089	933	870	1,403	-	-	-	-
Kina Tema A1 - SEK	2,585	2,034	2,934	862	806	1,333	-	-	-	-
Kina Tema A1 - EUR	10	8	8	6	5	6	-	-	-	-
Kina Tema A1 - NOK	77	66	72	17	17	15	-	-	-	-
Kina Tema A10 - SEK	-	0	-	-	-	-	-	-	-	-
Number of units, 1000's	11,536	12,255	15,731	6,481	6,881	11,626	-	-	-	-
Kina Tema A1 - SEK	10,759	11,434	14,943	5,983	6,373	11,047	-	-	-	-
Kina Tema A1 - EUR	435	441	419	374	384	445	-	-	-	-
Kina Tema A1 - NOK	342	379	369	124	125	134	-	-	-	-
Kina Tema A10 - SEK	-	0	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Kina Tema A1 - SEK	+35.1	-9.4	+36.4	+13.9	+4.8	+26.5	+10.9	+16.8	-18.0	+4.3
Kina Tema A1 - EUR	+30.3	-12.1	+32.9	+8.8	+8.4	+18.2	+7.5	+21.2	-16.9	+18.5
Kina Tema A1 - NOK	+29.8	-11.4	+43.8	+2.8	+14.9	+28.3	+22.5	+14.7	-17.5	+11.5
Kina Tema A10 - SEK	-	-8.3	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Kina Tema A1 - SEK	+33.3	-7.6	+29.5	+13.6	-0.3	+31.3	+5.5	+16.0	-17.1	+6.6
Kina Tema A1 - EUR	+28.6	-10.3	+26.2	+8.6	+3.1	+22.7	+2.3	+20.3	-16.0	+21.1
Kina Tema A1 - NOK	+28.1	-9.6	+36.6	+2.5	+9.3	+33.1	+16.5	+13.9	-16.5	+13.9
Kina Tema A10 - SEK	-	-7.6	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Kina Tema A1 - SEK	2.8	2.6	2.2	3.0	3.0	2.5	2.1	1.8	1.4	0.8
Kina Tema A1 - EUR	2.8	2.6	2.2	3.0	3.0	2.5	-	-	-	-
Kina Tema A1 - NOK	2.8	2.6	2.2	3.0	3.0	2.5	-	-	-	-
Kina Tema A10 - SEK	-	2.6	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Kina Tema A1 - SEK	+10.6	+11.1	+24.6	+9.2	+15.1	+18.5	+13.8	-2.2	-7.5	+23.1
Kina Tema A1 - EUR	+7.0	+8.1	+20.3	+8.6	+13.2	+12.7	+14.1	+0.3	-0.8	+35.9
Kina Tema A1 - NOK	+7.2	+12.8	+21.6	+8.7	+21.4	+25.3	+18.5	-2.7	-4.1	+21.7
Kina Tema A10 - SEK	-	+12.5	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+11.0	+9.4	+21.3	+6.4	+14.4	+17.7	+10.6	-1.9	-6.0	+26.7
EUR	+7.4	+6.4	+17.1	+5.8	+12.5	+12.0	+10.9	+0.6	+0.9	+39.8
NOK	+7.6	+11.1	+18.3	+5.8	+20.6	+24.5	+15.2	-2.5	-2.5	+25.2
Average yearly return, 5 yrs. %										
Kina Tema A1 - SEK	+14.8	+13.3	+18.0	+14.4	+7.1	+7.0	+10.0	-2.5	-	-
Kina Tema A1 - EUR	+12.4	+10.2	+14.8	+12.7	+6.7	+8.7	+14.9	-0.6	-	-
Kina Tema A1 - NOK	+14.3	+14.0	+21.7	+16.3	+11.3	+10.6	+11.4	-2.1	-	-
Kina Tema A10 - SEK	-	+14.7	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+12.6	+12.2	+15.2	+12.7	+5.8	+7.3	+10.2	-1.0	-	-
EUR	+10.3	+9.2	+12.1	+11.1	+5.5	+9.0	+15.1	+1.0	-	-
NOK	+12.1	+13.0	+18.9	+14.6	+10.0	+11.0	+11.7	-0.6	-	-
Average yearly return, 10 yrs. %										
Kina Tema A1 - SEK	+10.8	+11.6	+7.3	-	-	-	-	-	-	-
Kina Tema A1 - EUR	+10.5	+12.5	+6.8	-	-	-	-	-	-	-
Kina Tema A1 - NOK	+12.5	+12.7	+9.1	-	-	-	-	-	-	-
Kina Tema A10 - SEK	-	+13.0	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+9.9	+11.2	+6.8	-	-	-	-	-	-	-
EUR	+9.6	+12.1	+6.4	-	-	-	-	-	-	-
NOK	+11.5	+12.3	+8.7	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.51	10.13	9.83	9.58	9.16	9.47	-	-	-	-
Exchange rate NOK/SEK	1.07	1.02	1.00	1.06	0.95	1.04	-	-	-	-

¹⁾ The net asset value was adjusted on June 16, 2014 after a judgment in the Administrative Court in Falun. Pursuant to the judgment, funds with U.S. Holdings shall be charged with full U.S. withholding taxes as of January 1, 2012. As of June 16, 2014, full U.S. withholding taxes were deducted until an Administrative Court of Appeals in Sundsvall changed the Administrative Court's judgment on March 30, 2015, and the withholding taxes previously reserved were repaid to each fund concerned.

Benchmark: Solactive ISS ESG Screened Golden Dragon UCITS Index

Up to 31/10/2017: MSCI Golden Dragon Net

Up to 30/04/2019: MSCI Golden Dragon 10/40 Net

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

Detailed information for the share classes' designation (nomenclature) is provided in the information provided by the Management Company.

Refer to the last page for definitions.

Handelsbanken Kina Tema, cont.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.85
Collected mgmt. costs in % of average fund capital	1.85
Annual fees in %	1.85
Transaction costs, SEKt	2,500
Transaction costs in % of turnover	0.11
Costs in SEK for a one-time subscription, 10 000 SEK	224.23
Costs in SEK for monthly savings, 100 SEK	12.77

Fund Facts - Other Key Figures

Turnover rate	0.4
Share of turnover conducted via closely-related securities companies in %	0.0
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	18.9	Information ratio - A1 SEK	Negative
Total risk % - A1 EUR	18.5	Information ratio - A1 EUR	Negative
Total risk % - A1 NOK	17.1	Information ratio - A1 NOK	Negative
Total risk in index % - A1 SEK	17.4	Sharpe ratio - A1 SEK	0.6
Total risk in index % - A1 EUR	16.8	Sharpe ratio - A1 EUR	0.4
Total risk in index % - A1 NOK	15.6	Sharpe ratio - A1 NOK	0.4
Total risk in index % - A10 SEK	17.4	Sharpe ratio in index - A1 SEK	0.7
Benchmark	Solactive ISS ESG	Sharpe ratio in index - A1 EUR	0.5
	Screened Golden Dragon	Sharpe ratio in index - A1 NOK	0.4
	UCITS Index	Sharpe ratio in index - A10 SEK	0.7
Active Share % ¹⁾	38.3		
Active return % - A1 SEK	-0.4		
Active return % - A1 EUR	-0.4		
Active return % - A1 NOK	-0.4		

¹⁾ As of the balance sheet date.* 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.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	715,513	-279,902
Interest income	545	298
Dividends	55,718	70,205
Currency exchange profits and losses, net	6,796	6,511
Other financial income ¹⁾	351	1,318
Other income	26	0
Total income and changes in value	778,949	-201,570
EXPENSES		
Management costs:		
- Remuneration to the Management Company	48,809	61,065
Interest expense	106	95
Other financial expenses ²⁾	70	264
Other expenses	2,663	4,475
Total expenses	51,648	65,899
Net income	727,301	-267,469
* Details of changes in value		
Capital gains	232,723	519,540
Capital losses	-148,378	-208,195
Unrealised gains/losses	631,168	-591,247
Sum	715,513	-279,902

¹⁾ The item consists primarily of premiums for securities lent.²⁾ The items consist primarily of expenses for securities borrowed.

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	2,724,658	98.3	2,164,969	99.3
OTC derivative instruments with positive market value	-	-	62	0.0
Total financial instruments with positive market value ^{Note 2)}	2,724,658	98.3	2,165,031	99.3
Bank assets and other liquid assets	45,574	1.6	17,473	0.8
Prepaid expenses and accrued income	2,236	0.1	596	0.0
Other assets	7,427	0.3	-	-
Total assets	2,779,895	100.3	2,183,100	100.1
LIABILITIES				
Accrued expenses and prepaid income	4,241	0.2	3,567	0.1
Other liabilities	4,204	0.1	10	0.0
Total liabilities	8,445	0.3	3,577	0.1
Fund capital ^{Note 1)}	2,771,450	100.0	2,179,523	100.0
Financial instruments lent	48,533	1.8	52,355	2.4
Collateral received for financial instruments lent	53,431	1.9	57,857	2.7

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	2,179,523	3,089,032
Units issued	1,185,508	2,576,495
Units redeemed	-1,320,882	-3,218,535
Profit according to Income Statement	727,301	-267,469
Dividends to unit holders	-	-
Fund capital at the close of the period	2,771,450	2,179,523

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
Alibaba Group Holding Ord Shs	20,000	4,979	0.2
China International Travel Service	100,000	11,954	0.4
Geely Automobile Holdings	850,000	15,563	0.6
Haier Electronics Group	130,000	3,803	0.1
Huazhu Group ADR Representing Ord Shs	21,000	7,877	0.3
JD.com ADR	250,000	82,447	3.0
Largan Precision	40,000	62,455	2.3
Meituan Dianpi-B Rg	200,000	24,484	0.9
Midea Group Co -A-	299,969	23,482	0.8
New Oriental	28,000	31,781	1.1
Qingdao Haier Ord Shs A	849,765	22,269	0.8
Shenzhen International Group Holdings	60,000	8,210	0.3
TAL Education Group ADR	8,500	3,835	0.1
Trip.com Group ADR	75,000	23,548	0.8
Xinyi Glass Holdings	3,000,000	37,195	1.3
Yum China Holdings Ord Shs When Issued	40,000	17,977	0.6
		381,859	13.8
CONSUMER STAPLES			
China Mengniu Dairy	300,000	11,353	0.4
Sun Art Retail Group	1,600,000	18,165	0.7
		29,518	1.1

FINANCIALS AND REAL ESTATE

AIA Group	1,494,770	146,898	5.3
Bank of China	3,000,000	12,002	0.4
Chailase Holding	250,000	10,773	0.4
China Construction Bank	8,640,025	69,858	2.5
China Intl Cap H	600,000	10,827	0.4
China Life Insurance Taiwan	200,000	1,599	0.1
China Merchants Bank	672,803	32,373	1.2
China Overseas Grand Oceans Group	3,500,000	22,664	0.8
China Overseas Land & Investment	871,420	31,774	1.1
China Pacific Insurance	300,000	11,065	0.4
China Resources Land	1,000,483	46,637	1.7
CK Asset Holdings	231,978	15,677	0.6
Far East Consortium International	1,142,092	5,228	0.2
Franshion Properties China	3,000,000	21,877	0.8
Fubon Financial Holding	228,711	3,314	0.1
Fubon Group Pfd B	15,170	305	0.0
Hang Seng Bank	75,900	14,681	0.5
Hong Kong Exchanges and Clearing	204,780	62,244	2.2
Hongkong Land	200,000	10,765	0.4
Industrial & Commercial Bank of China HKD	9,494,872	68,443	2.5
KWG Property Holding	1,238,393	16,247	0.6
Logan Property Holdings	1,300,000	20,429	0.7
Longfor Properties	250,000	10,963	0.4
New China Life Insurance	170,000	6,842	0.2
New World Development	565,955	7,262	0.3
Ping An Insurance	1,007,400	111,468	4.0
Postal Savings Bank of China	2,500,000	15,919	0.6
Qudian American Depository Shares Repre	60,000	2,645	0.1

Handelsbanken Kina Tema, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Shimao Property	650,000	23,583	0.9
Sun Hung Kai Properties	168,900	24,208	0.9
Sunac China Holdings	200,000	11,185	0.4
Times China Holdings	800,000	14,936	0.5
Vanke	500,000	19,973	0.7
Wharf Holdings	250,000	5,953	0.2
Wharf Real Estate Investment	125,000	7,141	0.3
Wheelock	171,000	10,673	0.4
		908,427	32.6
HEALTH CARE			
3SBio HK	350,000	4,247	0.2
China Animal Healthcare	250,000	0	0.0
Sino Biopharmaceutical	550,000	7,202	0.3
		11,449	0.4
INDUSTRIALS			
China South Locomotive and Rolling Stock	1,650,000	11,259	0.4
China State Construction International Holdings	1,000,000	8,506	0.3
Cn state Cons Eng-A	1,999,990	15,105	0.5
Hainan Meilan International Airport	870,000	5,780	0.2
NWS Holdings	500,853	6,571	0.2
Shanghai International Airport	89,967	9,521	0.3
SITC International	1,425,000	16,264	0.6
Times Neighborhood Holdings	341,025	1,987	0.1
Weichai Power	1,900,000	37,527	1.4
ZTO Express Cayman Inc- ADR	90,000	19,672	0.7
		132,193	4.8
INFORMATION TECHNOLOGY			
Alibaba Group Holding ADR	133,081	264,229	9.5
ASM Pacific Technology	50,000	6,494	0.2
Asped Techn	40,000	11,979	0.4
Autohome ADR	14,000	10,486	0.4
Hangzhou Hikvision	349,983	15,399	0.6
Mediatek	120,000	16,619	0.6
NetEase	11,400	32,723	1.2
Realtek Semiconductor	500,000	36,692	1.3
Sunny Optical Technology Group	330,000	53,483	1.9
Taiwan Semiconductor	2,559,000	264,505	9.5
TravelSky Technology	260,000	5,941	0.2
Xiaomi Ord Shs	500,000	6,476	0.2
		725,026	26.2
MATERIALS			
Anhui Conch Cement HKD	534,000	36,440	1.3
Baoshan Iron & Steel Ord Shs A1	699,996	5,400	0.2
Fosun International	1,137,880	15,530	0.6
Nine Dragons Paper Holdings	800,000	7,785	0.3
		65,154	2.4
TELECOMMUNICATION SERVICES			
58.com ADR	30,700	18,602	0.7
Baidu ADR	7,500	8,874	0.3
China Mobile HKD	661,037	52,018	1.9
China Telecom	4,700,000	18,125	0.7
Chunghwa Telecom	203,892	7,004	0.3
MOMO	200,000	62,719	2.3
Tencent	601,215	271,295	9.8
Tencent Music Entertainment Group ADR R	60,000	6,594	0.2
Weibo Sp ADS-A	18,000	7,810	0.3
		453,043	16.4
UTILITIES			
Canvest Environment Protection	210,000	908	0.0
		908	0.0
OTHER			
Swire Properties	550,000	17,081	0.6
		17,081	0.6
Total listed equities		2,724,658	98.3
Total transferable securities		2,724,658	98.3
Total holdings in financial instruments		2,724,658	98.3
Net, other assets and liabilities		46,792	1.7
Total fund capital		2,771,450	100.0

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

98.3

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

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*** Refers to other financial instruments.

-

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
CSCEC	1.9	China Life Insurance Group	0.3
		Fubon Group	0.1

* 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.

Additional information on loaned securities

Volume of lent securities as a % of total lendable assets **2.20**

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

The French Government	5 029
The German Government	3 724
The British Government	3 585
U.S.A	3 319
Nestle Sa	1 894
Bhp Group Plc	1 894
Aia Group Ltd	1 629
General Electric Co	1 359
Lowe's Cos Inc	1 294
The Austrian Government	1 273

The largest counterparties for securities lending, SEK thousand:

UBS AG, London Branch, Great Britain	36 248
Citigroup Global Markets Ltd, Great Britain	9 062
J.P. Morgan Securities Plc, Great Britain	3 223
	48 533

Type and quality of collateral, SEK thousand:

Equities	35 009
Bonds and other interest-bearing instruments	18 422
	53 431

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 one day	-
One day to one week	-
One week to one month	277
One to three months	172
Three months to one year	1 485
Greater than one year	16 487
Indeterminate duration	35 009
	53 431

Currency of the collateral, SEK thousand:

AUD	994
CAD	354
CHF	1 948
DKK	96
EUR	17 629
GBP	19 112
HKD	1 704
JPY	1 082
SGD	231
USD	10 281
	53 431

The profile of the duration for securities lending is undetermined, but may be immediately terminated. Settlement and clearing for securities lending is conducted through a third party. The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 21 SEK 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:

-Citigroup Global Markets Ltd, Great Britain
 -HSBC Bank Plc, Great Britain, Great Britain
 -J.P. Morgan Securities Plc, Great Britain
 -Merrill Lynch Intl, Great Britain
 -Skandinaviska Enskilda Banken AB (publ), Sweden
 -UBS AG, London Branch, Great Britain

Handelsbanken Kina Tema

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes in its entirety companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies with key activities within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We conduct dialogues for the purpose of encouraging companies to improve their

sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
 - B. Dialogues together with other investors/capital owners
 - C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP
- A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.
- B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.
- C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

Annual General Meetings and nomination committees

Handelsbanken Fonder normally votes at general meetings in those companies where ownership exceeds 0.5 or when there is a vote on matters of particular concern. 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 general meetings.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.

Follow-up of sustainability work

Inclusion

The fund has had a major investment in Taiwan Semiconductor Manufacturing Corporation for some time. We increased our investment in the company further in 2019 and the holding currently totals approximately 9 percent of the fund's total value. The company is a major role model within global manufacturing with its strong focus on sustainability. For example, the company's production facilities are highly energy-efficient and almost all of the water used is recycled. The fund also invested in Canvest Environmental Protection Group, which is a leading player in China within waste-to-energy. Geely Automobile was also added to the portfolio. The company is at the forefront within electrical cars and also takes great care of its employees. Geely provides extensive amounts of training and has a competitive reward system.

Exclusion

The fund began to apply enhanced sustainability requirements during the year. As a result, we sold holdings in Kweichow Moutai and Wuliangye Yibin, which produce and sell alcohol beverages, as well as the casino companies Sands China and Galaxy Entertainment Group. These companies are relatively sustainable within their sectors, although the sectors as a whole were excluded.

The Management Company's engagement activities

- A. The fund engaged in four targeted dialogues directly with companies. We began a dialogue with Anhui Conch Cement due to the company's substantial carbon emissions. The company's level of emissions are not satisfactory and our objective is to have Conch reduce the gap to the best companies within the same sector. In collaboration with other major investors, we analysed a number of companies in the cement industry and have an ongoing dialogue with Conch about what measures could be taken to reduce the company's emissions. We also initiated dialogues

with Nine Dragons Paper, Baosteel and Xinyi Glass concerning the potential for improvements related to emissions.

- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund held holdings in two of these companies.

One of the companies subject to dialogue was Industrial & Commercial Bank of China. The dialogue concerned the follow-up of an investigation on potential money laundering in Spain.

- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.

General meetings and nomination committees

The Management Company voted at 26 annual general meetings on behalf of the fund during the year.

The fund did not have any holdings in companies in which the Management Company was represented on a nomination committee.



Handelsbanken Latinamerika Tema

Management Report

Investment Focus

The fund is actively managed, which means that the fund manager is responsible for taking the active investment decisions. The fund's objective is to outperform the returns of the underlying market, defined as the benchmark index, over the long term. The fund invests in equities issued by companies in Latin America. The fund may also invest in companies within the EU, EFTA, Australia, Hong Kong, Japan, Canada, Singapore and the US that have at least 25% of their business or market in Latin America. 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. The thematic investment strategy implies that investments occur primarily in companies associated with long-term investment themes that have been carefully selected, analysed and are expected to experience a long period of growth. Examples of the main themes are Demographics, Productivity, Lifestyles and the Environment. International norms and guidelines for the environment, social responsibility and corporate governance are taken into consideration within the scope of the fund's investment focus. The fund applies an exclusion strategy on companies active within the fossil fuel, war materials, tobacco, cannabis, alcohol, commercial gambling and pornography areas/sectors. However, the fund may invest in companies that are involved in power generation, distribution or services related to fossil fuel in which the company is deemed to be transitioning its business operations to more renewable energy. Further information is available in the fund's information brochure. We compare the fund's performance with Solactive ISS ESG Screened Latin America Large, Small & Mid Cap UCITS Index. As the fund is actively managed the performance will over time deviate from this index.

Portfolio

The fund rose 28.6% in 2019*. The fund is managed with a thematic investment process, where focus is on stable companies with strong balance sheets. Current themes in the fund include Demographics, Productivity and the Environment. 2019 was characterised by political developments in Brazil, where the newly-elected president Jair Bolsonaro's government worked to drive a number of reforms through Congress. There appears to be an understanding between Congress and the president regarding what needs to be accomplished, which is positive. The important pension reform was approved during H2. The pension reform was necessary to stabilise the government expenditures. During the period, Mexico's president Andrés Manuel López Obrador (AMLO) has been increasingly called into question by the market for his populist agenda. We made downward adjustments to our positions in companies that run the risk of colliding with the populist measures from AMLO and instead increased investments in companies we believe will benefit from the structural changes in Brazil. Protests erupted in Chile during H2. Chile is a country that in recent decades has shown the most stable investment climate and political stability, combined with good growth. Despite the good conditions, economic disparities remain significant. The protests and violence had a negative impact on growth in Q4 and the government accommodated the demonstrators with higher minimum wages and pensions. The Brazilian electrical company Copel was the strongest contributor to returns. Copel has successfully streamlined its operations, which has led to higher profitability, at the same time as declining interest rates have been positive for the stock. The Chilean berry producer Hortifrut was the weakest contributor. A combination of lower prices on the company's products and the situation in Chile led to the stock's weak performance. Specific sustainability criteria were implemented in the fund at the turn of the month April/May. As a result, the fund may no longer invest in a number of controversial sectors, including alcohol and fossil fuels, as well as in companies that

violate international norms. The introduction of sustainability criteria does not result in any changes to the composition of the portfolio.

*) 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

An investment in an equity fund is characterised by high risk as well as by the potential for high returns. As a result, the value of the fund can fluctuate significantly over time. The fund's investments are concentrated geographically to equities issued by companies in Latin America. As a result, the risk 100 in the fund is higher than an investment in a diversified global equity fund that distributes its investments across several regions. However, the fund's investments are made in companies in several sectors or branches that contribute to lowering the risk in the fund over time. Given that the fund's investments are made in foreign equities denominated in currencies other than the fund's base currency, an investment in the fund is associated with currency risk. Given that the fund consists of different share classes, the changes in exchange rates can result in a differentiation in risk classifications between different share classes depending on the type of currency in which the share class is traded. The fund's liquidity risk is deemed to be moderately high due to the fund's size in relation to the size or turnover of the markets and securities in which the fund invests. This can impact the fund's ability to complete the purchase and sale of securities under stressful market conditions. The fund may invest in derivatives to protect the value of the fund's underlying assets, to maintain the desired level of risk in the fund portfolio or to minimise management costs. The volume of trading is limited where applicable and is expected to have a marginal impact on the fund's risk profile. Investments in emerging markets may be subject to increased exposure for operational risks such as the risk for unforeseen political decisions, shortcomings in the financial infrastructure or weaknesses in the securities regulations of a country or region. The operational risks can negatively impact the fund's performance and value if the risks materialise.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund used this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

On 30 April 2019, the fund changed index from MSCI Emerging Markets Latin America 10/40 Net to Solactive ISS ESG Screened Latin America Large, Small & Mid Cap UCITS Index. The change in the index was to adapt the fund for sustainability to exclude a greater number of controversial business operations than previously. The fund changed its fund rules on 1 June 2019. The fund changed its name from Handelsbanken Latinamerikafond to Handelsbanken Latinamerika Tema.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Shareholder commitments

Based on the Management Company's Policy for Shareholder Engagement, which includes guidelines for responsible investment, voting at general meetings, work on the nomination committee, and dialogue with the portfolio management companies are undertaken independently

Handelsbanken Latinamerika Tema, cont.

or in collaboration with others. It is our understanding that this work leads to better governance and reduced sustainability risks in the portfolio management companies, which in turn leads to a positive value growth.

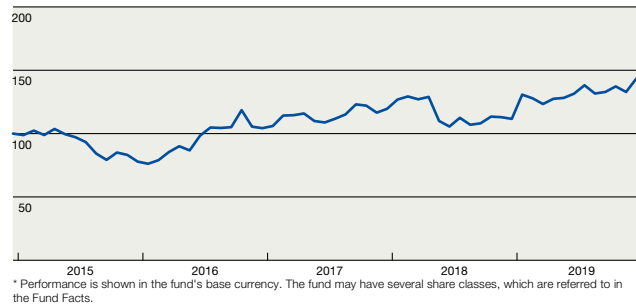
The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management Company then takes independent decisions on those matters that will be subject to a vote or another decision-making process.

The Management Company normally votes for all of the equities in the fund in those companies where voting takes place, although there are exceptions, such as in markets where the equities are in a lock-up period to enable registration for voting at a general meeting. Any securities loans are typically recalled prior to a general meeting to ensure that votes can be cast for all of the equities, although the securities loans can remain in effect at the time of the general meeting if it is deemed to be in the common interest of unit holders and there is no significant impact on active ownership.

No conflicts of interest have arisen between the Management Company and the portfolio management company in conjunction with the funds' investments. Information is available in the Management Company's Policy for Shareholder Engagement on how the Management Company in general manages conflicts of interest that can arise as a result of the funds' investments.

Read more about how Handelsbanken Fonder acts in ownership matters and about the fund company's guidelines for responsible investments in the company's Policy for shareholder engagement and responsible investments which can be found under <https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>

Fund Performance*



Fund Facts - History

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net asset value										
Latinamerika Tema A1 - SEK	362.43	281.72	301.82	263.21	196.48	252.39	237.72	276.93	243.16	312.41
Latinamerika Tema A1 - EUR	34.49	27.80	30.70	27.47	21.45	-	-	-	-	-
Latinamerika Tema A1 - NOK	340.21	275.15	301.52	249.39	206.29	-	-	-	-	-
Latinamerika Tema B1 - SEK	288.13	230.00	256.04	231.79	177.90	235.67	229.59	276.93	-	-
The fund's total net flow, mSEK	42	-529	86	542	-448	-856	-758	628	-	-
Fund capital total, mSEK	3,517	2,704	3,491	2,937	1,794	2,785	3,471	4,861	3,603	5,938
Latinamerika Tema A1 - SEK	3,084	2,635	3,405	2,865	1,745	2,782	3,462	4,850	3,603	5,938
Latinamerika Tema A1 - EUR	37	3	3	3	2	-	-	-	-	-
Latinamerika Tema A1 - NOK	46	41	52	44	31	-	-	-	-	-
Latinamerika Tema B1 - SEK	0	0	0	0	0	3	9	11	-	-
Number of units, 1000's	9,703	9,599	11,566	11,160	9,132	11,035	14,601	17,552	14,818	19,007
Latinamerika Tema A1 - SEK	8,509	9,352	11,281	10,884	8,879	11,021	14,561	17,511	14,818	19,007
Latinamerika Tema A1 - EUR	1,059	98	110	100	103	-	-	-	-	-
Latinamerika Tema A1 - NOK	134	148	174	175	149	-	-	-	-	-
Latinamerika Tema B1 - SEK	1	1	1	1	1	14	40	41	-	-
Total returns in %, SEK										
Latinamerika Tema A1 - SEK	+28.6	-6.7	+14.7	+34.0	-22.2	+6.2	-14.2	+17.1	-20.7	+17.1
Latinamerika Tema A1 - EUR	+24.1	-9.5	+11.8	+28.0	-19.5	-	-	-	-	-
Latinamerika Tema A1 - NOK	+23.6	-8.7	+20.9	+20.9	-14.7	-	-	-	-	-
Latinamerika Tema B1 - SEK	-	-6.7	+14.7	+34.0	-22.2	+6.2	-14.2	+3.6	-	-
Index including dividends in %, SEK										
Latinamerika Tema A1 - SEK	+27.5	+1.3	+11.5	+41.2	-25.7	+6.9	-14.5	+4.0	-17.0	+10.5
Latinamerika Tema A1 - EUR	+23.0	-1.8	+8.7	+35.0	-23.2	-	-	-	-	-
Latinamerika Tema A1 - NOK	+22.5	-1.0	+17.6	+27.4	-18.6	-	-	-	-	-
Latinamerika Tema B1 - SEK	-	+1.3	+11.5	+41.2	-25.7	+6.9	-14.5	+3.7	-	-
Tracking error, 2 yrs. %										
Latinamerika Tema A1 - SEK	4.7	5.2	6.4	6.6	4.8	4.7	4.7	4.4	3.9	3.0
Latinamerika Tema A1 - EUR	4.7	5.2	6.4	6.6	4.8	-	-	-	-	-
Latinamerika Tema B1 - SEK	-	5.2	6.4	6.6	4.8	-	-	-	-	-
Latinamerika Tema A1 - NOK	4.7	5.2	6.4	6.6	4.8	-	-	-	-	-
Average yearly return, 2 yrs. %										
Latinamerika Tema A1 - SEK	+9.6	+3.5	+23.9	+2.1	-9.1	-4.5	+0.3	-3.7	-3.6	+47.7
Latinamerika Tema A1 - EUR	+6.0	+0.6	+19.6	+1.5	-10.6	-	-	-	-	-
Latinamerika Tema A1 - NOK	+6.2	+5.0	+20.9	+1.6	-4.2	-	-	-	-	-
Latinamerika Tema B1 - SEK	-	+3.5	+23.9	+2.1	-9.1	-4.5	-	-	-	-
Comparison to index including dividends, %										
SEK	+13.6	+6.3	+25.5	+2.4	-10.9	-4.4	-5.7	-7.1	-4.2	+42.2
EUR	+9.9	+3.3	+21.1	+1.8	-12.4	-	-	-	-	-
NOK	+10.1	+7.9	+22.4	+1.9	-6.1	-	-	-	-	-

Handelsbanken Latinamerika Tema, cont.

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Average yearly return, 5 yrs. %										
Latinamerika Tema A1 - SEK	+7.5	+3.5	+1.7	+2.2	-8.0	-0.2	+11.7	+3.6	+6.8	+16.4
Latinamerika Tema A1 - EUR	+5.3	+0.7	-1.0	+0.7	-8.3	-	-	-	-	-
Latinamerika Tema A1 - NOK	+7.1	+4.1	+4.9	+3.9	-4.4	-	-	-	-	-
Latinamerika Tema B1 - SEK	-	+3.5	+1.7	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+8.6	+4.8	+1.4	-0.1	-10.1	-2.7	+8.3	+1.5	+7.0	+15.7
EUR	+6.4	+2.0	-1.4	-1.5	-10.4	-	-	-	-	-
NOK	+8.2	+5.5	+4.5	+1.7	-6.6	-	-	-	-	-
Average yearly return, 10 yrs. %										
Latinamerika Tema A1 - SEK	+3.6	+7.5	+2.7	+4.5	+3.5	+12.3	+14.4	+20.0	+13.0	+16.5
Latinamerika Tema A1 - EUR	+3.3	+8.4	+2.3	+3.8	+3.7	-	-	-	-	-
Latinamerika Tema A1 - NOK	+5.1	+8.6	+4.5	+4.9	+5.7	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+2.8	+6.6	+1.4	+3.4	+2.0	+11.4	+13.5	+19.5	+13.9	+17.2
EUR	+2.5	+7.4	+1.0	+2.8	+2.2	-	-	-	-	-
NOK	+4.3	+7.6	+3.2	+3.8	+4.2	-	-	-	-	-
Dividends per unit, SEK										
Latinamerika Tema A1 - SEK	-	-	-	-	-	-	-	7.78	5.17	3.28
Latinamerika Tema B1 - SEK	6.90	10.24	9.27	5.34	7.07	6.89	9.69	0.00	-	-
Exchange rate EUR/SEK	10.51	10.13	9.83	9.58	9.16	-	-	-	-	-
Exchange rate NOK/SEK	1.07	1.02	1.00	1.06	0.95	-	-	-	-	-

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

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

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

Detailed information for the share classes' designation (nomenclature) is provided in the information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Latinamerika Tema A1	1.60
Latinamerika Tema B1	1.60
Collected mgmt. costs in % of average fund capital	
Latinamerika Tema A1	1.60
Latinamerika Tema B1	1.60
Annual fees in %	
Latinamerika Tema A1	1.60
Latinamerika Tema B1	1.60
Transaction costs, SEKt	973
Transaction costs in % of turnover	0.06
Costs in SEK for a one-time subscription, 10 000 SEK	
Latinamerika Tema A1	186.30
Latinamerika Tema B1	186.30
Costs in SEK for monthly savings, 100 SEK	
Latinamerika Tema A1	10.94
Latinamerika Tema B1	10.94

Fund Facts - Other Key Figures

Turnover rate	0.2
Share of turnover conducted via closely-related securities companies in %	0.0
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	20.5	Information ratio - A1 SEK	Negative
Total risk % - A1 EUR	20.1	Information ratio - A1 EUR	Negative
Total risk % - A1 NOK	18.7	Information ratio - A1 NOK	Negative
Total risk in index % - A1 SEK	20.4	Sharpe ratio - A1 SEK	0.5
Total risk in index % - A1 EUR	19.8	Sharpe ratio - A1 EUR	0.3
Total risk in index % - A1 NOK	17.8	Sharpe ratio - A1 NOK	0.3
Total risk in index % - A10 EUR	19.8	Sharpe ratio in index - A1 SEK	0.7
Total risk in index % - B1 SEK	20.4	Sharpe ratio in index - A1 EUR	0.5
Benchmark	Solactive ISS ESG	Sharpe ratio in index - A1 NOK	0.5
	Screened Latin America	Sharpe ratio in index - A10 EUR	0.5
	Large, Small & Mid Cap	Sharpe ratio in index - B1 SEK	0.7
	UCITS Index		
Active Share % ¹⁾	73.4		
Active return % - A1 SEK	-4.0		
Active return % - A1 EUR	-3.9		
Active return % - A1 NOK	-3.9		

¹⁾ As of the balance sheet date.

* 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.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	706,124	-311,678
Changes in value for other derivative instruments ^{**}	-700	-
Interest income	181	273
Dividends	104,085	101,043
Currency exchange profits and losses, net	-530	6,303
Other financial income ¹⁾	42	30
Other income	12,066	14
Total income and changes in value	821,268	-204,015
EXPENSES		
Management costs:		
- Remuneration to the Management Company	49,351	51,771
Interest expense	90	92
Other financial expenses ²⁾	8	6
Other expenses	977	1,457
Total expenses	50,426	53,326
Net income	770,842	-257,341
* Details of changes in value		
Capital gains	204,788	269,376
Capital losses	-58,034	-206,734
Unrealised gains/losses	559,370	-374,320
Sum	706,124	-311,678
** Details of changes in value		
Capital gains	2	-
Capital losses	-702	-
Sum	-700	-

¹⁾ The item consists primarily of premiums for securities lent.²⁾ The items consist primarily of expenses for securities borrowed.

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	3,458,986	98.4	2,685,557	99.3
Total financial instruments with positive market value ^{Note 2)}	3,458,986	98.4	2,685,557	99.3
Bank assets and other liquid assets	50,518	1.4	13,751	0.5
Prepaid expenses and accrued income	11,798	0.3	7,493	0.3
Other assets	1	0.0	1,019	0.0
Total assets	3,521,303	100.1	2,707,820	100.1
LIABILITIES				
Accrued expenses and prepaid income	4,626	0.1	3,779	0.1
Other liabilities	-	-	1	0.0
Total liabilities	4,626	0.1	3,779	0.1
Fund capital ^{Note 1)}	3,516,677	100.0	2,704,041	100.0
Financial instruments lent	7,849	0.2	3,995	0.1
Collateral received for financial instruments lent	8,400	0.2	4,321	0.2

Handelsbanken Latinamerika Tema, cont.

Note 1) for Balance Sheet

Changes in fund capital, SEK

	2019	2018
Fund capital at beginning of year	2,704,041	3,490,856
Units issued	1,453,199	770,720
Units redeemed	-1,411,397	-1,300,182
Profit according to Income Statement	770,842	-257,341
Dividends to unit holders	-8	-12
Fund capital at the close of the period	3,516,677	2,704,041

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
AUSTRALIA (AUD)			
Orocobre	690,000	12,032	0.3
		12,032	0.3
BRAZIL (BRL)			
Allianse Sonae Shopping Centers Ord Shs	466,525	54,433	1.5
Arezzo	265,548	39,548	1.1
B3 Brasil Bolsa Balcao Ord Shs	2,160,995	216,086	6.1
Banco do Brasil	1,863,380	229,038	6.5
BR Malls	1,961,975	82,455	2.3
Cogna Educacao Ord Shs	544,932	14,494	0.4
COPASA	123,000	19,461	0.6
COPEL	1,460,575	234,758	6.7
CTEEP	630,052	33,106	0.9
Even	110,000	3,983	0.1
Fleury	1,070,000	76,018	2.2
GAEC Educação	728,670	50,514	1.4
Itaú Unibanco Holding pref	2,320,463	200,334	5.7
Itaú Unibanco Holding pref ADR	101,705	8,711	0.2
Itaúsa	5,144,723	168,686	4.8
Light	2,055,634	113,658	3.2
Localiza Rent a Car	712,619	78,620	2.2
Lojas American Right	10,133	222	0.0
Lojas Americanas	1,050,000	63,309	1.8
LPS Brasil	613,242	13,600	0.4
Oi	7,348,609	14,707	0.4
Profarma	1,974,248	29,724	0.8
SABESP	879,947	124,008	3.5
Santos Brasil Participacoes Ord Shs	2,006,665	38,198	1.1
São Paulo Alparagatas	1,610,438	124,420	3.5
SulAmérica	245,000	34,162	1.0
Suzano Bahia Sul Papel E Celulose Ord S	611,419	56,457	1.6
T4F Entretenimento	1,561,200	22,706	0.6
Telefônica Brasil	949,100	128,055	3.6
Totvs	335,003	50,321	1.4
Valid	355,000	14,027	0.4
YDUQS Part	282,603	31,238	0.9
		2,369,057	67.4
CHILE (CLP)			
AFP Habitat	4,198,490	35,024	1.0
Andina B ADR	408,010	66,840	1.9
Andina pref	222,284	6,030	0.2
Coca-Cola Embonor B pref	2,288,531	37,598	1.1
Hortifrut	4,024,831	61,379	1.7
Invers Construc	189,000	19,411	0.6
		226,282	6.5
COLOMBIA (COP)			
Banco de Bogotá	117,514	28,541	0.8
		28,541	0.8
MEXICO (MXN)			
Actinver	2,686,400	15,314	0.4
Arca Continental	608,000	30,142	0.9
Banorte	873,774	45,722	1.3
Bolsa Mexicana de Valores	2,717,479	56,012	1.6
Consorcio ARA	5,088,000	10,492	0.3
Corp Fragua Ord Shs	426,488	57,294	1.6
Crédito Real	2,819,920	33,046	0.9
Gruma	233,503	22,431	0.6
Grupo Aeroportuario del Centro Norte	996,690	69,941	2.0
Grupo Aeroportuario del Pacifico ADR	45,736	80,229	2.3
Grupo Herdez	1,072,827	19,948	0.6
Grupo Sports World	4,020,100	41,251	1.2
Hoteles City Express	4,993,579	32,180	0.9
PINFRA	448,781	43,052	1.2
Vesta	5,131,577	86,794	2.5
		643,849	18.3
PERU (PEN)			
Alicorp	1,133,664	29,487	0.8
Andino Investment	4,050,000	6,870	0.2
Inretail Peru	181,484	61,160	1.7
Intergroup	211,345	81,708	2.3
		179,225	5.1
Total listed equities		3,458,986	98.4
Total transferable securities		3,458,986	98.4

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Total holdings in financial instruments		3,458,986	98.4
Net, other assets and liabilities		57,691	1.6
Total fund capital		3,516,677	100.0

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 98.4

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46). -

*** Refers to other financial instruments. -

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Itaúsa	10.7	Embotelladora Andina	2.1

* 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.

Additional information on loaned securities

Volume of lent securities as a % of total lendable assets	0.91
------------------------------------------------------------------	-------------

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

U.S.A.	2 833
The British Government	2 191
The Dutch Government	832
The French Government	421
The Federal Government of Belgium	170
The Austrian Government	122
Nestle Sa	92
Bhp Group Plc	92
Aia Group Ltd	79
General Electric Co	66

The largest counterparties for securities lending, SEK thousand:

Morgan Stanley & Co International Plc, Great Britain	5 078
UBS AG, London Branch, Great Britain	2 689
J.P. Morgan Securities Plc, Great Britain	82
	7 849

Type and quality of collateral, SEK thousand:

Equities	6 646
Bonds and other interest-bearing instruments	1 754
	8 400

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 one day	-
One day to one week	-
One week to one month	6
One to three months	45
Three months to one year	1 012
Greater than one year	5 583
Indeterminate duration	1 754
	8 400

Currency of the collateral, SEK thousand:

AUD	48
CAD	18
CHF	95
DKK	5
EUR	1 926
GBP	2 953
HKD	88
JPY	73
SGD	12
USD	3 182
	8 400

The profile of the duration for securities lending is undetermined, but may be immediately terminated. Settlement and clearing for securities lending is conducted through a third party. The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 21 SEK 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:

-Citigroup Global Markets Ltd, Great Britain
 -Credit Suisse Securities (Europe) Ltd, Great Britain
 -J.P. Morgan Securities Plc, Great Britain
 -Morgan Stanley & Co International Plc, Great Britain
 -UBS AG, London Branch, Great Britain

Handelsbanken Latinamerika Tema

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes in its entirety companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies with key activities within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We conduct dialogues for the purpose of encouraging companies to improve their

sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
 - B. Dialogues together with other investors/capital owners
 - C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP
- A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.
- B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.
- C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

Annual General Meetings and nomination committees

Handelsbanken Fonder normally votes at general meetings in those companies where ownership exceeds 0.5 or when there is a vote on matters of particular concern. 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 general meetings.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.

Follow-up of sustainability work

Inclusion

A major problem for Brazil is the shortage of qualified labour and a lack of good educational opportunities. The market for privately financed education has changed in Brazil due to the revised study grant system and increased supply of distance learning (e-learning). We believe that the changes have made it even more important to focus on high-quality education to assist in a positive development of society and to create conditions for a sustainable business model. Anima is a company we see as a leader within high-quality education. Anima has been conservative with regard to distance learning, which protects the company's brand and reduces the risk for price competition.

Exclusion

The fund has actively chosen not to invest in Bradespar. Bradespar is an investment company that controls the mining giant Vale, together with a number of other shareholders (Bradespar's only investment). We see a number of issues with an investment in Vale, including oppression of the rights of minorities. During the year the shortcomings in Vale's sustainability activities emerged further. The dam accident in Brumadinho, the second of the same type in three years, had devastating consequences and over 250 people lost their lives in the accident.

The Management Company's engagement activities

- A. The fund engaged in three targeted dialogues directly with the companies during the year.

During the year the fund initiated a dialogue with Peruvian Alicorp with the aim of clarifying how they work with their supply chain connected to palm oil. We believe it is essential that all companies dependent on, or affected by, agriculture and forestry identify their effects on the environment and any impact on the indigenous population in the area. As a first step in this process, we are working to obtain improved follow-up and transparency in the company's sustainability report to be able to monitor it further.

- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund held holdings in one of these companies.
- A dialogue was held with Cia Paranaense De Energia Copel to have the company strengthen its guidelines for environment impact assessments for new projects in Brazil.
- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.

General meetings and nomination committees

The Management Company voted at 40 annual general meetings on behalf of the fund during the year.

The fund did not have any holdings in companies in which the Management Company was represented on a nomination committee.



Handelsbanken Microcap Norden

Management Report

Investment Focus

The fund is actively managed, which means that the portfolio manager takes active, independent investment decisions. The objective of the fund is to attain returns over the long term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund is a non-UCITS fund, which means, for example, that it differentiates itself from a securities fund by concentrating holdings to a limited number of companies. The fund invests in a portfolio of small Nordic companies. Nordic companies refer to companies that have their registered office in Sweden, Norway, Finland or Denmark, or are admitted to trading on a regulated market or another marketplace in one of these countries. Small caps refer to companies with market values at the time of the investment that do not exceed a value equivalent to 0.05% of the total market values of the companies admitted to trading on the regulated markets of the Nasdaq Stockholm, Helsinki, Copenhagen and Oslo Börs. Regardless of the said criterion, the fund may hold such financial instruments that have been included in the fund due to prior holdings, e.g., as a result of acquisition, divestiture or other corporate events. The fund can invest up to the entire fund capital in fund units, in interest-bearing financial instruments or in liquid assets, depending on the market climate, liquidity or with significant flows. 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 on companies active within the fossil fuel, war materials, tobacco, cannabis, alcohol, commercial gambling and pornography areas/sectors. However, the fund may invest in companies that are involved in power generation, distribution or services related to fossil fuel in which the company is deemed to be transitioning its business operations to more renewable energy. Further information is available in the fund's information brochure. 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. We compare fund performance to SIX SRI Nordic 200 Small Cap Net Index. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 43.4% in 2019*. Given the upturn in the stock market during 2019, one would think that 2019 was a year with increasing confidence in the future, an improved economy and a politically calm climate. However, this was not the case. A confusing political climate in the US, the trade war on many fronts and uncertainty about Brexit were many of the issues that weighed on global growth. However, lower interest rates and a belief that the economy's next phase is an upward trend led to a sharp upturn in the markets. Growth companies, real estate companies and parts of the cyclical block have posted the most strength, while banks and companies with some setbacks have lagged. Bids were placed on Acando and DataRespons during the year. Medi-Stim, DataRespons, Revenio and Stillfront were the strongest contributors to fund returns, while Flexcube and NRC had a negative impact. Given the current environment, we are seeking stable companies with good outlooks and reasonable valuations.

* 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

An investment in an equity fund is characterised by high risk as well as by the potential for high returns. As a result, the value of the fund can fluctuate significantly over time. The fund's investments are concentrated geographically to equities issued by smaller and mid-sized companies in Denmark, Finland, Norway and Sweden. As a result, the risk in the fund is higher than an investment in a diversified global equity fund that distributes its investments across several regions. The fund's investments

are made in a limited number of companies, which means that the fund has a higher risk than a fund that invests in a larger number of companies or sectors. Given that the fund's investments are made in foreign equities denominated in currencies other than the fund's base currency, an investment in the fund is associated with currency risk. Given that the fund consists of different share classes, the changes in exchange rates can result in a differentiation in risk classifications between different share classes depending on the type of currency in which the share class is traded. The fund's liquidity risk is deemed to be moderately high due to the fund's size in relation to the size or turnover of the markets and securities in which the fund invests. This can impact the fund's ability to complete the purchase and sale of securities under stressful market conditions. The fund may invest in derivatives to protect the value of the fund's underlying assets, to maintain the desired level of risk in the fund portfolio or to minimise management costs. The volume of trading is limited where applicable and is expected to have a marginal impact on the fund's risk profile.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund used this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

On 30 April 2019, the fund changed index from SIX Nordic 200 Small Cap to SIX SRI Nordic 200 Small Cap Net Index as a result of a change in the index provider. The fund's investment focus has not been affected by the change. The fund changed its fund rules on 1 June 2019.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Shareholder commitments

Based on the Management Company's Policy for Shareholder Engagement, which includes guidelines for responsible investment, voting at general meetings, work on the nomination committee, and dialogue with the portfolio management companies are undertaken independently or in collaboration with others. It is our understanding that this work leads to better governance and reduced sustainability risks in the portfolio management companies, which in turn leads to a positive value growth.

The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management Company then takes independent decisions on those matters that will be subject to a vote or another decision-making process.

The Management Company normally votes for all of the equities in the fund in those companies where voting takes place, although there are exceptions, such as in markets where the equities are in a lock-up period to enable registration for voting at a general meeting. Any securities loans are typically recalled prior to a general meeting to ensure that votes can be cast for all of the equities, although the securities loans can remain in effect at the time of the general meeting if it is deemed to be in the common interest of unit holders and there is no significant impact on

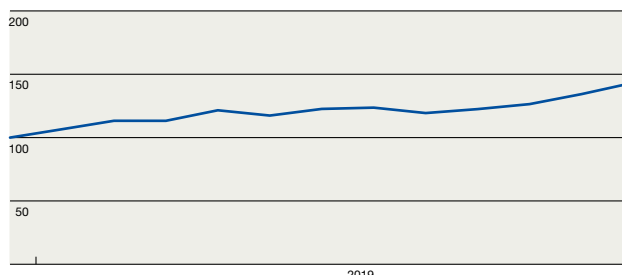
Handelsbanken Microcap Norden, cont.

active ownership.

No conflicts of interest have arisen between the Management Company and the portfolio management company in conjunction with the funds' investments. Information is available in the Management Company's Policy for Shareholder Engagement on how the Management Company in general manages conflicts of interest that can arise as a result of the funds' investments.

Read more about how Handelsbanken Fonder acts in ownership matters and about the fund company's guidelines for responsible investments in the company's Policy for shareholder engagement and responsible investments which can be found under <https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>

Fund Performance*



* Performance is shown in the fund's base currency. The fund may have several share classes, which are referred to in the Fund Facts.

Fund Facts - History

	2019	30/11-31/12 2018	2017	2016	2015	2014	2013	2012	2011	2010
Net asset value										
Microcap Norden A4 - SEK	135.89	94.80	-	-	-	-	-	-	-	-
Microcap Norden A4 - EUR	12.93	-	-	-	-	-	-	-	-	-
Microcap Norden A4 - NOK	127.56	-	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	339	81	-	-	-	-	-	-	-	-
Fund capital total, mSEK	507	77	-	-	-	-	-	-	-	-
Microcap Norden A4 - SEK	445	77	-	-	-	-	-	-	-	-
Microcap Norden A4 - EUR	3	-	-	-	-	-	-	-	-	-
Microcap Norden A4 - NOK	28	-	-	-	-	-	-	-	-	-
Number of units, 1000's	3,734	817	-	-	-	-	-	-	-	-
Microcap Norden A4 - SEK	3,271	817	-	-	-	-	-	-	-	-
Microcap Norden A4 - EUR	243	-	-	-	-	-	-	-	-	-
Microcap Norden A4 - NOK	220	-	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Microcap Norden A4 - SEK	+43.4	-5.5	-	-	-	-	-	-	-	-
Microcap Norden A4 - EUR	+19.6	-	-	-	-	-	-	-	-	-
Microcap Norden A4 - NOK	+21.7	-	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Microcap Norden A4 - SEK	+35.1	-7.2	-	-	-	-	-	-	-	-
Microcap Norden A4 - EUR	+12.5	-	-	-	-	-	-	-	-	-
Microcap Norden A4 - NOK	+14.5	-	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.51	-	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.07	-	-	-	-	-	-	-	-	-

Benchmark: SIX SRI Nordic 200 Small Cap Net Index

Up to 30/04/2019: 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 information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.85
Collected mgmt. costs in % of average fund capital	1.85
Annual fees in %	1.85
Transaction costs, SEKt	175
Transaction costs in % of turnover	0.03
Costs in SEK for a one-time subscription, 10 000 SEK	222.45
Costs in SEK for monthly savings, 100 SEK	13.17

Fund Facts - Other Key Figures

Turnover rate	0.4
Share of turnover conducted via closely-related securities companies in %	22.1
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Active Share % ¹⁾	98.0	Forecasted total risk	12.6
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¹⁾ As of the balance sheet date.

* The fund has been in existence for less than two years; consequently, the calculation of historical risk is not applicable.

Refer to the last page for definitions.

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

Income Statement, SEKt

	2019	30/11-31/12 2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities [*]	92,811	-3,746
Interest income	-3	-5
Dividends	3,365	-
Currency exchange profits and losses, net	115	30
Other financial income ¹⁾	35	-
Other income	2	-
Total income and changes in value	96,325	-3,721
EXPENSES		
Management costs:		
- Remuneration to the Management Company	4,713	113
Interest expense	5	0
Other financial expenses ²⁾	7	-
Other expenses	176	14
Total expenses	4,901	127
Net income	91,424	-3,848
* Details of changes in value		
Capital gains	10,189	38
Capital losses	-7,415	-60
Unrealised gains/losses	90,037	-3,724
Sum	92,811	-3,746

¹⁾ The item consists primarily of premiums for securities lent.²⁾ The item consists primarily of expenses for securities lent.

Handelsbanken Microcap Norden, cont.

Balance Sheet, SEK

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	475,611	93.7	62,721	81.0
Total financial instruments with positive market value	475,611	93.7	62,721	81.0
Bank assets and other liquid assets	34,037	6.7	16,253	21.0
Prepaid expenses and accrued income	2	0.0	-5	0.0
Other assets	-	-	0	0.0
Total assets	509,650	100.4	78,969	102.0
LIABILITIES				
Accrued expenses and prepaid income	741	0.2	113	0.2
Other liabilities	1,440	0.2	1,454	1.8
Total liabilities	2,181	0.4	1,567	2.0
Fund capital (Note 1)	507,469	100.0	77,402	100.0
Financial instruments lent	6,536	1.3	-	-
Collateral received for financial instruments lent	7,185	1.4	-	-

Note 1) for Balance Sheet

Changes in fund capital, SEK

	2019	2018
Fund capital at beginning of year	77,402	-
Units issued	348,414	81,250
Units redeemed	-9,771	-
Profit according to Income Statement	91,424	-3,848
Dividends to unit holders	-	-
Fund capital at the close of the period	507,469	77,402

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
AcadeMedia	224,500	12,370	2.4
Bufab	62,597	8,175	1.6
Harvia	103,488	11,364	2.2
New Wave Group B	130,000	7,774	1.5
Storytel B	54,000	7,733	1.5
		47,416	9.3
CONSUMER STAPLES			
Atlantic Sapphir Rg	55,000	7,558	1.5
Duni	53,020	6,850	1.3
		14,408	2.8
ENERGY			
Swedol B	159,443	7,390	1.5
		7,390	1.5
FINANCIALS AND REAL ESTATE			
Admicom Oyj	15,500	10,489	2.1
K-fast Holding AB - B	48,000	7,728	1.5
Oma Säästöpankki Oyj	119,500	11,150	2.2
Skandiabanken	110,000	8,742	1.7
Sparebank1 Buskerud Vestfold Ord Shs	144,000	6,075	1.2
Sparebanken Vest	59,444	4,015	0.8
Volati	120,000	4,908	1.0
		53,107	10.5
HEALTH CARE			
Ambea	159,000	12,482	2.5
Cellink B	17,500	5,845	1.2
ChemoMetec Ord Shs	30,000	8,648	1.7
FRISQ Holding Ord Shs	135,000	1,917	0.4
Medi-Stim	27,135	5,550	1.1
Mentice	59,000	4,337	0.9
Midsona B	85,000	4,199	0.8
Revenio	37,500	10,344	2.0
Sedana Medical	60,400	8,202	1.6
Senzime	350,251	6,375	1.3
Surgical Science Sweden AB	24,534	10,402	2.0
Swedencare Ord Shs	80,000	7,408	1.5
Xvivo Perfusion	40,000	6,800	1.3
Zealand Pharma	28,000	9,269	1.8
		101,777	20.1
INDUSTRIALS			
Adapteo Oyj	70,304	8,084	1.6
Akva Group Ord Shs	53,000	4,178	0.8
Beijer Alma AB serie B	50,000	7,830	1.5
Concentric	45,969	7,309	1.4
Exel Composites	101,000	6,877	1.4
FlexQube AB	63,140	2,368	0.5
H&H International	38,500	6,756	1.3
Hexatron Group	81,000	4,917	1.0
Nederman 1	85,000	11,424	2.3
Nordic Waterproofing Holding	158,000	15,200	3.0
NRC Group	96,093	5,845	1.2
OEM International	24,743	6,186	1.2

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Rejlers B	66,500	7,947	1.6
Systemair	60,000	10,830	2.1
VMP Oyj	77,002	5,138	1.0
		110,888	21.9
INFORMATION TECHNOLOGY			
Columbus IT Partner	232,000	3,148	0.6
Data Respons	312,852	15,964	3.1
Detection Technology	44,111	11,866	2.3
DevPort	110,776	3,213	0.6
Knowit	63,000	13,136	2.6
Nixu	43,154	4,761	0.9
Norbit	430,392	9,170	1.8
Plejd	92,000	5,042	1.0
Stillfront	27,222	10,004	2.0
TCM Group	56,492	10,009	2.0
		86,312	17.0
MATERIALS			
I-TECH	114,500	7,626	1.5
Norske Skog Ord Shs	140,000	6,517	1.3
OrganoClick Ord Shs	1,184,000	6,394	1.3
SP Group Ord	36,851	12,540	2.5
		33,077	6.5
TELECOMMUNICATION SERVICES			
Kahoot Ord Shs	75,000	5,273	1.0
		5,273	1.0
UTILITIES			
Besqab	45,000	6,615	1.3
Fjordkraft Holding Ord Shs	151,297	9,348	1.8
		15,963	3.1
Total listed equities		475,611	93.7
Total transferable securities		475,611	93.7
Total holdings in financial instruments		475,611	93.7
Net, other assets and liabilities		31,858	6.3
Total fund capital		507,469	100.0

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

93.7

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

Additional information on loaned securities

Volume of lent securities as a % of total lendable assets 1.36

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

U.S.A. 7 185

The largest counterparties for securities lending, SEK thousand:

UBS AG, London Branch, Great Britain 6 536
6 536

Type and quality of collateral, SEK thousand:

Equities -
Bonds and other interest-bearing instruments 7 185
7 185

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 one day -
One day to one week -
One week to one month -
One to three months 1 221
Three months to one year 390
Greater than one year 453
Indeterminate duration 5 120
7 185

Currency of the collateral, SEK thousand:

USD 7 185
7 185

The profile of the duration for securities lending is undetermined, but may be immediately terminated. Settlement and clearing for securities lending is conducted through a third party. The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 21 SEK 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:

-Citigroup Global Markets Ltd, Great Britain
-UBS AG, London Branch, Great Britain

Handelsbanken Microcap Norden

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes in its entirety companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies with key activities within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We conduct dialogues for the purpose of encouraging companies to improve their

sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
 - B. Dialogues together with other investors/capital owners
 - C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP
- A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.
- B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.
- C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

Annual General Meetings and nomination committees

Handelsbanken Fonder normally votes at general meetings in those companies where ownership exceeds 0.5 or when there is a vote on matters of particular concern. 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 general meetings.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service

Follow-up of sustainability work

Inclusion

The environmental transition is the most important driver for several companies in the fund. Two of these are I-Tech and OrganoClick. I-Tech produces ingredients for sustainable paints for boat hulls. OrganoClick produces a biological-based binding agent that is used in the paper industry and in wood products. Both companies are facing important transition phases in their growth.

Exclusion

We sold our holdings in the oil sector during the year.

The Management Company's engagement activities

- A. The fund engaged in one targeted dialogue directly with a company during the year.
For example, a dialogue was held with a salmon producer concerning how the company can pursue more sustainable business operations over the long term and what is the best industry standard for salmon farming, which is an essential industry for the production of proteins.
- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund did not have holdings in any of these companies.
- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.

General meetings and nomination committees

The Management Company voted at 49 annual general meetings on behalf of the fund during the year.

The Management Company participated in 15 nomination committees on behalf of the fund: AcadeMedia AB, Bufab AB, Cellink AB, Data Respons ASA, Exel Composites Oyj, Hexatronic AB, Inwido AB, Invisio AB, Knowit AB, Midsona AB, Momentum Group AB, Note AB, Stillfront Group AB, Storytel

AB and Swedol AB.



Handelsbanken Microcap Sverige

Management Report

Investment Focus

The fund is actively managed, which means that the portfolio manager takes active, independent investment decisions. The objective of the fund is to attain returns over the long term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund is a non-UCITS fund, which means, for example, that it differentiates itself from a securities fund by concentrating holdings to a limited number of companies. The fund invests in a portfolio of small Swedish companies. A Swedish company refers to a company that is headquartered in Sweden or is admitted to trading on a regulated market or another market place in Sweden. A small cap refers to a company with a market value at the time of the investment that does not exceed a value equivalent to 0.1% of the total market value of companies admitted to trading on the regulated market Nasdaq OMX Stockholm. Irrespective of the stated criteria, the fund may hold such financial instruments that are included in the fund due to a previous holding, e.g., as a result of an acquisition, spin-off or other company events. The fund can invest up to the entire fund capital in fund units, in interest-bearing financial instruments or in liquid assets, depending on the market climate, liquidity or with significant flows. 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 on companies active within the fossil fuel, war materials, tobacco, cannabis, alcohol, commercial gambling and pornography areas/sectors. However, the fund may invest in companies that are involved in power generation, distribution or services related to fossil fuel in which the company is deemed to be transitioning its business operations to more renewable energy. Further information is available in the fund's General Section. 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. We compare fund performance to SIX SRI Sweden 200 Small Cap Gross Index. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 51.1% in 2019*. Given the upturn in the stock market during 2019, one would think that 2019 was a year with increasing confidence in the future, an improved economy and a politically calm climate. However, this was not the case. A confusing political climate in the US, the trade war on many fronts and uncertainty about Brexit were many of the issues that weighed on global growth. However, lower interest rates and a belief that the economy's next phase is an upward trend led to a sharp upturn in the markets. Growth companies, real estate companies and parts of the cyclical block have posted the most strength, while banks and companies with some setbacks have lagged. Bids were placed on Acando and DataRespons during the year. Medi-Stim, DataRespons, Revenio and Stillfront were the strongest contributors to fund returns, while Flexcube and NRC had a negative impact. Given the current environment, we are seeking stable companies with good outlooks and reasonable valuations.

*) Refer to fund statistics for comparable index.

Significant risks

An investment in an equity fund is characterised by high risk as well as by the potential for high returns. As a result, the value of the fund can fluctuate significantly over time. The fund's investments are concentrated geographically to equities issued by smaller and mid-sized companies in Sweden. As a result, the risk in the fund is higher than an investment in a diversified global equity fund that distributes its investments across several regions. However, the fund's investments are made in companies in several sectors or branches that contribute to lowering the risk in the

fund over time. The fund's liquidity risk is deemed to be moderately high due to the fund's size in relation to the size or turnover of the markets and securities in which the fund invests. This can impact the fund's ability to complete the purchase and sale of securities under stressful market conditions. The fund may invest in derivatives to protect the value of the fund's underlying assets, to maintain the desired level of risk in the fund portfolio or to minimise management costs. The volume of trading is limited where applicable and is expected to have a marginal impact on the fund's risk profile.

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 2019. The fund has the option of lending securities. The fund used this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

On 30 April 2019, the fund changed index from Carnegie Small Cap Return Index Gross (CSRXSE) to SIX SRI Sweden 200 Small Cap Gross Index. The change in the index was to adapt the fund for sustainability to exclude a greater number of controversial business operations than previously. The fund changed its fund rules on 1 June 2019.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

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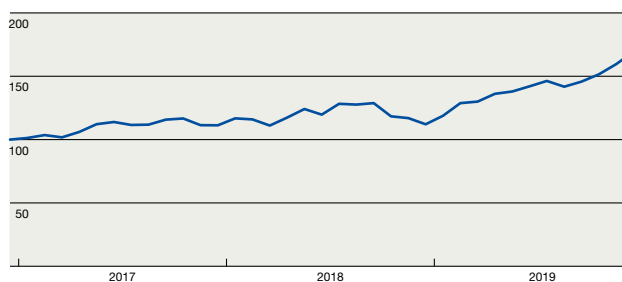
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No conflicts of interest have arisen between the Management Company and the portfolio management company in conjunction with the funds' investments. Information is available in the Management Company's Policy for Shareholder Engagement on how the Management Company in general manages conflicts of interest that can arise as a result of the

funds' investments.

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Fund Performance*



* Performance is shown in the fund's base currency.

Fund Facts - History

	2019	2018	2017	30/11-31/12 2016	2015	2014	2013	2012	2011	2010
Net asset value, SEK	172.35	114.05	113.24	101.76	-	-	-	-	-	-
The fund's total net flow, mSEK	156	-4	677	650	-	-	-	-	-	-
Fund capital, mSEK	2,331	1,430	1,427	660	-	-	-	-	-	-
Number of units, 1000's	13,524	12,536	12,605	6,490	-	-	-	-	-	-
Total returns in %, SEK	+51.1	+0.7	+11.3	+1.8	-	-	-	-	-	-
Index including dividends in %, SEK	+41.2	-0.2	+8.8	+3.4	-	-	-	-	-	-
Tracking error, 2 yrs. %	8.6	7.9	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %	+23.4	+5.9	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+18.7	+4.2	-	-	-	-	-	-	-	-

Benchmark: SIX SRI Sweden 200 Small Cap Gross Index

Up to 30/04/2019: Carnegie Small Cap Return Index Gross (CSRXSE)

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 page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.85
Collected mgmt. costs in % of average fund capital	1.85
Annual fees in %	1.85
Transaction costs, SEKt	737
Transaction costs in % of turnover	0.04
Costs in SEK for a one-time subscription, 10 000 SEK	232.06
Costs in SEK for monthly savings, 100 SEK	13.52

Fund Facts - Other Key Figures

Turnover rate	0.5
Share of turnover conducted via closely-related securities companies in %	15.0
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk %	14.8	Information ratio	0.5
Total risk in index %	12.6	Sharpe ratio	1.6
Benchmark	SIX SRI Sweden 200 Small Cap Gross Index	Sharpe ratio in index	1.5
Active Share % ¹⁾	96.1		
Active return %	4.6		

1) As of the balance sheet date.

* 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.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	763,782	17,105
Interest income	-8	-117
Dividends	13,888	15,922
Other financial income ¹⁾	1,539	1,510
Other income	1	1,100
Total income and changes in value	779,202	35,520
EXPENSES		
Management costs:		
- Remuneration to the Management Company	33,570	27,901
Interest expense	8	3
Other financial expenses ²⁾	312	302
Other expenses	768	825
Total expenses	34,658	29,031
Net income	744,544	6,489
* Details of changes in value		
Capital gains	249,822	266,293
Capital losses	-144,554	-142,118
Unrealised gains/losses	658,514	-107,070
Sum	763,782	17,105

1) The item consists primarily of premiums for securities lent.

2) The items consist primarily of expenses for securities borrowed.

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	2,286,341	98.1	1,379,745	96.5
Total financial instruments with positive market value ^{Note 2)}	2,286,341	98.1	1,379,745	96.5
Bank assets and other liquid assets	64,287	2.8	63,502	4.4
Prepaid expenses and accrued income	133	0.0	189	0.0
Other assets	647	0.0	1,372	0.2
Total assets	2,351,408	100.9	1,444,808	101.1
LIABILITIES				
Accrued expenses and prepaid income	3,508	0.2	2,300	0.2
Other liabilities	17,113	0.7	12,728	0.9
Total liabilities	20,621	0.9	15,028	1.1
Fund capital ^{Note 1)}	2,330,787	100.0	1,429,780	100.0
Financial instruments lent	56,365	2.4	47,390	3.3
Collateral received for financial instruments lent	62,981	2.7	51,534	3.6

Handelsbanken Microcap Sverige, cont.

Note 1) for Balance Sheet

Changes in fund capital, SEK

	2019	2018
Fund capital at beginning of year	1,429,780	1,427,388
Units issued	329,988	190,288
Units redeemed	-173,525	-194,385
Profit according to Income Statement	744,544	6,489
Dividends to unit holders	-	-
Fund capital at the close of the period	2,330,787	1,429,780

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value ISEK	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
AcadeMedia	450,000	24,795	1.1
Storytel B	580,000	83,056	3.6
		107,851	4.6
CONSUMER STAPLES			
Scandi Standard	800,000	59,520	2.6
		59,520	2.6
FINANCIALS AND REAL ESTATE			
Amasten	2,611,711	22,200	1.0
K-fast Holding AB - B	306,776	49,391	2.1
		71,590	3.1
HEALTH CARE			
Ambea	650,000	51,025	2.2
Calliditas Therapeutics AB	325,000	24,603	1.1
Cellink B	375,000	125,250	5.4
FRISQ Holding Ord Shs	1,143,158	16,233	0.7
Genovis AB	1,500,000	37,500	1.6
Immunovia	100,000	17,960	0.8
Infant Bacterial Therapeutics B	200,000	28,600	1.2
Mentice	700,000	51,450	2.2
Oncopeptides	375,000	47,588	2.0
Sedana Medical	702,000	95,332	4.1
Senzime	2,700,000	49,140	2.1
Surgical Science Sweden AB	180,000	76,320	3.3
Swedencare Ord Shs	475,000	43,985	1.9
Synthetic	150,000	33,450	1.4
Xvivo Perfusion	230,000	39,100	1.7
Zenitor Medical Systems Ord Shs	248,600	3,630	0.2
		741,164	31.7
INDUSTRIALS			
Concentric	480,000	76,320	3.3
Hexatronic Group	910,000	55,237	2.4
Momentum Group B	375,000	43,725	1.9
PiezoMotor B	1,224,000	45,655	2.0
Projektagemang Sweden B	900,000	13,545	0.6
QleanAir Holding	650,000	25,987	1.1
Rejlers B	400,000	47,800	2.1
Serendipity Innovations B	1,450,000	108,750	4.7
		417,019	17.9
INFORMATION TECHNOLOGY			
Bublar Group	4,000,000	21,200	0.9
Bygghemma Group	1,300,000	75,920	3.3
DevPort	625,000	18,125	0.8
ENEAD Ord Shs1	500,000	90,500	3.9
Greater Than Ord Shs	137,899	11,790	0.5
Knowit	180,000	37,530	1.6
NCAB Group	400,000	62,400	2.7
Nepa	242,004	5,324	0.2
Plejd	425,000	23,290	1.0
Proact IT Group	220,000	40,480	1.7
SINCH	230,000	65,895	2.8
Smart Eye	475,000	56,050	2.4
Stillfront	150,000	55,125	2.4
Tobii Technology	1,750,000	65,730	2.8
Vitec Software Group B	156,500	28,953	1.2
XM Reality	1,600,000	4,720	0.2
		663,032	28.5
MATERIALS			
I-TECH	560,000	37,296	1.6
OrganoClick Ord Shs	3,400,000	18,360	0.8
		55,656	2.4
TELECOMMUNICATION SERVICES			
Beyond Frames Entertainment	575,000	3,439	0.1
Invisio Communications	750,000	76,350	3.3
Ovzon	1,400,000	90,720	3.9
		170,509	7.3
Total listed equities		2,286,341	98.1
Total transferable securities		2,286,341	98.1
Total holdings in financial instruments		2,286,341	98.1
Net, other assets and liabilities		44,446	1.9
Total fund capital		2,330,787	100.0

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

98.1

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

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*** Refers to other financial instruments.

-

Additional information on loaned securities

Volume of lent securities as a % of total lendable assets 2.48

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

U.S.A	28 727
The German Government	13 583
The British Government	6 890
The French Government	2 412
The Federal Government of Belgium	969
The Austrian Government	629
Toyota Motor Corp	616
Marubeni Corp	616
Central Japan Railway Co	615
Oriental Land Co Ltd/Japan	612

The largest counterparties for securities lending, SEK thousand:

UBS AG, London Branch, Great Britain	28 118
Merrill Lynch Intl, Great Britain	15 860
J.P. Morgan Securities Plc, Great Britain	11 324
Credit Suisse Securities (Europe) Ltd, Great Britain	1 022
Morgan Stanley & Co International Plc, Great Britain	41
	56 365

Type and quality of collateral, SEK thousand:

Equities	9 331
Bonds and other interest-bearing instruments	53 650
	62 981

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 one day	-
One day to one week	-
One week to one month	4 304
One to three months	1 394
Three months to one year	15 297
Greater than one year	32 654
Indeterminate duration	9 331
	62 981

Currency of the collateral, SEK thousand:

AUD	85
CAD	52
CHF	107
DKK	7
EUR	19 673
GBP	8 605
HKD	855
JPY	2 898
SEK	29
SGD	119
USD	30 551
	62 981

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

Settlement and clearing for securities lending is conducted through a third party.

The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 21 SEK 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:

-Citigroup Global Markets Ltd, Great Britain
 -Credit Suisse Securities (Europe) Ltd, Great Britain
 -J.P. Morgan Securities Plc, Great Britain
 -Merrill Lynch Intl, Great Britain
 -Morgan Stanley & Co International Plc, Great Britain
 -UBS AG, London Branch, Great Britain

Handelsbanken Microcap Sverige

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes in its entirety companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies with key activities within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We

conduct dialogues for the purpose of encouraging companies to improve their sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
- B. Dialogues together with other investors/capital owners
- C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP

A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.

B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.

C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

Annual General Meetings and nomination committees

Handelsbanken Fonder normally votes at general meetings in those companies where ownership exceeds 0.5 or when there is a vote on matters of particular concern. 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 general meetings.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.

Follow-up of sustainability work

Inclusion

During the year we invested in Scandi Standard, which is one of the Nordics' largest producers of chicken, a protein source that has one-tenth of the carbon footprint compared to red meat. The company's growth has accelerated as consumers are becoming more environment-oriented in their choices, as well as that new product categories are being launched to meet the increased interest for chicken as a source of protein.

The Management Company's engagement activities

- A. The fund was not engaged in any targeted dialogues directly with companies during the year.
- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund did not have holdings in any of these companies.
- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.

General meetings and nomination committees

The Management Company voted at 46 annual general meetings on behalf of the fund during the year.

Discussions were held concerning gender balance in several boards through the nomination committees in which we are represented. Examples of companies affected by this include Tobii AB and Storytel AB.

The Management Company participated in fifteen nomination committees on behalf of the fund: Advenica AB, Bublar AB, Cellink AB, Hexatronic AB, Instalco Intressenter AB, Inwido AB, Invisio AB, Knowit AB, Momentum Group AB, Stillfront Group AB, Storytel AB, Swedol AB, Tobii AB, Transtema Group AB and XMRReality AB.



Handelsbanken Norden

Management Report

Investment Focus

The fund is actively managed, which means that the fund manager is responsible for taking the active investment decisions. The fund's objective is to outperform the returns of the underlying market, defined as the benchmark index, over the long term. The fund invests in equities issued by companies in Denmark, Finland, Norway and Sweden and thereby has a currency exposure in these markets. We place particular emphasis on ensuring that the company's strategy concurs with our assessment of what can generate favourable share price performance and that the valuation is attractive. 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 on companies active within the fossil fuel, war materials, tobacco, cannabis, alcohol, commercial gambling and pornography areas/sectors. However, the fund may invest in companies that are involved in power generation, distribution or services related to fossil fuel in which the company is deemed to be transitioning its business operations to more renewable energy. Further information is available in the fund's General Section. We compare the fund's performance with SIX SRI Nordic 200 Net Index. As the fund is actively managed the performance will over time deviate from this index.

Portfolio

The fund rose 22.6% in 2019*. Despite the trade conflict between the US and China, as well as the slowdown in the global economy, the stock market had a very strong year. This can be viewed in light of the unusually sharp decline in the market we saw at the end of 2018, but it was primarily the lower interest rates that supported the demand for equities. Fund holdings in renewable energy, consumer goods and some segments within industrials were positive. However, the fund's slightly more conservative character meant that the fund did not fully keep pace with the upward trend of the index. Vestas Wind (wind power), Scatec Solar (solar energy), DSV (transport services), Essity (hygiene products) and Pandox (hotel properties) were the strongest positive contributors to fund returns. Nokia, Wärtsilä and Tigo had the most negative impact.

* 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

An investment in an equity fund is characterised by high risk as well as by the potential for high returns. As a result, the value of the fund can fluctuate significantly over time. The fund's investments are concentrated geographically to equities issued by companies in Denmark, Finland, Norway and Sweden. As a result, the risk in the fund is higher than an investment in a diversified global equity fund that distributes its investments across several regions. However, the fund's investments are made in companies in several sectors or branches that contribute to lowering the risk in the fund over time. Given that the fund's investments are made in foreign equities denominated in currencies other than the fund's base currency, an investment in the fund is associated with currency risk. Given that the fund consists of different share classes, the changes in exchange rates can result in a differentiation in risk classifications between different share classes depending on the type of currency in which the share class is traded. The fund may invest in derivatives to protect the value of the fund's underlying assets, to maintain the desired level of risk in the fund portfolio or to minimise management costs. The volume of trading is limited where applicable and is expected to have a marginal impact on the fund's risk profile.

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 2019. The fund has the option of lending securities. The fund used this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

As of April 30, 2019 the fund changed its index from VINX Benchmark Cap SEK_NI (VINXBCAPSEKNI) to SIX SRI Nordic 200 Net Index. The reason for the change of index was a sustainability adjustment of the fund to exclude more controversial activities than before. As of June 1, 2019 the fund changed its fund rules. The fund changed its name from Handelsbanken Nordenfond to Handelsbanken Norden.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fund report.

Shareholder commitments

Based on the Management Company's Policy for Shareholder Engagement, which includes guidelines for responsible investment, voting at general meetings, work on the nomination committee, and dialogue with the portfolio management companies are undertaken independently or in collaboration with others. It is our understanding that this work leads to better governance and reduced sustainability risks in the portfolio management companies, which in turn leads to a positive value growth.

The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management Company then takes independent decisions on those matters that will be subject to a vote or another decision-making process.

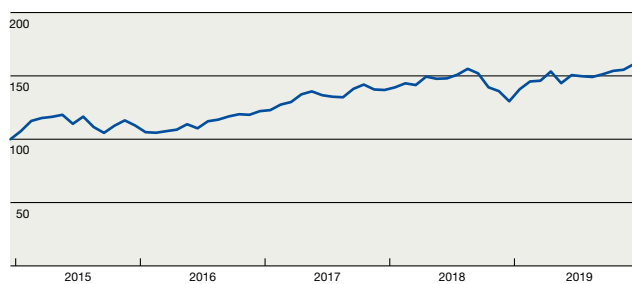
The Management Company normally votes for all of the equities in the fund in those companies where voting takes place, although there are exceptions, such as in markets where the equities are in a lock-up period to enable registration for voting at a general meeting. Any securities loans are typically recalled prior to a general meeting to ensure that votes can be cast for all of the equities, although the securities loans can remain in effect at the time of the general meeting if it is deemed to be in the common interest of unit holders and there is no significant impact on active ownership.

No conflicts of interest have arisen between the Management Company and the portfolio management company in conjunction with the funds' investments. Information is available in the Management Company's Policy for Shareholder Engagement on how the Management Company in general manages conflicts of interest that can arise as a result of the funds' investments.

Read more about how Handelsbanken Fonder acts in ownership matters and about the fund company's guidelines for responsible investments in the company's Policy for shareholder engagement and responsible investments which can be found under <https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>

Handelsbanken Norden, cont.

Fund Performance*



Fund Facts - History

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net asset value										
Norden A1 - SEK ¹⁾	1,284.08	1,047.25	1,119.12	984.60	893.09	805.95	682.74	548.19	480.34	598.29
Norden A1 - EUR ¹⁾	122.20	103.33	113.83	102.76	97.52	-	-	-	-	-
Norden A1 - NOK ¹⁾	1,205.38	1,022.84	1,118.01	932.92	937.66	-	-	-	-	-
Norden A10 - SEK	1,307.47	1,055.72	-	-	-	-	-	-	-	-
Norden A10 - EUR	124.43	104.17	-	-	-	-	-	-	-	-
Norden A10 - NOK	1,227.34	1,031.11	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	-12	537	1,339	987	3,172	2,619	476	215	-	-
Fund capital total, mSEK	25,994	21,317	22,312	18,405	15,700	11,134	-	-	-	-
Norden A1 - SEK	24,315	19,718	20,766	17,696	15,490	11,134	7,170	5,322	4,365	5,122
Norden A1 - EUR	31	28	71	38	4	-	-	-	-	-
Norden A1 - NOK	446	386	847	323	180	-	-	-	-	-
Norden A10 - SEK	595	555	-	-	-	-	-	-	-	-
Norden A10 - EUR	5	4	-	-	-	-	-	-	-	-
Norden A10 - NOK	209	314	-	-	-	-	-	-	-	-
Number of units, 1000's	20,231	20,349	19,937	18,693	17,579	-	-	-	-	-
Norden A1 - SEK	18,936	18,828	18,556	17,974	17,344	13,814	10,502	9,708	9,086	8,561
Norden A1 - EUR	257	273	624	373	43	-	-	-	-	-
Norden A1 - NOK	370	378	757	346	192	-	-	-	-	-
Norden A10 - SEK	455	526	-	-	-	-	-	-	-	-
Norden A10 - EUR	43	40	-	-	-	-	-	-	-	-
Norden A10 - NOK	170	304	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Norden A1 - SEK	+22.6	-6.4	+13.7	+10.2	+10.8	+18.0	+24.5	+17.4	-18.3	+19.8
Norden A1 - EUR	+18.3	-9.2	+10.8	+5.4	+14.6	-	-	-	-	-
Norden A1 - NOK	+17.8	-8.5	+19.8	-0.5	+21.5	-	-	-	-	-
Norden A10 - SEK	+23.8	-5.5	-	-	-	-	-	-	-	-
Norden A10 - EUR	+19.5	-8.3	-	-	-	-	-	-	-	-
Norden A10 - NOK	+19.0	-7.6	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Norden A1 - SEK	+29.7	-3.5	+13.3	+7.7	+11.6	+17.2	+26.2	+16.0	-16.8	+19.5
Norden A1 - EUR	+25.1	-6.4	+10.4	+2.9	+15.4	-	-	-	-	-
Norden A1 - NOK	+24.6	-5.7	+19.4	-2.8	+22.3	-	-	-	-	-
Norden A10 - SEK	+29.7	-3.5	-	-	-	-	-	-	-	-
Norden A10 - EUR	+25.1	-6.4	-	-	-	-	-	-	-	-
Norden A10 - NOK	+24.6	-5.7	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Norden A1 - SEK	1.2	1.4	2.0	2.1	1.5	1.4	1.2	1.4	1.4	1.4
Norden A1 - EUR	1.2	1.4	2.0	2.1	1.5	-	-	-	-	-
Norden A1 - NOK	1.2	1.4	2.0	2.1	1.5	-	-	-	-	-
Norden A10 - SEK	1.2	1.4	-	-	-	-	-	-	-	-
Norden A10 - EUR	1.2	1.4	-	-	-	-	-	-	-	-
Norden A10 - NOK	1.2	1.4	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Norden A1 - SEK	+7.1	+3.1	+11.9	+10.5	+14.4	+21.3	+20.9	-2.1	-1.1	+32.2
Norden A1 - EUR	+3.6	+0.3	+8.0	+9.9	+12.4	-	-	-	-	-
Norden A1 - NOK	+3.8	+4.7	+9.2	+9.9	+20.6	-	-	-	-	-
Norden A10 - SEK	+8.2	+4.2	-	-	-	-	-	-	-	-
Norden A10 - EUR	+4.7	+1.3	-	-	-	-	-	-	-	-
Norden A10 - NOK	+4.9	+5.8	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+11.8	+4.5	+10.4	+9.6	+14.4	+21.6	+21.0	-1.7	-0.3	+29.5
EUR	+8.2	+1.6	+6.6	+9.0	+12.5	-	-	-	-	-
NOK	+8.4	+6.1	+7.7	+9.0	+20.6	-	-	-	-	-
Average yearly return, 5 yrs. %										
Norden A1 - SEK	+9.8	+8.9	+15.3	+16.1	+9.3	+11.1	+15.9	-1.2	-1.8	+6.3
Norden A1 - EUR	+7.5	+6.0	+12.2	+14.4	+9.0	-	-	-	-	-
Norden A1 - NOK	+9.3	+9.7	+19.0	+18.1	+13.7	-	-	-	-	-
Norden A10 - SEK	+10.9	+10.1	-	-	-	-	-	-	-	-
Norden A10 - EUR	+8.6	+7.1	-	-	-	-	-	-	-	-
Norden A10 - NOK	+10.4	+10.8	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+11.2	+9.0	+15.1	+15.6	+9.8	+11.3	+15.4	-1.8	-2.5	+5.1
EUR	+8.9	+6.1	+12.0	+13.9	+9.5	-	-	-	-	-
NOK	+10.8	+9.8	+18.7	+17.6	+14.2	-	-	-	-	-
Average yearly return, 10 yrs. %										
Norden A1 - SEK	+10.4	+12.3	+6.8	+6.8	+7.8	+10.6	+10.1	+9.8	+3.4	+3.6
Norden A1 - EUR	+10.1	+13.3	+6.3	+6.2	+8.1	-	-	-	-	-
Norden A1 - NOK	+12.1	+13.5	+8.6	+7.2	+10.1	-	-	-	-	-
Norden A10 - SEK	+11.6	+13.5	-	-	-	-	-	-	-	-
Norden A10 - EUR	+11.3	+14.5	-	-	-	-	-	-	-	-
Norden A10 - NOK	+13.2	+14.7	-	-	-	-	-	-	-	-

Handelsbanken Norden, cont.

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Comparison to index including dividends, %										
SEK	+11.3	+12.2	+6.3	+6.1	+7.4	+10.0	+10.3	+10.1	+4.7	+4.6
EUR	+11.0	+13.1	+5.9	+5.5	+7.7	-	-	-	-	-
NOK	+12.9	+13.3	+8.2	+6.6	+9.7	-	-	-	-	-
Dividends per unit, SEK	-	-	-	-	-	-	-	14.90	10.08	7.69
Exchange rate EUR/SEK	10.51	10.13	9.83	9.58	9.16	-	-	-	-	-
Exchange rate NOK/SEK	1.07	1.02	1.00	1.06	0.95	-	-	-	-	-

1) The net asset value was adjusted on June 16, 2014 after a judgment in the Administrative Court in Falun. Pursuant to the judgment, funds with U.S. Holdings shall be charged with full U.S. withholding taxes as of January 1, 2012. As of June 16, 2014, full U.S. withholdings taxes were deducted until an Administrative Court of Appeals in Sundsvall changed the Administrative Court's judgment on March 30, 2015, and the withholding taxes previously reserved were repaid to each fund concerned.

Benchmark: SIX SRI Nordic 200 Net Index

Up to 02/01/2014: SHB NORDIX Port Nordic Net (NHNXPOT)

Up to 30/04/2019: VINX Benchmark Cap SEK_NI (VINXBCAPSEKNI)

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 information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Norden A1	1.50
Norden A10	0.50
Collected mgmt. costs in % of average fund capital	
Norden A1	1.50
Norden A10	0.50
Annual fees in %	
Norden A1	1.50
Norden A10	0.50
Transaction costs, SEKt	5,751
Transaction costs in % of turnover	0.02
Costs in SEK for a one-time subscription, 10 000 SEK	
Norden A1	171.30
Norden A10	57.39
Costs in SEK for monthly savings, 100 SEK	
Norden A1	10.21
Norden A10	3.42

Fund Facts - Other Key Figures

Turnover rate	0.5
Share of turnover conducted via closely-related securities companies in %	16.0
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	12.5	Information ratio - A1 SEK	Negative
Total risk % - A1 EUR	11.1	Information ratio - A1 EUR	Negative
Total risk % - A1 NOK	10.0	Information ratio - A1 NOK	Negative
Total risk % - A10 SEK	12.5	Information ratio - A10 SEK	Negative
Total risk % - A10 EUR	11.1	Information ratio - A10 EUR	Negative
Total risk % - A10 NOK	10.0	Information ratio - A10 NOK	Negative
Total risk in index % - A1 SEK	12.9	Sharpe ratio - A1 SEK	0.6
Total risk in index % - A1 EUR	11.5	Sharpe ratio - A1 EUR	0.4
Total risk in index % - A1 NOK	10.5	Sharpe ratio - A1 NOK	0.3
Total risk in index % - A10 SEK	12.9	Sharpe ratio - A10 SEK	0.7
Total risk in index % - A10 EUR	11.5	Sharpe ratio - A10 EUR	0.5
Total risk in index % - A10 NOK	10.5	Sharpe ratio - A10 NOK	0.4
Benchmark	SIX SRI Nordic 200 Net Index	Sharpe ratio in index - A1 SEK	1.0
		Sharpe ratio in index - A1 EUR	0.7
Active Share % ¹⁾	42.3	Sharpe ratio in index - A1 NOK	0.7
Active return % - A1 SEK	-4.7	Sharpe ratio in index - A10 SEK	1.0
Active return % - A1 EUR	-4.6	Sharpe ratio in index - A10 EUR	0.7
Active return % - A1 NOK	-4.6	Sharpe ratio in index - A10 NOK	0.7
Active return % - A10 SEK	-3.7		
Active return % - A10 EUR	-3.5		
Active return % - A10 NOK	-3.5		

1) As of the balance sheet date.

* 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.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities ¹⁾	4,289,141	-1,848,138
Interest income	-1,207	-2,900
Dividends	748,178	652,306
Currency exchange profits and losses, net	6,268	9,481
Other financial income ¹⁾	2,518	4,084
Other income	8	46
Total income and changes in value	5,044,906	-1,185,121
EXPENSES		
Management costs:		
- Remuneration to the Management Company	350,136	340,021
Interest expense	86	185
Other financial expenses ²⁾	503	817
Other expenses	6,008	5,465
Total expenses	356,733	346,488
Net income	4,688,173	-1,531,609
* Details of changes in value		
Capital gains	1,643,111	2,138,022
Capital losses	-1,047,316	-866,572
Unrealised gains/losses	3,693,346	-3,119,588
Sum	4,289,141	-1,848,138

1) The item consists primarily of premiums for securities lent.

2) The items consist primarily of expenses for securities borrowed.

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	25,389,686	97.7	20,947,976	98.3
Total financial instruments with positive market value ^{Note 2)}	25,389,686	97.7	20,947,976	98.3
Bank assets and other liquid assets	801,591	3.1	350,908	1.7
Prepaid expenses and accrued income	1,050	0.0	932	0.0
Other assets	-	-	204,573	0.9
Total assets	25,192,327	100.8	21,504,389	100.9
LIABILITIES				
Accrued expenses and prepaid income	32,077	0.1	27,481	0.1
Other liabilities	166,442	0.7	159,526	0.8
Total liabilities	198,519	0.8	187,007	0.9
Fund capital ^{Note 1)}	25,993,808	100.0	21,317,382	100.0
Financial instruments lent	299,867	1.2	712,870	3.3
Collateral received for financial instruments lent	328,079	1.3	789,096	3.7

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	21,317,382	22,311,604
Units issued	3,857,573	4,397,466
Units redeemed	-3,869,320	-3,860,079
Profit according to Income Statement	4,688,173	-1,531,609
Dividends to unit holders	-	-
Fund capital at the close of the period	25,993,808	21,317,382

Handelsbanken Norden, cont.

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
DENMARK (DKK)			
Christian Hansen Holding	610,000	454,109	1.7
Coloplast B	150,000	174,312	0.7
DFDS	350,000	159,955	0.6
DSV	632,903	683,331	2.6
Genmab	121,000	252,077	1.0
GN Store Nord	830,000	365,666	1.4
Novo Nordisk	3,559,281	1,935,202	7.4
Topdanmark	380,000	175,482	0.7
Vestas Wind Systems	974,957	922,944	3.6
		5,123,078	19.7
FAROE ISLANDS (DKK)			
Bakkafrost	300,000	207,732	0.8
		207,732	0.8
FINLAND (EUR)			
Cargotec	300,000	95,327	0.4
Huhtamaki	479,268	208,391	0.8
Kesko B	170,000	112,681	0.4
Kone	290,022	177,608	0.7
Metso	1,190,000	439,900	1.7
Nokia	19,008,360	658,329	2.5
Nordea Bank Abp	5,464,378	415,710	1.6
Orion B	295,546	128,165	0.5
Sampo A	1,643,782	672,073	2.6
Stora Enso R EUR	3,750,000	510,875	2.0
Tieto EUR	239,019	69,620	0.3
UPM-Kymmene	1,944,428	631,541	2.4
Valmet	1,475,000	331,058	1.3
		4,451,278	17.1
NORWAY (NOK)			
DNB	2,700,243	471,754	1.8
Gjensidige Forsikring	1,600,000	314,048	1.2
Lerøy Seafood Group	4,138,000	256,997	1.0
Mowi ASA	2,215,000	538,466	2.1
NRC Group	1,300,000	79,077	0.3
Orkla	4,141,700	392,503	1.5
SallMar	556,900	266,552	1.0
Scatec Solar	1,407,143	186,028	0.7
SpareBank 1 SR-Bank	1,000,000	106,529	0.4
Storebrand	5,000,000	367,633	1.4
Telenor	1,867,516	313,239	1.2
Yara International	750,000	291,784	1.1
		3,584,611	13.8
SWEDEN (SEK)			
ABB SDB	2,650,000	596,515	2.3
AstraZeneca SDB	630,000	592,326	2.3
Atlas Copco A	2,450,000	915,320	3.5
Atlas Copco B1	632,096	205,558	0.8
Balder B	604,167	261,725	1.0
Boliden1	1,200,000	298,200	1.1
Electrolux B	1,700,000	390,830	1.5
EPIROC A	500,000	57,175	0.2
EPIROC B	2,182,096	242,322	0.9
EQT	1,347,000	146,688	0.6
Ericsson B	9,800,000	799,288	3.1
Essity B	1,731,085	522,441	2.0
Fabege	730,000	113,661	0.4
Handelsbanken A	6,500,042	655,854	2.5
Hexagon B	715,999	375,899	1.4
HIQ IL	1,450,000	74,965	0.3
Husqvarna B	3,560,000	267,071	1.0
Intrum Justitia	730,000	203,962	0.8
Investor B	1,345,801	687,973	2.6
JM	850,000	235,790	0.9
Kungsleden	1,500,000	147,600	0.6
Millicom	190,000	85,234	0.3
NCC B	1,228,000	188,130	0.7
Nordic Entertainment	980,000	296,744	1.1
Pandox B	1,234,637	261,743	1.0
Sandvik	3,101,353	566,462	2.2
SCA B	1,376,085	130,728	0.5
Scandic Hotels Group	1,810,000	188,964	0.7
SEB A	7,673,889	675,916	2.6
Securitas B	1,550,000	250,248	1.0
Swedish Orphan Biovitrum	1,250,000	193,125	0.7
Tele2 B	1,400,000	190,190	0.7
TeliaSonera	5,700,000	229,425	0.9
Trelleborg B	1,860,000	313,503	1.2
Volvo A	1,800,572	284,850	1.1
Volvo B	2,400,000	376,560	1.4
		12,022,987	46.3
Total listed equities		25,389,686	97.7
Total transferable securities		25,389,686	97.7
Total holdings in financial instruments		25,389,686	97.7
Net, other assets and liabilities		604,122	2.3
Total fund capital		25,993,808	100.0

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Atlas Copco	4.3	Volvo	2.5
		EPIROC	1.1

* 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.

Additional information on loaned securities

Volume of lent securities as a % of total lendable assets	1.19
------------------------------------------------------------------	-------------

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

The British Government	61 573
The French Government	50 543
The German Government	30 368
U.S.A	20 442
The Dutch Government	11 252
The Federal Government of Belgium	10 139
The Austrian Government	8 024
Aegon Nv	6 267
Toyota Motor Corp	5 670
Marubeni Corp	5 670

The largest counterparties for securities lending, SEK thousand:

J.P. Morgan Securities Plc, Storbritannien	106 326
Svenska Handelsbanken AB (publ), Sverige	70 930
Citigroup Global Markets Ltd, Storbritannien	55 480
Merrill Lynch Intl, Storbritannien	40 019
Morgan Stanley & Co International Plc, Storbritannien	13 513
UBS AG, London Branch, Storbritannien	8 505
Credit Suisse Securities (Europe) Ltd, Storbritannien	5 094
	299 867

Type and quality of collateral, SEK thousand:

Equities	133 443
Bonds and other interest-bearing instruments	194 636
	328 079

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 one day	-
One day to one week	92
One week to one month	309
One to three months	1 143
Three months to one year	19 042
Greater than one year	174 049
Indeterminate duration	133 443
	328 079

Currency of the collateral, SEK thousand:

AUD	92
CAD	325
CHF	4 348
DKK	8
EUR	147 665
GBP	102 506
HKD	6 293
JPY	25 766
SEK	7 528
SGD	995
USD	32 553
	328 079

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

Settlement and clearing for securities lending is conducted through a third party.

The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 21 SEK 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:

-Citigroup Global Markets Ltd, Storbritannien
 -Credit Suisse Securities (Europe) Ltd, Great Britain
 -J.P. Morgan Securities Plc, Great Britain
 -Merrill Lynch Intl, Great Britain
 -Morgan Stanley & Co International Plc, Great Britain
 -Skandinaviska Enskilda Banken AB (publ), Sweden
 -Svenska Handelsbanken AB (publ), Sweden
 -UBS AG, London Branch, Great Britain

Handelsbanken Norden

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes companies involved in the production or distribution of weapons banned under international law, such as cluster bombs, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability requirements. This means that the fund excludes companies with key activities within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. However, there is the option of making investments in so-called transition companies, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We

conduct dialogues for the purpose of encouraging companies to improve their sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
- B. Dialogues together with other investors/capital owners
- C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP

A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.

B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.

C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

Annual General Meetings and nomination committees

Handelsbanken Fonder normally votes at general meetings in those companies where ownership exceeds 0.5 or when there is a vote on matters of particular concern. 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 general meetings.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.*

Follow-up of sustainability work

Inclusion

In 2019, the fund increased its holdings in NRC, as several Scandinavian countries are expected to significantly increase their investments over time in more environmentally-friendly travel, i.e., trains. NRC is the leading listed company in the Nordics within the expansion of railways. In addition, the fund has had long-term investments for some time in renewable energy in the form of Vestas Wind (global leader within wind power) and Scatec Solar (builds and operates solar parks).

Exclusion

In 2019, the fund did not have any investments in companies with exposure to passenger vehicles. The sector is facing major challenges within the sustainability area. Lower demand for cars in general is a potential risk, another is the risk of managing the transition of products and production to hybrid and electric cars. At this stage, we expect the sustainability challenges to outweigh the growth potential.

The Management Company's engagement activities

- A. The fund engaged in six targeted dialogues directly with the companies during the year.
One example is a dialogue that was held with Vestas Wind where a potential health and safety issue arose at a factory in Spain (an employee was exposed to hazardous chemicals). We were interested in knowing how the company handled the situation and how they reacted. After the discussion with Vestas, it showed that the company took the matter very seriously, was on-site in Spain and identified improvement opportunities as well as implemented these after discussions with management and union representatives. In our opinion, the company took appropriate measures and was sufficiently transparent in the process.
- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund held holdings in one of these companies.

A dialogue was held with Vestas Wind with the aim of having the company strengthen guidelines for how the company consults stakeholders during sales for new projects, primarily linked to the rights of the indigenous.

- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.

General meetings and nomination committees

The Management Company voted at 59 annual general meetings on behalf of the fund during the year.

The Management Company participated in two nomination committees on behalf of the fund: Intrum AB and Kungsliden AB.

Portfolio Manager: YVONNE SÖRBERG
Up to 19/05/2019 JONATHAN SCHÖNBÄCK
Up to 07/04/2019 MARCUS RYLANDER

BASE CURRENCY



Handelsbanken Norden Selektiv

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The objective is to exceed the returns in the underlying market (defined as the benchmark index) over the long term. The fund invests over the long term in 16 to 35 equities issued by companies in Denmark, Finland, Norway and Sweden and thereby has a currency exposure in these markets. 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 on companies active within the fossil fuel, war materials, tobacco, cannabis, alcohol, commercial gambling and pornography areas/sectors. However, the fund may invest in companies that are involved in power generation, distribution or services related to fossil fuel in which the company is deemed to be transitioning its business operations to more renewable energy. Further information is available in the fund's information brochure. 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 Net Index. As the fund is actively managed the performance will over time deviate from this index.

Portfolio

The fund rose 38.2% in 2019*. Novo Nordisk, Atlas Copco, SimCorp, ÅF Pöry and Huhtamäki were the strongest positive contributors to fund returns. Novo Nordisk has been successful within new diabetes treatments given the approval of a new product in tablet form in the GLP-1 class. Atlas Copco surprised the market in Q3 with stronger than expected new orders and the company continues to drive customer-oriented product development in a manner that increases customers' productivity. Assa Abloy continued to show stable growth, driven by electronic locks and digital security solutions. The technology consultant ÅF acquired Pöry in the spring. When the deal was first announced, ÅF's stock price was negatively affected, but has rebounded after a successful issue and clarification of expected synergies. Together, ÅF Pöry has a stronger international platform within its technology niches. The software company SimCorp announced new key customer orders and continued to deliver on the growth strategy they have followed in recent years. Handelsbanken and Husqvarna were the largest negative contributions. Banks have been weighed down by low interest rates and Handelsbanken has also been affected by concerns about growth in costs as well as new regulation requirements. In the summer we made a new investment in Bravida, which is a Nordic leader in technology installations and historically has shown stable growth and profitability. Strong cash flow also made it possible for complementary acquisitions. Bravida's demand is driven by increased complexity in installations and services, as well as the need for higher energy efficiency in buildings. In September, the fund took a new holding in the cash handling company Loomis, which has a strong market position and strong cash flow. In December, we added a new holding in Finnish Valmet, which is a global market leader as a provider of total production systems for tissue, cartons and energy facilities that convert to renewable raw materials. Valmet sells total system solutions, including operations and aftermarket, which total approximately 50% of the companies revenues. The fund increased holdings in Atlas Copco, Assa Abloy and Autoliv during the year. The fund sold its entire position in Coloplast at the end of the year. The fund decreased holdings in DNB and Atea, as well as a limited number of holdings in SimCorp, Kone and Lifco after strong share price performance.

*) 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

An investment in an equity fund is characterised by high risk as well as by the potential for high returns. As a result, the value of the fund can fluctuate significantly over time. The fund's investments are concentrated

geographically to equities issued by companies in Denmark, Finland, Norway and Sweden. As a result, the risk in the fund is higher than an investment in a diversified global equity fund that distributes its investments across several regions. The fund's investments are made in a limited number of companies, which means that the fund has a higher risk than a fund that invests in a larger number of companies or sectors. Given that the fund's investments are made in foreign equities denominated in currencies other than the fund's base currency, an investment in the fund is associated with currency risk. Given that the fund consists of different share classes, the changes in exchange rates can result in a differentiation in risk classifications between different share classes depending on the type of currency in which the share class is traded. The fund's liquidity risk is deemed to be moderately high due to the fund's size in relation to the size or turnover of the markets and securities in which the fund invests. This can impact the fund's ability to complete the purchase and sale of securities under stressful market conditions. The fund may invest in derivatives to protect the value of the fund's underlying assets, to maintain the desired level of risk in the fund portfolio or to minimise management costs. The volume of trading is limited where applicable and is expected to have a marginal impact on the fund's risk profile.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund used this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

As of April 30, 2019 the fund changed its index from VINX Benchmark Cap SEK_NI to SIX SRI Nordic 200 Net Index. The reason for the change of index was change of index provider. The fund's investment policy has not been affected. As of June 1, 2019 the fund changed its fund rules.

The fund's historical performance prior to the launch date is attributed to the merger between Placeringsfonden Norden Selektiv (Finland) and Handelsbanken Norden Selektiv (Sweden) that occurred on October 10, 2014.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Shareholder commitments

Based on the Management Company's Policy for Shareholder Engagement, which includes guidelines for responsible investment, voting at general meetings, work on the nomination committee, and dialogue with the portfolio management companies are undertaken independently or in collaboration with others. It is our understanding that this work leads to better governance and reduced sustainability risks in the portfolio management companies, which in turn leads to a positive value growth.

The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management Company then takes independent decisions on those matters that will be subject to a vote or another decision-making process.

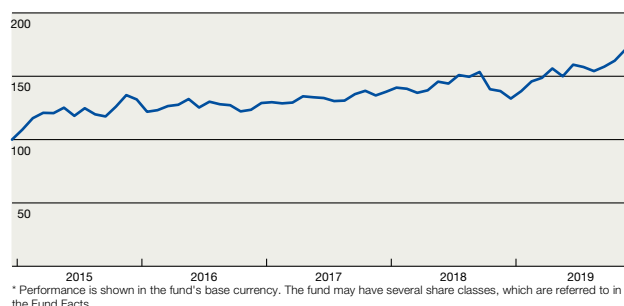
Handelsbanken Norden Selektiv, cont.

The Management Company normally votes for all of the equities in the fund in those companies where voting takes place, although there are exceptions, such as in markets where the equities are in a lock-up period to enable registration for voting at a general meeting. Any securities loans are typically recalled prior to a general meeting to ensure that votes can be cast for all of the equities, although the securities loans can remain in effect at the time of the general meeting if it is deemed to be in the common interest of unit holders and there is no significant impact on active ownership.

No conflicts of interest have arisen between the Management Company and the portfolio management company in conjunction with the funds' investments. Information is available in the Management Company's Policy for Shareholder Engagement on how the Management Company in general manages conflicts of interest that can arise as a result of the funds' investments.

Read more about how Handelsbanken Fonder acts in ownership matters and about the fund company's guidelines for responsible investments in the company's Policy for shareholder engagement and responsible investments which can be found under <https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>

Fund Performance*



Fund Facts - History

	2019	2018	2017	2016	2015	10/10-31/12 2014	2013	2012	2011	2010
Net asset value										
Norden Selektiv A1 - SEK ¹⁾	463.69	335.61	338.78	308.90	301.72	236.95	-	-	-	-
Norden Selektiv A1 - EUR ¹⁾	44.13	33.11	34.46	32.24	32.95	25.01	-	-	-	-
Norden Selektiv A1 - NOK ¹⁾	435.28	327.79	338.44	292.68	316.78	226.94	-	-	-	-
Norden Selektiv A9 - SEK ¹⁾	-	-	-	329.58	-	-	-	-	-	-
Norden Selektiv A9 - EUR ¹⁾	48.34	35.95	37.08	34.40	34.85	26.24	-	-	-	-
Norden Selektiv A9 - NOK	-	-	364.19	312.28	335.13	238.05	-	-	-	-
Norden Selektiv A10 - SEK	474.57	339.22	-	-	-	-	-	-	-	-
Norden Selektiv A10 - EUR	45.16	33.47	-	-	-	-	-	-	-	-
Norden Selektiv A10 - NOK	445.48	331.31	-	-	-	-	-	-	-	-
Norden Selektiv B1 - SEK ¹⁾	279.46	209.87	220.82	209.81	213.88	174.09	-	-	-	-
Norden Selektiv B1 - EUR ¹⁾	26.60	20.71	22.46	21.90	23.35	18.38	-	-	-	-
Norden Selektiv B10 - SEK	286.05	212.13	-	-	-	-	-	-	-	-
Norden Selektiv B10 - EUR	27.22	20.93	-	-	-	-	-	-	-	-
The fund's total net flow, mEUR	-113	148	-163	44	240	-18	-	-	-	-
Fund capital total, mEUR	1,076	911	804	908	880	393	-	-	-	-
Norden Selektiv A1 - SEK	8,262	6,221	5,366	6,366	5,693	2,543	-	-	-	-
Norden Selektiv A1 - EUR	44	38	31	33	36	27	-	-	-	-
Norden Selektiv A1 - NOK	931	1,531	319	289	417	222	-	-	-	-
Norden Selektiv A9 - SEK	-	-	-	25	-	-	-	-	-	-
Norden Selektiv A9 - EUR	89	70	46	63	90	58	-	-	-	-
Norden Selektiv A9 - NOK	-	-	1,397	901	745	77	-	-	-	-
Norden Selektiv A10 - SEK	116	40	-	-	-	-	-	-	-	-
Norden Selektiv A10 - EUR	12	7	-	-	-	-	-	-	-	-
Norden Selektiv A10 - NOK	300	175	-	-	-	-	-	-	-	-
Norden Selektiv B1 - SEK	51	39	52	113	100	62	-	-	-	-
Norden Selektiv B1 - EUR	1	1	2	2	1	1	-	-	-	-
Norden Selektiv B10 - SEK	21	2	-	-	-	-	-	-	-	-
Norden Selektiv B10 - EUR	1	1	-	-	-	-	-	-	-	-
Number of units, 1000's	24,301	27,415	23,056	28,038	26,593	15,701	-	-	-	-
Norden Selektiv A1 - SEK	17,817	18,538	15,838	20,608	18,867	10,732	-	-	-	-
Norden Selektiv A1 - EUR	1,002	1,138	896	1,023	1,090	1,065	-	-	-	-
Norden Selektiv A1 - NOK	2,140	4,671	943	988	1,315	980	-	-	-	-
Norden Selektiv A9 - SEK	-	-	-	76	-	-	-	-	-	-
Norden Selektiv A9 - EUR	1,836	1,956	1,234	1,846	2,575	2,205	-	-	-	-
Norden Selektiv A9 - NOK	-	-	3,836	2,885	2,222	323	-	-	-	-
Norden Selektiv A10 - SEK	245	118	-	-	-	-	-	-	-	-
Norden Selektiv A10 - EUR	266	208	-	-	-	-	-	-	-	-
Norden Selektiv A10 - NOK	674	529	-	-	-	-	-	-	-	-
Norden Selektiv B1 - SEK	182	184	236	539	468	354	-	-	-	-
Norden Selektiv B1 - EUR	27	26	73	73	56	42	-	-	-	-
Norden Selektiv B10 - SEK	75	10	-	-	-	-	-	-	-	-
Norden Selektiv B10 - EUR	37	37	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Norden Selektiv A1 - SEK	+38.2	-0.9	+9.7	+2.4	+27.3	+19.0	+19.6	+17.1	-12.5	+22.0
Norden Selektiv A1 - EUR	+33.3	-3.9	+6.9	-2.1	+31.7	+11.2	+15.9	+21.5	-11.3	+38.6
Norden Selektiv A1 - NOK	+32.8	-3.1	+15.6	-7.6	+39.6	+20.7	+32.0	+15.1	-11.9	+30.4
Norden Selektiv A9 - SEK	-	-	-	+0.5	-	-	-	-	-	-
Norden Selektiv A9 - EUR	+34.5	-3.0	+7.8	-1.3	+32.8	+11.9	-	-	-	-
Norden Selektiv A9 - NOK	-	-	+16.6	-6.8	+40.8	+23.0	-	-	-	-
Norden Selektiv A10 - SEK	+39.9	+0.3	-	-	-	-	-	-	-	-
Norden Selektiv A10 - EUR	+34.9	-2.7	-	-	-	-	-	-	-	-
Norden Selektiv A10 - NOK	+34.5	-1.9	-	-	-	-	-	-	-	-
Norden Selektiv B1 - SEK	+38.2	-0.9	+9.7	+2.4	+27.3	+19.0	+19.5	+17.1	-12.5	+22.0
Norden Selektiv B1 - EUR	+33.3	-3.9	+6.9	-2.1	+31.7	+11.2	+15.9	+21.5	-11.3	+38.6
Norden Selektiv B10 - SEK	+39.9	+0.3	-	-	-	-	-	-	-	-
Norden Selektiv B10 - EUR	+34.9	-2.7	-	-	-	-	-	-	-	-

Handelsbanken Norden Selektiv, cont.

	2019	2018	2017	2016	2015	10/10-31/12 2014	2013	2012	2011	2010
Index including dividends in %, SEK										
Norden Selektiv A1 - SEK	+29.7	-3.5	+13.3	+7.7	+11.6	-	-	-	-	-
Norden Selektiv A1 - EUR	+25.1	-6.4	+10.4	+2.9	+15.4	-	-	-	-	-
Norden Selektiv A1 - NOK	+24.6	-5.7	+19.4	-2.8	+22.3	-	-	-	-	-
Norden Selektiv A9 - SEK	-	-	-	+7.7	+11.6	-	-	-	-	-
Norden Selektiv A9 - EUR	+25.1	-6.4	+10.4	+2.9	+15.4	-	-	-	-	-
Norden Selektiv A9 - NOK	-	-	+19.4	-2.8	+22.3	-	-	-	-	-
Norden Selektiv A10 - SEK	+29.7	-3.5	-	-	-	-	-	-	-	-
Norden Selektiv A10 - EUR	+25.1	-6.4	-	-	-	-	-	-	-	-
Norden Selektiv A10 - NOK	+24.6	-5.7	-	-	-	-	-	-	-	-
Norden Selektiv B1 - SEK	+29.7	-3.5	+13.3	+7.7	+11.6	-	-	-	-	-
Norden Selektiv B1 - EUR	+25.1	-6.4	+10.4	+2.9	+15.4	-	-	-	-	-
Norden Selektiv B10 - SEK	+29.7	-3.5	-	-	-	-	-	-	-	-
Norden Selektiv B10 - EUR	+25.1	-6.4	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Norden Selektiv A1 - SEK	4.3	4.7	4.2	4.6	4.8	-	-	-	-	-
Norden Selektiv A1 - EUR	4.3	4.7	4.2	4.6	4.8	5.5	5.5	5.3	6.2	6.7
Norden Selektiv A1 - NOK	4.3	4.7	4.2	4.6	4.8	-	-	-	-	-
Norden Selektiv A9 - EUR	4.3	4.7	4.2	4.6	-	-	-	-	-	-
Norden Selektiv A9 - NOK	-	-	4.2	4.6	-	-	-	-	-	-
Norden Selektiv B1 - SEK	4.3	4.7	4.2	4.6	4.8	-	-	-	-	-
Norden Selektiv A10 - SEK	4.3	4.7	-	-	-	-	-	-	-	-
Norden Selektiv B1 - EUR	4.3	4.7	4.2	4.6	4.8	-	-	-	-	-
Norden Selektiv A10 - EUR	4.3	4.7	-	-	-	-	-	-	-	-
Norden Selektiv A10 - NOK	4.3	4.7	-	-	-	-	-	-	-	-
Norden Selektiv B10 - SEK	4.3	4.7	-	-	-	-	-	-	-	-
Norden Selektiv B10 - EUR	4.3	4.7	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Norden Selektiv A1 - SEK	+17.0	+4.2	+6.0	+14.2	+23.1	+19.3	+18.3	+1.3	+3.4	+31.5
Norden Selektiv A1 - EUR	+13.2	+1.4	+2.3	+13.5	+21.0	+13.5	+18.7	+3.8	+10.9	+45.1
Norden Selektiv A1 - NOK	+13.4	+5.8	+3.4	+13.6	+29.8	+26.2	+23.3	+0.7	+7.2	+29.9
Norden Selektiv A9 - EUR	+14.2	+2.2	+3.1	+14.5	-	-	-	-	-	-
Norden Selektiv A9 - NOK	-	-	+4.2	+14.5	-	-	-	-	-	-
Norden Selektiv A10 - SEK	+18.5	+5.5	-	-	-	-	-	-	-	-
Norden Selektiv A10 - EUR	+14.6	+2.6	-	-	-	-	-	-	-	-
Norden Selektiv A10 - NOK	+14.8	+7.1	-	-	-	-	-	-	-	-
Norden Selektiv B1 - SEK	+17.0	+4.2	+6.0	+14.2	+23.1	+19.3	+18.3	+1.3	+3.4	+31.5
Norden Selektiv B1 - EUR	+13.2	+1.4	+2.3	+13.5	+21.0	+13.5	+18.7	+3.8	+10.9	+45.1
Norden Selektiv B10 - SEK	+18.5	+5.5	-	-	-	-	-	-	-	-
Norden Selektiv B10 - EUR	+14.6	+2.6	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+11.8	+4.5	+10.4	+9.6	+14.4	-	-	-	-	-
EUR	+8.2	+1.6	+6.6	+9.0	+12.5	-	-	-	-	-
NOK	+8.4	+6.1	+7.7	+9.0	+20.6	-	-	-	-	-
Average yearly return, 5 yrs. %										
Norden Selektiv A1 - SEK	+14.4	+11.0	+15.3	+16.8	+13.2	+12.2	+16.2	+1.0	-1.9	+5.8
Norden Selektiv A1 - EUR	+12.0	+8.0	+12.2	+15.1	+12.8	+14.0	+21.3	+3.0	-1.6	+6.7
Norden Selektiv A1 - NOK	+13.9	+11.8	+18.9	+18.8	+17.7	+16.1	+17.7	+1.4	-	-
Norden Selektiv A9 - EUR	+13.0	-	-	-	-	-	-	-	-	-
Norden Selektiv A10 - SEK	+15.8	+12.4	-	-	-	-	-	-	-	-
Norden Selektiv A10 - EUR	+13.4	+9.4	-	-	-	-	-	-	-	-
Norden Selektiv A10 - NOK	+15.3	+13.1	-	-	-	-	-	-	-	-
Norden Selektiv B1 - SEK	+14.4	+11.0	+15.3	+16.8	+13.2	+12.2	+16.2	+1.0	-	-
Norden Selektiv B1 - EUR	+12.0	+8.0	+12.2	+15.1	+12.8	+14.0	+21.4	+3.0	-	-
Norden Selektiv B10 - SEK	+15.8	+12.4	-	-	-	-	-	-	-	-
Norden Selektiv B10 - EUR	+13.4	+9.4	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+11.2	+9.0	+15.1	+15.6	+9.8	-	-	-	-	-
EUR	+8.9	+6.1	+12.0	+13.9	+9.5	-	-	-	-	-
NOK	+10.8	+9.8	+18.7	+17.6	+14.2	-	-	-	-	-
Average yearly return, 10 yrs. %										
Norden Selektiv A1 - SEK	+13.3	+13.6	+7.9	+7.0	+9.4	-	-	-	-	-
Norden Selektiv A1 - EUR	+13.0	+14.5	+7.5	+6.4	+9.7	-	-	-	-	-
Norden Selektiv A1 - NOK	+15.0	+14.7	+9.8	-	-	-	-	-	-	-
Norden Selektiv A10 - SEK	+14.7	+15.0	-	-	-	-	-	-	-	-
Norden Selektiv A10 - EUR	+14.4	+15.9	-	-	-	-	-	-	-	-
Norden Selektiv A10 - NOK	+16.4	+16.1	-	-	-	-	-	-	-	-
Norden Selektiv B1 - SEK	+13.3	+13.6	+7.9	-	-	-	-	-	-	-
Norden Selektiv B1 - EUR	+13.0	+14.5	+7.5	-	-	-	-	-	-	-
Norden Selektiv B10 - SEK	+14.7	+15.0	-	-	-	-	-	-	-	-
Norden Selektiv B10 - EUR	+14.4	+15.9	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+11.3	+12.2	+6.3	+6.1	+7.4	-	-	-	-	-
EUR	+11.0	+13.1	+5.9	+5.5	+7.7	-	-	-	-	-
NOK	+12.9	+13.3	+8.2	-	-	-	-	-	-	-
Dividends per unit, SEK										
Norden Selektiv B1 - SEK	8.73	9.13	8.39	8.67	6.85	-	-	-	-	-
Norden Selektiv B1 - EUR	0.83	0.90	0.88	0.93	0.74	-	-	-	-	-
Norden Selektiv B10 - SEK	8.82	9.13	-	-	-	-	-	-	-	-
Norden Selektiv B10 - EUR	0.84	0.90	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK										
	10.51	10.13	9.83	9.58	9.16	9.47	-	-	-	-
Exchange rate EUR/NOK										
	9.86	9.90	9.82	9.08	9.62	9.07	-	-	-	-

1) The net asset value was adjusted on June 16, 2014 after a judgment in the Administrative Court in Falun. Pursuant to the judgment, funds with U.S. Holdings shall be charged with full U.S. withholding taxes as of January 1, 2012. As of June 16, 2014, full U.S. withholding taxes were deducted until an Administrative Court of Appeals in Sundsvall changed the Administrative Court's judgment on March 30, 2015, and the withholding taxes previously reserved were repaid to each fund concerned.

Benchmark: SIX SRI Nordic 200 Net Index

Up to 30/04/2019: VINX Benchmark Cap SEK_NI (VINXBCAPSEKN)

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 information provided by the Management Company.

Refer to the last page for definitions.

Handelsbanken Norden Selektiv, cont.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Norden Selektiv A1	1.85
Norden Selektiv A9	0.95
Norden Selektiv A10	0.60
Norden Selektiv B1	1.85
Norden Selektiv B10	0.60
Collected mgmt. costs in % of average fund capital	
Norden Selektiv A1	1.85
Norden Selektiv A9	0.95
Norden Selektiv A10	0.60
Norden Selektiv B1	1.85
Norden Selektiv B10	0.60
Annual fees in %	
Norden Selektiv A1	1.85
Norden Selektiv A9	0.95
Norden Selektiv A10	0.60
Norden Selektiv B1	1.85
Norden Selektiv B10	0.60
Transaction costs, EURt	194
Transaction costs in % of turnover	0.03
Costs in EUR for a one-time subscription, 1 000 EUR	
Norden Selektiv A1	21.76
Norden Selektiv A9	11.23
Norden Selektiv A10	7.10
Norden Selektiv B1	21.76
Norden Selektiv B10	7.10
Costs in EUR for monthly savings, 10 EUR	
Norden Selektiv A1	1.30
Norden Selektiv A9	0.67
Norden Selektiv A10	0.42
Norden Selektiv B1	1.30
Norden Selektiv B10	0.42

Fund Facts - Other Key Figures

Turnover rate	0.3
Share of turnover conducted via closely-related securities companies in %	22.3
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	13.5	Information ratio - A1 SEK	1.2
Total risk % - A1 EUR	13.1	Information ratio - A1 EUR	1.2
Total risk % - A1 NOK	11.9	Information ratio - A1 NOK	1.2
Total risk % - A9 EUR	13.1	Information ratio - A9 EUR	1.4
Total risk % - A10 SEK	13.5	Information ratio - A10 SEK	1.5
Total risk % - A10 EUR	13.1	Information ratio - A10 EUR	1.5
Total risk % - A10 NOK	11.9	Information ratio - A10 NOK	1.5
Total risk % - B1 SEK	13.5	Information ratio - B1 SEK	1.2
Total risk % - B1 EUR	13.1	Information ratio - B1 EUR	1.2
Total risk % - B10 SEK	13.5	Information ratio - B10 SEK	1.5
Total risk % - B10 EUR	13.1	Information ratio - B10 EUR	1.5
Total risk in index % - A1 SEK	12.9	Sharpe ratio - A1 SEK	1.3
Total risk in index % - A1 EUR	11.5	Sharpe ratio - A1 EUR	1.0
Total risk in index % - A1 NOK	10.5	Sharpe ratio - A1 NOK	1.1
Total risk in index % - A9 EUR	11.5	Sharpe ratio - A9 EUR	1.1
Total risk in index % - A10 SEK	12.9	Sharpe ratio - A10 SEK	1.4
Total risk in index % - A10 EUR	11.5	Sharpe ratio - A10 EUR	1.1
Total risk in index % - A10 NOK	10.5	Sharpe ratio - A10 NOK	1.2
Total risk in index % - B1 SEK	12.9	Sharpe ratio - B1 SEK	1.3
Total risk in index % - B1 EUR	11.5	Sharpe ratio - B1 EUR	1.0
Total risk in index % - B10 SEK	12.9	Sharpe ratio - B10 SEK	1.4
Total risk in index % - B10 EUR	11.5	Sharpe ratio - B10 EUR	1.1
Benchmark	SIX SRI Nordic 200 Net Index	Sharpe ratio in index - A1 SEK	1.0
		Sharpe ratio in index - A1 EUR	0.7
Active Share % ¹⁾	76.5	Sharpe ratio in index - A1 NOK	0.7
Active return % - A1 SEK	5.1	Sharpe ratio in index - A9 EUR	0.7
Active return % - A1 EUR	5.0	Sharpe ratio in index - A10 SEK	1.0
Active return % - A1 NOK	5.0	Sharpe ratio in index - A10 EUR	0.7
Active return % - A9 EUR	6.0	Sharpe ratio in index - A10 NOK	0.7
Active return % - A10 SEK	6.6	Sharpe ratio in index - B1 SEK	1.0
Active return % - A10 EUR	6.4	Sharpe ratio in index - B1 EUR	0.7
Active return % - A10 NOK	6.4	Sharpe ratio in index - B10 SEK	1.0
Active return % - B1 SEK	5.1	Sharpe ratio in index - B10 EUR	0.7
Active return % - B1 EUR	5.0		
Active return % - B10 SEK	6.6		
Active return % - B10 EUR	6.4		

¹⁾ As of the balance sheet date.

* 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.

Income Statement, EURt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities ¹⁾	271,575	-46,309
Interest income	-25	-51
Dividends	23,997	20,022
Currency exchange profits and losses, net	-854	-155
Other financial income ¹⁾	100	89
Other income	145	128
Total income and changes in value	294,938	-26,276
EXPENSES		
Management costs:		
- Remuneration to the Management Company	16,623	15,121
Interest expense	4	1
Other financial expenses ²⁾	20	18
Other expenses	213	177
Total expenses	16,860	15,317
Net income	278,078	-41,593
* Details of changes in value		
Capital gains	100,342	89,454
Capital losses	-22,168	-25,371
Unrealised gains/losses	193,401	-110,392
Sum	271,575	-46,309

¹⁾ The item consists primarily of premiums for securities lent.²⁾ The items consist primarily of expenses for securities borrowed.

Balance Sheet, EURt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	1,032,447	96.0	887,042	97.4
Total financial instruments with positive market value ^{Note 2)}	1,032,447	96.0	887,042	97.4
Bank assets and other liquid assets	44,896	4.2	24,800	2.7
Prepaid expenses and accrued income	1	0.0	19	0.0
Other assets	-	-	0	0.0
Total assets	1,077,344	100.2	911,861	100.1
LIABILITIES				
Accrued expenses and prepaid income	1,562	0.2	1,354	0.1
Other liabilities	-	-	0	0.0
Total liabilities	1,562	0.2	1,354	0.1
Fund capital ^{Note 1)}	1,075,782	100.0	910,507	100.0
Financial instruments lent	11,598	1.1	42,456	4.7
Collateral received for financial instruments lent	12,782	1.2	46,292	5.1

Note 1) for Balance Sheet

Changes in fund capital, EURt

	2019	2018
Fund capital at beginning of year	910,507	804,050
Units issued	213,036	284,913
Units redeemed	-325,609	-136,600
Profit according to Income Statement	278,078	-41,593
Dividends to unit holders	-230	-263
Fund capital at the close of the period	1,075,782	910,507

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
LISTED EQUITIES			
DENMARK (DKK)			
Novo Nordisk	1,995,000	103,228	9.6
Rockwool International B	165,000	34,844	3.2
SimCorp	220,000	22,302	2.1
		160,373	14.9
FAROE ISLANDS (DKK)			
Bakkafrost	646,514	42,604	4.0
		42,604	4.0
FINLAND (EUR)			
Huhtamaki	1,050,000	43,449	4.0
Kone	461,000	26,867	2.5
Valmet	1,190,000	25,418	2.4
		95,734	8.9
NORWAY (NOK)			
Atea	1,780,000	23,207	2.2
DNB	1,275,000	21,199	2.0
Veidekke	3,960,000	47,976	4.5
		92,382	8.6

Handelsbanken Norden Selektiv, cont.

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
SWEDEN (SEK)			
AarhusKarlshamn	2,258,000	38,250	3.6
ABB SDB	590,000	12,639	1.2
ÅF B	2,489,070	51,782	4.8
Assa Abloy B	1,950,000	40,641	3.8
Atlas Copco B1	1,910,000	59,112	5.5
Autoliv	710,000	53,447	5.0
Bravida Holding	3,386,337	29,310	2.7
EPIROC B	4,060,000	42,908	4.0
Handelsbanken A	6,130,000	58,863	5.5
Hexagon B	875,000	43,718	4.1
Hexpol B	3,630,000	31,713	2.9
Husqvarna B	6,230,000	44,479	4.1
Indutrade	1,330,000	42,427	3.9
Lifco B	340,000	18,508	1.7
Loomis B	1,010,000	37,275	3.5
Thule Group	1,765,000	36,282	3.4
		641,354	59.6
Total listed equities		1,032,447	96.0
Total transferable securities		1,032,447	96.0
Total holdings in financial instruments		1,032,447	96.0
Net, other assets and liabilities		43,335	4.0
Total fund capital		1,075,782	100.0

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

96.0

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

-

*** Refers to other financial instruments.

-

Additional information on loaned securities

Volume of lent securities as a % of total lendable assets **1,12**

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

The French Government	1 478
The German Government	1 046
U.S.A	944
The British Government	427
Tencent Holdings Ltd	398
Sony Corp	378
Japan Airlines Co Ltd	378
China Construction Bank Corp	376
China Mobile Ltd	373
Fujifilm Holdings Corp	360

The largest counterparties for securities lending, EUR thousand:

Skandinaviska Enskilda Banken AB (publ), Sweden	6 698
Citigroup Global Markets Ltd, Great Britain	2 210
Merrill Lynch Intl, Great Britain	1 314
J.P. Morgan Securities Plc, Great Britain	852
UBS AG, London Branch, Great Britain	523
	11 598

Type and quality of collateral, EUR thousand:

Equities	8 037
Bonds and other interest-bearing instruments	4 745
	12 782

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, EUR thousand:

Less than one day	-
One day to one week	-
One week to one month	98
One to three months	31
Three months to one year	477
Greater than one year	4 139
Indeterminate duration	8 037
	12 782

Currency of the collateral, EUR thousand:

CAD	2
EUR	3 919
GBP	1 466
HKD	1 524
JPY	3 990
SEK	8
USD	1 873
	12 782

The profile of the duration for securities lending is undetermined, but may be immediately terminated. Settlement and clearing for securities lending is conducted through a third party. The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 21 SEK 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:

-Citigroup Global Markets Ltd, Great Britain
 -HSBC Bank Plc, Great Britain
 -J.P. Morgan Securities Plc, Great Britain
 -Merrill Lynch Intl, Great Britain
 -Skandinaviska Enskilda Banken AB (publ), Sweden
 -UBS AG, London Branch, Great Britain

Handelsbanken Norden Selektiv

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes in its entirety companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies with key activities within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We

conduct dialogues for the purpose of encouraging companies to improve their sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
- B. Dialogues together with other investors/capital owners
- C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP

A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.

B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.

C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

Annual General Meetings and nomination committees

Handelsbanken Fonder normally votes at general meetings in those companies where ownership exceeds 0.5 or when there is a vote on matters of particular concern. 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 general meetings.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.*

Follow-up of sustainability work

Inclusion

During the year, the fund invested in the technology installation company Bravida. Bravida is a leading Nordic installer of technology and services, such as electricity, heating and cooling, water, ventilation, security and energy efficiency. Growth is driven by more complex and integrated technical services with the aim of installing renewable electricity, increasing energy efficiency and improving security, which are important sustainability areas. The EU is also pursuing requirements for increased energy efficiency in buildings.

Exclusion

The fund has limited exposure to the bank sector with two holdings: Handelsbanken and DNB. Overall, the sector has a major challenge in improving the control of customers and flow of transactions. This is a complex area with obvious difficulties, particularly related to ensuring the proper control in markets where Nordic banks have limited business experience, such as the Baltics and Russia. We believe there is a continuing need among banks in general to improve routines to limit the risk for potential money laundering, which is an area that had increased focus during the year.

The Management Company's engagement activities

A. The fund engaged in two targeted dialogues directly with companies during the year.

During the year, ongoing dialogues continued with AAK. The dialogues focused on AAK's purchases of palm oil. Palm oil is a critical input for AAK's production of vegetable fats. We would like to be assured that the company's plantations have not arisen through deforestation and that the company respects the rights of the indigenous people to cultivate the land. Our engagement dialogues have been conducted through personal meetings with management and hopefully have not led AAK to limit their sustainability efforts to high traceability to the mill, but rather that focus intensifies to include traceability to the plantations and control of subcontractors.

B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund held holdings in one of these companies.

C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.

General meetings and nomination committees

The Management Company voted at 17 annual general meetings on behalf of the fund during the year.

The Management Company participated in three nomination committees on behalf of the fund: Indutrade AB, Thule AB and ÅF Pöry AB.



Handelsbanken Nordiska Småbolag

Management Report

Investment Focus

The fund is actively managed, which means that the fund manager is responsible for taking the active investment decisions. The fund's objective is to outperform the returns of the underlying market, defined as the benchmark index, over the long term. The fund invests in equities issued by smaller and mid-sized companies in Denmark, Finland, Norway and Sweden, which have a market value at the time of the investment that does not exceed 0.5% of the total market value of the markets in which the fund may invest and thereby has a currency exposure in these markets. 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 and that the valuation is attractive. 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 on companies active within the fossil fuel, war materials, tobacco, cannabis, alcohol, commercial gambling and pornography areas/sectors. However, the fund may invest in companies that are involved in power generation, distribution or services related to fossil fuel in which the company is deemed to be transitioning its business operations to more renewable energy. Further information is available in the fund's General Section. The fund may invest a maximum of 10% of the fund capital in fund units. Fund performance is compared to SIX SRI Nordic 200 Small Cap Net Index. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 33.1% in 2019*. Given the upturn in the stock market during 2019, one would think that 2019 was a year with increasing confidence in the future, an improved economy and a politically calm climate. However, this was not the case. A confusing political climate in the US, the trade war on many fronts and uncertainty about Brexit were many of the issues that weighed on global growth. However, lower interest rates and a belief that the economy's next phase is an upward trend led to a sharp upturn in the markets. Growth companies, real estate companies and parts of the cyclical block have posted the most strength, while banks and companies with some setbacks have lagged. Bids were placed on Acando, DataRespons and Hoivatilat during the year. Sagax, DataRespons, Revenio and Stillfront were the strongest contributors to fund returns, while Midsona and Leröy Seafood had a negative impact. Given the current environment, we are seeking stable companies with good outlooks and reasonable valuations.

*) 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

An investment in an equity fund is characterised by high risk as well as by the potential for high returns. As a result, the value of the fund can fluctuate significantly over time. The fund's investments are concentrated geographically to equities issued by companies in Denmark, Finland, Norway and Sweden. As a result, the risk in the fund is higher than an investment in a diversified global equity fund that distributes its investments across several regions. However, the fund's investments are made in companies in several sectors or branches that contribute to lowering the risk in the fund over time. Given that the fund's investments are made in foreign equities denominated in currencies other than the fund's base currency, an investment in the fund is associated with currency risk. The fund's liquidity risk is deemed to be moderately high due to the fund's size in relation to the size or turnover of the markets and securities in which the fund invests. This can impact the fund's ability to complete the purchase and sale of securities under stressful market conditions. The fund may invest in derivatives to protect the value of the

fund's underlying assets, to maintain the desired level of risk in the fund portfolio or to minimise management costs. The volume of trading is limited where applicable and is expected to have a marginal impact on the fund's risk profile.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund used this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

As of April 30, 2019 the fund changed its index from SIX Nordic 200 Small Cap to SIX SRI Nordic 200 Small Cap Net Index. The reason for the change of index was a sustainability adjustment of the fund to exclude more controversial activities than before. As of June 1, 2019 the fund changed its fund rules. The fund changed its name from Handelsbanken Nordiska Småbolagsfond to Handelsbanken Nordiska Småbolag.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Shareholder commitments

Based on the Management Company's Policy for Shareholder Engagement, which includes guidelines for responsible investment, voting at general meetings, work on the nomination committee, and dialogue with the portfolio management companies are undertaken independently or in collaboration with others. It is our understanding that this work leads to better governance and reduced sustainability risks in the portfolio management companies, which in turn leads to a positive value growth.

The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management Company then takes independent decisions on those matters that will be subject to a vote or another decision-making process.

The Management Company normally votes for all of the equities in the fund in those companies where voting takes place, although there are exceptions, such as in markets where the equities are in a lock-up period to enable registration for voting at a general meeting. Any securities loans are typically recalled prior to a general meeting to ensure that votes can be cast for all of the equities, although the securities loans can remain in effect at the time of the general meeting if it is deemed to be in the common interest of unit holders and there is no significant impact on active ownership.

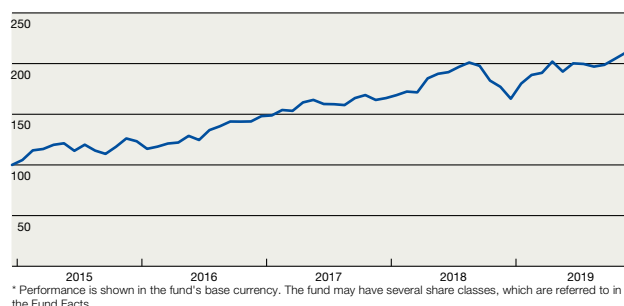
No conflicts of interest have arisen between the Management Company and the portfolio management company in conjunction with the funds' investments. Information is available in the Management Company's Policy for Shareholder Engagement on how the Management Company in general manages conflicts of interest that can arise as a result of the funds' investments.

Read more about how Handelsbanken Fonder acts in ownership matters and about the fund company's guidelines for responsible investments in

Handelsbanken Nordiska Småbolag, cont.

the company's Policy for shareholder engagement and responsible investments which can be found under <https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>

Fund Performance*



Fund Facts - History

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net asset value										
Nordiska Småbolag A1 - SEK	1,287.55	967.02	970.99	866.58	721.56	584.98	501.01	366.50	322.56	425.79
Nordiska Småbolag A1 - EUR	122.53	95.41	98.76	90.44	78.79	-	-	-	-	-
Nordiska Småbolag A1 - NOK	1,208.64	944.47	970.02	821.09	757.57	-	-	-	-	-
Nordiska Småbolag A10 - SEK	1,310.94	974.79	-	-	-	-	-	-	-	-
Nordiska Småbolag A10 - EUR	124.76	96.18	-	-	-	-	-	-	-	-
Nordiska Småbolag A10 - NOK	1,230.59	952.06	-	-	-	-	-	-	-	-
Nordiska Småbolag B1 - SEK	997.32	768.90	803.55	745.90	648.03	545.08	485.03	366.50	-	-
Nordiska Småbolag B10 - SEK	1,015.51	775.08	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	-1,132	805	889	658	34	-77	916	50	-	-
Fund capital total, mSEK	23,017	18,294	17,732	14,975	12,031	9,753	8,437	5,390	4,594	6,469
Nordiska Småbolag A1 - SEK	21,270	16,919	16,474	13,985	10,842	9,250	8,356	5,373	4,594	6,469
Nordiska Småbolag A1 - EUR	90	80	81	70	52	-	-	-	-	-
Nordiska Småbolag A1 - NOK	251	201	342	135	113	-	-	-	-	-
Nordiska Småbolag A10 - SEK	183	119	-	-	-	-	-	-	-	-
Nordiska Småbolag A10 - EUR	5	3	-	-	-	-	-	-	-	-
Nordiska Småbolag A10 - NOK	152	106	-	-	-	-	-	-	-	-
Nordiska Småbolag B1 - SEK	127	95	116	176	606	503	81	17	-	-
Nordiska Småbolag B10 - SEK	8	4	-	-	-	-	-	-	-	-
Number of units, 1000's	17,901	18,942	18,286	17,314	16,769	16,736	16,844	14,706	14,242	15,192
Nordiska Småbolag A1 - SEK	16,521	17,496	16,966	16,139	15,025	15,813	16,678	14,659	14,242	15,192
Nordiska Småbolag A1 - EUR	738	836	824	775	659	-	-	-	-	-
Nordiska Småbolag A1 - NOK	208	212	352	165	149	-	-	-	-	-
Nordiska Småbolag A10 - SEK	139	122	-	-	-	-	-	-	-	-
Nordiska Småbolag A10 - EUR	37	35	-	-	-	-	-	-	-	-
Nordiska Småbolag A10 - NOK	124	112	-	-	-	-	-	-	-	-
Nordiska Småbolag B1 - SEK	127	123	144	235	936	923	166	47	-	-
Nordiska Småbolag B10 - SEK	7	6	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Nordiska Småbolag A1 - SEK	+33.1	-0.4	+12.0	+20.1	+23.3	+16.8	+36.7	+16.6	-23.2	+19.8
Nordiska Småbolag A1 - EUR	+28.4	-3.4	+9.2	+14.8	+27.6	-	-	-	-	-
Nordiska Småbolag A1 - NOK	+28.0	-2.6	+18.1	+8.4	+35.2	-	-	-	-	-
Nordiska Småbolag A10 - SEK	+34.5	+0.6	-	-	-	-	-	-	-	-
Nordiska Småbolag A10 - EUR	+29.7	-2.4	-	-	-	-	-	-	-	-
Nordiska Småbolag A10 - NOK	+29.3	-1.7	-	-	-	-	-	-	-	-
Nordiska Småbolag B1 - SEK	+33.1	-0.4	+12.0	+20.1	+23.3	+16.8	+36.7	+5.3	-	-
Nordiska Småbolag B10 - SEK	+34.5	+0.6	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Nordiska Småbolag A1 - SEK	+35.1	-0.2	+11.8	+17.7	+21.7	+17.1	+35.5	+17.3	-21.6	+18.7
Nordiska Småbolag A1 - EUR	+30.3	-2.4	+9.0	+12.5	+25.9	-	-	-	-	-
Nordiska Småbolag A1 - NOK	+29.9	-1.6	+17.9	+6.3	+33.4	-	-	-	-	-
Nordiska Småbolag A10 - SEK	+35.1	-0.2	-	-	-	-	-	-	-	-
Nordiska Småbolag A10 - EUR	+30.3	-2.4	-	-	-	-	-	-	-	-
Nordiska Småbolag A10 - NOK	+29.9	-1.6	-	-	-	-	-	-	-	-
Nordiska Småbolag B1 - SEK	+35.1	-0.2	+11.8	+17.7	+21.7	+17.1	+35.5	+4.4	-	-
Nordiska Småbolag B10 - SEK	+35.1	-0.2	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Nordiska Småbolag A1 - SEK	2.3	2.0	1.6	2.2	2.1	1.4	2.0	2.3	2.3	2.3
Nordiska Småbolag A1 - EUR	2.3	2.0	1.6	2.2	2.1	-	-	-	-	-
Nordiska Småbolag B1 - SEK	2.3	2.1	1.6	2.2	-	-	-	-	-	-
Nordiska Småbolag A1 - NOK	2.3	2.0	1.6	2.2	2.1	-	-	-	-	-
Nordiska Småbolag A10 - SEK	2.3	2.1	-	-	-	-	-	-	-	-
Nordiska Småbolag A10 - EUR	2.3	2.0	-	-	-	-	-	-	-	-
Nordiska Småbolag A10 - NOK	2.3	2.0	-	-	-	-	-	-	-	-
Nordiska Småbolag B10 - SEK	2.3	2.1	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Nordiska Småbolag A1 - SEK	+15.2	+5.6	+16.0	+21.7	+20.0	+26.3	+26.3	-5.4	-4.1	+45.0
Nordiska Småbolag A1 - EUR	+11.4	+2.7	+12.0	+21.0	+18.0	-	-	-	-	-
Nordiska Småbolag A1 - NOK	+11.6	+7.3	+13.2	+21.1	+26.5	-	-	-	-	-
Nordiska Småbolag A10 - SEK	+16.3	+6.7	-	-	-	-	-	-	-	-
Nordiska Småbolag A10 - EUR	+12.5	+3.7	-	-	-	-	-	-	-	-
Nordiska Småbolag A10 - NOK	+12.7	+8.3	-	-	-	-	-	-	-	-
Nordiska Småbolag B1 - SEK	+15.2	+5.6	+16.0	+21.7	+20.0	+26.3	-	-	-	-
Nordiska Småbolag B10 - SEK	+16.3	+6.7	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+16.6	+5.6	+14.8	+19.7	+19.4	+25.9	+26.0	-4.1	-3.6	+40.7
EUR	+12.8	+3.2	+10.8	+19.0	+17.3	-	-	-	-	-
NOK	+13.0	+7.7	+11.9	+19.1	+25.9	-	-	-	-	-

Handelsbanken Nordiska Småbolag, cont.

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Average yearly return, 5 yrs. %										
Nordiska Småbolag A1 - SEK	+17.1	+14.1	+21.5	+22.5	+12.0	+11.4	+20.8	-0.7	-3.8	+8.0
Nordiska Småbolag A1 - EUR	+14.7	+11.0	+18.2	+20.7	+11.7	-	-	-	-	-
Nordiska Småbolag A1 - NOK	+16.6	+14.8	+25.3	+24.6	+16.4	-	-	-	-	-
Nordiska Småbolag A10 - SEK	+18.3	+15.2	-	-	-	-	-	-	-	-
Nordiska Småbolag A10 - EUR	+15.8	+12.1	-	-	-	-	-	-	-	-
Nordiska Småbolag A10 - NOK	+17.8	+16.0	-	-	-	-	-	-	-	-
Nordiska Småbolag B1 - SEK	+17.1	+14.1	+21.5	-	-	-	-	-	-	-
Nordiska Småbolag B10 - SEK	+18.3	+15.2	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+16.9	+13.4	+20.5	+21.7	+12.1	+11.6	+19.8	-1.2	-4.8	+6.2
EUR	+14.5	+10.5	+17.3	+19.9	+11.8	-	-	-	-	-
NOK	+16.4	+14.3	+24.3	+23.7	+16.6	-	-	-	-	-
Average yearly return, 10 yrs. %										
Nordiska Småbolag A1 - SEK	+14.2	+17.4	+9.9	+8.6	+10.0	+13.0	+13.9	+14.2	+8.8	+9.5
Nordiska Småbolag A1 - EUR	+13.9	+18.3	+9.4	+7.9	+10.2	-	-	-	-	-
Nordiska Småbolag A1 - NOK	+15.9	+18.5	+11.8	+9.0	+12.3	-	-	-	-	-
Nordiska Småbolag A10 - SEK	+15.3	+18.5	-	-	-	-	-	-	-	-
Nordiska Småbolag A10 - EUR	+15.0	+19.5	-	-	-	-	-	-	-	-
Nordiska Småbolag A10 - NOK	+17.0	+19.7	-	-	-	-	-	-	-	-
Nordiska Småbolag B10 - SEK	+15.3	+18.5	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+14.2	+16.5	+9.1	+7.6	+9.1	+12.0	+13.3	+13.7	+9.3	+10.7
EUR	+13.9	+17.6	+8.7	+7.0	+9.4	-	-	-	-	-
NOK	+15.9	+17.8	+11.0	+8.1	+11.5	-	-	-	-	-
Dividends per unit, SEK										
Nordiska Småbolag A1 - SEK	-	-	-	-	-	-	-	9.45	5.39	2.53
Nordiska Småbolag B1 - SEK	23.07	32.14	29.84	25.92	21.80	19.40	12.83	0.00	-	-
Nordiska Småbolag B10 - SEK	23.25	32.14	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.51	10.13	9.83	9.58	9.16	-	-	-	-	-
Exchange rate NOK/SEK	1.07	1.02	1.00	1.06	0.95	-	-	-	-	-

Benchmark: SIX SRI Nordic 200 Small Cap Net Index

Up to 02/01/2014: SHB NORDIX Small Cap Port Nordic Net (NHNMXPORT)

Up to 30/04/2019: SIX NORDIX Small Cap Port Nordic Net (NHNMXPORT)

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 information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Nordiska Småbolag A1	1.60
Nordiska Småbolag A10	0.60
Nordiska Småbolag B1	1.60
Nordiska Småbolag B10	0.60
Collected mgmt. costs in % of average fund capital	
Nordiska Småbolag A1	1.60
Nordiska Småbolag A10	0.60
Nordiska Småbolag B1	1.60
Nordiska Småbolag B10	0.60
Annual fees in %	
Nordiska Småbolag A1	1.60
Nordiska Småbolag A10	0.60
Nordiska Småbolag B1	1.60
Nordiska Småbolag B10	0.60
Transaction costs, SEKt	7,674
Transaction costs in % of turnover	0.03
Costs in SEK for a one-time subscription, 10 000 SEK	
Nordiska Småbolag A1	189.94
Nordiska Småbolag A10	71.59
Nordiska Småbolag B1	189.94
Nordiska Småbolag B10	71.59
Costs in SEK for monthly savings, 100 SEK	
Nordiska Småbolag A1	11.12
Nordiska Småbolag A10	4.19
Nordiska Småbolag B1	11.12
Nordiska Småbolag B10	4.19

Fund Facts - Other Key Figures

Turnover rate	0.6
Share of turnover conducted via closely-related securities companies in %	19.1
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	14.1	Information ratio - A1 SEK	Negative
Total risk % - A1 EUR	13.2	Information ratio - A1 EUR	Negative
Total risk % - A1 NOK	11.4	Information ratio - A1 NOK	Negative
Total risk % - A10 SEK	14.1	Information ratio - A10 SEK	Negative
Total risk % - A10 EUR	13.2	Information ratio - A10 EUR	Negative
Total risk % - A10 NOK	11.4	Information ratio - A10 NOK	Negative
Total risk % - B1 SEK	14.1	Information ratio - B1 SEK	Negative
Total risk % - B10 SEK	14.1	Information ratio - B10 SEK	Negative
Total risk in index % - A1 SEK	13.4	Sharpe ratio - A1 SEK	1.1
Total risk in index % - A1 EUR	12.0	Sharpe ratio - A1 EUR	0.9
Total risk in index % - A1 NOK	10.7	Sharpe ratio - A1 NOK	0.9
Total risk in index % - A10 SEK	13.4	Sharpe ratio - A10 SEK	1.2
Total risk in index % - A10 EUR	12.0	Sharpe ratio - A10 EUR	1.0
Total risk in index % - A10 NOK	10.7	Sharpe ratio - A10 NOK	1.0
Total risk in index % - B1 SEK	13.4	Sharpe ratio - B1 SEK	1.1
Total risk in index % - B10 SEK	13.4	Sharpe ratio - B10 SEK	1.2
Benchmark	SIX SRI Nordic 200 Small Cap Net Index	Sharpe ratio in index - A1 SEK	1.3
Active Share % ¹⁾	42.9	Sharpe ratio in index - A1 EUR	1.1
Active return % - A1 SEK	-1.5	Sharpe ratio in index - A1 NOK	1.1
Active return % - A1 EUR	-1.4	Sharpe ratio in index - A10 SEK	1.3
Active return % - A1 NOK	-1.4	Sharpe ratio in index - A10 EUR	1.1
Active return % - A10 SEK	-0.3	Sharpe ratio in index - A10 NOK	1.1
Active return % - A10 EUR	-0.3	Sharpe ratio in index - B1 SEK	1.3
Active return % - A10 NOK	-0.3	Sharpe ratio in index - B10 SEK	1.3
Active return % - B1 SEK	-1.5		
Active return % - B10 SEK	-0.3		

¹⁾ As of the balance sheet date.

* 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.

Handelsbanken Nordiska Småbolag, cont.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	5,625,567	-362,822
Interest income	-231	-1,662
Dividends	538,857	436,604
Currency exchange profits and losses, net	23,319	-3,416
Other financial income ¹⁾	9,935	16,208
Other income	542	1,036
Total income and changes in value	6,197,989	85,948
EXPENSES		
Management costs:		
- Remuneration to the Management Company	332,599	314,757
Interest expense	174	85
Other financial expenses ²⁾	1,987	3,241
Other expenses	8,065	6,203
Total expenses	342,825	324,286
Net income	5,855,164	-238,338
* Details of changes in value		
Capital gains	2,988,505	3,127,390
Capital losses	-867,789	-554,837
Unrealised gains/losses	3,504,851	-2,935,375
Sum	5,625,567	-362,822

¹⁾ The item consists primarily of premiums for securities lent.²⁾ The items consist primarily of expenses for securities borrowed.

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	22,784,182	99.0	17,839,593	97.5
Total financial instruments with positive market value ^{Note 2)}	22,784,182	99.0	17,839,593	97.5
Bank assets and other liquid assets	264,884	1.2	467,834	2.6
Prepaid expenses and accrued income	1,057	0.0	2,696	0.0
Other assets	7,139	0.0	89,713	0.5
Total assets	23,057,262	100.2	18,399,836	100.6
LIABILITIES				
Accrued expenses and prepaid income	30,438	0.1	25,832	0.1
Other liabilities	9,921	0.1	79,900	0.5
Total liabilities	40,359	0.2	105,732	0.6
Fund capital ^{Note 1)}	23,016,903	100.0	18,294,104	100.0
Financial instruments lent	900,857	3.9	847,448	4.6
Collateral received for financial instruments lent	975,383	4.2	1,013,376	5.5

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	18,294,104	17,731,682
Units issued	2,882,692	4,717,727
Units redeemed	-4,012,192	-3,912,281
Profit according to Income Statement	5,855,164	-238,338
Dividends to unit holders	-2,865	-4,686
Fund capital at the close of the period	23,016,903	18,294,104

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
DENMARK (DKK)			
ALK-Abelló	78,500	180,482	0.8
Alm. Brand	1,591,711	132,393	0.6
Ambu B Ord	631,925	99,258	0.4
cBrain Ord Shs	142,925	10,652	0.0
Chemometec Ord Shs	317,000	91,382	0.4
Columbus IT Partner	3,550,000	48,173	0.2
DFDS	712,473	325,610	1.4
FLSmidth	411,000	153,387	0.7
GN Store Nord	686,832	302,592	1.3
H&H International	1,026,366	180,120	0.8
ISS	765,000	171,957	0.7
Jyske Bank	732,717	250,477	1.1
Lundbeck	375,000	134,151	0.6
Netcompany Group A/S	254,230	113,327	0.5
Pandora	455,000	185,420	0.8
Rockwool International B	133,424	296,065	1.3
Rtx Telecom	100,000	25,733	0.1
Schouw	276,843	218,006	0.9
SimCorp	150,000	159,779	0.7
SP Group Ord	354,190	120,531	0.5
Spar Nord Bank	1,985,124	180,608	0.8

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
TCM Group	654,031	115,882	0.5
Topdanmark	645,580	298,126	1.3
Tryg	400,000	111,090	0.5
William Demant	915,000	269,943	1.2
Zealand Pharma	400,000	132,407	0.6
		4,307,549	18.7

FAROE ISLANDS (DKK)

BankNordik P/F	255,591	39,176	0.2
		39,176	0.2

FINLAND (EUR)

Admicom Oyj	203,253	137,541	0.6
Aktia Bank	722,578	70,916	0.3
Cargotec	555,400	176,481	0.8
Detection Technology	444,940	119,688	0.5
Exel Composites	829,096	56,453	0.2
Harvia	1,331,605	146,219	0.6
Huhtamaki	375,000	163,054	0.7
Kesko B	366,002	242,597	1.1
Konecranes	469,000	135,031	0.6
Metso	620,000	229,191	1.0
Nixu	335,000	36,961	0.2
Nokian Tyres	560,000	150,816	0.7
Orma Säästöpankki Oyj	946,000	88,270	0.4
Outootec	1,850,000	111,932	0.5
Pihlajalinna	625,028	100,354	0.4
Ponsse	133,000	43,324	0.2
Revenio	473,939	130,726	0.6
Terveystalo Plc	588,173	69,097	0.3
Tikkurila	390,965	58,993	0.3
Tokmanni Group Corporation Ord Shs	930,000	123,326	0.5
Vaisala	161,168	53,769	0.2
Valmet	1,300,000	291,780	1.3
Vincit Group Ord Shs	372,290	19,560	0.1
VMP Oyj	865,000	57,717	0.3
Wärtsilä	825,000	85,389	0.4
		2,899,187	12.6

NORWAY (NOK)

Atlantic Sapphir Rg	519,921	71,449	0.3
Austevoll Seafood	2,955,231	283,494	1.2
Borregaard	738,600	74,748	0.3
Data Respons	3,952,775	201,700	0.9
Europris	2,535,000	93,168	0.4
Fjordkraft Holding Ord Shs	2,034,092	125,680	0.5
Grieg Seafood	1,332,190	199,110	0.9
Infront ASA	1,941,666	52,538	0.2
Kahoot Ord Shs	1,015,000	71,364	0.3
Klaveness Combination Carriers Ord Shs	570,000	29,146	0.1
Kongsberg Automotive Holding	5,845,344	38,172	0.2
Leroy Seafood Group	4,139,000	257,059	1.1
Medi-Stim	115,269	23,577	0.1
Norbit	3,348,135	71,335	0.3
Norsk Hydro	5,050,000	175,594	0.8
Norske Skog Ord Shs	1,880,000	87,520	0.4
Norway Royal Salmon	432,918	110,315	0.5
Norwegian Finans Holding	1,028,580	104,424	0.5
NRC Group	1,188,271	72,280	0.3
SalMar	530,000	253,677	1.1
Scatec Solar	706,271	93,371	0.4
Schibsted B	425,000	114,002	0.5
Self Storage Group Ord Shs (Proposed)	2,770,000	83,509	0.4
Skandiabanken	900,000	71,524	0.3
SpareBank 1 Midt-Norge	1,316,359	140,511	0.6
SpareBank 1 SR-Bank	1,170,000	124,639	0.5
Sparebanken Vest	705,556	47,653	0.2
Storebrand	3,193,814	234,830	1.0
Tomra Systems	512,400	151,966	0.7
Veidekke	620,715	79,019	0.3
Webstep ASA	1,000,180	25,785	0.1
Wih. Wilhelmsen	977,758	22,728	0.1
Zalaris Ord Shs	1,795,339	52,787	0.2
		3,638,677	15.8

SWEDEN (SEK)

24Sevenoffice Scandinavia	2,986,065	53,749	0.2
AarhusKarlshamn	708,200	126,060	0.5
AcadeMedia	2,225,000	122,598	0.5
Adapteo Oyj	850,921	97,839	0.4
ÅF B	1,072,586	234,467	1.0
Alfa Laval	1,700,000	401,030	1.7
Alimak Group	925,239	129,163	0.6
Amasten	4,430,000	37,655	0.2
Ambea	2,436,692	191,280	0.8
Arjo B	2,531,435	114,066	0.5
Balder B	1,175,208	509,100	2.2
Beijer Alma AB serie B	515,000	80,649	0.4
Beijer Ref B	550,000	151,140	0.7
BillerudKorsnäs	417,494	46,196	0.2
BioArctic B	515,000	48,874	0.2
Boliden1	1,250,000	310,625	1.3
Bonava	1,412,000	140,494	0.6
Bravida Holding	750,000	68,213	0.3
Bufab	1,319,791	172,365	0.7
Bygghemma Group	1,287,500	75,190	0.3
Castellum	473,931	104,265	0.5
Concentric	796,301	126,612	0.6
Diös Fastigheter	1,200,000	102,960	0.4
Duni	788,812	101,915	0.4
Electrolux B	1,775,000	408,073	1.8
Elekta B	2,548,611	314,371	1.4
Embracer B	3,066,179	217,024	0.9
ENEA Ord Shs1	309,292	55,982	0.2
Fabege	829,962	129,225	0.6

Handelsbanken Nordiska Småbolag, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Fagerhult	1,124,771	66,924	0.3
Getinge B	427,855	74,447	0.3
Gränges	1,428,041	141,305	0.6
Hexatronic Group	500,000	30,350	0.1
Hexpol B	1,000,000	91,800	0.4
Holmen B1	761,943	217,306	0.9
Humana	1,281,149	78,022	0.3
Husqvarna B	2,725,000	204,430	0.9
ICA Gruppen	200,000	87,440	0.4
Indutrade	275,000	92,180	0.4
Intrum Justitia	1,171,854	327,416	1.4
Inwido	1,034,898	74,616	0.3
JM	1,075,000	298,205	1.3
Kinnevik B	600,000	137,400	0.6
Knowit	767,045	159,929	0.7
Lifco B	340,000	194,480	0.8
Lindab International	1,087,419	130,055	0.6
Loomis B	458,289	177,724	0.8
Micronic Mydata	513,503	95,049	0.4
Midsona B	2,534,980	125,228	0.5
Millicom	117,320	52,630	0.2
Momentum Group B	381,046	44,430	0.2
Munters Group B	2,725,000	133,689	0.6
Nederman 1	843,364	113,348	0.5
Nepa	26,848	591	0.0
New Wave Group B	1,267,795	75,814	0.3
NIBE Industrier B	1,125,028	182,705	0.8
Nobia	2,226,826	155,432	0.7
Nolato B	107,915	59,353	0.3
Nordic Entertainment	360,000	109,008	0.5
Nordic Waterproofing Holding	1,170,044	112,558	0.5
Note	1,703,764	67,213	0.3
OEM International	233,935	58,484	0.3
Pandox B	417,000	88,404	0.4
Paradox Interactive Ord Shs	256,000	38,400	0.2
Peab B	3,129,776	293,417	1.3
Sagax B	666,924	90,835	0.4
SCA B	2,275,000	216,125	0.9
Scandic Hotels Group	1,025,000	107,010	0.5
Securitas B	1,560,000	251,862	1.1
Sedana Medical	252,903	34,344	0.1
SINCH	271,000	77,642	0.3
Skanska B	1,550,000	328,135	1.4
SKF B	1,725,000	326,715	1.4
SKISTAR AB ser. B	517,400	61,467	0.3
SSAB B	3,923,282	119,739	0.5
Stillfront	295,528	108,607	0.5
Storytel B	785,000	112,412	0.5
Swedish Orphan Biovitrum	1,081,250	167,053	0.7
Swedol B	1,481,786	68,681	0.3
Systemair	379,000	68,410	0.3
Thule Group	346,527	74,850	0.3
Trelleborg B	1,652,718	278,566	1.2
Troax Group A	900,000	108,720	0.5
Veoneer Inc	326,923	49,006	0.2
Volati	1,109,985	45,398	0.2
Wihlborgs	559,447	96,505	0.4
		11,853,039	51.5
Total listed equities		22,737,628	98.8

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
UNLISTED EQUITIES***			
DENMARK (DKK)			
OW Bunker	127,500	0	0.0
		0	0.0
NORWAY (NOK)			
QUANTAFUEL AS	252,603	46,554	0.2
		46,554	0.2
Total unlisted equities		46,554	0.2
Total transferable securities		22,784,182	99.0
Total holdings in financial instruments		22,784,182	99.0
Net, other assets and liabilities		232,721	1.0
Total fund capital		23,016,903	100.0

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

98.8

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

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*** Refers to other financial instruments.

0.2

Additional information on loaned securities**Volume of lent securities as a % of total lendable assets** 3.94**The ten largest issuers of collateral for securities lending per issuer, SEK thousand:**

U.S.A	353 269
The British Government	234 582
The Dutch Government	46 627
The French Government	31 987
The German Government	11 619
Bhp Group Plc	8 538
Marubeni Corp	8 337
Royal Dutch Shell Plc	7 756
Aegion Nv	6 494
Aviva Plc	6 417

The largest counterparties for securities lending, SEK thousand:

Morgan Stanley & Co International Plc, Great Britain	424 588
UBS AG, London Branch, Great Britain	190 323
J.P. Morgan Securities Plc, Great Britain	128 909
Svenska Handelsbanken AB (publ), Sweden	70 103
Skandinaviska Enskilda Banken AB (publ), Sweden	65 304
Citigroup Global Markets Ltd, Great Britain	10 455
Merrill Lynch Intl, Great Britain	7 230
Credit Suisse Securities (Europe) Ltd, Great Britain	2 615
HSBC Bank Plc, Great Britain	1 329
	900 857

Type and quality of collateral, SEK thousand:

Equities	284 332
Bonds and other interest-bearing instruments	691 051
	975 383

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 one day	-
One day to one week	-
One week to one month	26 113
One to three months	38 343
Three months to one year	68 819
Greater than one year	557 776
Indeterminate duration	284 332
	975 383

Currency of the collateral, SEK thousand:

AUD	2 265
CAD	1 113
CHF	8 455
DKK	222
EUR	157 528
GBP	318 306
HKD	23 995
JPY	64 970
SEK	7 501
SGD	1 606
USD	389 422
	975 383

The profile of the duration for securities lending is undetermined, but may be immediately terminated. Settlement and clearing for securities lending is conducted through a third party. The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 21 SEK 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:

-Citigroup Global Markets Ltd, Great Britain
 -Credit Suisse Securities (Europe) Ltd, Great Britain
 -HSBC Bank Plc, Great Britain
 -J.P. Morgan Securities Plc, Great Britain
 -Merrill Lynch Intl, Great Britain
 -Morgan Stanley & Co International Plc, Great Britain
 -Skandinaviska Enskilda Banken AB (publ), Sweden
 -Svenska Handelsbanken AB (publ), Sweden
 -UBS AG, London Branch, Great Britain

Compilation, Company and Group exposure*

Company/Group	% of fund capital
SpareBank 1	1.1

* 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.

Handelsbanken Nordiska Småbolag

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes in its entirety companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies with key activities within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We

conduct dialogues for the purpose of encouraging companies to improve their sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
- B. Dialogues together with other investors/capital owners
- C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP

A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.

B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.

C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

Annual General Meetings and nomination committees

Handelsbanken Fonder normally votes at general meetings in those companies where ownership exceeds 0.5 or when there is a vote on matters of particular concern. 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 general meetings.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.*

Follow-up of sustainability work

Inclusion

Organic food is important for us as well as for the environment. For many years the demand for organic food has increased in Sweden, the rest of the Nordic countries and in several other European countries. Over several years the fund has been one of the major owners in Midsona, which is the largest organic food company in the Nordics and is also growing in the rest of Europe.

Exclusion

During the year we sold all of the fund's holdings in the oil sector.

The Management Company's engagement activities

- A. The fund engaged in seven targeted dialogues directly with companies during the year.
A dialogue was held with a salmon farming company regarding how the company can pursue business operations in a more sustainable manner over the long term, as well as what is the best industry standard for salmon farming, which is an important source for producing proteins.

- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund held holdings in two of these companies.

One of the companies subject to dialogue was Loomis AB. The dialogue concerned allegations that the company does not respect the right to union representation for its employees in Turkey.

- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.

General meetings and nomination committees

The Management Company voted at 151 annual general meetings on behalf of the fund during the year.

The Management Company participated in 21 nomination committees on behalf of the fund: AcadeMedia AB, Alimak Group AB, Bufab AB, Data Respons ASA, Exel Composites Oyj, Hansa Medical AB, Hexatronic AB, Indutrade AB, Instalco Intressenter AB, Intrum AB, Inwido AB, Knowit AB, Midsona AB, Momentum Group AB, Nepa AB, Note AB, Stillfront Group AB, Storytel AB, Swedol AB, Thule AB and ÅF Pöry AB.

Portfolio Manager: KRIS ROBBERTAD
Up to 28/02/2019 KNUJ JOHAN ARNHOLDT

BASE CURRENCY



Handelsbanken Norge

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in equities issued by companies on the Norwegian market and thereby has a currency exposure to this market. The fund may invest a maximum of 10% of fund capital in fund units.

Portfolio

The fund rose 17.0% in 2019*. The fund invests primarily in high-quality companies with sustainable growth potential. The core of the portfolio was concentrated to this type of holding in 2019. Examples of such companies include AF Gruppen (entrepreneur), Salmar (salmon production), Data Respons (IT), Scatec Solar (green energy) and Fjordkraft (green energy). Following a major correction in the equity market during Q4 2018, expectations for 2019 were that the market would rebound. However, the year as a whole was dominated by considerable international uncertainty regarding monetary policies, geopolitics and the macro economy. Given these expectations, the fund targeted its fund management in a balanced direction, particularly from the spring months. We also searched for a slightly higher dynamic in the fund management by making it possible to continuously adjust the portfolio's overall position during periods as market outlooks changed. For example, when the market's attention switched in May from financial stabilisation and stronger than expected company reports to fears for a "tit for tat" tariff strategy with an accelerating trade war, the fund increased its defensive position by increasing the weighting in the fund's core holdings, as well as in large, stable companies. Key examples include Gjensidige (insurance), Orkla (retail) and Tomra (recycling). Since the autumn, after Fed president Powell promised to "take necessary actions to maintain expansion", and the first signs that leading indicators – the economy's temperature gauge – were about to rebound, the fund increased its exposure to pro-cyclical stock, as well as smaller, high-beta stock. Examples of the first category include AkerBP (energy), Elkem (materials) and Storebrand (insurance). Examples of the latter category include Kitron (industrials), Sbanken (bank) and NRC (entrepreneur). Norway is an open economy where international cycles, factors and feelings significantly impact domestic stock prices, even during periods when the Norwegian steadily isolated economy posts positive growth. The dynamic management of the fund in 2019, particularly outside of the portfolio's core holdings, aimed to positively benefit from the market's volatility during the year, as well as to mitigate losses in fund returns. The approach is in accordance with the fund's strategy, but adjusted to the timing of the economic cycle. Companies that were particularly strong contributors to fund returns in 2019 included Data Respons (IT), Europris (retail), Fjordkraft (power company), Self Storage Group (real estate), Salmar (salmon production) and Sparebanken Vest (bank). The fund's underweight in BW LPG (freight) and PCI Biotech (pharma) were relatively negative contributors.

*) 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

An investment in an equity fund is characterised by high risk as well as by the potential for high returns. As a result, the value of the fund can fluctuate significantly over time. The fund's investments are concentrated geographically to equities issued Norway. As a result, the risk in the fund is higher than an investment in a diversified global equity fund that distributes its investments across several regions. However, the fund's investments are made in companies in several sectors or branches that contribute to lowering the risk in the fund over time. The fund's liquidity risk is deemed to be moderately high due to the fund's size in relation to the size or turnover of the markets and securities in which the fund

invests. This can impact the fund's ability to complete the purchase and sale of securities under stressful market conditions. The fund may invest in derivatives as part of its investment focus to increase returns in the fund. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund used this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

The fund's historical performance prior to the launch date is attributed to the merger between Handelsbanken Norge (Norway) and Handelsbanken Norge (Sweden) that occurred on September 8, 2017.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Shareholder commitments

Based on the Management Company's Policy for Shareholder Engagement, which includes guidelines for responsible investment, voting at general meetings, work on the nomination committee, and dialogue with the portfolio management companies are undertaken independently or in collaboration with others. It is our understanding that this work leads to better governance and reduced sustainability risks in the portfolio management companies, which in turn leads to a positive value growth.

The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management Company then takes independent decisions on those matters that will be subject to a vote or another decision-making process.

The Management Company normally votes for all of the equities in the fund in those companies where voting takes place, although there are exceptions, such as in markets where the equities are in a lock-up period to enable registration for voting at a general meeting. Any securities loans are typically recalled prior to a general meeting to ensure that votes can be cast for all of the equities, although the securities loans can remain in effect at the time of the general meeting if it is deemed to be in the common interest of unit holders and there is no significant impact on active ownership.

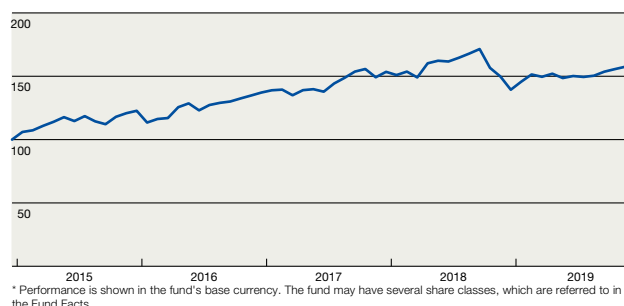
No conflicts of interest have arisen between the Management Company and the portfolio management company in conjunction with the funds' investments. Information is available in the Management Company's Policy for Shareholder Engagement on how the Management Company in general manages conflicts of interest that can arise as a result of the funds' investments.

Read more about how Handelsbanken Fonder acts in ownership matters and about the fund company's guidelines for responsible investments in the company's Policy for shareholder engagement and responsible investments which can be found under

Handelsbanken Norge, cont.

<https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>

Fund Performance*



Fund Facts - History

	2019	2018	8/9-31/12 2017	2016	2015	2014	2013	2012	2011	2010
Net asset value										
Norge A1 - NOK	1,237.20	1,057.69	1,164.91	-	-	-	-	-	-	-
Norge A1 - SEK	1,317.98	1,082.94	1,166.07	-	-	-	-	-	-	-
Norge A10 - NOK	1,271.09	1,070.48	-	-	-	-	-	-	-	-
The fund's total net flow, mNOK	-529	-603	-156	-	-	-	-	-	-	-
Fund capital total, mNOK	2,727	2,816	3,676	-	-	-	-	-	-	-
Norge A1 - NOK	1,763	1,738	2,992	-	-	-	-	-	-	-
Norge A1 - SEK	614	632	684	-	-	-	-	-	-	-
Norge A10 - NOK	387	461	-	-	-	-	-	-	-	-
Number of units, 1000's	2,196	2,657	3,156	-	-	-	-	-	-	-
Norge A1 - NOK	1,426	1,643	2,569	-	-	-	-	-	-	-
Norge A1 - SEK	466	583	587	-	-	-	-	-	-	-
Norge A10 - NOK	304	431	-	-	-	-	-	-	-	-
Total returns in %, NOK										
Norge A1 - NOK	+17.0	-9.2	+11.9	+11.7	+22.7	+22.3	+33.2	+17.7	-25.1	+21.0
Norge A1 - SEK	+21.7	-7.1	+6.2	+23.8	+12.0	+20.7	+20.7	+19.7	-25.6	+13.3
Norge A10 - NOK	+18.7	-7.8	-	-	-	-	-	-	-	-
Index including dividends in %, NOK										
Norge A1 - NOK	+19.2	-2.2	+17.0	+11.5	+6.7	+5.7	+24.2	+20.6	-18.8	+22.3
Norge A1 - SEK	+24.0	0.0	+11.0	+23.5	-2.7	+4.2	+12.5	+22.8	-19.3	+14.4
Norge A10 - NOK	+19.2	-2.2	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Norge A1 - NOK	3.5	5.0	4.6	5.5	6.2	5.0	5.0	5.7	5.8	5.5
Norge A1 - SEK	3.5	5.0	4.6	-	-	-	-	-	-	-
Norge A10 - NOK	3.5	5.0	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Norge A1 - NOK	+3.1	+0.8	+11.8	+17.1	+22.5	+27.7	+25.2	-6.1	-4.8	+43.5
Norge A1 - SEK	+6.3	-0.7	+14.6	+17.7	+16.2	+20.7	+20.2	-5.6	-8.2	+45.2
Norge A10 - NOK	+4.6	+2.3	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
NOK	+8.0	+7.0	+14.2	+9.1	+6.2	+14.6	+22.4	-1.0	-0.3	+44.2
SEK	+11.4	+5.4	+17.1	+9.7	+0.7	+8.3	+17.5	-0.5	-3.9	+46.0
Average yearly return, 5 yrs. %										
Norge A1 - NOK	+10.3	+11.3	+20.1	+21.3	+12.0	+11.7	+19.3	-5.1	-4.5	+7.6
Norge A1 - SEK	+10.7	+10.5	+16.5	+19.3	+7.7	+8.0	+17.8	-5.4	-3.7	+7.3
Norge A10 - NOK	+11.9	+12.9	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
NOK	+10.2	+7.6	+12.8	+13.5	+6.5	+9.5	+20.4	-2.8	-4.5	+5.4
SEK	+10.6	+6.8	+9.4	+11.6	+2.5	+5.9	+18.9	-3.1	-3.7	+5.0
Average yearly return, 10 yrs. %										
Norge A1 - NOK	+11.0	+15.2	+6.8	+7.6	+9.8	+11.3	+12.2	+13.4	+7.1	+8.6
Norge A1 - SEK	+9.3	+14.1	+5.0	+7.2	+7.5	+10.8	+12.0	+12.5	+6.9	+9.4
Norge A10 - NOK	+12.6	+16.9	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
NOK	+9.8	+13.8	+4.7	+4.1	+5.9	+8.8	+11.9	+14.3	+7.8	+8.2
SEK	+8.2	+12.7	+2.9	+3.7	+3.7	+8.3	+11.6	+13.5	+7.6	+9.0
Exchange rate NOK/SEK	1.07	1.02	1.00	-	-	-	-	-	-	-

Benchmark: Oslo Børs Fondsindeks (OSEFX)

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 information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Norge A1	2.00
Norge A10	0.50
Collected mgmt. costs in % of average fund capital	
Norge A1	2.00
Norge A10	0.50
Annual fees in %	
Norge A1	2.00
Norge A10	0.50
Transaction costs, NOKt	1,458
Transaction costs in % of turnover	0.02
Costs in NOK for a one-time subscription, 10 000 NOK	
Norge A1	218.11
Norge A10	54.94
Costs in NOK for monthly savings, 100 NOK	
Norge A1	13.45
Norge A10	3.38

Fund Facts - Other Key Figures

Turnover rate	1.0
Share of turnover conducted via closely-related securities companies in %	16.6
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Handelsbanken Norge, cont.

Risk and Return Measurements*

Total risk % - A1 NOK	12.5	Information ratio - A1 NOK	Negative
Total risk % - A1 SEK	17.0	Information ratio - A1 SEK	Negative
Total risk % - A10 NOK	12.5	Information ratio - A10 NOK	Negative
Total risk in index % - A1 NOK	10.8	Sharpe ratio - A1 NOK	0.2
Total risk in index % - A1 SEK	15.4	Sharpe ratio - A1 SEK	0.4
Total risk in index % - A10 NOK	10.8	Sharpe ratio - A10 NOK	0.3
Benchmark Oslo Børs Fondsindeks (OSEFX)		Sharpe ratio in index - A1 NOK	0.7
		Sharpe ratio in index - A1 SEK	0.8
		Sharpe ratio in index - A10 NOK	0.7
Active Share % ¹⁾	20.6		
Active return % - A1 NOK	-4.9		
Active return % - A1 SEK	-5.1		
Active return % - A10 NOK	-3.4		

¹⁾ As of the balance sheet date.* 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.

Income Statement, NOKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	383,412	-296,790
Interest income	286	-31
Dividends	104,613	106,404
Currency exchange profits and losses, net	159	44
Other financial income ¹⁾	1,919	974
Other income	281	2
Total income and changes in value	490,670	-189,397
EXPENSES		
Management costs:		
- Remuneration to the Management Company	48,700	66,505
Interest expense	32	40
Other financial expenses ²⁾	390	195
Other expenses	1,532	1,075
Total expenses	50,654	67,815
Net income	440,016	-257,212
* Details of changes in value		
Capital gains	573,128	467,709
Capital losses	-190,088	-149,997
Unrealised gains/losses	372	-614,502
Sum	383,412	-296,790

¹⁾ The item consists primarily of premiums for securities lent.²⁾ The items consist primarily of expenses for securities borrowed.

Balance Sheet, NOKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	2,689,135	98.6	2,741,956	97.4
Total financial instruments with positive market value ^{Note 2)}	2,689,135	98.6	2,741,956	97.4
Bank assets and other liquid assets	54,945	2.0	78,463	2.8
Prepaid expenses and accrued income	139	0.0	127	0.0
Other assets	26,119	1.0	7	0.0
Total assets	2,770,338	101.6	2,820,553	100.2
LIABILITIES				
Accrued expenses and prepaid income	4,098	0.2	4,335	0.2
Other liabilities	39,337	1.4	0	0.0
Total liabilities	43,435	1.6	4,335	0.2
Fund capital ^{Note 1)}	2,726,903	100.0	2,816,218	100.0
Financial instruments lent	75,987	2.8	62,812	2.2
Collateral received for financial instruments lent	83,416	3.1	69,668	2.5

Note 1) for Balance Sheet

Changes in fund capital, NOKt

	2019	2018
Fund capital at beginning of year	2,816,218	3,676,083
Units issued	420,112	788,091
Units redeemed	-949,443	-1,390,744
Profit according to Income Statement	440,016	-257,212
Dividends to unit holders	-	-
Fund capital at the close of the period	2,726,903	2,816,218

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
Bakkafrost	108,554	70,560	2.6
Europriis	1,107,302	38,202	1.4
Kongsberg Automotive Holding	799,415	4,900	0.2
Schibsted B	476,326	119,939	4.4
		233,601	8.6
CONSUMER STAPLES			
Austevoll Seafood	144,569	13,018	0.5
Grieg Seafood	204,518	28,694	1.1
Lerøy Seafood Group	1,512,419	88,174	3.2
Mowi ASA	681,222	155,455	5.7
Salmar	236,681	106,341	3.9
		391,682	14.4

ENERGY

Aker	73,539	39,968	1.5
Aker Solutions	273,663	6,765	0.2
Bonheur	33,557	6,678	0.2
BORR DRILLING1	179,363	13,589	0.5
BW LPG	185,211	13,678	0.5
BW Offshore1	287,607	18,982	0.7
Det Norske Oljeselskap	389,192	112,087	4.1
DNO International	2,793,085	32,316	1.2
Equinor ASA	975,447	171,191	6.3
Frontline	143,205	15,881	0.6
Kvaerner	217,584	2,420	0.1
Petroleum Geo-Services	574,635	9,884	0.4
TGS-NOPEC Geophysical	286,183	76,439	2.8
		519,878	19.0

FINANCIALS AND REAL ESTATE

Axactor	688,831	13,088	0.5
B2Holding	273,837	2,617	0.1
DNB	1,346,554	220,835	8.1
Entra AS	69,001	10,005	0.4
Gjensidige Forsikring	461,792	85,085	3.1
Norwegian Finans Holding	460,969	43,930	1.6
Skandiabanken	311,957	23,272	0.9
Sparebanken Vest	486,588	30,850	1.1
Storebrand	1,289,792	89,021	3.3
		518,703	19.0

HEALTH CARE

BergenBio	304,122	7,405	0.3
Nordic Nanovector	403,723	12,814	0.5
PCI Biotech	65,066	4,991	0.2
Photocure	48,553	4,345	0.2
		29,556	1.1

INDUSTRIALS

AF Gruppen	200,609	35,307	1.3
Golden Ocean Group Ord Shs	144,091	7,341	0.3
Hexagon Composites	283,401	10,302	0.4
Kongsberg Gruppen	230,991	31,877	1.2
NEL	2,896,175	25,052	0.9
Norwegian Air Shuttle	354,638	13,388	0.5
NRC Group	362,684	20,709	0.8
Orkla	402,591	35,814	1.3
Self Storage Group Ord Shs (Proposed)	666,846	18,872	0.7
Tomra Systems	260,674	72,572	2.7
Veidekke	209,134	24,992	0.9
		296,225	10.9

INFORMATION TECHNOLOGY

Data Respons	577,616	27,668	1.0
Kitron	2,441,701	26,859	1.0
Nordic Semiconductor	417,301	23,244	0.9
		77,771	2.9

MATERIALS

Elkem Ord Shs	1,021,528	25,293	0.9
Norsk Hydro	3,023,480	98,686	3.6
Yara International	376,199	137,388	5.0
		261,367	9.5

TELECOMMUNICATION SERVICES

Adevinta B	398,254	41,418	1.5
Telenor	1,377,460	216,881	8.0
		258,299	9.5

UTILITIES

Fjordkraft Holding Ord Shs	287,385	16,668	0.6
Scatec Solar	250,079	31,035	1.1
		47,703	1.7

OTHER

Subsea 7	517,865	54,350	2.0
		54,350	2.0

Total listed equities	2,689,135	98.6
Total transferable securities	2,689,135	98.6
Total holdings in financial instruments	2,689,135	98.6
Net, other assets and liabilities	37,768	1.4
Total fund capital	2,726,903	100.0

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

98.6

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

Handelsbanken Norge, cont.

Additional information on loaned securities

Volume of lent securities as a % of total lendable assets	2,84
------------------------------------------------------------------	-------------

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

The British Government	28 023
U.S.A	12 135
The French Government	8 697
The German Government	4 863
The Finnish Government	3 697
The Federal Government of Belgium	2 020
Marubeni Corp	766
Tencent Holdings Ltd	697
China Construction Bank Corp	646
The Dutch Government	624

The largest counterparties for securities lending, NOK thousand:

J.P. Morgan Securities Plc, Great Britain	32 697
Merrill Lynch Intl, Great Britain	14 594
UBS AG, London Branch, Great Britain	12 931
Skandinaviska Enskilda Banken AB (publ), Sweden	12 707
Credit Suisse Securities (Europe) Ltd, Great Britain	1 873
HSBC Bank Plc, Great Britain	1 186
	75 987

Type and quality of collateral, NOK thousand:

Equities	23 280
Bonds and other interest-bearing instruments	60 136
	83 416

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, NOK thousand:

Less than one day	-
One day to one week	82
One week to one month	935
One to three months	302
Three months to one year	6 358
Greater than one year	52 459
Indeterminate duration	23 280
	83 416

Currency of the collateral, NOK thousand:

AUD	232
CAD	88
CHF	354
DKK	23
EUR	23 400
GBP	33 052
HKD	2 920
JPY	7 372
SEK	54
SGD	124
USD	15 797
	83 416

The profile of the duration for securities lending is undetermined, but may be immediately terminated. Settlement and clearing for securities lending is conducted through a third party. The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 21 SEK 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:

-Citigroup Global Markets Ltd, Great Britain
 -Credit Suisse Securities (Europe) Ltd, Great Britain
 -HSBC Bank Plc, Great Britain, Great Britain
 -J.P. Morgan Securities Plc, Great Britain
 -Merrill Lynch Intl, Great Britain
 -Skandinaviska Enskilda Banken AB (publ), Sweden
 -UBS AG, London Branch, Great Britain

Handelsbanken Norge

Sustainability dimensions taken into consideration in the management of the fund

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

In accordance with the Management Company's comprehensive policy for responsible investments, the following are excluded in all of the Management Company's funds:

- companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within mining of coal or in power companies that have coal as a major source of energy.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We conduct dialogues for the purpose of encouraging companies to improve their sustainability efforts and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement

activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
 - B. Dialogues together with other investors/capital owners
 - C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP
- A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.
- B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.
- C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

Annual General Meetings and nomination committees

Handelsbanken Fonder normally votes at general meetings in those companies where ownership exceeds 0.5 or when there is a vote on matters of particular concern. 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 general meetings.

Follow-up of sustainability work

Inclusion

The fund invested in Fjordkraft, Norway's leading energy provider. The company delivers electricity exclusively from hydropower with a guaranteed source and is thereby entirely environmentally-friendly (E). Fjordkraft has been climate neutral since 2007 and has worked with the UN's Sustainable Development Goals since 2016. In 2018, Fjordkraft implemented the requirement that all of their service providers must be climate neutral by the end of 2019. By using its market position to set demands on service providers, the company is able to attain an environmental savings of over 100 times the impact that could have been achieved on their own. Fjordkraft received an award from the UN's Climate Change Secretariat for the implementation of these requirements. Fjordkraft also participates in the UN's Climate Neutral Now initiative and #plastsmart. In 2019, Fjordkraft considered implementing requirements in the future that all service providers would also demand climate neutrality from their providers. Considering the advances made in the previous initiatives, the company is trying to create a positive domino effect with the potential to create a major positive impact on the environment. Fjordkraft is at the forefront in its ESG work and produces a sustainability report on an annual basis that shows their work in a transparent and inspirational manner. Fjordkraft also meets our expectations within the social (S) and corporate governance (G) categories. We monitor and follow this up regularly, as with other holdings in the fund, in our regular company meetings.

Exclusion

In 2019, the fund sold its holdings in the Nordic sports chain XXL. This was a result of information that questions the company's work practices (S), weak financial results and significant management changes in the organisation and changes in the board. The Norwegian Labour Inspection Authority is currently investigating XXL for violations of the Working Environment Act concerning unpaid work in Norway. The company also held a share issue to several selected shareholders at a substantial discount in November 2019. The planned share issue did not neutralise the dilutive effect on other shareholders and thus is clearly discriminatory against minority shareholders (G). The combination of the ESG-related circumstances above resulted in the exclusion of XXL from the portfolio until we have received relevant clarification pursuant to our criteria.

The Management Company's engagement activities

- A. The fund engaged in six targeted dialogues directly with companies during the year. In conjunction with the share issue in Sparebanken Vest in November 2019, the Management Company held a dialogue with the management of Sparebanken Vest. The dialogue concerned the implementation of a requirement that a minimum of 2/3 of the shareholders in the company

are required to approve the issue of new share certificates. Shareholders in savings banks in Norway can have a maximum of 40 percent of the votes at a general meeting. As a result, other stakeholders in the bank can take decisions that are not supported by other shareholders. Shareholders in Sparerbanken Vest have only 20 percent of the votes at a general meeting, although they comprise almost 40 percent of the capital. The Management Company is discussing the proposal with bank management. The proposal will naturally improve corporate governance (G) and has explicit support among other shareholders.

- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund did not have any holdings in these companies.
- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.

General meetings and nomination committees

The Management Company voted at 12 annual general meetings on behalf of the fund during the year.

The Management Company participated in one nomination committee on behalf of the fund: Data Respons ASA.



Handelsbanken Svenska Småbolag

Management Report

Investment Focus

The fund is actively managed, which means that the fund manager is responsible for taking the active investment decisions. The fund's objective is to outperform the returns of the underlying market, defined as the benchmark index, over the long term. The fund invests in equities issued by smaller and mid-sized companies in Sweden whose market value at the time of investment does not exceed 1% of the total market value of the Swedish equity market. The fund may also invest in larger companies and in unlisted companies if we deem it 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 are taken into consideration with regard to the environment, social responsibility and governance within the scope of the fund's investment focus. A restrictive position is applied to fossil fuels and criteria for companies with operations in the weapons, tobacco, alcohol, gaming and pornography segments/sectors are taken into consideration. Further information is available in the fund's information brochure. We compare the fund's performance with SIX SRI Sweden 200 Small Cap Gross Index. As the fund is actively managed the performance will over time deviate from this index.

Portfolio

The fund rose 37.8% in 2019*. Performance on the Stockholm stock market was very strong during H2, with small caps at the forefront. The performance was driven by encouraging progress in the trade discussions between the US and China. Indicators showing a cyclical rebound in H1 2020 also encouraged the equity markets and the cyclical sectors. Company reports in general were in line with expectations, although on the positive side several companies showed decisiveness in the form of shareholder-friendly measures such as cost savings, visibility of hidden values and structural business deals. Sinch, Klövern and Getinge were the strongest contributors to fund returns, while Hansa Biopharma, Veoneer and Micro Systemation had a negative impact.

*) 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

An investment in an equity fund is characterised by high risk as well as by the potential for high returns. As a result, the value of the fund can fluctuate significantly over time. The fund's investments are concentrated geographically to equities issued by smaller and mid-sized companies in Sweden. As a result, the risk in the fund is higher than an investment in a diversified global equity fund that distributes its investments across several regions. However, the fund's investments are made in companies in several sectors or branches that contribute to lowering the risk in the fund over time. The fund's liquidity risk is deemed to be moderately high due to the fund's size in relation to the size or turnover of the markets and securities in which the fund invests. This can impact the fund's ability to complete the purchase and sale of securities under stressful market conditions. The fund may invest in derivatives to protect the value of the fund's underlying assets, to maintain the desired level of risk in the fund portfolio or to minimise management costs. The volume of trading is limited where applicable and is expected to have a marginal impact on the fund's risk profile.

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 2019. The

fund has the option of lending securities. The fund used this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

As of April 30, 2019 the fund changed its index from Carnegie Small Cap Return Index Gross (CSRXSSE) to SIX SRI Sweden 200 Small Cap Gross Index. The reason for the change of index was a sustainability adjustment of the fund to exclude more controversial activities than before. As of June 1, 2019 the fund changed its fund rules. The fund changed its name from Handelsbanken Svenska Småbolagsfond to Handelsbanken Svenska Småbolag.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Shareholder commitments

Based on the Management Company's Policy for Shareholder Engagement, which includes guidelines for responsible investment, voting at general meetings, work on the nomination committee, and dialogue with the portfolio management companies are undertaken independently or in collaboration with others. It is our understanding that this work leads to better governance and reduced sustainability risks in the portfolio management companies, which in turn leads to a positive value growth.

The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management Company then takes independent decisions on those matters that will be subject to a vote or another decision-making process.

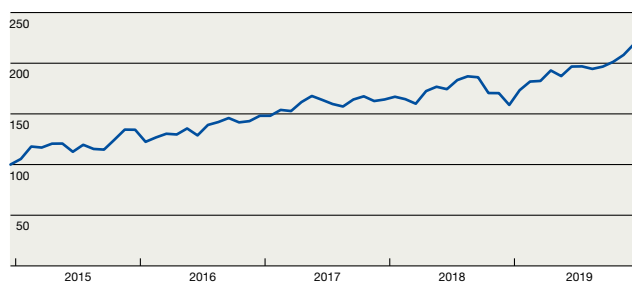
The Management Company normally votes for all of the equities in the fund in those companies where voting takes place, although there are exceptions, such as in markets where the equities are in a lock-up period to enable registration for voting at a general meeting. Any securities loans are typically recalled prior to a general meeting to ensure that votes can be cast for all of the equities, although the securities loans can remain in effect at the time of the general meeting if it is deemed to be in the common interest of unit holders and there is no significant impact on active ownership.

No conflicts of interest have arisen between the Management Company and the portfolio management company in conjunction with the funds' investments. Information is available in the Management Company's Policy for Shareholder Engagement on how the Management Company in general manages conflicts of interest that can arise as a result of the funds' investments.

Read more about how Handelsbanken Fonder acts in ownership matters and about the fund company's guidelines for responsible investments in the company's Policy for shareholder engagement and responsible investments which can be found under <https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>

Handelsbanken Svenska Småbolag, cont.

Fund Performance*



* Performance is shown in the fund's base currency. The fund may have several share classes, which are referred to in the Fund Facts.

Fund Facts - History

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net asset value										
Svenska Småbolag A1 - SEK	2,059.92	1,494.67	1,545.52	1,394.01	1,264.35	941.15	767.40	557.29	507.56	588.01
Svenska Småbolag A1 - EUR	196.04	147.48	-	-	-	-	-	-	-	-
Svenska Småbolag A10 - SEK	2,093.52	1,505.45	-	-	-	-	-	-	-	-
Svenska Småbolag B1 - SEK	1,593.26	1,186.88	1,280.07	1,201.13	1,137.78	878.10	743.83	557.29	-	-
Svenska Småbolag B10 - SEK	1,619.35	1,195.44	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	1,219	-2,003	393	730	1,770	855	1,540	-1,376	-	-
Fund capital total, mSEK	26,995	18,636	21,242	18,789	16,398	10,829	8,125	4,621	5,345	6,591
Svenska Småbolag A1 - SEK	21,891	15,760	20,824	18,515	16,298	10,773	8,070	4,617	5,345	6,591
Svenska Småbolag A1 - EUR	8	6	-	-	-	-	-	-	-	-
Svenska Småbolag A10 - SEK	4,293	2,404	-	-	-	-	-	-	-	-
Svenska Småbolag B1 - SEK	404	223	418	274	100	56	55	4	-	-
Svenska Småbolag B10 - SEK	326	187	-	-	-	-	-	-	-	-
Number of units, 1000's	13,172	12,527	13,800	13,510	12,978	11,510	10,590	8,291	10,531	11,209
Svenska Småbolag A1 - SEK	10,628	10,544	13,473	13,282	12,890	11,446	10,516	8,284	10,531	11,209
Svenska Småbolag A1 - EUR	39	42	-	-	-	-	-	-	-	-
Svenska Småbolag A10 - SEK	2,051	1,597	-	-	-	-	-	-	-	-
Svenska Småbolag B1 - SEK	253	188	327	228	88	64	73	7	-	-
Svenska Småbolag B10 - SEK	201	156	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Svenska Småbolag A1 - SEK	+37.8	-3.3	+10.9	+10.3	+34.3	+22.6	+37.7	+13.5	-12.3	+33.5
Svenska Småbolag A1 - EUR	+32.9	-6.2	-	-	-	-	-	-	-	-
Svenska Småbolag A10 - SEK	+39.1	-2.4	-	-	-	-	-	-	-	-
Svenska Småbolag B1 - SEK	-	-3.3	+10.9	+10.3	+34.3	+22.6	+37.7	+6.8	-	-
Svenska Småbolag B10 - SEK	+39.1	-2.4	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Svenska Småbolag A1 - SEK	+41.2	-0.2	+8.8	+12.2	+30.1	+21.6	+36.6	+12.6	-13.2	+30.6
Svenska Småbolag A1 - EUR	+36.2	-3.2	-	-	-	-	-	-	-	-
Svenska Småbolag A10 - SEK	+41.2	-0.2	-	-	-	-	-	-	-	-
Svenska Småbolag B1 - SEK	+41.2	-0.2	+8.8	+12.2	+30.1	+21.6	+36.6	+6.5	-	-
Svenska Småbolag B10 - SEK	+41.2	-0.2	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Svenska Småbolag A1 - SEK	3.2	3.2	2.3	2.3	1.8	1.3	1.1	1.5	1.5	1.5
Svenska Småbolag B1 - SEK	-	3.2	2.3	2.3	1.8	1.3	-	-	-	-
Svenska Småbolag A1 - EUR	3.2	3.2	-	-	-	-	-	-	-	-
Svenska Småbolag A10 - SEK	3.2	3.2	-	-	-	-	-	-	-	-
Svenska Småbolag B10 - SEK	3.2	3.2	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Svenska Småbolag A1 - SEK	+15.4	+3.5	+10.6	+21.7	+28.4	+30.0	+25.0	-0.3	+8.2	+50.8
Svenska Småbolag A1 - EUR	+11.7	+0.7	-	-	-	-	-	-	-	-
Svenska Småbolag A10 - SEK	+16.5	+4.5	-	-	-	-	-	-	-	-
Svenska Småbolag B1 - SEK	-	+3.5	+10.6	+21.7	+28.4	+30.0	-	-	-	-
Svenska Småbolag B10 - SEK	+16.5	+4.5	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+18.7	+4.2	+10.5	+20.8	+25.7	+28.9	+24.1	-1.1	+6.5	+48.6
EUR	+14.9	+1.3	-	-	-	-	-	-	-	-
Average yearly return, 5 yrs. %										
Svenska Småbolag A1 - SEK	+17.0	+14.3	+22.6	+23.2	+17.7	+17.5	+25.5	+5.1	+1.2	+10.8
Svenska Småbolag A1 - EUR	+14.6	+11.2	-	-	-	-	-	-	-	-
Svenska Småbolag A10 - SEK	+18.0	+15.3	-	-	-	-	-	-	-	-
Svenska Småbolag B1 - SEK	-	+14.3	+22.6	-	-	-	-	-	-	-
Svenska Småbolag B10 - SEK	+18.0	+15.3	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+17.5	+14.0	+21.4	+22.2	+16.1	+16.2	+24.1	+3.7	-0.2	+9.5
EUR	+15.1	+11.0	-	-	-	-	-	-	-	-
Average yearly return, 10 yrs. %										
Svenska Småbolag A1 - SEK	+17.2	+19.8	+13.5	+11.6	+14.2	+15.0	+14.5	+14.6	+9.7	+8.7
Svenska Småbolag A1 - EUR	+17.0	+20.7	-	-	-	-	-	-	-	-
Svenska Småbolag A10 - SEK	+18.3	+20.8	-	-	-	-	-	-	-	-
Svenska Småbolag B10 - SEK	+18.3	+20.8	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+16.9	+19.0	+12.2	+10.5	+12.7	+14.2	+14.2	+14.4	+9.8	+9.6
EUR	+16.6	+19.9	-	-	-	-	-	-	-	-
Dividends per unit, SEK										
Svenska Småbolag A1 - SEK	-	-	-	-	-	-	-	17.88	8.46	6.70
Svenska Småbolag B1 - SEK	35.61	51.20	48.05	45.51	35.12	29.75	19.51	0.00	-	-
Svenska Småbolag B10 - SEK	35.86	51.20	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.51	10.13	-	-	-	-	-	-	-	-

Benchmark: SIX SRI Sweden 200 Small Cap Gross Index

Up to 30/04/2019: Carnegie Small Cap Return Index Gross (CSRSE)

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 information provided by the Management Company.

Refer to the last page for definitions.

Handelsbanken Svenska Småbolag, cont.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Svenska Småbolag A1	1.50
Svenska Småbolag A10	0.60
Svenska Småbolag B1	1.50
Svenska Småbolag B10	0.60
Collected mgmt. costs in % of average fund capital	
Svenska Småbolag A1	1.50
Svenska Småbolag A10	0.60
Svenska Småbolag B1	1.50
Svenska Småbolag B10	0.60
Annual fees in %	
Svenska Småbolag A1	1.50
Svenska Småbolag A10	0.60
Svenska Småbolag B1	1.50
Svenska Småbolag B10	0.60
Transaction costs, SEKt	9,256
Transaction costs in % of turnover	0.03
Costs in SEK for a one-time subscription, 10 000 SEK	
Svenska Småbolag A1	181.26
Svenska Småbolag A10	72.84
Svenska Småbolag B1	181.26
Svenska Småbolag B10	72.84
Costs in SEK for monthly savings, 100 SEK	
Svenska Småbolag A1	10.59
Svenska Småbolag A10	4.25
Svenska Småbolag B1	10.59
Svenska Småbolag B10	4.25

Fund Facts - Other Key Figures

Turnover rate	0.6
Share of turnover conducted via closely-related securities companies in %	17.9
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	14.5	Information ratio - A1 SEK	Negative
Total risk % - A1 EUR	14.7	Information ratio - A1 EUR	Negative
Total risk % - A10 SEK	14.5	Information ratio - A10 SEK	Negative
Total risk % - B10 SEK	14.5	Information ratio - B10 SEK	Negative
Total risk in index % - A1 SEK	12.6	Sharpe ratio - A1 SEK	1.1
Total risk in index % - A1 EUR	12.6	Sharpe ratio - A1 EUR	0.8
Total risk in index % - A10 SEK	12.6	Sharpe ratio - A10 SEK	1.2
Total risk in index % - B1 SEK	12.6	Sharpe ratio - B10 SEK	1.2
Total risk in index % - B10 SEK	12.6	Sharpe ratio in index - A1 SEK	1.5
Benchmark SIX SRI Sweden 200 Small Cap Gross Index		Sharpe ratio in index - A1 EUR	1.2
Active Share % ¹⁾	42.5	Sharpe ratio in index - A10 SEK	1.5
Active return % - A1 SEK	-3.3	Sharpe ratio in index - B1 SEK	1.5
Active return % - A1 EUR	-3.2	Sharpe ratio in index - B10 SEK	1.5
Active return % - A10 SEK	-2.3		
Active return % - B10 SEK	-2.3		

1) As of the balance sheet date.
 * 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.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities*	6,939,551	-783,757
Interest income	-135	-788
Dividends	502,173	472,403
Currency exchange profits and losses, net	757	-536
Other financial income ¹⁾	22,981	13,881
Other income	0	6,420
Total income and changes in value	7,465,327	-292,377
EXPENSES		
Management costs:		
- Remuneration to the Management Company	309,702	295,757
Interest expense	12	14
Other financial expenses ²⁾	4,604	2,776
Other expenses	9,678	8,405
Total expenses	323,996	306,952
Net income	7,141,331	-599,329
* Details of changes in value		
Capital gains	2,787,990	3,918,621
Capital losses	-838,346	-692,119
Unrealised gains/losses	4,989,907	-4,010,259
Sum	6,939,551	-783,757

1) The item consists primarily of premiums for securities lent.
 2) The items consist primarily of expenses for securities borrowed.

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	26,675,499	98.8	17,850,318	95.8
Total financial instruments with positive market value ^{Note 2)}	26,675,499	98.8	17,850,318	95.8
Bank assets and other liquid assets	450,690	1.7	864,222	4.6
Prepaid expenses and accrued income ¹⁾	5,164	0.0	6,520	0.0
Other assets	2,210	0.0	38,726	0.3
Total assets	27,133,563	100.5	18,759,786	100.7
LIABILITIES				
Accrued expenses and prepaid income	30,084	0.1	22,691	0.1
Other liabilities	108,966	0.4	100,806	0.6
Total liabilities	139,050	0.5	123,497	0.7
Fund capital ^{Note 1)}	26,994,513	100.0	18,636,289	100.0
Financial instruments lent	545,522	2.0	597,026	3.2
Collateral received for financial instruments lent	591,262	2.2	702,097	3.8

1) The item consists primarily of premiums for securities lent.

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	18,636,289	21,241,591
Units issued	4,333,306	4,916,935
Units redeemed	-3,103,473	-6,905,622
Profit according to Income Statement	7,141,331	-599,329
Dividends to unit holders	-12,940	-17,286
Fund capital at the close of the period	26,994,513	18,636,289

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
AcadeMedia	4,400,000	242,440	0.9
Bonava	3,900,000	388,050	1.4
Dometic Group	1,300,000	122,616	0.5
Electrolux B	4,500,000	1,034,550	3.8
Husqvarna B	9,200,000	690,184	2.6
JM	1,600,000	443,840	1.6
Modern Times Group B	1,000,000	111,650	0.4
Nobia	4,100,000	286,180	1.1
Pandox B	287,000	60,844	0.2
Storytel B	1,720,000	246,304	0.9
Thule Group	650,000	140,400	0.5
Veoneer Inc	1,750,000	262,325	1.0
		4,029,383	14.9
CONSUMER STAPLES			
AarhusKarlshamn	1,300,000	231,400	0.9
Scandi Standard	2,000,000	148,800	0.6
		380,200	1.4
FINANCIALS AND REAL ESTATE			
Amasten	7,223,421	61,399	0.2
Balder B	2,325,000	1,007,190	3.7
Dios Fastigheter	3,100,000	265,980	1.0
Fabege	2,300,000	358,110	1.3
Kinnevik B	1,800,000	412,200	1.5
Klöver B	17,000,000	390,660	1.4
Kungsleden	3,550,000	349,320	1.3
Nyfosa	5,300,000	429,300	1.6
Resurs	5,500,000	330,825	1.2
Sagax B	900,000	122,580	0.5
Volati	4,425,000	180,983	0.7
Wihlborgs	1,400,000	241,500	0.9
		4,150,047	15.4
HEALTH CARE			
Ambea	3,000,000	235,500	0.9
Ascelia Pharma AB	1,050,000	24,780	0.1
Bactiguard B	1,630,000	134,638	0.5
BioArctic B	1,700,000	161,330	0.6
BioGaia	370,000	157,065	0.6
Biotage	1,600,000	198,400	0.7
Calliditas Therapeutics AB	850,000	64,345	0.2
Cellink B	430,000	143,620	0.5
Elekta B	6,000,000	740,100	2.7
Getinge B	2,100,000	365,400	1.4
Hansa Medical	500,000	41,925	0.2
Immunovia	1,100,000	197,560	0.7
Infant Bacterial Therapeutics B	290,000	41,470	0.2
IRLAB	463,341	16,958	0.1
Isotrol Medical	1,300,000	26,260	0.1
Lifco B	1,100,000	629,200	2.3
Midsona B	758,457	37,468	0.1
Oncoceptides	2,150,000	272,835	1.0
Reciphar B	1,800,000	268,200	1.0

Handelsbanken Svenska Småbolag, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Sedana Medical	730,000	99,134	0.4
Surgical Science Sweden AB	202,209	85,737	0.3
Swedish Orphan Biovitrum	3,250,000	502,125	1.9
Synthetic	130,000	28,990	0.1
		4,473,040	16.6
INDUSTRIALS			
Addtech B	650,000	196,950	0.7
ÅF B	2,400,000	524,640	1.9
Alimak Group	1,200,000	167,520	0.6
Beijer Ref B	1,500,000	412,200	1.5
Bravida Holding	1,500,000	136,425	0.5
Concentric	1,100,000	174,900	0.6
Coor Service Management	2,000,000	164,800	0.6
Fagerhult	2,400,000	142,800	0.5
Hexatron Group	1,900,000	115,330	0.4
Indutrade	850,000	284,920	1.1
Instalco	1,000,000	135,200	0.5
Intrum Justitia	3,750,000	1,047,750	3.9
Inwido	1,700,000	122,570	0.5
Loomis B	1,400,000	542,920	2.0
Momentum Group B	1,250,000	145,750	0.5
Munters Group B	3,200,000	156,992	0.6
NCC B	1,600,000	245,120	0.9
NIBE Industrier B	3,500,000	568,400	2.1
Peab B	5,800,000	543,750	2.0
Securitas B	1,500,000	242,175	0.9
Serendipity Innovations B	1,050,000	78,750	0.3
Trelleborg B	5,000,000	842,750	3.1
		6,992,612	25.9
INFORMATION TECHNOLOGY			
Bygghemma Group	1,600,000	93,440	0.3
ENEÅ Ord Shs1	800,000	144,800	0.5
Micronic Mydata	1,000,000	185,100	0.7
Net Insight B	3,000,000	6,900	0.0
Nolato B	525,000	288,750	1.1
Paradox Interactive Ord Shs	1,912,694	286,904	1.1
SINCH	2,200,000	630,300	2.3
Stillfront	640,000	235,200	0.9
Tobii Technology	5,550,000	208,458	0.8
		2,079,852	7.7
MATERIALS			
BillerudKorsnäs	1,800,000	199,170	0.7
Boliden1	3,200,000	795,200	2.9
Gränges	2,300,000	227,585	0.8
Hexpol B	2,300,000	211,140	0.8
Lindab International	2,450,000	293,020	1.1
SCA B	8,000,000	760,000	2.8
SSAB B	17,000,000	518,840	1.9
		3,004,955	11.1
TELECOMMUNICATION SERVICES			
Embracer B	8,300,000	587,474	2.2
Invisio Communications	2,850,000	290,130	1.1
Millicom	750,000	336,450	1.2
Nordic Entertainment	850,000	257,380	1.0
Ovzon	1,000,000	64,800	0.2
		1,536,233	5.7
OTHER			
Micro Systemation	600,000	21,900	0.1
		21,900	0.1
Total listed equities		26,668,222	98.8

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
UNLISTED EQUITIES***			
HEALTH CARE			
IRLAB Therapeutics BTA 2019-12-13	269,500	7,277	0.0
		7,277	0.0
Total unlisted equities		7,277	0.0
Total transferable securities		26,675,499	98.8
Total holdings in financial instruments		26,675,499	98.8
Net, other assets and liabilities		319,014	1.2
Total fund capital		26,994,513	100.0

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 98.8

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46). -

*** Refers to other financial instruments. -

Additional information on loaned securities

Volume of lent securities as a % of total lendable assets 2.05

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

U.S.A.	148 887
The British Government	114 333
The French Government	30 670
The Dutch Government	28 710
The German Government	19 291
Tencent Holdings Ltd	11 040
China Construction Bank Corp	10 408
Sony Corp	10 300
Japan Airlines Co Ltd	10 299
China Mobile Ltd	10 184

The largest counterparties for securities lending, SEK thousand:

Morgan Stanley & Co International Plc, Great Britain	242 266
Skandinaviska Enskilda Banken AB (publ), Sweden	182 463
J.P. Morgan Securities Plc, Great Britain	39 953
Merrill Lynch Intl, Great Britain	37 146
Citigroup Global Markets Ltd, Great Britain	25 483
Svenska Handelsbanken AB (publ), Sweden	15 177
UBS AG, London Branch, Great Britain	1 624
Credit Suisse Securities (Europe) Ltd, Great Britain	1 210
	545 522

Type and quality of collateral, SEK thousand:

Equities	240 885
Bonds and other interest-bearing instruments	350 377
	591 262

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 one day	-
One day to one week	77
One week to one month	3 770
One to three months	17 168
Three months to one year	35 005
Greater than one year	294 357
Indeterminate duration	240 885
	591 262

Currency of the collateral, SEK thousand:

AUD	31
CAD	96
CHF	898
DKK	9
EUR	109 212
GBP	150 579
HKD	42 090
JPY	110 847
SEK	1 637
SGD	298
USD	175 565
	591 262

The profile of the duration for securities lending is undetermined, but may be immediately terminated. Settlement and clearing for securities lending is conducted through a third party. The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 21 SEK 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:

-Citigroup Global Markets Ltd, Great Britain
 -Credit Suisse Securities (Europe) Ltd, Great Britain
 -J.P. Morgan Securities Plc, Great Britain
 -Merrill Lynch Intl, Great Britain
 -Morgan Stanley & Co International Plc, Great Britain
 -Skandinaviska Enskilda Banken AB (publ), Sweden
 -Svenska Handelsbanken AB (publ), Sweden
 -UBS AG, London Branch, Great Britain

Handelsbanken Svenska Småbolag

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes in its entirety companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies with key activities within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We conduct dialogues for the purpose of encouraging companies to improve their

sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
 - B. Dialogues together with other investors/capital owners
 - C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP
- A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.
- B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.
- C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

Annual General Meetings and nomination committees

Handelsbanken Fonder normally votes at general meetings in those companies where ownership exceeds 0.5 or when there is a vote on matters of particular concern. 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 general meetings.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.

Follow-up of sustainability work

Inclusion

The refrigeration and air conditioning wholesaler Beijer Ref is one of Europe's largest distributors of cooling systems and air conditioning. A new F-gas regulation has been implemented in Europe to rapidly phase out the F-gases used in cooling systems that are harmful for the environment. This legislation will have clear positive effects on the climate and also strengthens Beijer Ref's business, as all of Europe's refrigerated display units will be replaced and operated by more environmentally-friendly refrigerants.

During the year we invested in Scandi Standard, which is one of the Nordics' largest producers of chicken, a protein source that has one-tenth of the carbon footprint compared to red meat. The company's growth has accelerated as consumers are becoming more environment-oriented in their choices, as well as that new product categories are being launched to meet the increased interest for chicken as a source of protein.

The Management Company's engagement activities

- A. The fund was not engaged in any targeted dialogues directly with companies during the year.
- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund held holdings in two of these companies.

One of the companies subject to dialogue was Loomis AB. The dialogue concerned allegations that the company does not respect the right to union representation for its employees in Turkey.

- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.

General meetings and nomination committees

The Management Company voted at 95 annual general meetings on behalf of the fund during the year.

Discussions were held concerning gender balance in several boards through the nomination committees in which we are represented. Examples of companies affected by this include Intrum AB and Storytel AB.

The Management Company participated in 23 nomination committees on behalf of the fund: AcadeMedia AB, Alimak Group AB, Cellink AB, Hansa Medical AB, Hexatronic AB, Immunovia AB, Indutrade AB, Intrum AB, Instalco Intressenter AB, Inwido AB, Invisio AB, Isofol Medical AB, Kungsleden AB, Midsona AB, Momentum Group AB, Net Insight AB, Resurs Holding AB, Stillfront Group AB, Storytel AB, Swedol AB, Thule AB, Tobii AB and ÅF Pöyry AB.



Handelsbanken Sverige

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The objective is to exceed the returns in the underlying market (defined as the benchmark index) over the long term. The fund invests in equities issued by companies in Sweden. 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 on companies active within the fossil fuel, war materials, tobacco, cannabis, alcohol, commercial gambling and pornography areas/sectors. However, the fund may invest in companies that are involved in power generation, distribution or services related to fossil fuel in which the company is deemed to be transitioning its business operations to more renewable energy. Further information is available in the fund's information brochure. We compare fund performance with SIX SRI Sweden Index GI. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 39.1% in 2019*. The outset of the year was dominated by a returning risk appetite and higher equity prices after the weak close to the previous year. However, the strong start to the year slowed down towards the end of the spring months when the discussions related to trade barriers between the US and China were again in focus. Concerns about the economy increased in the summer and outlook indicators appeared weak during late summer. However, we saw signs of new growth in the autumn that fuelled the market, which rose sharply in the final months of the year. The fund's positioning at the beginning of the year focused on benefiting from the return of the risk appetite, as valuations were very attractive for many companies. However, as reality caught up and focus turned to the increasingly chilly trade relations between the US and China, the fund took a more cautious position, to then increase the cyclical exposure in late summer. Overall, this was very positive for the fund. The computer development company Stillfront, the cloud-based communication services company Sinch and the refrigeration wholesaler Beijer Ref. were the strongest equities in the portfolio during 2019, while SOBI, Nordea and IAR Systems were the weakest.

* 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

An investment in an equity fund is characterised by high risk as well as by the potential for high returns. As a result, the value of the fund can fluctuate significantly over time. The fund's investments are concentrated geographically to equities issued by companies in Sweden. As a result, the risk in the fund is higher than an investment in a diversified global equity fund that distributes its investments across several regions. However, the fund's investments are made in companies in several sectors or branches that contribute to lowering the risk in the fund over time. The fund may invest in derivatives to protect the value of the fund's underlying assets, to maintain the desired level of risk in the fund portfolio or to minimise management costs. The volume of trading is limited where applicable and is expected to have a marginal impact on the fund's risk profile.

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 2019. The fund has the option of lending securities. The fund used this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

As of June 1, 2019 the fund changed its fund rules. The fund changed its name from Handelsbanken Sverigefond to Handelsbanken Sverige.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Shareholder commitments

Based on the Management Company's Policy for Shareholder Engagement, which includes guidelines for responsible investment, voting at general meetings, work on the nomination committee, and dialogue with the portfolio management companies are undertaken independently or in collaboration with others. It is our understanding that this work leads to better governance and reduced sustainability risks in the portfolio management companies, which in turn leads to a positive value growth.

The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management Company then takes independent decisions on those matters that will be subject to a vote or another decision-making process.

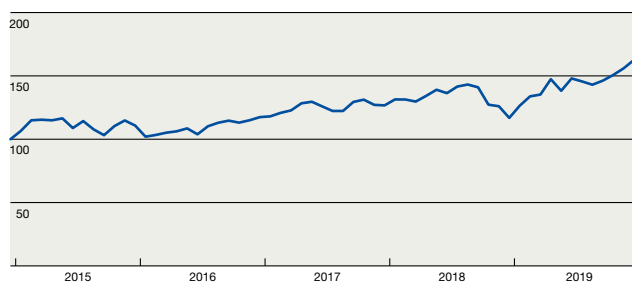
The Management Company normally votes for all of the equities in the fund in those companies where voting takes place, although there are exceptions, such as in markets where the equities are in a lock-up period to enable registration for voting at a general meeting. Any securities loans are typically recalled prior to a general meeting to ensure that votes can be cast for all of the equities, although the securities loans can remain in effect at the time of the general meeting if it is deemed to be in the common interest of unit holders and there is no significant impact on active ownership.

No conflicts of interest have arisen between the Management Company and the portfolio management company in conjunction with the funds' investments. Information is available in the Management Company's Policy for Shareholder Engagement on how the Management Company in general manages conflicts of interest that can arise as a result of the funds' investments.

Read more about how Handelsbanken Fonder acts in ownership matters and about the fund company's guidelines for responsible investments in the company's Policy for shareholder engagement and responsible investments which can be found under <https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>

Handelsbanken Sverige, cont.

Fund Performance*



Fund Facts - History

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net asset value, SEK										
Sverige A1 ¹⁾	2,375.26	1,707.13	1,851.47	1,716.07	1,618.57	1,461.18	1,254.77	997.49	895.42	1,071.42
Sverige A10	2,396.73	1,713.97	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	-590	-406	-759	-1,255	-690	-381	-695	-255	-	-
Fund capital total, mSEK	11,786	8,825	9,960	9,950	10,593	10,219	-	-	-	-
Sverige A1	11,779	8,810	9,960	9,950	10,593	10,219	9,126	7,863	7,079	8,776
Sverige A10	7	15	-	-	-	-	-	-	-	-
Number of units, 1000's	4,962	5,170	5,380	5,798	6,545	-	-	-	-	-
Sverige A1	4,959	5,161	5,380	5,798	6,545	6,994	7,273	7,883	7,906	8,191
Sverige A10	3	9	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Sverige A1	+39.1	-7.8	+7.9	+6.0	+10.8	+16.4	+25.8	+15.8	-14.6	+25.7
Sverige A10	+39.8	-7.3	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Sverige A1	+35.1	-4.4	+7.6	+9.3	+10.5	+15.9	+28.0	+16.7	-13.6	+26.9
Sverige A10	+35.1	-4.4	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Sverige A1	5.3	4.8	1.8	1.5	1.1	1.0	0.7	0.7	0.7	0.8
Sverige A10	5.3	4.8	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Sverige A1	+13.3	-0.3	+7.0	+8.4	+13.6	+21.0	+20.7	-0.5	+3.6	+38.7
Sverige A10	+13.8	+0.2	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+13.6	+1.4	+8.4	+9.9	+13.2	+21.8	+22.2	+0.4	+4.7	+39.5
Average yearly return, 5 yrs. %										
Sverige A1	+10.2	+6.4	+13.2	+14.8	+9.9	+12.7	+19.1	+3.0	-0.1	+7.9
Sverige A10	+10.8	+7.0	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+10.9	+7.6	+14.0	+15.9	+10.6	+13.7	+20.2	+3.6	0.0	+8.0
Average yearly return, 10 yrs. %										
Sverige A1	+11.5	+12.5	+8.0	+7.1	+8.9	+11.1	+10.8	+11.2	+4.2	+4.6
Sverige A10	+12.3	+13.4	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+12.3	+13.7	+8.7	+7.7	+9.3	+11.7	+12.1	+12.7	+6.3	+6.6
Dividends per unit, SEK	-	-	-	-	-	-	-	38.87	22.17	19.11

¹⁾ The net asset value was adjusted on June 16, 2014 after a judgment in the Administrative Court in Falun. Pursuant to the judgment, funds with U.S. Holdings shall be charged with full U.S. withholding taxes as of January 1, 2012. As of June 16, 2014, full U.S. withholdings taxes were deducted until an Administrative Court of Appeals in Sundsvall changed the Administrative Court's judgment on March 30, 2015, and the withholding taxes previously reserved were repaid to each fund concerned.

Benchmark: SIX SRI Sweden Index GI

Up to 01/05/2016: SIX Portfolio Return Index (SIXPRX)

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 information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Sverige A1	1.00
Sverige A10	0.50
Collected mgmt. costs in % of average fund capital	
Sverige A1	1.00
Sverige A10	0.50
Annual fees in %	
Sverige A1	1.00
Sverige A10	0.50
Transaction costs, SEKt	6,569
Transaction costs in % of turnover	0.02
Costs in SEK for a one-time subscription, 10 000 SEK	
Sverige A1	121.87
Sverige A10	61.09
Costs in SEK for monthly savings, 100 SEK	
Sverige A1	7.09
Sverige A10	3.55

Risk and Return Measurements*

Total risk % - A1 SEK	16.2	Information ratio - A1 SEK	Negative
Total risk % - A10 SEK	16.2	Information ratio - A10 SEK	0.0
Total risk in index % - A1 SEK	13.7	Sharpe ratio - A1 SEK	0.9
Total risk in index % - A10 SEK	13.7	Sharpe ratio - A10 SEK	0.9
Benchmark	SIX SRI Sweden Index GI	Sharpe ratio in index - A1 SEK	1.0
Active Share % ¹⁾	54.3	Sharpe ratio in index - A10 SEK	1.0
Active return % - A1 SEK	-0.4		
Active return % - A10 SEK	0.2		

¹⁾ As of the balance sheet date.

* 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.

Fund Facts - Other Key Figures

Turnover rate	1.1
Share of turnover conducted via closely-related securities companies in %	24.2
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Handelsbanken Sverige, cont.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	3,389,492	-907,474
Interest income	-9	-97
Dividends	278,367	280,113
Currency exchange profits and losses, net	2	-1
Other financial income ¹⁾	2,755	4,354
Other income	0	1,330
Total income and changes in value	3,670,607	-621,775
EXPENSES		
Management costs:		
- Remuneration to the Management Company	112,713	101,775
Interest expense	12	6
Other financial expenses ²⁾	553	871
Other expenses	6,650	4,571
Total expenses	119,928	107,223
Net income	3,550,679	-728,998
* Details of changes in value		
Capital gains	1,734,060	1,300,558
Capital losses	-422,090	-612,457
Unrealised gains/losses	2,077,522	-1,595,575
Sum	3,389,492	-907,474

¹⁾ The item consists primarily of premiums for securities lent.²⁾ The items consist primarily of expenses for securities borrowed.

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	11,616,513	98.6	8,688,983	98.5
Total financial instruments with positive market value ^{Note 2)}	11,616,513	98.6	8,688,983	98.5
Bank assets and other liquid assets	154,741	1.3	163,041	1.9
Prepaid expenses and accrued income	302	0.0	86	0.0
Other assets	90,586	0.8	61,084	0.6
Total assets	11,862,142	100.7	8,913,194	101.0
LIABILITIES				
Accrued expenses and prepaid income	10,295	0.1	7,728	0.1
Other liabilities	66,076	0.6	79,983	0.9
Total liabilities	76,371	0.7	87,711	1.0
Fund capital ^{Note 1)}	11,785,771	100.0	8,825,483	100.0
Financial instruments lent	583,212	4.9	37,296	0.4
Collateral received for financial instruments lent	649,909	5.5	40,629	0.5

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	8,825,483	9,960,060
Units issued ¹⁾	1,588,543	567,443
Units redeemed	-2,178,934	-973,022
Profit according to Income Statement	3,550,679	-728,998
Dividends to unit holders	-	-
Fund capital at the close of the period	11,785,771	8,825,483

¹⁾ SEK 934 643 t refers to the total capital of Bosparfond Bostadsrätterna which was merged on 22 March 2019.

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
Autoliv	161,419	127,682	1.1
Bufab	1,299,618	169,730	1.4
Dustin Group	1,135,000	85,295	0.7
Electrolux B	515,000	118,399	1.0
Husqvarna B	1,359,800	102,012	0.9
Storytel B	2,302,032	329,651	2.8
Thule Group	312,547	67,510	0.6
		1,000,280	8.5
CONSUMER STAPLES			
Essity B	1,445,700	436,312	3.7
Scandi Standard	500,000	37,200	0.3
		473,512	4.0
FINANCIALS AND REAL ESTATE			
Balder B	468,200	202,824	1.7
EQT	771,500	84,016	0.7
Handelsbanken A	3,190,000	321,871	2.7
Investor B	1,396,000	713,635	6.1
Nordea Bank Abp Stockholm	2,025,000	153,171	1.3
SEB A	2,640,500	232,575	2.0
		1,708,093	14.5

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
HEALTH CARE			
AstraZeneca SDB	323,750	304,390	2.6
Elekta B	645,000	79,561	0.7
Lifco B	185,903	106,337	0.9
		490,287	4.2
INDUSTRIALS			
ABB SDB	813,500	183,119	1.6
ÅF B	1,146,742	250,678	2.1
Alfa Laval	428,300	101,036	0.9
Alimak Group	586,999	81,945	0.7
Assa Abloy B	1,492,500	326,858	2.8
Atlas Copco B1	2,370,000	770,724	6.5
Beijer Ref B	669,824	184,068	1.6
Concentric	1,058,173	168,250	1.4
EPIROC B	2,857,500	317,325	2.7
Hexagon B	993,100	521,378	4.4
Indutrade	252,800	84,739	0.7
Intrum Justitia	800,678	223,709	1.9
Munters Group B	1,000,000	49,060	0.4
Sandvik	1,710,500	312,423	2.7
Securitas B	200,000	32,290	0.3
Trelleborg B	1,801,500	303,643	2.6
Trox Group A	1,492,350	180,276	1.5
Volvo B	4,175,300	655,105	5.6
		4,746,623	40.3
INFORMATION TECHNOLOGY			
Addnode B	847,200	151,225	1.3
Bygghemma Group	1,117,500	65,262	0.6
Ericsson B	4,046,000	329,992	2.8
HMS Network AB	661,080	114,235	1.0
Knowit	325,000	67,763	0.6
Lagercrantz B	1,261,589	184,697	1.6
Micronic Mydata	471,600	87,293	0.7
Paradox Interactive Ord Shs	2,852,872	427,931	3.6
SINCH	765,221	219,236	1.9
Stillfront	1,136,895	417,809	3.5
Tobii Technology	675,000	25,353	0.2
		2,090,794	17.7
MATERIALS			
Boliden1	402,000	99,897	0.8
SCA B	1,591,500	151,193	1.3
		251,090	2.1
TELECOMMUNICATION SERVICES			
Embracer B	9,434,664	667,786	5.7
Millicom	257,780	115,640	1.0
Tele2 B	533,000	72,408	0.6
		855,834	7.3
Total listed equities		11,616,513	98.6
Total transferable securities		11,616,513	98.6
Total holdings in financial instruments		11,616,513	98.6
Net, other assets and liabilities		169,258	1.4
Total fund capital		11,785,771	100.0

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

98.6

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

-

Additional information on loaned securities

Volume of lent securities as a % of total lendable assets 5.01

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

The British Government	155 852
U.S.A	90 598
The French Government	55 656
The German Government	29 959
The Dutch Government	16 064
The Federal Government of Belgium	15 856
Marubeni Corp	13 212
Toyota Motor Corp	11 416
Central Japan Railway Co	10 978
Oriental Land Co Ltd/Japan	10 912

The largest counterparties for securities lending, SEK thousand:

J.P. Morgan Securities Plc, Great Britain	194 680
Merrill Lynch Intl, Great Britain	116 890
Credit Suisse AG, Dublin Branch, Ireland	112 660
Morgan Stanley & Co International Plc, Great Britain	81 373
Skandinaviska Enskilda Banken AB (publ), Sweden	67 024
UBS AG, London Branch, Great Britain	5 695
Svenska Handelsbanken AB (publ), Sweden	4 882
	583 212

Handelsbanken Sverige, cont.

Type and quality of collateral, SEK thousand:

Equities	275 352
Bonds and other interest-bearing instruments	374 557
	649 909

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 one day	-
One day to one week	74
One week to one month	3 582
One to three months	4 059
Three months to one year	44 503
Greater than one year	322 338
Indeterminate duration	275 352
	649 909

Currency of the collateral, SEK thousand:

AUD	253
CAD	7 117
CHF	1 285
EUR	159 298
GBP	189 666
HKD	28 583
JPY	90 750
SEK	1 267
SGD	1 894
USD	169 796
	649 909

The profile of the duration for securities lending is undetermined, but may be immediately terminated. Settlement and clearing for securities lending is conducted through a third party. The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 21 SEK 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:

-Citigroup Global Markets Ltd, Great Britain
 -Credit Suisse AG, Dublin Branch, Ireland
 -Credit Suisse Securities (Europe) Ltd, Great Britain
 -HSBC Bank Plc, Great Britain, Great Britain
 -J.P. Morgan Securities Plc, Great Britain
 -Merrill Lynch Intl, Great Britain
 -Morgan Stanley & Co International Plc, Great Britain
 -Skandinaviska Enskilda Banken AB (publ), Sweden
 -Svenska Handelsbanken AB (publ), Sweden
 -UBS AG, London Branch, Great Britain

Handelsbanken Sverige

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes in its entirety companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies with key activities within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We conduct dialogues for the purpose of encouraging companies to improve their

sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
 - B. Dialogues together with other investors/capital owners
 - C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP
- A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.
- B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.
- C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

Annual General Meetings and nomination committees

Handelsbanken Fonder normally votes at general meetings in those companies where ownership exceeds 0.5 or when there is a vote on matters of particular concern. 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 general meetings.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.

Follow-up of sustainability work

Inclusion

The refrigeration and air conditioning wholesaler Beijer Ref is one of Europe's largest distributors of cooling systems and air conditioning. A new F-gas regulation has been implemented in Europe to rapidly phase out the F-gases used in cooling systems that are harmful for the environment. This legislation will have clear positive effects on the climate and also strengthens Beijer Ref's business, as all of Europe's refrigerated display units will be replaced and operated by more environmentally-friendly refrigerants.

During the year we invested in Scandi Standard, which is one of the Nordics' largest producers of chicken, a protein source that has one-tenth of the carbon footprint compared to red meat. The company's growth has accelerated as consumers are becoming more environment-oriented in their choices, as well as that new product categories are being launched to meet the increased interest for chicken as a source of protein.

Exclusion

During 2019, the fund did not have any investments in the most sectors with the highest levels of carbon emissions, such as airlines, steel companies and clothing companies.

The Management Company's engagement activities

- A. The fund engaged in one targeted dialogue directly with a company during the year. A dialogue was held with Hexagon which was primarily due to the company's decentralised organisational structure with many units. Based on a sustainability perspective, there are potential risks as a result given that this places high demands on coordination to maintain a balanced sustainability performance. Hexagon offers products and services that result in efficiency and resource improvements in various ways in the application at the customer. This is something that the company could highlight even earlier in the sustainability report, as we believe there are many positive effects from this. We had personal meetings with the company concerning the company's appointment of a function at the

group level to coordinate the sustainability activities.

- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund did not have holdings in any of these companies.
- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.

General meetings and nomination committees

The Management Company voted at 51 annual general meetings on behalf of the fund during the year.

The Management Company participated in ten nomination committees on behalf of the fund: Alimak Group AB, Bufab AB, Indutrade AB, Intrum AB, Stillfront Group AB, Storytel AB, Swedol AB, Thule AB, Tobii AB and ÅF Pöry AB.

Portfolio Manager: YVONNE SÖRBERG

Up to 19/05/2019 JONATHAN SCHÖNBÄCK

The fund's statistics up until March 8, 2016, are based on the fund's share series in SEK converted to EUR.

BASE CURRENCY



Handelsbanken Sverige Selektiv

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The objective is to exceed the returns in the underlying market (defined as the benchmark index) over the long term. The fund invests over the long term in 16 to 35 equities issued by companies in Sweden. The fund may also have a smaller portion of assets invested in companies from other Nordic countries and thereby has a currency exposure in these markets. 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 on companies active within the fossil fuel, war materials, tobacco, cannabis, alcohol, commercial gambling and pornography areas/sectors. However, the fund may invest in companies that are involved in power generation, distribution or services related to fossil fuel in which the company is deemed to be transitioning its business operations to more renewable energy. Further information is available in the fund's information brochure. We compare fund performance with an index consisting of the SIX SRI Sweden Index GI. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 36.5% in 2019*. Atlas Copco, Assa Abloy, Lagercrantz, Lifco, ÅF Pöry and SimCorp were the strongest positive contributors to fund returns. Atlas Copco surprised the market in Q3 with stronger than expected new orders and the company continues to drive customer-oriented product development in a manner that increases customers' productivity. Assa Abloy continued to show stable growth, driven by electronic locks and digital security solutions. The technology consultant ÅF acquired Pöry in the spring. When the deal was first announced, ÅF's stock price was negatively affected, but has rebounded after a successful issue and clarification of expected synergies. Together, ÅF Pöry has a stronger international platform within its technology niches. The software company SimCorp announced new key customer orders and continued to deliver on the growth strategy they have followed in recent years. Handelsbanken and IAR Systems were the largest negative contributions. Banks have been weighed down by low interest rates and Handelsbanken has also been affected by concerns about growth in costs as well as new regulation requirements. IAR Systems has been weighed down by a sharp slowdown in growth, where new product areas have not contributed as expected. We decreased the holdings in IAR Systems during the year. In the summer we made a new investment in Bravida, which is a Nordic leader in technology installations and historically has shown stable growth and profitability. Strong cash flow also made it possible for complementary acquisitions. Bravida's demand is driven by increased complexity in installations and services, as well as the need for higher energy efficiency in buildings. The fund increased holdings in Atlas Copco, Assa Abloy and Hexagon during the year.

*) 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

An investment in an equity fund is characterised by high risk as well as by the potential for high returns. As a result, the value of the fund can fluctuate significantly over time. The fund's investments are concentrated geographically to equities issued by companies in Sweden. As a result, the risk in the fund is higher than an investment in a diversified global equity fund that distributes its investments across several regions. The fund's investments are made in a limited number of companies, which means that the fund has a higher risk than a fund that invests in a larger number of companies or sectors. The fund's liquidity risk is deemed to be moderately high due to the fund's size in relation to the size or turnover of the markets and securities in which the fund invests. This can impact the fund's ability to complete the purchase and sale of securities under

stressful market conditions. The fund may invest in derivatives to protect the value of the fund's underlying assets, to maintain the desired level of risk in the fund portfolio or to minimise management costs. The volume of trading is limited where applicable and is expected to have a marginal impact on the fund's risk profile.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund used this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

As of June 1, 2019 the fund changed its fund rules.

The fund's historical performance prior to the launch date is attributed to the merger between Placeringsfonden Handelsbanken Sverige Selektiv (Finland) and Handelsbanken Sverige Selektiv (Sweden) that occurred on September 26, 2014.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Shareholder commitments

Based on the Management Company's Policy for Shareholder Engagement, which includes guidelines for responsible investment, voting at general meetings, work on the nomination committee, and dialogue with the portfolio management companies are undertaken independently or in collaboration with others. It is our understanding that this work leads to better governance and reduced sustainability risks in the portfolio management companies, which in turn leads to a positive value growth.

The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management Company then takes independent decisions on those matters that will be subject to a vote or another decision-making process.

The Management Company normally votes for all of the equities in the fund in those companies where voting takes place, although there are exceptions, such as in markets where the equities are in a lock-up period to enable registration for voting at a general meeting. Any securities loans are typically recalled prior to a general meeting to ensure that votes can be cast for all of the equities, although the securities loans can remain in effect at the time of the general meeting if it is deemed to be in the common interest of unit holders and there is no significant impact on active ownership.

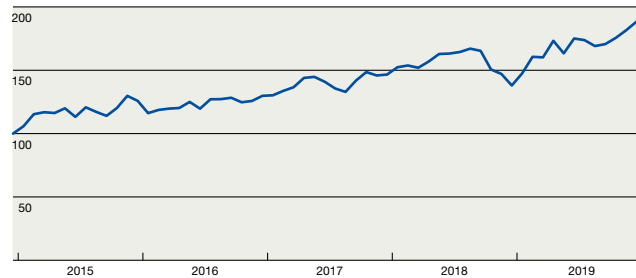
No conflicts of interest have arisen between the Management Company and the portfolio management company in conjunction with the funds' investments. Information is available in the Management Company's Policy for Shareholder Engagement on how the Management Company in general manages conflicts of interest that can arise as a result of the funds' investments.

Read more about how Handelsbanken Fonder acts in ownership matters

Handelsbanken Sverige Selektiv, cont.

and about the fund company's guidelines for responsible investments in the company's Policy for shareholder engagement and responsible investments which can be found under <https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>

Fund Performance*



* Performance is shown in the fund's base currency. The fund may have several share classes, which are referred to in the Fund Facts.

Fund Facts - History

	2019	2018	2017	2016	2015	26/9-31/12 2014	2013	2012	2011	2010
Net asset value										
Sverige Selektiv A1 - SEK ¹⁾	488.16	357.57	380.02	336.48	326.11	259.18	-	-	-	-
Sverige Selektiv A1 - EUR	46.46	35.28	38.65	35.12	-	-	-	-	-	-
Sverige Selektiv A9 - SEK	534.56	388.05	408.74	358.84	344.84	271.75	-	-	-	-
Sverige Selektiv A9 - EUR	50.87	38.29	41.57	37.45	-	-	-	-	-	-
Sverige Selektiv A10 - SEK	499.24	361.16	-	-	-	-	-	-	-	-
Sverige Selektiv A10 - EUR	47.51	35.63	-	-	-	-	-	-	-	-
Sverige Selektiv B1 - SEK	292.38	221.83	245.44	226.04	228.71	188.52	-	-	-	-
Sverige Selektiv B1 - EUR	27.82	21.89	-	-	-	-	-	-	-	-
Sverige Selektiv B10 - SEK	299.03	224.05	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	2,383	962	-1,555	413	165	-66	-	-	-	-
Fund capital total, mSEK	6,684	2,954	2,228	3,438	2,920	2,205	-	-	-	-
Sverige Selektiv A1 - SEK	4,116	2,454	1,797	2,373	2,206	1,772	-	-	-	-
Sverige Selektiv A1 - EUR	7	6	6	9	-	-	-	-	-	-
Sverige Selektiv A9 - SEK	34	0	40	266	61	12	-	-	-	-
Sverige Selektiv A9 - EUR	2	2	2	2	-	-	-	-	-	-
Sverige Selektiv A10 - SEK	2,068	286	-	-	-	-	-	-	-	-
Sverige Selektiv A10 - EUR	0	0	-	-	-	-	-	-	-	-
Sverige Selektiv B1 - SEK	174	41	313	690	653	421	-	-	-	-
Sverige Selektiv B1 - EUR	1	0	-	-	-	-	-	-	-	-
Sverige Selektiv B10 - SEK	185	95	-	-	-	-	-	-	-	-
Number of units, 1000's	14,075	8,485	6,304	11,167	9,796	9,114	-	-	-	-
Sverige Selektiv A1 - SEK	8,431	6,862	4,728	7,052	6,766	6,835	-	-	-	-
Sverige Selektiv A1 - EUR	158	158	155	266	-	-	-	-	-	-
Sverige Selektiv A9 - SEK	64	1	97	742	176	43	-	-	-	-
Sverige Selektiv A9 - EUR	40	41	49	55	-	-	-	-	-	-
Sverige Selektiv A10 - SEK	4,143	791	-	-	-	-	-	-	-	-
Sverige Selektiv A10 - EUR	5	5	-	-	-	-	-	-	-	-
Sverige Selektiv B1 - SEK	595	186	1,275	3,052	2,854	2,236	-	-	-	-
Sverige Selektiv B1 - EUR	19	19	-	-	-	-	-	-	-	-
Sverige Selektiv B10 - SEK	620	422	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Sverige Selektiv A1 - SEK	+36.5	-5.9	+12.9	+3.2	+25.8	+19.3	+22.0	+13.4	-13.8	+26.7
Sverige Selektiv A1 - EUR	+31.7	-8.7	+10.1	-1.4	+30.1	+11.4	+18.3	+17.7	-12.6	+44.0
Sverige Selektiv A9 - SEK	+37.8	-5.1	+13.9	+4.1	+26.9	+20.0	-	-	-	-
Sverige Selektiv A9 - EUR	+32.9	-7.9	+11.0	-0.5	+31.2	-	-	-	-	-
Sverige Selektiv A10 - SEK	+38.2	-4.7	-	-	-	-	-	-	-	-
Sverige Selektiv A10 - EUR	+33.3	-7.6	-	-	-	-	-	-	-	-
Sverige Selektiv B1 - SEK	+36.5	-5.9	+12.9	+3.2	+25.8	+19.3	+22.0	+13.4	-13.8	+26.7
Sverige Selektiv B1 - EUR	+31.7	-8.7	-	-	-	-	-	-	-	-
Sverige Selektiv B10 - SEK	+38.2	-4.7	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Sverige Selektiv A1 - SEK	+35.1	-4.4	+9.5	+9.6	+10.5	-	-	-	-	-
Sverige Selektiv A1 - EUR	+30.3	-7.2	+6.7	+4.8	+14.3	+8.3	+24.0	+21.1	-12.4	+44.1
Sverige Selektiv A9 - SEK	+35.1	-4.4	+9.5	+9.6	+10.5	-	-	-	-	-
Sverige Selektiv A9 - EUR	+30.3	-7.2	+6.7	+4.8	+14.3	-	-	-	-	-
Sverige Selektiv A10 - SEK	+35.1	-4.4	-	-	-	-	-	-	-	-
Sverige Selektiv A10 - EUR	+30.3	-7.2	-	-	-	-	-	-	-	-
Sverige Selektiv B1 - SEK	+35.1	-4.4	+9.5	+9.6	+10.5	-	-	-	-	-
Sverige Selektiv B1 - EUR	+30.3	-7.2	-	-	-	-	-	-	-	-
Sverige Selektiv B10 - SEK	+35.1	-4.4	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Sverige Selektiv A1 - SEK	6.3	5.6	4.2	5.4	5.1	5.5	6.3	6.6	6.0	5.3
Sverige Selektiv A1 - EUR	6.3	5.6	4.2	5.4	-	-	-	-	-	-
Sverige Selektiv A9 - SEK	6.3	5.6	4.2	5.4	-	-	-	-	-	-
Sverige Selektiv B1 - SEK	6.3	5.6	4.2	5.4	5.1	-	-	-	-	-
Sverige Selektiv A9 - EUR	6.3	5.6	4.2	5.4	-	-	-	-	-	-
Sverige Selektiv A10 - SEK	6.3	5.6	-	-	-	-	-	-	-	-
Sverige Selektiv A10 - EUR	6.3	5.6	-	-	-	-	-	-	-	-
Sverige Selektiv B1 - EUR	6.3	5.6	-	-	-	-	-	-	-	-
Sverige Selektiv B10 - SEK	6.3	5.6	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Sverige Selektiv A1 - SEK	+13.3	+3.1	+8.0	+13.9	+22.5	+20.7	+17.7	-1.1	+4.6	+43.5
Sverige Selektiv A1 - EUR	+9.6	+0.2	+4.2	+13.3	+20.4	+14.8	+18.0	+1.4	+12.2	+58.4
Sverige Selektiv A9 - SEK	+14.4	+4.0	+8.9	+14.9	-	-	-	-	-	-
Sverige Selektiv A9 - EUR	+10.6	+1.1	+5.1	+14.3	-	-	-	-	-	-
Sverige Selektiv A10 - SEK	+14.8	+4.4	-	-	-	-	-	-	-	-
Sverige Selektiv A10 - EUR	+11.0	+1.5	-	-	-	-	-	-	-	-
Sverige Selektiv B1 - SEK	+13.3	+3.1	+8.0	+13.9	+22.5	+20.7	+17.7	-1.1	+4.6	+43.5
Sverige Selektiv B1 - EUR	+9.6	+0.2	-	-	-	-	-	-	-	-
Sverige Selektiv B10 - SEK	+14.8	+4.4	-	-	-	-	-	-	-	-

Handelsbanken Sverige Selektiv, cont.

	2019	2018	2017	2016	2015	26/9-31/12 2014	2013	2012	2011	2010
Comparison to index including dividends, %										
SEK	+13.7	+2.3	+9.6	+10.1	+13.2	-	-	-	-	-
EUR	+9.9	-0.5	+5.7	+9.4	+11.2	+15.9	+22.5	+3.0	+12.3	+54.0
Average yearly return, 5 yrs. %										
Sverige Selektiv A1 - SEK	+13.5	+10.5	+16.4	+16.5	+12.4	+12.5	+19.7	+4.1	+0.4	+9.3
Sverige Selektiv A1 - EUR	+11.2	+7.5	+13.2	+14.8	+12.0	+14.3	+25.0	+6.2	+0.6	+10.2
Sverige Selektiv A9 - SEK	+14.5	-	-	-	-	-	-	-	-	-
Sverige Selektiv A9 - EUR	+12.1	-	-	-	-	-	-	-	-	-
Sverige Selektiv A10 - SEK	+14.9	+11.9	-	-	-	-	-	-	-	-
Sverige Selektiv A10 - EUR	+12.6	+8.9	-	-	-	-	-	-	-	-
Sverige Selektiv B1 - SEK	+13.5	+10.5	+16.4	+16.5	+12.4	+12.5	+19.7	+4.1	-	-
Sverige Selektiv B1 - EUR	+11.2	+7.5	-	-	-	-	-	-	-	-
Sverige Selektiv B10 - SEK	+14.9	+11.9	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+11.4	+8.0	+14.5	+16.0	+10.6	-	-	-	-	-
EUR	+9.1	+5.1	+11.4	+14.3	+10.2	+15.5	+25.5	+5.6	+0.3	+8.9
Average yearly return, 10 yrs. %										
Sverige Selektiv A1 - SEK	+13.0	+15.0	+10.1	+8.1	+10.8	-	-	-	-	-
Sverige Selektiv A1 - EUR	+12.7	+15.9	+9.6	+7.5	+11.1	-	-	-	-	-
Sverige Selektiv A10 - SEK	+14.4	+16.4	-	-	-	-	-	-	-	-
Sverige Selektiv A10 - EUR	+14.1	+17.4	-	-	-	-	-	-	-	-
Sverige Selektiv B1 - SEK	+13.0	+15.0	+10.1	-	-	-	-	-	-	-
Sverige Selektiv B1 - EUR	+12.7	+15.9	-	-	-	-	-	-	-	-
Sverige Selektiv B10 - SEK	+14.4	+16.4	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+12.5	+13.9	+8.9	+7.7	+9.3	-	-	-	-	-
EUR	+12.2	+14.9	+8.5	+7.1	+9.6	-	-	-	-	-
Dividends per unit, SEK										
Sverige Selektiv A1 - SEK	-	-	-	-	-	-	-	-	-	-
Sverige Selektiv B1 - SEK	8.87	9.82	9.04	9.15	7.54	-	-	-	-	-
Sverige Selektiv B1 - EUR	0.84	0.97	-	-	-	-	-	-	-	-
Sverige Selektiv B10 - SEK	8.96	9.82	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.51	10.13	9.83	9.58	-	-	-	-	-	-

1) The net asset value was adjusted on June 16, 2014 after a judgment in the Administrative Court in Falun. Pursuant to the judgment, funds with U.S. Holdings shall be charged with full U.S. withholding taxes as of January 1, 2012. As of June 16, 2014, full U.S. withholding taxes were deducted until an Administrative Court of Appeals in Sundsvall changed the Administrative Court's judgment on March 30, 2015, and the withholding taxes previously reserved were repaid to each fund concerned.

Benchmark: SIX SRI Sweden Index GI

Up to 29/11/2018: SIX Portfolio Return Index (SIXPRX)

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 information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Sverige Selektiv A1	1.85
Sverige Selektiv A9	0.95
Sverige Selektiv A10	0.60
Sverige Selektiv B1	1.85
Sverige Selektiv B10	0.60
Collected mgmt. costs in % of average fund capital	
Sverige Selektiv A1	1.85
Sverige Selektiv A9	0.95
Sverige Selektiv A10	0.60
Sverige Selektiv B1	1.85
Sverige Selektiv B10	0.60
Annual fees in %	
Sverige Selektiv A1	1.85
Sverige Selektiv A9	0.95
Sverige Selektiv A10	0.60
Sverige Selektiv B1	1.85
Sverige Selektiv B10	0.60
Transaction costs, SEKt	1,327
Transaction costs in % of turnover	0.03
Costs in SEK for a one-time subscription, 10 000 SEK	
Sverige Selektiv A1	224.46
Sverige Selektiv A9	115.79
Sverige Selektiv A10	73.26
Sverige Selektiv B1	224.46
Sverige Selektiv B10	73.26
Costs in SEK for monthly savings, 100 SEK	
Sverige Selektiv A1	13.04
Sverige Selektiv A9	6.72
Sverige Selektiv A10	4.25
Sverige Selektiv B1	13.04
Sverige Selektiv B10	4.25

Fund Facts - Other Key Figures

Turnover rate	0.3
Share of turnover conducted via closely-related securities companies in %	24.9
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	15.4	Information ratio - A1 EUR	Negative
Total risk % - A1 EUR	15.2	Information ratio - A9 SEK	0.1
Total risk % - A9 SEK	15.4	Information ratio - A9 EUR	0.1
Total risk % - A9 EUR	15.2	Information ratio - A10 SEK	0.2
Total risk % - A10 SEK	15.4	Information ratio - A10 EUR	0.2
Total risk % - A10 EUR	15.2	Information ratio - B1 SEK	Negative
Total risk % - B1 SEK	15.5	Information ratio - B1 EUR	Negative
Total risk % - B1 EUR	15.2	Information ratio - B10 SEK	0.2
Total risk % - B10 SEK	15.4	Sharpe ratio - A1 SEK	0.9
Total risk in index % - A1 SEK	13.8	Sharpe ratio - A1 EUR	0.7
Total risk in index % - A1 EUR	13.6	Sharpe ratio - A9 SEK	1.0
Total risk in index % - A9 SEK	13.8	Sharpe ratio - A9 EUR	0.7
Total risk in index % - A9 EUR	13.6	Sharpe ratio - A10 SEK	1.0
Total risk in index % - A10 SEK	13.8	Sharpe ratio - A10 EUR	0.7
Total risk in index % - A10 EUR	13.6	Sharpe ratio - B1 SEK	0.9
Total risk in index % - B1 SEK	13.8	Sharpe ratio - B1 EUR	0.7
Total risk in index % - B1 EUR	13.6	Sharpe ratio - B10 SEK	1.0
Total risk in index % - B10 SEK	13.8	Sharpe ratio in index - A1 SEK	1.0
Benchmark	SIX SRI Sweden Index GI	Sharpe ratio in index - A1 EUR	0.8
Active return % - A1 SEK	-0.3	Sharpe ratio in index - A9 SEK	1.0
Active return % - A1 EUR	-0.3	Sharpe ratio in index - A9 EUR	0.8
Active return % - A9 SEK	0.7	Sharpe ratio in index - A10 SEK	1.0
Active return % - A9 EUR	0.7	Sharpe ratio in index - A10 EUR	0.8
Active return % - A10 SEK	1.1	Sharpe ratio in index - B1 SEK	1.0
Active return % - A10 EUR	1.1	Sharpe ratio in index - B1 EUR	0.8
Active return % - B1 SEK	-0.3	Sharpe ratio in index - B10 SEK	1.0
Active return % - B1 EUR	-0.3	Active Share % ¹⁾	75.9
Active return % - B10 SEK	1.1		
Information ratio - A1 SEK	Negative		

1) As of the balance sheet date.

* 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.

Handelsbanken Sverige Selektiv, cont.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	1,327,647	-235,010
Interest income	-226	-103
Dividends	93,644	57,968
Currency exchange profits and losses, net	-666	-854
Other financial income ¹⁾	164	323
Other income	1	0
Total income and changes in value	1,420,564	-177,676
EXPENSES		
Management costs:		
- Remuneration to the Management Company	68,772	50,309
Interest expense	14	6
Other financial expenses ²⁾	33	65
Other expenses	1,355	1,165
Total expenses	70,174	51,545
Net income	1,350,390	-229,221
* Details of changes in value		
Capital gains	201,692	349,960
Capital losses	-35,503	-46,219
Unrealised gains/losses	1,161,458	-538,751
Sum	1,327,647	-235,010

1) The item consists primarily of premiums for securities lent.

2) The items consist primarily of expenses for securities borrowed.

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	6,462,986	96.7	2,893,718	97.9
Total financial instruments with positive market value ^{Note 2)}	6,462,986	96.7	2,893,718	97.9
Bank assets and other liquid assets	228,772	3.4	64,445	2.2
Prepaid expenses and accrued income	12	0.0	38	0.0
Total assets	6,691,770	100.1	2,958,201	100.1
LIABILITIES				
Accrued expenses and prepaid income	7,593	0.1	4,130	0.1
Other liabilities	1	0.0	4	0.0
Total liabilities	7,594	0.1	4,134	0.1
Fund capital ^{Note 1)}	6,684,176	100.0	2,954,067	100.0
Financial instruments lent	151,081	2.3	140,170	4.7
Collateral received for financial instruments lent	168,729	2.5	151,406	5.1

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	2,954,067	2,228,299
Units issued	4,007,444	2,360,636
Units redeemed	-1,619,986	-1,394,237
Profit according to Income Statement	1,350,390	-229,221
Dividends to unit holders	-7,739	-11,410
Fund capital at the close of the period	6,684,176	2,954,067

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
Autoliv	444,000	351,204	5.3
Fenix Outdoor B	175,957	205,518	3.1
Husqvarna B	4,200,000	315,084	4.7
Thule Group	835,000	180,360	2.7
		1,052,166	15.7
CONSUMER STAPLES			
Aarhus/Karlshamn	1,520,000	270,560	4.0
		270,560	4.0
FINANCIALS AND REAL ESTATE			
Handelsbanken A	4,340,000	437,906	6.6
		437,906	6.6
HEALTH CARE			
Lifco B	326,000	186,472	2.8
Novo Nordisk	587,000	319,155	4.8
		505,627	7.6

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INDUSTRIALS			
ABB SDB	1,215,000	273,497	4.1
ÅF B	1,446,612	316,229	4.7
Assa Abloy B	1,825,000	399,675	6.0
Atlas Copco A	1,422,000	531,259	7.9
Bravida Holding	1,968,169	179,005	2.7
EPIROC A	2,585,000	295,595	4.4
Hexagon B	765,000	401,625	6.0
Indutrade	815,000	273,188	4.1
Loomis B	769,000	298,218	4.5
NIBE Industrier B	640,000	103,936	1.6
Troax Group A	1,376,716	166,307	2.5
		3,238,534	48.5
INFORMATION TECHNOLOGY			
HIQ IL	1,691,000	87,425	1.3
HMS Network AB	1,092,000	188,698	2.8
I.A.R. Systems Group B	517,047	96,171	1.4
Lagercrantz B	1,706,199	249,788	3.7
SimCorp	123,000	131,019	2.0
		753,100	11.2
MATERIALS			
Hexpol B	2,234,125	205,093	3.1
		205,093	3.1
Total listed equities		6,462,986	96.7
Total transferable securities		6,462,986	96.7
Total holdings in financial instruments		6,462,986	96.7
Net, other assets and liabilities		221,190	3.3
Total fund capital		6,684,176	100.0

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 96.7

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

Additional information on loaned securities

Volume of lent securities as a % of total lendable assets 2.34

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

The British Government	82 635
Toyota Motor Corp	6 735
Marubeni Corp	6 735
Central Japan Railway Co	6 729
Oriental Land Co Ltd/Japan	6 688
Synopsys Inc	6 678
Citizens Financial Group Inc	4 934
Koninklijke Ahold Delhaize Nv	4 023
Aviva Plc	3 001
Tencent Holdings Ltd	2 887

The largest counterparties for securities lending, SEK thousand:

J.P. Morgan Securities Plc, Great Britain	123 799
HSBC Bank Plc, Great Britain	27 282
	151 081

Type and quality of collateral, SEK thousand:

Equities	82 958
Bonds and other interest-bearing instruments	85 771
	168 729

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 one day	-
One day to one week	-
One week to one month	-
One to three months	-
Three months to one year	895
Greater than one year	84 875
Indeterminate duration	82 958
	168 729

Currency of the collateral, SEK thousand:

CAD	354
CHF	435
DKK	123
EUR	19 462
GBP	94 976
HKD	7 512
JPY	30 485
SGD	1 211
USD	14 171
	168 729

Handelsbanken Sverige Selektiv, cont.

The profile of the duration for securities lending is undetermined, but may be immediately terminated. Settlement and clearing for securities lending is conducted through a third party. The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 21 SEK 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:

Citigroup Global Markets Ltd, Great Britain
-HSBC Bank Plc, Great Britain, Great Britain
-J.P. Morgan Securities Plc, Great Britain
-Merrill Lynch Intl, Great Britain
-Skandinaviska Enskilda Banken AB (publ), Sweden
-UBS AG, London Branch, Great Britain

Handelsbanken Sverige Selektiv

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes in its entirety companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies with key activities within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We conduct dialogues for the purpose of encouraging companies to improve their

sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
 - B. Dialogues together with other investors/capital owners
 - C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP
- A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.
- B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.
- C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

Annual General Meetings and nomination committees

Handelsbanken Fonder normally votes at general meetings in those companies where ownership exceeds 0.5 or when there is a vote on matters of particular concern. 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 general meetings.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.

Follow-up of sustainability work

Inclusion

During the year, the fund invested in the technology installation company Bravida. Bravida is a leading Nordic installer of technology and services, such as electricity, heating and cooling, water, ventilation, security and energy efficiency. Growth is driven by more complex and integrated technical services with the aim of installing renewable electricity, increasing energy efficiency and improving security, which are important sustainability areas. The EU is also pursuing requirements for increased energy efficiency in buildings.

Exclusion

The fund's only investment within the bank sector was Handelsbanken. Overall, the sector has a major challenge in improving the control of customers and flow of transactions. This is a complex area with obvious difficulties, particularly related to ensuring the proper control in markets where Nordic banks have limited business experience, such as the Baltics and Russia. We believe there is a continuing need among banks in general to improve routines to limit the risk for potential money laundering, which is an area that had increased focus during the year.

The Management Company's engagement activities

- A. The fund engaged in two targeted dialogues directly with a companies during the year. During the year, ongoing dialogues continued with AAK. The dialogues focused on AAK's purchases of palm oil. Palm oil is a critical input for AAK's production of vegetable fats. We would like to be assured that the company's plantations have not arisen through deforestation and that the company respects the rights of the indigenous people to cultivate the land. Our engagement dialogues have been conducted through personal meetings with management and hopefully have not led AAK to limit their sustainability efforts to high traceability to the mill, but rather that focus intensifies to include traceability to the plantations and control of subcontractors.
- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund held holdings in one of these companies. A dialogue was conducted with Loomis AB concerning allegations that the company does not respect the union rights of their employees in Turkey.
- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.

General meetings and nomination committees

The Management Company voted at 21 annual general meetings on behalf of the fund during the year.

The Management Company participated in three nomination committees on behalf of the fund: Indutrade AB, Thule AB and ÅF Pöyry AB.



Handelsbanken Tillväxtmarknad Tema

Management Report

Investment Focus

The fund is actively managed, which means that the fund manager is responsible for taking the active investment decisions. The fund's objective is to outperform the returns of the underlying market, defined as the benchmark index, over the long term. The fund invests in equities issued by companies in Asia, Latin America, Africa and Eastern Europe, including the Balkans and the Baltics. As a result, the fund has a currency exposure to these markets. The thematic investment strategy implies that investments occur primarily in companies associated with long-term investment themes that have been carefully selected, analysed and are expected to experience a long period of growth. Examples of these themes include Demographics, Productivity, Lifestyles and the Environment. International norms and guidelines for the environment, social responsibility and corporate governance are taken into consideration within the scope of the fund's investment focus. The fund applies an exclusion strategy on companies active within the fossil fuel, war materials, tobacco, cannabis, alcohol, commercial gambling and pornography areas/sectors. However, the fund may invest in companies that are involved in power generation, distribution or services related to fossil fuel in which the company is deemed to be transitioning its business operations to more renewable energy. Further information is available in the fund's information brochure. The fund may invest a maximum of 10% of the fund capital in fund units. We compare fund performance with Solactive ISS ESG Screened Emerging Markets Index. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 29.4% in 2019*. Many of the portfolio's holdings contributed positively to returns during the year. It is clear that well-managed, thematic companies can deliver strong growth and returns, despite a difficult climate in the rest of the world. One example of this is Indian HDFC Bank, whose profits and stock price rose almost 20% in value despite a GDP growth in the country that is at its weakest level in many years. As a result, the company contributed positively to returns in the portfolio. The South African pharmacy chain Clicks also increased profits by approximately 15%, despite one of the most difficult business climates in many years in South Africa. The stock has risen approximately 35% during the year and was one of the strongest contributors to the portfolio's returns. However, the strongest holding was Alibaba, which contributed with a price and profit upturn of approximately 50%. The E-commerce segment continues to be a strong contributor to performance, but their fintech segment is contributing more this year than previously. Autohome contributed negatively during the year after growth weakened due to the company's exposure to a weak Chinese automobile market. Chinese Baidu was also a negative contributor to returns during the year.

* 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

An investment in an equity fund is characterised by high risk as well as by the potential for high returns. As a result, the value of the fund can fluctuate significantly over time. The fund's investments are concentrated geographically to equities issued by companies in Asia, including the Middle East, Latin America, Africa and Eastern Europe. As a result, the risk in the fund is higher than an investment in a diversified global equity fund that distributes its investments across several regions. However, the fund's investments are made in companies in several sectors, branches or themes that contribute to lowering the risk in the fund over time. Given that the fund's investments are made in foreign equities denominated in currencies other than the fund's base currency, an investment in the fund is associated with currency risk. Given that the fund consists of different share classes, the changes in exchange rates can result in a differentiation in risk classifications between different share classes

depending on the type of currency in which the share class is traded. The fund's liquidity risk is deemed to be moderately high due to the fund's size in relation to the size or turnover of the markets and securities in which the fund invests. This can impact the fund's ability to complete the purchase and sale of securities under stressful market conditions. The fund may invest in derivatives to protect the value of the fund's underlying assets, to maintain the desired level of risk in the fund portfolio or to minimise management costs. The volume of trading is limited where applicable and is expected to have a marginal impact on the fund's risk profile. Investments in emerging markets may be subject to increased exposure for operational risks such as the risk for unforeseen political decisions, shortcomings in the financial infrastructure or weaknesses in the securities regulations of a country or region. The operational risks can negatively impact the fund's performance and value if the risks materialise.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund used this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

As of April 30, 2019 the fund changed its index from MSCI EM Select Global Norms and Criteria Index to Solactive ISS ESG Screened Emerging Markets Index NTR. The reason for the change of index was change of index provider. The fund's investment policy has not been affected. As of June 1, 2019 the fund changed its fund rules.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Shareholder commitments

Based on the Management Company's Policy for Shareholder Engagement, which includes guidelines for responsible investment, voting at general meetings, work on the nomination committee, and dialogue with the portfolio management companies are undertaken independently or in collaboration with others. It is our understanding that this work leads to better governance and reduced sustainability risks in the portfolio management companies, which in turn leads to a positive value growth.

The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management Company then takes independent decisions on those matters that will be subject to a vote or another decision-making process.

The Management Company normally votes for all of the equities in the fund in those companies where voting takes place, although there are exceptions, such as in markets where the equities are in a lock-up period to enable registration for voting at a general meeting. Any securities loans are typically recalled prior to a general meeting to ensure that votes can be cast for all of the equities, although the securities loans can remain in effect at the time of the general meeting if it is deemed to be in the common interest of unit holders and there is no significant impact on active ownership.

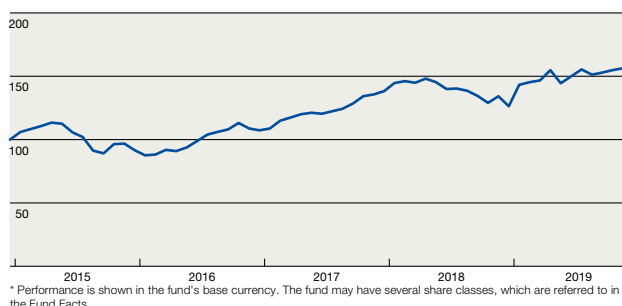
No conflicts of interest have arisen between the Management Company

Handelsbanken Tillväxtmarknad Tema, cont.

and the portfolio management company in conjunction with the funds' investments. Information is available in the Management Company's Policy for Shareholder Engagement on how the Management Company in general manages conflicts of interest that can arise as a result of the funds' investments.

Read more about how Handelsbanken Fonder acts in ownership matters and about the fund company's guidelines for responsible investments in the company's Policy for shareholder engagement and responsible investments which can be found under <https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>

Fund Performance*



Fund Facts - History

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net asset value										
Tillväxtmarknad Tema A1 - SEK ¹⁾	373.45	288.53	315.65	245.07	209.25	228.38	185.80	184.41	163.57	208.44
Tillväxtmarknad Tema A1 - EUR ¹⁾	35.54	28.47	32.11	25.58	22.85	-	-	-	-	-
Tillväxtmarknad Tema A1 - NOK ¹⁾	350.56	281.80	315.33	232.20	219.69	-	-	-	-	-
Tillväxtmarknad Tema A10 - SEK	380.22	290.84	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - EUR	36.18	28.70	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - NOK	356.92	284.06	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema B1 - SEK ¹⁾	297.59	236.01	268.35	216.40	190.51	213.90	179.48	184.41	-	-
Tillväxtmarknad Tema B10 - SEK	303.00	237.90	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	1,928	-3,836	1,455	3,003	-2,005	868	375	728	-	-
Fund capital total, mSEK	17,059	11,714	16,491	11,531	7,090	9,710	7,197	6,801	5,267	6,108
Tillväxtmarknad Tema A1 - SEK	14,307	9,990	15,090	10,703	6,570	9,296	7,139	6,779	5,267	6,108
Tillväxtmarknad Tema A1 - EUR	56	58	62	46	7	-	-	-	-	-
Tillväxtmarknad Tema A1 - NOK	283	258	534	262	121	-	-	-	-	-
Tillväxtmarknad Tema A10 - SEK	1,241	519	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - EUR	6	6	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - NOK	228	90	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema B1 - SEK	245	119	252	115	336	414	58	22	-	-
Tillväxtmarknad Tema B10 - SEK	73	73	-	-	-	-	-	-	-	-
Number of units, 1000's	45,819	40,723	52,385	47,116	34,039	42,642	38,748	36,879	32,201	29,301
Tillväxtmarknad Tema A1 - SEK	38,311	34,622	47,807	43,673	31,396	40,705	38,425	36,758	32,201	29,301
Tillväxtmarknad Tema A1 - EUR	1,578	2,048	1,943	1,782	328	-	-	-	-	-
Tillväxtmarknad Tema A1 - NOK	806	916	1,695	1,127	552	-	-	-	-	-
Tillväxtmarknad Tema A10 - SEK	3,263	1,785	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - EUR	157	226	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - NOK	638	318	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema B1 - SEK	824	503	940	534	1,763	1,937	323	121	-	-
Tillväxtmarknad Tema B10 - SEK	242	305	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Tillväxtmarknad Tema A1 - SEK	+29.4	-8.6	+28.8	+17.1	-8.4	+22.9	+0.8	+15.0	-20.6	+13.6
Tillväxtmarknad Tema A1 - EUR	+24.8	-11.3	+25.5	+11.9	-5.2	-	-	-	-	-
Tillväxtmarknad Tema A1 - NOK	+24.4	-10.6	+35.8	+5.7	+0.4	-	-	-	-	-
Tillväxtmarknad Tema A10 - SEK	+30.7	-7.7	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - EUR	+26.1	-10.4	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - NOK	+25.6	-9.7	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema B1 - SEK	+29.4	-8.6	+28.8	+17.1	-8.4	+22.9	+0.8	+2.2	-	-
Tillväxtmarknad Tema B10 - SEK	+30.7	-7.7	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Tillväxtmarknad Tema A1 - SEK	+26.3	-9.9	+26.6	+20.0	-8.4	+19.2	-3.8	+12.2	-16.8	+11.9
Tillväxtmarknad Tema A1 - EUR	+21.8	-12.6	+23.4	+14.7	-5.2	-	-	-	-	-
Tillväxtmarknad Tema A1 - NOK	+21.4	-11.9	+33.5	+8.3	+0.4	-	-	-	-	-
Tillväxtmarknad Tema A10 - SEK	+26.3	-9.9	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - EUR	+21.8	-12.6	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - NOK	+21.4	-11.9	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema B1 - SEK	+26.3	-9.9	+26.6	+20.0	-8.4	+19.2	-3.8	+3.3	-	-
Tillväxtmarknad Tema B10 - SEK	+26.3	-9.9	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Tillväxtmarknad Tema A1 - SEK	3.7	3.8	3.6	4.0	3.1	3.2	3.5	3.0	2.7	1.7
Tillväxtmarknad Tema B1 - SEK	3.7	3.8	3.6	4.0	-	-	-	-	-	-
Tillväxtmarknad Tema A1 - EUR	3.7	3.8	3.6	4.0	3.1	-	-	-	-	-
Tillväxtmarknad Tema A1 - NOK	3.7	3.8	3.6	4.0	3.1	-	-	-	-	-
Tillväxtmarknad Tema A10 - SEK	3.7	3.8	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - EUR	3.7	3.8	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - NOK	3.7	3.8	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema B10 - SEK	3.7	3.8	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Tillväxtmarknad Tema A1 - SEK	+8.8	+8.5	+22.8	+3.6	+6.1	+11.3	+7.6	-4.5	-5.0	+35.2
Tillväxtmarknad Tema A1 - EUR	+5.2	+5.5	+18.5	+3.0	+4.3	-	-	-	-	-
Tillväxtmarknad Tema A1 - NOK	+5.4	+10.2	+19.8	+3.0	+11.9	-	-	-	-	-
Tillväxtmarknad Tema A10 - SEK	+9.9	+9.6	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - EUR	+6.3	+6.6	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - NOK	+6.5	+11.3	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema B1 - SEK	+8.8	+8.5	+22.8	+3.6	+6.1	+11.3	-	-	-	-
Tillväxtmarknad Tema B10 - SEK	+9.9	+9.6	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+6.7	+6.8	+23.3	+4.9	+4.5	+7.1	+3.9	-3.4	-3.5	+34.3
EUR	+3.2	+3.9	+19.0	+4.3	+2.7	-	-	-	-	-
NOK	+3.4	+8.4	+20.2	+4.3	+10.2	-	-	-	-	-

Handelsbanken Tillväxtmarknad Tema, cont.

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Average yearly return, 5 yrs. %										
Tillväxtmarknad Tema A1 - SEK	+10.3	+9.2	+11.3	+8.8	+0.7	+5.1	+10.9	-1.6	+1.0	+7.3
Tillväxtmarknad Tema A1 - EUR	+8.1	+6.3	+8.3	+7.3	+0.4	-	-	-	-	-
Tillväxtmarknad Tema A1 - NOK	+9.9	+9.9	+14.9	+10.7	+4.7	-	-	-	-	-
Tillväxtmarknad Tema A10 - SEK	+11.4	+10.3	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - EUR	+9.1	+7.3	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - NOK	+11.0	+11.0	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema B1 - SEK	+10.3	+9.2	+11.3	-	-	-	-	-	-	-
Tillväxtmarknad Tema B10 - SEK	+11.4	+10.3	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+9.6	+8.4	+9.8	+7.2	-0.4	+3.7	+10.1	-0.8	+2.4	+9.0
EUR	+7.4	+5.5	+6.8	+5.6	-0.7	-	-	-	-	-
NOK	+9.2	+9.1	+13.3	+9.0	+3.5	-	-	-	-	-
Average yearly return, 10 yrs. %										
Tillväxtmarknad Tema A1 - SEK	+7.7	+10.1	+4.7	+4.8	+3.9	+9.8	+8.9	+11.3	+6.6	+9.5
Tillväxtmarknad Tema A1 - EUR	+7.4	+11.0	+4.3	+4.2	+4.2	-	-	-	-	-
Tillväxtmarknad Tema A1 - NOK	+9.3	+11.2	+6.5	+5.3	+6.1	-	-	-	-	-
Tillväxtmarknad Tema A10 - SEK	+8.8	+11.2	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - EUR	+8.5	+12.1	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - NOK	+10.4	+12.3	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema B10 - SEK	+8.8	+11.2	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+6.6	+9.2	+4.4	+4.8	+4.2	+10.2	+9.9	+13.2	+9.1	+12.0
EUR	+6.3	+10.1	+4.0	+4.2	+4.5	-	-	-	-	-
NOK	+8.2	+10.3	+6.2	+5.2	+6.4	-	-	-	-	-
Dividends per unit, SEK										
Tillväxtmarknad Tema A1 - SEK	-	-	-	-	-	-	-	3.61	2.24	1.37
Tillväxtmarknad Tema B1 - SEK	7.08	10.73	8.66	5.72	6.42	5.38	6.45	-	-	-
Tillväxtmarknad Tema B10 - SEK	7.14	10.73	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.51	10.13	9.83	9.58	9.16	-	-	-	-	-
Exchange rate NOK/SEK	1.07	1.02	1.00	1.06	0.95	-	-	-	-	-

1) The net asset value was adjusted on June 16, 2014 after a judgment in the Administrative Court in Falun. Pursuant to the judgment, funds with U.S. Holdings shall be charged with full U.S. withholding taxes as of January 1, 2012. As of June 16, 2014, full U.S. withholding taxes were deducted until an Administrative Court of Appeals in Sundsvall changed the Administrative Court's judgment on March 30, 2015, and the withholding taxes previously reserved were repaid to each fund concerned.

Benchmark: Solactive ISS ESG Screened Emerging Markets Index NTR

Up to 01/05/2016: MSCI Emerging Markets Net Index

Up to 30/04/2019: MSCI EM Select Global Norms and Criteria

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 information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Tillväxtmarknad Tema A1	1.60
Tillväxtmarknad Tema A10	0.60
Tillväxtmarknad Tema B1	1.60
Tillväxtmarknad Tema B10	0.60
Collected mgmt. costs in % of average fund capital	
Tillväxtmarknad Tema A1	1.60
Tillväxtmarknad Tema A10	0.60
Tillväxtmarknad Tema B1	1.60
Tillväxtmarknad Tema B10	0.60
Annual fees in %	
Tillväxtmarknad Tema A1	1.60
Tillväxtmarknad Tema A10	0.60
Tillväxtmarknad Tema B1	1.60
Tillväxtmarknad Tema B10	0.60
Transaction costs, SEKt	6,117
Transaction costs in % of turnover	0.11
Costs in SEK for a one-time subscription, 10 000 SEK	
Tillväxtmarknad Tema A1	188.65
Tillväxtmarknad Tema A10	71.10
Tillväxtmarknad Tema B1	188.65
Tillväxtmarknad Tema B10	71.10
Costs in SEK for monthly savings, 100 SEK	
Tillväxtmarknad Tema A1	10.97
Tillväxtmarknad Tema A10	4.13
Tillväxtmarknad Tema B1	10.97
Tillväxtmarknad Tema B10	4.13

Fund Facts - Other Key Figures

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

Risk and Return Measurements*

Total risk % - A1 SEK	14.6	Information ratio - A1 SEK	0.6
Total risk % - A1 EUR	14.0	Information ratio - A1 EUR	0.5
Total risk % - A1 NOK	12.2	Information ratio - A1 NOK	0.5
Total risk % - A10 SEK	14.6	Information ratio - A10 SEK	0.8
Total risk % - A10 EUR	14.0	Information ratio - A10 EUR	0.8
Total risk % - A10 NOK	12.2	Information ratio - A10 NOK	0.8
Total risk % - B1 SEK	14.6	Information ratio - B1 SEK	0.6
Total risk % - B10 SEK	14.6	Information ratio - B10 SEK	0.8
Total risk in index % - A1 SEK	14.6	Sharpe ratio - A1 SEK	0.6
Total risk in index % - A1 EUR	13.6	Sharpe ratio - A1 EUR	0.4
Total risk in index % - A1 NOK	12.4	Sharpe ratio - A1 NOK	0.4
Total risk in index % - A10 SEK	14.6	Sharpe ratio - A10 SEK	0.7
Total risk in index % - A10 EUR	13.6	Sharpe ratio - A10 EUR	0.5
Total risk in index % - A10 NOK	12.4	Sharpe ratio - A10 NOK	0.5
Total risk in index % - B1 SEK	14.6	Sharpe ratio - B1 SEK	0.6
Total risk in index % - B10 SEK	14.6	Sharpe ratio - B10 SEK	0.7
Benchmark	Solactive ISS ESG Screened Emerging Markets Index NTR	Sharpe ratio in index - A1 SEK	0.5
Active Share % ¹⁾	67.8	Sharpe ratio in index - A1 EUR	0.3
Active return % - A1 SEK	2.1	Sharpe ratio in index - A1 NOK	0.2
Active return % - A1 EUR	2.0	Sharpe ratio in index - A10 SEK	0.5
Active return % - A1 NOK	2.0	Sharpe ratio in index - A10 EUR	0.3
Active return % - A10 SEK	3.2	Sharpe ratio in index - A10 NOK	0.2
Active return % - A10 EUR	3.1	Sharpe ratio in index - B1 SEK	0.5
Active return % - A10 NOK	3.1	Sharpe ratio in index - B10 SEK	0.5
Active return % - B1 SEK	2.1		
Active return % - B10 SEK	3.2		

1) As of the balance sheet date.

* 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.

Handelsbanken Tillväxtmarknad Tema, cont.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	3,292,896	-1,015,998
Changes in value for other derivative instruments **	428	-
Interest income	3,981	1,912
Dividends	306,780	267,770
Currency exchange profits and losses, net	15,844	36,335
Other financial income ¹⁾	1,564	1,677
Other income	14,320	557
Total income and changes in value	3,635,813	-707,747
EXPENSES		
Management costs:		
- Remuneration to the Management Company	210,221	217,723
Interest expense	118	288
Other financial expenses ²⁾	313	335
Other expenses	7,791	14,075
Total expenses	218,443	232,421
Net income	3,417,370	-940,168
* Details of changes in value		
Capital gains	714,354	2,367,559
Capital losses	-177,137	-221,710
Unrealised gains/losses	2,755,679	-3,161,847
Sum	3,292,896	-1,015,998
** Details of changes in value		
Unrealised gains/losses	428	-
Sum	428	-

¹⁾ The item consists primarily of premiums for securities lent.²⁾ The items consist primarily of expenses for securities borrowed.

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	16,486,322	96.7	11,191,755	95.5
Other derivative instruments with positive market value	428	0.0	-	-
Total financial instruments with positive market value ^{Note 2)}	16,486,750	96.7	11,191,755	95.5
Bank assets and other liquid assets	522,192	3.1	525,064	4.5
Prepaid expenses and accrued income	19,503	0.1	11,243	0.1
Other assets	50,532	0.2	1,157	-0.1
Total assets	17,078,977	100.1	11,729,219	100.1
LIABILITIES				
Accrued expenses and prepaid income	20,021	0.1	15,657	0.1
Other liabilities	-	-	0	0.0
Total liabilities	20,021	0.1	15,657	0.1
Fund capital ^{Note 1)}	17,058,956	100.0	11,713,562	100.0
Financial instruments lent	317,810	1.9	306,853	2.6
Collateral received for financial instruments lent	353,204	2.1	342,665	2.9

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	11,713,562	16,490,721
Units issued	4,491,125	4,571,035
Units redeemed	-2,557,130	-8,399,603
Profit according to Income Statement	3,417,370	-940,168
Dividends to unit holders	-5,971	-8,423
Fund capital at the close of the period	17,058,956	11,713,562

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
--	---------------------------------	-------------------	-------------------

LISTED EQUITIES

BERMUDA (BMD)			
Credicorp ADR	88,452	176,472	1.0
		176,472	1.0

BRAZIL (BRL)			
B3 Brasil Bolsa Balcao Ord Shs	2,844,905	284,472	1.7
Banco do Brasil	3,917,911	481,571	2.8
Cogna Educacao Ord Shs	5,992,729	159,396	0.9
Fleury	1,425,544	101,278	0.6
Itaú Unibanco Holding pref	1,714,942	148,057	0.9
Localiza Rent a Car	2,851,346	314,577	1.8
Odontoprev	1,752,036	68,780	0.4
Raia Drogasil	165,775	43,067	0.3
São Paulo Alpargatas	1,695,100	130,961	0.8
Telefônica Brasil	1,533,065	206,845	1.2
Valid	700,000	27,659	0.2
		1,966,664	11.5

CHILE (CLP)			
AFP Habitat	5,046,368	42,097	0.2
Andina B ADR	265,500	43,494	0.3
Coca-Cola Embonor B pref	3,500,000	57,501	0.3
Forus	718,740	9,842	0.1
		152,934	0.9

CHINA (CNY)			
3SBio HK	5,500,000	66,738	0.4
Alibaba Group Holding ADR	832,402	1,652,716	9.7
Autohome ADR	294,537	220,602	1.3
Baidu ADR	185,111	219,030	1.3
Bank of China	109,824,662	439,370	2.6
China Construction Bank	62,798,796	507,754	3.0
China Medical System Holdings	4,015,000	54,121	0.3
China Mobile HKD	2,202,000	173,279	1.0
China Shineway Pharmaceutical Group	2,520,000	22,343	0.1
Hainan Meilan International Airport	9,300,000	61,787	0.4
MicroPort Scientific Ord Shs	6,500,000	72,078	0.4
NetEase	122,224	350,841	2.1
New Oriental	113,284	128,580	0.8
Ping An Insurance	4,364,021	482,873	2.8
Qingdao Haier Ord Shs A	5,361,326	140,497	0.8
Tencent	3,673,468	1,657,634	9.7
TravelSky Technology	8,371,000	191,282	1.1
Xiaomi Ord Shs	4,086,200	52,921	0.3
Xinyi Solar Holdings	20,063,999	133,300	0.8
		6,627,745	38.9

COLOMBIA (COP)			
Grupo Nutresa	786,000	56,952	0.3
		56,952	0.3

GREECE (EUR)			
JUMBO	765,000	149,113	0.9
		149,113	0.9

HONG KONG (HKD)			
AIA Group	5,257,400	516,667	3.0
China Overseas Land & Investment	2,832,000	103,262	0.6
Lee's Pharmaceutical	3,200,000	16,993	0.1
NWS Holdings	3,785,000	49,656	0.3
		686,578	4.0

INDIA (INR)			
Bharti Infratel	2,044,274	67,695	0.4
Container Corporation Of India Ord Shs1	826,562	61,995	0.4
HDFC Bank Ord Shs	2,970,495	495,575	2.9
Housing Development Finance	957,226	302,866	1.8
ICICI Bank	2,435,313	172,116	1.0
Infosys Technologies	396,930	38,061	0.2
Tata Consultancy Services	627,784	177,977	1.0
Wonderla Holidays	1,256,292	40,350	0.2
		1,356,635	7.9

INDONESIA (IDR)			
Bank BTN	122,000,000	174,403	1.0
Bank Rakyat Indonesia	107,268,100	318,259	1.9
Telkom Indonesia	36,034,562	96,464	0.6
		589,126	3.5

KAZAKHSTAN (KZT)			
Halyk Bank	450,000	56,237	0.3
		56,237	0.3

KOREA, REPUBLIC OF (KRW)			
CJ O Shopping Ord Shs	49,710	64,221	0.4
		64,221	0.4

MEXICO (MXN)			
Bolsa Mexicana de Valores	2,820,000	58,125	0.3
Gruma	2,223,890	213,636	1.3
Grupo Aeroportuario del Centro Norte	2,427,638	170,355	1.0
Grupo Aeroportuario del Pacifico ADR	127,916	224,386	1.3
Hoteles City Express	2,655,207	17,111	0.1
PINFRA	730,606	70,087	0.4
		753,701	4.4

Handelsbanken Tillväxtmarknad Tema, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
NETHERLANDS (EUR)			
Yandex	241,809	98,443	0.6
		98,443	0.6
PERU (PEN)			
Alicorp	3,150,000	81,931	0.5
Intergroup	215,000	83,121	0.5
		165,052	1.0
PHILIPPINES (PHP)			
BDO Unibank	3,194,327	93,288	0.5
Globe Telecom	228,082	85,159	0.5
		178,447	1.0
POLAND (PLN)			
KRUK	82,691	34,235	0.2
		34,235	0.2
RUSSIAN FEDERATION (RUB)			
Moscow Exchange	4,185,258	67,966	0.4
Obuv Rossii OOO1	2,645,843	17,147	0.1
Phosagro GDR	403,348	47,952	0.3
Sberbank	14,006,059	537,755	3.2
X5 Retail Group	399,368	128,978	0.8
		799,799	4.7
SOUTH AFRICA (ZAR)			
City Lodge	350,000	16,867	0.1
Clicks Group	1,388,617	238,523	1.4
Johannesburg Stock Exchange	1,378,300	110,279	0.6
LIFE Healthcare Group	2,061,000	34,010	0.2
MultiChoice Group Ord Shs (Proposed)	112,787	8,796	0.1
Sanlam	4,120,880	218,210	1.3
		626,686	3.7
TAIWAN, PROVINCE OF CHINA (TWD)			
Fubon Financial Holding	3,004,000	43,527	0.3
Largan Precision	56,415	88,085	0.5
Taiwan Semiconductor	12,350,565	1,276,589	7.5
		1,408,201	8.3
THAILAND (THB)			
Airports of Thailand Ord Shs F	10,371,938	240,674	1.4
Bangkok Dusit Medical Services	18,983,203	154,247	0.9
Major Cineplex	6,150,000	48,530	0.3
Minor International	8,500,000	95,630	0.6
		539,081	3.2
Total listed equities		16,486,322	96.7
Total transferable securities		16,486,322	96.7

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OPTIONS AND WARRANTS			
MINT W6 TB 1)	425,000	428	0.0
Total options and warrants		428	0.0
Total exchange-traded derivatives		428	0.0
Total holdings in financial instruments		16,486,750	96.7
Net, other assets and liabilities		572,206	3.3
Total fund capital		17,058,956	100.0

1) ÖVERSÄTT_H: Under:428 tSEK

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

Additional information on loaned securities

Volume of lent securities as a % of total lendable assets **3,22**

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

The British Government	19 799
U.S.A	17 113
Nestle Sa	14 399
Bhp Group Plc	14 399
The French Government	13 673
Alia Group Ltd	12 380
General Electric Co	10 331
Lowe's Cos Inc	9 833
Royal Dutch Shell Plc	9 702
Just Eat Plc	6 724

The largest counterparties for securities lending, SEK thousand:

UBS AG, London Branch, Great Britain	259 676
Credit Suisse Securities (Europe) Ltd, Great Britain	23 033
J.P. Morgan Securities Plc, Great Britain	18 238
Merrill Lynch Intl, Great Britain	12 857
Citigroup Global Markets Ltd, Great Britain	3 600
HSBC Bank Plc, Great Britain	405
	317 810

Type and quality of collateral, SEK thousand:

Equities	290 741
Bonds and other interest-bearing instruments	62 463
	353 204

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 one day	-
One day to one week	-
One week to one month	240
One to three months	697
Three months to one year	3 418
Greater than one year	58 109
Indeterminate duration	290 741
	353 204

Currency of the collateral, SEK thousand:

AUD	7 948
CAD	2 745
CHF	14 811
DKK	754
EUR	79 889
GBP	141 535
HKD	15 279
JPY	13 375
SEK	376
SGD	1 927
USD	74 565
	353 204

The profile of the duration for securities lending is undetermined, but may be immediately terminated. Settlement and clearing for securities lending is conducted through a third party. The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 21 SEK 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:

-Citigroup Global Markets Ltd, Great Britain
 -Credit Suisse Securities (Europe) Ltd, Great Britain
 -HSBC Bank Plc, Great Britain
 -J.P. Morgan Securities Plc, Great Britain
 -Merrill Lynch Intl, Great Britain
 -Morgan Stanley & Co International Plc, Great Britain
 -UBS AG, London Branch, Great Britain

Handelsbanken Tillväxtmarknad Tema

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes in its entirety companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies with key activities within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We

conduct dialogues for the purpose of encouraging companies to improve their sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
- B. Dialogues together with other investors/capital owners
- C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP

A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.

B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.

C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

Annual General Meetings and nomination committees

Handelsbanken Fonder normally votes at general meetings in those companies where ownership exceeds 0.5 or when there is a vote on matters of particular concern. 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 general meetings.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.

Follow-up of sustainability work

Inclusion

How a company works with sustainability can take many different forms and includes everything from work conditions, environmental concerns to how to respond to regulations and maintain a high level of integrity in business operations. One company that has worked extensively with last issue is Taiwan Semiconductor. Through its structured work in following and documenting its products and inputs from start to finish, the company has been able to continue to produce and export components to both China and the US, despite the relatively extensive restrictions due to the trade conflict. The company's technological advances have also led to a larger market share. We see good potential in the company since Taiwan Semiconductor is also a key component in the rollout of 5G in China, the US and other countries.

Exclusion

The fund has chosen to sell its holdings in Banco de Chile. This is due in part to increased competition, as well as a result of increased sustainability risks in the company's data management and use of this data. The company is investing in digitalisation, as many other global banks, and is building a large database in conjunction with the investment. Transaction data from a significant number of individuals will be compiled to analyse customers' behaviour to be able to design and send personalised offers to customers. This can certainly be positive, however in our interactions with Banco de Chile we see a lack of insight regarding the challenges related to the use of the transaction data. We believe that this could affect the opportunity for sustainable growth as well as increase the risk for future expenses if stricter regulations are introduced in the country.

The Management Company's engagement activities

- A. The fund engaged in three targeted dialogues directly with companies. During the year the fund began a dialogue with Peruvian Alicorp with the aim of clarifying how they work with their supply chain linked to palm oil. We believe it is of paramount importance that all companies

dependent on or affected by farming and forestry identify their impact on the environment, as well as any impact on the indigenous people in the area. As a first step in this process, we are working on improving the follow-up and transparency in the company's sustainability report, to subsequently track the progress further.

- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund did not have any investments in these companies.
- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.

General meetings and nomination committees

The Management Company voted at 62 annual general meetings on behalf of the fund during the year.

The fund did not have any holdings in companies in which the Management Company was represented on a nomination committee.

Portfolio Manager: JOAKIM BUDDGÅRD

A fund's historical return is no guarantee of future returns. The money you have saved can both increase and decrease in value, and it is not certain that you will get back all the capital you have invested. Under certain market conditions, a hedge fund's less restrictive investment rules can result in a higher risk level than a traditionally-managed fund.

BASE CURRENCY



Handelsbanken Räntestrategi

Management Report

Investment Focus

The fund is an actively managed fixed income fund. The fund is a non-UCITS fund and differentiates itself from a securities fund by having significant holdings in government securities issued by individual states. The fund's objective is to attain high risk-adjusted returns through active positions in the global fixed income markets. In addition, the objective is to generate positive returns regardless of whether market rates rise or fall. The fund invests in interest-bearing securities in various currencies issued by states, municipalities and companies. These securities shall have a minimum credit rating of BBB- according to Standard & Poor's or Baa3 according to Moody's rating scale. A maximum of 2% of the fund's value may have exposure to currency risk. The fund may also invest in securities that lack an official credit rating, which we deem hold an equivalent credit quality. The fund may also invest in interest rate derivatives, such as forward contracts, repurchase agreements and swap contracts. The average remaining fixed interest period may be negative in an effort to create positive fund returns. International norms and guidelines with regard to 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 in companies active within the fossil fuels, war materials, tobacco, cannabis, alcohol, commercial gambling and pornography areas/sectors. The fund may invest in sustainable, social and green bonds issued by companies involved in power generation from fossil fuels. Refer to the fund's information brochure for further information. The fund may invest a maximum of 10% of fund capital in fund units. We compare fund performance with the Riksbank's fixing rate STFIX 3M. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 0.1% in 2019*. Short and long-term global rates fell sharply during H1, to then rise slightly during the latter part of the year. The declining rates were primarily due to the trade conflict initiated by Donald Trump. The US raised tariffs during the spring on products imported from China. The remainder of the year was then dominated by rumours and uncertainty about the trade agreement, which resulted in weakened outlook indicators. The central banks reacted in line with this. The Fed, which began the year signalling for rate hikes, cut key rates three times in 2019. This had a negative impact on fund returns, primarily in H1, since the portfolio had been positioned for higher US short-term rates as we saw clear upward risks for inflation. The ECB also cut rates and relaunched quantitative easing. However, the Riksbank went against the tide and raised the key rate to 0%. The Riksbank concluded that the negative effects of negative interest rates outweighed the positive. Swedish short-term rates have thus risen, which the portfolio was protected against since we increased the proportion of bonds with variable rates during the year. The portfolio had a more flexible position in the longer durations and the total duration in the fund varied between approximately -0.7 and +1.8 years. As we saw more positive signals from the trade negotiations and economic indicators appear to have reached a bottom, global interest rates rose during the latter part of the year. This was positive for fund returns. Overall, the negative contributions from position in short-term rates were partially compensated by positions in slightly longer bonds. As with the equity market, the credit market posted strength. The market seems to be counting on further support from the central banks. Our outlook has been tentative to the credit market, although we still continue to invest selectively in corporate bonds where we believe there is value. This benefited returns in the fund during the spring.

*) 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

An investment in the fund is characterised by low risk. An investment in fixed income securities or in a fixed income fund is associated with interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The average duration over time for holdings in the fund can vary significantly over time and can also be negative. Fund investments include securities issued by states, municipalities and companies in different regions and currencies. Fund investments can be concentrated to holdings in government securities and covered bonds issued by individual states or issuers. This means that the risk in the fund can be higher than an investment in a diversified global fund that allocates its investments across several regions or sectors. The fund can invest in foreign securities denominated in another currency other than the fund's base currency, but holdings are currency hedged in this case. Given that the fund consists of different share classes, the changes in exchange rates can result in a differentiation in risk classifications between different share classes depending on the type of currency in which the share class is traded. An investment in an interest-bearing 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 interest-bearing securities issued by companies or states with a low credit quality increases. The fund may invest in derivatives as part of its investment focus to increase returns in the fund or to create leverage. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

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 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

• Highest leverage during the financial year	263.8%
• Lowest leverage during the financial year	11.9%
• Average leverage during the financial year	173.2%

Information

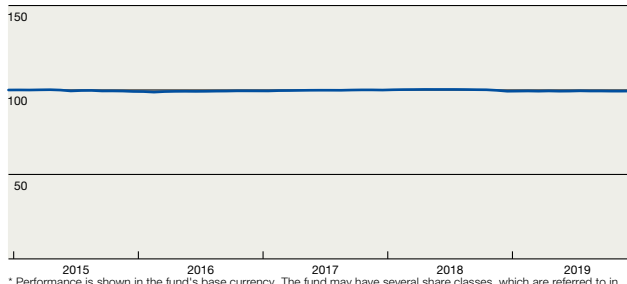
As of April 16, 2019 the fund changed its fund rules. The fund changed its name from Handelsbanken Räntestrategi Criteria to Handelsbanken Räntestrategi.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Handelsbanken Räntestrategi, cont.

Fund Performance*



Fund Facts - History

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net asset value, SEK										
Räntestrategi A1	102.34	102.23	102.95	102.42	102.08	102.98	102.39	100.47	100.50	99.27
Räntestrategi A10	102.38	102.24	-	-	-	-	-	-	-	-
Räntestrategi B1	99.31	99.70	100.90	101.39	102.08	-	-	-	-	-
Räntestrategi B10	99.35	99.72	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	-5,291	5,913	6,312	-52	9,227	4,420	-82	-383	-	-
Fund capital total, mSEK	21,666	26,926	21,228	14,837	14,845	5,736	1,313	1,370	1,755	2,331
Räntestrategi A1	11,769	16,675	20,822	14,645	14,598	5,736	1,313	1,370	1,755	2,331
Räntestrategi A10	9,323	9,477	-	-	-	-	-	-	-	-
Räntestrategi B1	192	249	406	192	247	-	-	-	-	-
Räntestrategi B10	382	525	-	-	-	-	-	-	-	-
Number of units, 1000's	211,841	263,572	206,286	144,884	145,430	55,705	12,828	13,638	17,460	23,482
Räntestrategi A1	115,001	163,124	202,262	142,989	143,006	55,705	12,828	13,638	17,460	23,482
Räntestrategi A10	91,061	92,692	-	-	-	-	-	-	-	-
Räntestrategi B1	1,938	2,495	4,024	1,895	2,424	-	-	-	-	-
Räntestrategi B10	3,841	5,261	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Räntestrategi A1	+0.1	-0.7	+0.5	+0.3	-0.9	+0.6	+1.9	+2.5	+2.8	+0.7
Räntestrategi A10	+0.1	-0.9	-	-	-	-	-	-	-	-
Räntestrategi B1	+0.1	-0.7	+0.5	+0.3	-0.9	-	-	-	-	-
Räntestrategi B10	+0.1	-0.9	-	-	-	-	-	-	-	-
Benchmark rate in %, kr	+0.1	0.0	0.0	0.0	0.0	+0.5	+0.9	+1.2	+1.6	+0.3
Index including dividends in %, SEK										
Räntestrategi A1	0.0	0.0	-	-	-	-	-	-	-	-
Räntestrategi A10	0.0	0.0	-	-	-	-	-	-	-	-
Räntestrategi B1	0.0	0.0	-	-	-	-	-	-	-	-
Räntestrategi B10	0.0	0.0	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Räntestrategi A1	0.5	0.5	0.4	0.6	0.6	-	-	-	-	-
Räntestrategi B2	0.5	0.5	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Räntestrategi A1	-0.3	-0.1	+0.4	-0.3	-0.2	+1.2	+2.2	+2.7	+1.8	+1.5
Räntestrategi B1	-0.3	-0.1	+0.4	-	-	-	-	-	-	-
Comparison to index including dividends, %	0.0	0.0	-	-	-	-	-	-	-	-
Comparison to benchmark rate in %, kr	0.0	0.0	0.0	0.0	+0.2	+0.7	+1.1	+1.4	+0.9	+0.4
Average yearly return, 5 yrs. %										
Räntestrategi A1	-0.1	0.0	+0.5	+0.9	+1.4	+1.7	+2.1	+2.5	+2.7	+2.6
Comparison to index including dividends, %	0.0	+0.1	-	-	-	-	-	-	-	-
Comparison to benchmark rate in %	0.0	+0.1	+0.3	+0.5	+0.8	+0.9	+0.9	+1.6	+2.0	+2.1
Average yearly return, 10 yrs. %										
Räntestrategi A1	+0.8	+1.0	+1.5	+1.8	+2.0	+2.1	-	-	-	-
Comparison to index including dividends, %	+0.4	+0.5	-	-	-	-	-	-	-	-
Benchmark rate in %, kr	+0.4	+0.5	+0.9	+1.2	+1.4	-	-	-	-	-
Dividends per unit, SEK										
Räntestrategi A1	-	-	-	-	-	-	-	2.55	1.56	0.69
Räntestrategi B1	0.50	0.50	1.01	1.02	0.00	-	-	-	-	-
Räntestrategi B10	0.50	0.50	-	-	-	-	-	-	-	-

Benchmark: Statsfix 3M 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.

Detailed information for the share classes' designation (nomenclature) is provided in the information provided by the Management Company.

Refer to the last page for definitions.

Handelsbanken Räntestrategi, cont.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Räntestrategi A1	0.10
Räntestrategi A10	0.08
Räntestrategi B1	0.10
Räntestrategi B10	0.08
Collected mgmt. costs in % of average fund capital	
Räntestrategi A1 ¹⁾	0.10
Räntestrategi A10 ¹⁾	0.08
Räntestrategi B1 ¹⁾	0.10
Räntestrategi B10 ¹⁾	0.08
Annual fees in %	
Räntestrategi A1	0.10
Räntestrategi A10	0.08
Räntestrategi B1	0.10
Räntestrategi B10	0.08
Transaction costs, SEK1	1,198
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Räntestrategi A1	10.01
Räntestrategi A10	8.01
Räntestrategi B1	10.01
Räntestrategi B10	8.01
Costs in SEK for monthly savings, 100 SEK	
Räntestrategi A1	0.65
Räntestrategi A10	0.52
Räntestrategi B1	0.65
Räntestrategi B10	0.52

1) A performance-based management expense is added when the fund exceeds the benchmark rate.
A maximum fixed fee of 3% may be deducted annually for the management of the underlying funds in which the fund invests assets. During each measurement period, any potential performance-based management fees in the underlying funds may total a maximum of 30% of the excess returns in relation to each of the fund's comparison norms (index or equivalent).

Fund Facts - Other Key Figures

Turnover rate	0.6
Share of turnover conducted via closely-related securities companies in %	5.0
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	0.5	Sharpe ratio - B1 SEK	0.7
Total risk % - B1 SEK	0.5	Sharpe ratio in index - A1 SEK	0.0
Total risk in index % - A1 SEK	0.0	Sharpe ratio in index - B1 SEK	0.0
Total risk in index % - B1 SEK	0.0	VaR as of the closing date	0.03
Benchmark	Statsfix 3M Index	Highest VaR during the financial year	0.05
Active return % - A1 SEK	-0.3	Lowest VaR during the financial year	0.02
Active return % - B1 SEK	-0.3	Average VaR during the financial year	0.03
Information ratio - A1 SEK	Negative	Duration, months ¹⁾	7.0
Information ratio - B1 SEK	Negative		
Sharpe ratio - A1 SEK	0.7		

1) As of the balance sheet date.

* 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 an absolute Value at Risk method.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	102,296	-163,493
Changes in value for other derivative instruments **	-215,288	-193,409
Interest income	169,434	170,270
Currency exchange profits and losses, net	-1,535	2,768
Other financial income	-	1
Other income	0	0
Total income and changes in value	54,907	-183,863
EXPENSES		
Management costs:		
- Remuneration to the Management Company	21,205	30,298
Interest expense	61	121
Other expenses	2,526	1,012
Total expenses	23,792	31,431
Net income	31,115	-215,294
* Details of changes in value		
Capital gains	20,538	14,410
Capital losses	-41,174	-81,184
Unrealised gains/losses	122,932	-96,719
Sum	102,296	-163,493
** Details of changes in value		
Capital gains	551,526	987,664
Capital losses	-612,863	-1,181,073
Unrealised gains/losses	46,049	-
Sum	-215,288	-193,409

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	17,053,001	78.7	21,726,261	80.7
Money market instruments	3,286,401	15.2	2,308,625	8.6
OTC derivative instruments with positive market value	-	-	3,380	0.0
Other derivative instruments with positive market value	0	0.0	-	-
Total financial instruments with positive market value ^{Note 2)}	20,339,402	93.9	24,038,266	89.3
Bank assets and other liquid assets	1,286,167	5.9	2,821,246	10.5
Prepaid expenses and accrued income	43,455	0.2	71,237	0.2
Other assets	13	0.0	-	-
Total assets	21,669,037	100.0	26,930,749	100.0
LIABILITIES				
OTC derivative instruments with negative market value	1,099	0.0	-	-
Total financial instruments with negative market value ^{Note 2)}	1,099	0.0	-	-
Accrued expenses and prepaid income	1,774	0.0	2,148	0.0
Other liabilities	12	0.0	2,505	0.0
Total liabilities	2,885	0.0	4,653	0.0
Fund capital ^{Note 1)}	21,666,152	100.0	26,926,096	100.0
Other derivative instruments with negative market value ¹⁾	14,326	0.1	65,044	0.2

1) Liquid assets 31 763 tSEK

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	26,926,096	21,228,022
Units issued	10,822,762	22,788,124
Units redeemed	-16,110,767	-16,872,432
Profit according to Income Statement	31,115	-215,294
Dividends to unit holders	-3,054	-2,324
Fund capital at the close of the period	21,666,152	26,926,096

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, OTHERS			
BMW 1,75% 2020-10-03	42,000	42,381	0.2
BMW Finance FRN 2023-06-19	90,000	90,054	0.4
BNP Paribas 0,5% 2025-06-04	5,900	62,155	0.3
BNP Paribas FRN 2020-05-13	190,000	190,473	0.9
Danske Bank FRN 2023-01-25	230,000	228,615	1.1
DNB Bank FRN 2022-11-01	200,000	201,946	0.9
LeasePlan 0,60% 2021-01-11	100,000	99,894	0.5
LeasePlan 0,7275% 2021-05-03	150,000	149,939	0.7
LeasePlan 1,375% 2024-03-07	850	9,249	0.0
LeasePlan FRN 2022-07-05	200,000	200,372	0.9
Nordea Bank 1,125% 2023-06-27	175,000	175,742	0.8
Nordea CB 1,935% 2020-09-17	100,000	100,624	0.5
Nordea CB FRN 2020-03-12	233,000	233,895	1.1
Nordea FRN 2025-09-17	200,000	200,868	0.9
Olav Thon Eiendomsselskap FRN 2021-09-03	100,000	99,962	0.5
Olav Thon Eiendomsselskap FRN 2022-05-10	200,000	200,410	0.9
OP Yrityspankki FRN 2022-05-18	200,000	201,670	0.9
Pohjola Bank FRN 2020-08-25	90,000	90,507	0.4
Santander Consumer Bank 0,285% 2021-06-14	135,000	135,643	0.6
Santander Consumer Bank FRN 2020-03-30	100,000	100,101	0.5
Santander Consumer Bank FRN 2022-09-19	200,000	200,132	0.9
Stora Enso FRN 2021-08-20	303,000	304,948	1.4
Telenor FRN 2021-09-20	300,000	300,609	1.4
Tomra FRN 2022-11-14	58,000	61,782	0.3
		3,681,970	17.0
MORTGAGE			
Nordea Hypotek 5532 1,25% 2021-05-19	250,000	253,625	1.2
Stadshypotek 1584 1,50% 2021-03-17	750,000	761,858	3.5
		1,015,483	4.7
OTHER			
Akelius 1,125% 2021-10-04	240,000	241,390	1.1
Assa Abloy 0,375% 2021-07-26	150,000	149,741	0.7
Atrium Ljungberg 0,743% 2021-04-19	150,000	150,053	0.7
Atrium Ljungberg 114 0,58% 2020-10-26	75,000	74,966	0.3
Atrium Ljungberg FRN 2022-11-21	100,000	100,553	0.5
Atrium Ljungberg FRN 2023-07-07	150,000	150,852	0.7
Balder 0,743% 2021-07-02	200,000	200,090	0.9
Balder FRN 2023-02-06	200,000	199,568	0.9
BillrudKorsnäs 0,7% 2021-01-04	150,000	149,960	0.7
BLUESTEP FRN 2022-09-12	80,000	80,484	0.4

Handelsbanken Räntestrategi, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Castellum 0,81% 2021-07-09	150,000	150,270	0.7
Castellum FRN 2022-07-05	200,000	200,980	0.9
Castellum FRN 2022-09-01	96,000	98,802	0.5
Castellum FRN 2023-08-28	100,000	100,927	0.5
Castellum FRN 2024-03-28	50,000	51,234	0.2
Electrolux FRN 2023-03-27	125,000	126,093	0.6
Ellevio FRN 2023-12-09	200,000	206,022	1.0
Ellevio FRN 2024-02-28	100,000	102,864	0.5
Fabege FRN 2023-10-03	50,000	51,015	0.2
Handelsbanken FRN 2027-11-15	195,000	194,786	0.9
Heimstaden Bostad 2,125% 2023-04-05	9,000	99,437	0.5
Heimstaden Bostad FRN 2020-12-07	225,000	227,225	1.0
Hemsö 0,42% 2021-05-04	350,000	349,829	1.6
Hemsö FRN 2023-02-13	100,000	100,862	0.5
Hexagon 0,66% 2020-11-16	150,000	150,059	0.7
Hexagon 1,625% 108 2020-09-17	79,000	79,596	0.4
Hexagon FRN 2021-05-24	257,000	259,100	1.2
Hufvudstaden 1,2% 2021-12-08	200,000	202,174	0.9
Humlegården Fastigheter 1,035% 2021-05-28	122,000	122,694	0.6
Humlegården Fastigheter FRN 2022-06-22	71,000	72,359	0.3
Humlegården Fastigheter FRN 2024-10-07	98,000	98,281	0.5
Husqvarna FRN 2023-02-14	125,000	125,414	0.6
ICA Gruppen 0,465% 2021-01-15	63,000	62,957	0.3
Ikano Bank AB FRN 2022-10-17	150,000	149,952	0.7
Ikano Bank FRN 2021-05-14	100,000	100,320	0.5
Ikano Bank FRN 2022-05-16	140,000	140,202	0.6
Industrivärden FRN 2022-02-28	96,000	96,366	0.4
Intea Fastigheter 0,7% 2020-02-21	62,000	62,022	0.3
Intea Fastigheter FRN 2021-09-30	60,000	59,816	0.3
Intea Fastigheter FRN 2022-07-05	108,000	109,862	0.5
Investment AB Latour FRN 2023-03-27	152,000	151,798	0.7
Kinnevik 0,39% 2020-08-25	100,000	99,922	0.5
Kungälv FRN 2023-03-07	90,000	92,381	0.4
Länsförsäkringar 0,7275% 2022-03-07	100,000	100,239	0.5
Länsförsäkringar FRN Perpetual	211,000	211,909	1.0
Latour 0,24% 2020-03-16	94,000	93,956	0.4
Latour 0,36% 2020-11-16	66,000	65,888	0.3
Lifco 0,405% 2020-04-03	52,000	51,984	0.2
LKAB FRN 2025-03-10	100,000	99,749	0.5
NCC Treasury FRN 2022-09-30	122,000	122,020	0.6
NIBE Industrier 1,00% 2021-06-21	150,000	150,576	0.7
NIBE Industrier FRN 2022-04-11	110,000	111,778	0.5
Nya SFF 0,49% 2020-02-28	100,000	99,992	0.5
Nya SFF 0,53% 2020-09-07	150,000	149,783	0.7
Nya SFF FRN 2021-09-01	150,000	150,930	0.7
Postnord FRN 2022-03-14	54,000	54,134	0.2
Rikshem 0,716% 2022-01-12	226,000	226,678	1.0
Rikshem FRN 2022-05-20	150,000	150,905	0.7
Rikshem FRN 2023-07-18	150,000	151,064	0.7
Sagax FRN 2023-06-16	75,000	74,914	0.3
SBAB FRN 2024-06-20	121,000	121,679	0.6
SBAB FRN 2024-10-23	200,000	200,092	0.9
SCA 0,375% 2021-05-24	120,000	119,650	0.6
Scania 0,455% 210504	150,000	149,583	0.7
Scania 0,635 % 2022-02-21	300,000	298,737	1.4
Scania FRN 2022-08-22	200,000	199,974	0.9
Skandiabanken 1,10% 2022-08-29	123,000	124,380	0.6
Södra Skogsägarna FRN 2021-06-07	100,000	101,392	0.5
Swedavia 0,3625% 2021-04-12	430,000	429,596	2.0
Swedbank 0,305% 2021-05-09	50,000	49,802	0.2
Tele2 FRN 2022-03-16	150,000	153,656	0.7
Vasakronan 0,41% 2021-03-05	100,000	99,973	0.5
Vasakronan FRN 2022-11-29	300,000	302,988	1.4
Vasakronan FRN 2023-02-15	100,000	100,986	0.5
Volvo Treasury 0,467% 2021-08-24	100,000	99,747	0.5
Volvo Treasury FRN 2022-05-23	212,000	212,013	1.0
Volvo Treasury FRN 2022-11-04	300,000	299,574	1.4
Volvofinans Bank FRN 2020-01-20	70,000	70,021	0.3
Volvofinans Bank FRN 2021-06-22	200,000	202,380	0.9
Wallenstam 0,48% 2020-06-05	112,000	111,905	0.5
Wallenstam 0,875% 2020-11-23	182,000	182,238	0.8
Willhem 0,69% 2022-01-11	300,000	300,621	1.4
Willhem FRN 2022-08-26	150,000	150,017	0.7
		11,940,770	55.1
Total listed fixed-income securities		16,638,223	76.8

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
UNLISTED FIXED-INCOME SECURITIES			
OTHER			
Hemsö FRN 2023-10-09	200,000	201,724	0.9
Lejonfastigheter FRN 2022-09-05	110,000	112,002	0.5
SKB FRN 2022-11-28	100,000	101,052	0.5
		414,778	1.9
Total unlisted fixed-income securities		414,778	1.9
Total transferable securities		17,053,001	78.7

MONEY MARKET INSTRUMENTS**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
CERTIFICATE			
Aria 2020-04-08	100,000	99,873	0.5
Aria 2020-05-28	50,000	49,900	0.2
Balder DI FC 2020-02-10	100,000	99,956	0.5
Balder DI FC 2020-04-07	50,000	49,937	0.2
Bonava FC 2020-01-31	75,000	74,976	0.3
Castellum DI FC 2020-01-22	100,000	99,980	0.5
Castellum DI FC 2020-05-27	200,000	199,602	0.9
Fabege FC 2020-01-10	130,000	129,991	0.6
H & M DI FC 200228	320,000	319,782	1.5
H & M DI FC 2020-05-06	100,000	99,833	0.5
Hexagon DI FC 2020-02-18	100,000	99,945	0.5
Hexagon DI FC 2020-04-03	200,000	199,759	0.9
Humlegården Fastigheter DI FC 2020-01-20	185,000	184,968	0.9
Ikano Bank DI BAC 2020-02-24	180,000	180,010	0.8
Intea Fastigheter DI FC 2020-02-28	60,000	59,959	0.3
Kungälv AB DI FC 2020-06-04	150,000	149,683	0.7
Loomis DI FC 2020-06-18	100,000	99,767	0.5
Nordic Entertainment Gr DI FC 2020-03-19	50,000	49,951	0.2
Nordic Entertainment Gr DI FC 2020-04-06	100,000	99,876	0.5
Nordic Entertainment Gr DI FC 2020-05-26	100,000	99,803	0.5
Olav Thon Eiendomsselskap FC 2020-02-24	100,000	99,937	0.5
Volvofinans Finans Sverige 2020-04-27	100,000	99,846	0.5
Volvofinans Finans Sverige 2020-05-20	200,000	199,626	0.9
Volvofinans Finans Sverige ECP 2020-03-20	140,000	139,861	0.6
Wallenstam DI FC 2020-03-26	150,000	149,837	0.7
Wallenstam DI FC 2020-04-07	50,000	49,937	0.2
Wallenstam DI FC 2020-05-25	100,000	99,804	0.5
Total certificate		3,286,401	15.2
Total money market instruments		3,286,401	15.2

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
3M Eur Euribor mars 2020 ¹⁾	-100	0	0.0
3M Euro Dollar mars 2020 ²⁾	-100	0	0.0
EURO-BUND Future Mar20 ³⁾	-71	0	0.0
US 10YR NOTE (CBT)Mar20 ⁴⁾	-1,126	0	0.0
US 2YR NOTE (CBT) Mar20 ⁵⁾	2,230	0	0.0
US LONG BOND(CBT) Mar20 ⁶⁾	123	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
SEK/EUR ⁷⁾		-240	0.0
SEK/NOK ⁸⁾		-600	0.0
SEK/USD ⁹⁾		-259	0.0
		-1,099	0.0
Total OTC derivative instruments		-1,099	0.0
Total other financial instruments		-1,099	0.0
Total holdings in financial instruments		20,338,304	93.9
Net, other assets and liabilities		1,327,849	6.1
Total fund capital		21,666,152	100.0

¹⁾ ÖVERSÄTT_J: Under-1 051 789 tSEK²⁾ ÖVERSÄTT_J: Under-932 045 tSEK³⁾ Interest rate futures with underlying exposure of -127 207 tSEK, which is equivalent to 0.6% of fund capital.⁴⁾ Interest rate futures with underlying exposure of -1 361 571 tSEK, which is equivalent to 6.3% of fund capital.⁵⁾ Interest rate futures with underlying exposure of 4 531 531 tSEK, which is equivalent to 20.9% of fund capital.⁶⁾ Interest rate futures with underlying exposure of 190 152 tSEK, which is equivalent to 0.8% of fund capital.⁷⁾ ISEK 170 967 tEUR -16 200, counterpart Citibank Plc. ISEK 93 856 tEUR -9 000, counterpart Skandinaviska

Enskilda Banken AB (publ).

⁸⁾ ISEK 61 061 tNOK -58 000, counterpart J.P. Morgan Securities Plc.⁹⁾ ISEK 83 687 tUSD -9 000, counterpart Citibank Plc.

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Nordea	4.5	LeasePlan	2.1
Handelsbanken	4.4	Willhem	2.1
Castellum	4.2	Hennes & Mauritz	2.0
Volvo	4.1	Santander Group	2.0
Hexagon	3.7	Volvo	2.0
Hemsö	3.0	Nya Svensk Fastighets Finansiering	1.9
Scania	3.0	Olav Thon Eiendomsselskap	1.9
Wallenstam AB	2.7	Ellevio	1.5
Ikano SA	2.6	Heimstaden Bokreditt	1.5
Balder	2.5	Länsförsäkringar	1.5
Rikshem	2.4	SBAB	1.5
Vasakronan	2.4	Intea Fastigheter AB	1.4
Humlegården Fastigheter	2.3	BNP Paribas	1.2
Atrium Ljungberg	2.2	NIBE Industrier	1.2

Handelsbanken Råntestrategi, cont.

Company/Group	% of fund capital	Company/Group	% of fund capital
Nordic Entertainment Group AB	1.2	Latour	0.7
Fabege	0.8		
Arla	0.7		

* 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.

Handelsbanken Räntestrategi

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes in its entirety companies/issuers involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies/issuers involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies/issuers with key activities within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies/issuers that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We

conduct dialogues for the purpose of encouraging companies to improve their sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
- B. Dialogues together with other investors/capital owners
- C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP

A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.

B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.

C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.*

Follow-up of sustainability work

Inclusion

During the year we invested in several sustainable bonds, of which one that has an entirely new green framework, Stora Enso. The fund participated in the new share issue of a five-year bond at an attractive valuation.

Stora Enso is a leading forest industry company with a global presence and 26,000 employees. The company produces packaging materials, pulp, wood products and paper. The company is listed in the Dow Jones Sustainability Index and FTSE4Good. In comparison to 2010, the company's target is to reduce its greenhouse gas emissions by 31 percent per tonne of pulp, paper or packaging material produced. This reduction in emissions is higher than the 2°C target of the Paris Agreement. In addition, Stora Enso is the first forest industry that has implemented external research-based emissions targets. At the close of Q4 2018, the company has attained a 17 percent reduction in emissions. The emissions report is completely transparent and available to the public. Ninety-six percent of the water usage for production is returned to nature after being treated in accordance with applicable environmental legislation. The proportion of waste products is extremely low in Stora Enso's production, where 98 percent of the input materials are used in their entirety.

The Sustainable Development Goals that the company has identified as most relevant for the business operations are: Goal 12: *Sustainable consumption and production*, Goal 13: *Climate action* and Goal 15: *Ecosystem and biological diversity*.

Demand for the company's product mix with raw materials that are renewable and fossil free is steadily rising as awareness of the climate crisis increases. Urbanisation and the world's growing population is also becoming more present within politics and the economy at the global level. Stora Enso is also at the forefront for new materials that are renewable, and lignin is one such material. Between 20 to 30 percent of a tree consists of lignin which was previously processed as a waste product in paper mills but with new technology can now replace petroleum-based products for the production of plywood and laminates. Together with carbon fibre, lignin builds a very durable material that is free from

toxins. Several examples of biomaterials that can replace old raw materials include dissolved pulp that is used to produce textiles instead of water intensive cotton or plastic materials. Stora Enso's division for biomaterials is a market leader in Europe.

The Management Company's engagement activities

- A. The fund engaged in one targeted dialogue directly with a company during the year.
A dialogue was held with Hexagon which was primarily due to the company's decentralised organisational structure with many units. Based on a sustainability perspective, there are potential risks as a result given that this places high demands on coordination to maintain a balanced sustainability performance. Hexagon offers products and services that result in efficiency and resource improvements in various ways in the application at the customer. This is something that the company could highlight even earlier in the sustainability report, as we believe there are many positive effects from this. We had personal meetings with the company concerning the company's appointment of a function at the group level to coordinate the sustainability activities.
- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund held holdings in two of these companies.
- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.

Portfolio Manager: JOAKIM BUDDGÅRD

A fund's historical return is no guarantee of future returns. The money you have saved can both increase and decrease in value, and it is not certain that you will get back all the capital you have invested. Under certain market conditions, a hedge fund's less restrictive investment rules can result in a higher risk level than a traditionally-managed fund.

BASE CURRENCY



Handelsbanken Räntestrategi Plus

Management Report

Investment Focus

The fund is actively-managed fixed income fund. The fund is a non-UCITS fund and differentiates itself from a securities fund by having significant holdings in government securities and covered bonds issued by individual state or issuers. The objective of the fund is to attain a high risk-adjusted returns through active positions on the global fixed income markets. The objective is to also generate positive returns irrespective of the rise or fall of market rates. The fund invests in interest-bearing securities in various currencies issued by states, municipalities and companies. These securities shall have a minimum credit rating of BB- according to Standard & Poor's or Ba3 according to Moody's rating scale. The fund may also invest in securities that lack an official credit rating that we consider have an equivalent credit quality. The fund may also invest in interest rate derivatives, such as forward contracts, repurchase agreements and swap contracts. The average residual fixed interest period may be negative in an effort to create positive fund returns. The fund may invest a maximum of 10% of fund capital in fund units. We compare fund performance with Riksbanken's fixing rate STFIX 3M. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 1.4% in 2019*. Short and long-term global rates fell sharply during H1, to then rise slightly during the latter part of the year. The declining rates were primarily due to the trade conflict initiated by Donald Trump. The US raised tariffs during the spring on products imported from China. The remainder of the year was then dominated by rumours and uncertainty about the trade agreement, which resulted in weakened outlook indicators. The central banks reacted in line with this. The Fed, which began the year signalling for rate hikes, cut key rates three times in 2019. This had a negative impact on fund returns, primarily in H1, since the portfolio had been positioned for higher US short-term rates as we saw clear upward risks for inflation. The ECB also cut rates and relaunched quantitative easing. However, the Riksbank went against the tide and raised the key rate to 0%. The Riksbank concluded that the negative effects of negative interest rates outweighed the positive. Swedish short-term rates have thus risen, which the portfolio was protected against since we increased the proportion of bonds with variable rates during the year. The portfolio had a more flexible position in the longer durations and the total duration in the fund varied between approximately -3.6 and +1.9 years. As we saw more positive signals from the trade negotiations and economic indicators appear to have reached a bottom, global interest rates rose during the latter part of the year. This was positive for fund returns. Overall, the negative contributions from position in short-term rates were partially compensated by positions in slightly longer bonds. As with the equity market, the credit market posted strength. The market seems to be counting on further support from the central banks. Our outlook has been tentative to the credit market, although we still continue to invest selectively in corporate bonds where we believe there is value. This benefited returns in the fund during the spring. However, the strongest contribution to returns was from emerging market bonds, where fund holdings were approximately 10% during the year. High and declining rates in emerging markets resulted in strong returns for bonds. The currency component also contributed positively, although this was largely due to the weakening of the SEK. The fund was underweight in SEK throughout most of the year due to holdings in emerging markets.

*) 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

An investment in an equity fund is characterised by moderately high risk. An investment in fixed income securities or in a fixed income fund is associated with interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The average duration over time for holdings in the fund can vary significantly over time and can also be negative. Fund investments include securities issued by states, municipalities and companies in different regions and currencies. Fund investments can be concentrated to holdings in government securities and covered bonds issued by individual states or issuers. This means that the risk in the fund can be higher than an investment in a diversified global fund that allocates its investments across several regions or sectors. Given that the fund's investments are made in foreign equities denominated in another currency other than the fund's base currency, an investment in the fund is associated with currency risk. Given that the fund consists of different share classes, the changes in exchange rates can result in a differentiation in risk classifications between different share classes depending on the type of currency in which the share class is traded. An investment in an interest-bearing 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 interest-bearing securities issued by companies or states with a low credit quality increases. 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 or to create leverage. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

• Highest leverage during the financial year	699.0%
• Lowest leverage during the financial year	7.8%
• Average leverage during the financial year	501.8%

Information

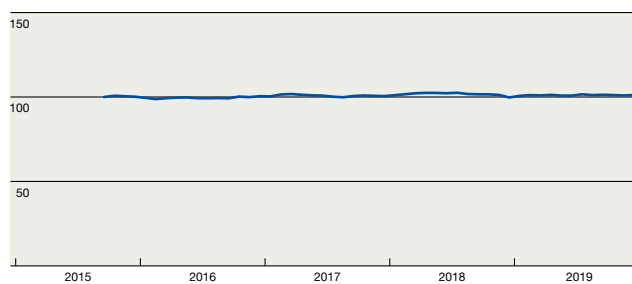
As of April 16, 2019 the fund changed its fund rules. The fund changed its name from Handelsbanken Räntestrategi Plus Criteria to Handelsbanken Räntestrategi Plus.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Handelsbanken Räntestrategi Plus, cont.

Fund Performance*



Fund Facts - History

	2019	2018	2017	2016	3/9-31/12 2015	2014	2013	2012	2011	2010
Net asset value, SEK										
Räntestrategi Plus A1	100.19	98.79	99.60	99.55	99.23	-	-	-	-	-
Räntestrategi Plus A7	100.94	99.34	100.00	99.81	99.29	-	-	-	-	-
Räntestrategi Plus B1	96.23	95.84	96.62	97.54	99.23	-	-	-	-	-
The fund's total net flow, mSEK	1	184	467	-73	1,745	-	-	-	-	-
Fund capital total, mSEK	2,346	2,308	2,142	1,674	1,739	-	-	-	-	-
Räntestrategi Plus A1	52	86	77	45	29	-	-	-	-	-
Räntestrategi Plus A7	2,260	2,185	2,031	1,594	1,602	-	-	-	-	-
Räntestrategi Plus B1	34	34	34	35	108	-	-	-	-	-
Number of units, 1000's	23,260	23,255	21,438	16,779	17,515	-	-	-	-	-
Räntestrategi Plus A1	515	872	770	449	287	-	-	-	-	-
Räntestrategi Plus A7	22,392	22,002	20,312	15,972	16,138	-	-	-	-	-
Räntestrategi Plus B1	353	353	356	358	1,090	-	-	-	-	-
Total returns in %, SEK										
Räntestrategi Plus A1	+1.4	-0.8	+0.1	+0.3	-0.8	-	-	-	-	-
Räntestrategi Plus A7	+1.6	-0.7	+0.2	+0.5	-0.7	-	-	-	-	-
Räntestrategi Plus B1	+1.4	-0.8	+0.1	+0.3	-0.8	-	-	-	-	-
Benchmark rate in %, kr										
Räntestrategi Plus A1	-	0.0	0.0	0.0	0.0	-	-	-	-	-
Räntestrategi Plus A7	-	0.0	-	-	-	-	-	-	-	-
Räntestrategi Plus B1	-	0.0	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Räntestrategi Plus A1	0.0	0.0	-	-	-	-	-	-	-	-
Räntestrategi Plus A7	0.0	0.0	-	-	-	-	-	-	-	-
Räntestrategi Plus B1	0.0	0.0	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Räntestrategi Plus A1	1.8	1.9	-	-	-	-	-	-	-	-
Räntestrategi Plus A7	1.8	1.9	1.8	-	-	-	-	-	-	-
Räntestrategi Plus B1	1.8	1.9	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Räntestrategi Plus A1	+0.3	-0.4	+0.2	-	-	-	-	-	-	-
Räntestrategi Plus A7	+0.5	-0.2	+0.4	-	-	-	-	-	-	-
Räntestrategi Plus B1	+0.3	-0.4	+0.2	-	-	-	-	-	-	-
Comparison to index including dividends, %	0.0	0.0	-	-	-	-	-	-	-	-
Comparison to benchmark rate in %, kr		0.0	-	-	-	-	-	-	-	-
Dividends per unit, SEK	0.96	0.00	0.98	1.98	0.00	-	-	-	-	-
Benchmark: Statsfix 3M 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.

Detailed information for the share classes' designation (nomenclature) is provided in the information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Räntestrategi Plus A1	0.40
Räntestrategi Plus A7	0.20
Räntestrategi Plus B1	0.40
Collected mgmt. costs in % of average fund capital	
Räntestrategi Plus A1 ¹⁾	0.40
Räntestrategi Plus A7 ¹⁾	0.20
Räntestrategi Plus B1 ¹⁾	0.40
Annual fees in %	
Räntestrategi Plus A1	0.40
Räntestrategi Plus A7	0.20
Räntestrategi Plus B1	0.40
Transaction costs, SEKt	377
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Räntestrategi Plus A1	40.46
Räntestrategi Plus A7	20.25
Räntestrategi Plus B1	40.46
Costs in SEK for monthly savings, 100 SEK	
Räntestrategi Plus A1	2.61
Räntestrategi Plus A7	1.31
Räntestrategi Plus B1	2.61

¹⁾ A performance-based management expense is added when the fund exceeds the benchmark rate. A maximum fixed fee of 3% may be deducted annually for the management of the underlying funds in which the fund invests assets. During each measurement period, any potential performance-based management fees in the underlying funds may total a maximum of 30% of the excess returns in relation to each of the fund's comparison norms (index or equivalent).

Fund Facts - Other Key Figures

Turnover rate	0.7
Share of turnover conducted via closely-related securities companies in %	1.4
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	1.8	Sharpe ratio - A1 SEK	0.5
Total risk % - A7 SEK	1.8	Sharpe ratio - A7 SEK	0.6
Total risk % - B1 SEK	1.8	Sharpe ratio - B1 SEK	0.5
Total risk in index % - A1 SEK	0.0	Sharpe ratio in index - A1 SEK	0.0
Total risk in index % - A7 SEK	0.0	Sharpe ratio in index - A7 SEK	0.0
Total risk in index % - B1 SEK	0.0	Sharpe ratio in index - B1 SEK	0.0
Benchmark	Statsfix 3M Index	VaR as of the closing date	0.10
Active return % - A1 SEK	0.3	Highest VaR during the financial year	0.15
Active return % - A7 SEK	0.5	Lowest VaR during the financial year	0.07
Active return % - B1 SEK	0.3	Average VaR during the financial year	0.11
Information ratio - A1 SEK	0.2	Duration, years ¹⁾	1.2
Information ratio - A7 SEK	0.3		
Information ratio - B1 SEK	0.2		

¹⁾ As of the balance sheet date.
* 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 an absolute Value at Risk method.

Handelsbanken Råntestrategi Plus, cont.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	48,682	-5,904
Changes in value for other derivative instruments **	-55,808	-53,470
Changes in value for fund units ***	7,896	-2,657
Interest income	51,379	44,123
Dividends	4,057	-
Currency exchange profits and losses, net	-14,297	7,598
Other income	1	1,066
Total income and changes in value	41,910	-9,244
EXPENSES		
Management costs:		
- Remuneration to the Management Company	4,925	8,514
Interest expense	14	6
Other expenses	371	385
Total expenses	5,310	8,905
Net income	36,600	-18,149
* Details of changes in value		
Capital gains	34,627	14,126
Capital losses	-7,328	-8,379
Unrealised gains/losses	21,383	-11,651
Sum	48,682	-5,904
** Details of changes in value		
Capital gains	146,046	266,783
Capital losses	-220,095	-320,253
Unrealised gains/losses	18,241	0
Sum	-55,808	-53,470
*** Details of changes in value		
Capital gains	4,274	-
Unrealised gains/losses	3,622	-2,657
Sum	7,896	-2,657

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	1,805,189	77.0	1,778,783	77.1
Money market instruments	364,692	15.5	349,841	15.2
OTC derivative instruments with positive market value	495	0.0	4,139	0.1
Fund units	23,302	1.0	114,258	4.9
Total financial instruments with positive market value ^{Note 2)}	2,193,678	93.5	2,247,021	97.3
Bank assets and other liquid assets	139,158	5.9	49,167	2.1
Prepaid expenses and accrued income	13,549	0.6	13,236	0.6
Total assets	2,346,385	100.0	2,309,424	100.0
LIABILITIES				
OTC derivative instruments with negative market value	86	0.0	-	-
Total financial instruments with negative market value ^{Note 2)}	86	0.0	-	-
Accrued expenses and prepaid income	437	0.0	416	0.0
Other liabilities	-	-	691	0.0
Total liabilities	523	0.0	1,107	0.0
Fund capital ^{Note 1)}	2,345,862	100.0	2,308,317	100.0
Other derivative instruments with negative market value ¹⁾	4,580	0.2	12,726	0.6

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	2,308,317	2,142,305
Units issued	167,445	369,544
Units redeemed	-166,158	-185,383
Profit according to Income Statement	36,600	-18,149
Dividends to unit holders	-342	-
Fund capital at the close of the period	2,345,862	2,308,317

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, OTHERS			
Arla FRN 2021-05-31	15,000	15,258	0.7
LeasePlan 1,792% 2020-09-10	40,000	40,324	1.7
Millicom FRN 2024-05-15	58,000	58,588	2.5
Nordea FRN 2025-09-17	40,000	40,174	1.7
Stora Enso FRN 2024-02-20	29,000	29,637	1.3
		183,980	7.8
FOREIGN ISSUER, STATE			
Asian Development Bank 6,45% 2021-08-08	501,000	65,807	2.8
EBRD 7,5% 2022-03-15	96,500,000	67,023	2.9
Portugisiska staten 4,95% 2023-10-25	9,850	123,847	5.3
		256,676	10.9

MORTGAGE

Länsförsäkringar Hypotek 514 1,75% 2021-06-15	40,000	41,036	1.7
Stadshypotek 1585 1,50% 2021-12-15	74,000	75,813	3.2
Stadshypotek 1586 4,50% 2022-09-21	68,000	75,685	3.2
		192,535	8.2

OTHER

Akellius 1,125% 2021-10-04	43,000	43,249	1.8
BillerudKorsnäs FRN 2022-02-21	23,000	23,305	1.0
Castellum 1,75% 2020-09-17	40,000	40,334	1.7
Castellum 2,125% 2023-11-20	2,000	22,342	1.0
Fabege FRN 2022-09-26	50,000	50,762	2.2
Fastighetspart FRN 2021-09-15	32,000	32,694	1.4
Handelsbanken FRN 2027-11-15	60,000	59,934	2.6
Hexagon 1,125% 2021-05-24	67,000	67,407	2.9
Humlegården Fastigheter 1,5% 2020-06-22	46,000	46,758	2.0
Husqvarna FRN 2021-05-03	35,000	35,525	1.5
Intea Fastigheter FRN 2022-07-05	54,000	54,931	2.3
Intrum FRN 2020-07-06	22,000	22,088	0.9
Intrum FRN 2021-11-22	36,000	36,036	1.5
Klarna Bank AB FRN 2022-08-15	70,000	69,946	3.0
Klarna Bank FRN 2020-09-22	30,000	30,155	1.3
Klöver FRN 2021-02-26	50,000	50,807	2.2
Kungsleden 2,375% 2022-03-21	54,000	55,684	2.4
Länsförsäkringar FRN Perpetual	70,000	70,302	3.0
Mölnlycke Holding 1,50% 2022-02-28	1,057	11,439	0.5
Sagax 2% 2024-01-17	2,000	21,911	0.9
Sagax 2,25% 2025-03-13	1,500	16,577	0.7
SBAB FRN Perp Call 24	40,000	40,860	1.7
SSAB FRN 2024-06-26	31,000	31,253	1.3
Tele2 1,1125% 2024-05-15	2,600	28,211	1.2
Tele2 FRN 2022-03-16	50,000	51,219	2.2
Volvo Car FRN 1,741% 2022-03-07	40,000	40,820	1.7
Wihlborg FRN 107 2020-12-28	50,000	50,252	2.1
		1,104,796	47.2

Total listed fixed-income securities 1,737,987 74.1

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
UNLISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, STATE			
Peru 8,2% 2026-08-12	18,700	67,202	2.9
		67,202	2.9
Total unlisted fixed-income securities		67,202	2.9
Total transferable securities		1,805,189	77.0

MONEY MARKET INSTRUMENTS**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
CERTIFICATE			
Bonava FC 2020-01-31	75,000	74,976	3.2
H & M DI FC 2020-05-06	50,000	49,916	2.1
Humlegården Fastigheter DI FC 2020-01-20	40,000	39,993	1.7
Klöver DI FC 2020-03-04	70,000	69,947	3.0
Volkswagen Finans Sverige ECP 2020-03-20	60,000	59,941	2.6
Wallenstam DI FC 2020-03-31	70,000	69,919	3.0
Total certificate		364,692	15.5
Total money market instruments		364,692	15.5

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
EURO-BUND Future Mar20 ¹⁾	-23	0	0.0
US 10YR NOTE (CBT) Mar20 ²⁾	-365	0	0.0
US 2YR NOTE (CBT) Mar20 ³⁾	722	0	0.0
US LONG BOND(CBT) Mar20 ⁴⁾	38	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

Handelsbanken Råntestrategi Plus, cont.

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FUND UNITS			
EXCHANGE-TRADED FIXED INCOME FUNDS**			
iShares Emerging Markets Local Gov Bond	40,000	23,302	1.0
		23,302	1.0
Total fund units		23,302	1.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
SEK/EUR ⁵⁾		495	0.0
SEK/USD ⁶⁾		-86	0.0
		409	0.0
Total OTC derivative instruments		409	0.0
Total other financial instruments		23,711	1.0
Total holdings in financial instruments		2,193,592	93.5
Net, other assets and liabilities		152,270	6.5
Total fund capital		2,345,862	100.0

- 1) Interest rate futures with underlying exposure of -41 208 tSEK, which is equivalent to 1.8% of fund capital.
2) Interest rate futures with underlying exposure of -441 362 tSEK, which is equivalent to 18.8% of fund capital.
3) Interest rate futures with underlying exposure of 1 467 159 tSEK, which is equivalent to 62.5% of fund capital.
4) Interest rate futures with underlying exposure of 55 657 tSEK, which is equivalent to 2.4% of fund capital.
5) tSEK 227 955/tEUR -21 600, counterpart Citibank Plc. tSEK 31 285/tEUR -3 000, counterpart Skandinaviska Enskilda Banken AB (publ).
6) tSEK 27 896/tUSD -3 000, counterpart Citibank Plc.

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

- * Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 77.0
- ** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46). 16.5
- *** Refers to other financial instruments. -

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Handelsbanken	9.0	Tele2	3.4
Länsförsäkringar	4.7	Castellum	2.7
Humlegården Fastigheter	3.7	Sagax	1.6

* 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.

Handelsbanken Räntestrategi Plus

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes in its entirety companies/issuers involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies/issuers involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies/issuers with key activities within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies/issuers that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We conduct dialogues for the purpose of encouraging companies to improve their sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
- B. Dialogues together with other investors/capital owners
- C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP

A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.

B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.

C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.*

Follow-up of sustainability work

Inclusion

During the year we invested in several sustainable bonds, of which one that has an entirely new green framework, Stora Enso. The fund participated in the new share issue of a five-year bond at an attractive valuation.

Stora Enso is a leading forest industry company with a global presence and 26,000 employees. The company produces packaging materials, pulp, wood products and paper. The company is listed in the Dow Jones Sustainability Index and FTSE4Good. In comparison to 2010, the company's target is to reduce its greenhouse gas emissions by 31 percent per tonne of pulp, paper or packaging material produced. This reduction in emissions is higher than the 2°C target of the Paris Agreement. In addition, Stora Enso is the first forest industry that has implemented external research-based emissions targets. At the close of Q4 2018, the company has attained a 17 percent reduction in emissions. The emissions report is completely transparent and available to the public. Ninety-six percent of the water usage for production is returned to nature after being treated in accordance with applicable environmental legislation. The proportion of waste products is extremely low in Stora Enso's production, where 98 percent of the input materials are used in their entirety.

The Sustainable Development Goals that the company has identified as most relevant for the business operations are: Goal 12: *Sustainable consumption and production*, Goal 13: *Climate action* and Goal 15: *Ecosystem and biological diversity*.

Demand for the company's product mix with raw materials that are renewable and fossil free is steadily rising as awareness of the climate crisis increases. Urbanisation and the world's growing population is also becoming more present within politics and the economy at the global level. Stora Enso is also at the forefront for new materials that are renewable, and lignin is one such material. Between 20 to 30 percent of a tree consists of lignin which was previously processed as a waste product in paper mills but with new technology can now replace petroleum-based products for the production of plywood and laminates. Together with carbon fibre, lignin builds a very durable material that is free from toxins. Several examples of biomaterials that can replace old raw materials include dissolved pulp that is used to produce textiles instead of water intensive cotton or plastic materials. Stora Enso's division for biomaterials is a market leader in Europe.

The Management Company's engagement activities

- A. The fund engaged in one targeted dialogue directly with a company during the year.
A dialogue was held with Hexagon which was primarily due to the company's decentralised organisational structure with many units. Based on a sustainability perspective, there are potential risks as a result given that this places high demands on coordination to maintain a balanced sustainability performance. Hexagon offers products and services that result in efficiency and resource improvements in various ways in the application at the customer. This is something that the company could highlight even earlier in the sustainability report, as we believe there are many positive effects from this. We had personal meetings with the company concerning the company's appointment of a function at the group level to coordinate the sustainability activities.
- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund did not invest in any of these companies.
- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.



Handelsbanken Aktiv 30

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund is a mixed fund that invests globally without being limited to a specific sector or geographic area. The fund invests in fixed income funds, equity funds, alternative assets and in other financial instruments. Alternative assets refers to funds or other financial instruments that give exposure to commodities, real estate and other permitted exposure in addition to equities or interest rates, with the intent of increasing the fund's diversification. The fund invests primarily in funds within Handelsbanken as well as in funds managed by other fund management companies. For the current distribution, refer to the Portfolio distribution section at www.handelsbanken.se/funds. The basis for the investments is to create excess returns in Norwegian crowns over the long term. 15 – 45% of the fund's value shall be invested in equity funds or other equity-related financial instruments, 40 – 80% in fixed income funds or other fixed income related financial instruments and 0 – 20% in funds and other financial instruments with alternative exposure.

Portfolio

The fund rose 7.2% in 2019*. A weaker global economy led many central banks to pursue a more expansive monetary policy. Expectations for a long period of low interest rates have resulted in a sharp upturn in the equity markets. Decreased concerns about the trade war and Brexit also contributed to an increased risk appetite. The World Index rose 30.05% (NOK). A weaker NOK contributed to returns in foreign holdings. The US equity market posted the most strength, while Japan was slightly weaker. Market rates in the US, Europe and Norway fell, which caused bonds to outperform fixed income investments with a shorter duration. Our holdings in emerging market bonds posted strength during the year. We had a lower risk in equities during most of the year. Regionally, we prefer the Swedish stock market over the European. We are neutral to Japan, emerging markets and the US. We purchased holdings in Handelsbanken Hälsovård Tema, Aktia Emerging Market Frontier Debt Fund, as well as Fidelity Sustainable Water and Waste Fund. We also purchased holdings in the currency fund UBS Currency Allocation Return Strategy and the absolute return fund JPM Multi Manager Alternatives. Within fixed income, we held a short duration in our Norwegian holdings and an overweight in emerging market bonds.

* Refer to fund statistics for comparable index.

Significant risks

The fund is a mixed fund that normally implies an investment with low risk. The risk in the fund is due to the fund's allocation between the equity, fixed income and alternative investment asset classes. An investment in equities, equity funds and alternative investments can be associated with high risk and can fluctuate significantly over time. An investment in interest-bearing securities or in a fixed income fund is associated with

interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The duration on holdings in the fund can vary significantly over time. The fund may make concentrated investments with regard to regions and sectors. This means that the risk in the fund can be higher than an investment in a diversified global fund that allocates its investments across several regions or sectors. Given that the fund's investments are made in foreign equities denominated in another currency other than the fund's base currency, an investment in the fund is associated with currency risk. An investment in an interest-bearing 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 interest-bearing securities issued by companies or states with a low credit quality increases. The fund may invest in derivatives as part of its investment focus to increase returns in the fund or to create leverage. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

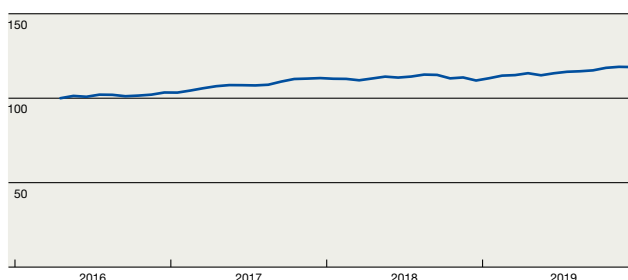
Information

As of April 30, 2019 the fund changed its index from MSCI All Country World Index Net 15,00%, VINX Benchmark Cap Net Index SEK 6,0%, Oslo Stock Exchange Mutual Fund Index 9,0%, Oslo Stock Exchange State Bonds 5Y Index 42,0% and Oslo Stock Exchange State Bonds 0.25Y Index 28,0% to Solactive ISS ESG Screened Global Markets Index 15,00%, SIX SRI Nordic 200 Net Index 6,0%, Oslo Stock Exchange Mutual Fund Index 9,0%, Oslo Stock Exchange State Bonds 5.00 Index 42,0% and Oslo Stock Exchange State Bonds 0.25 Index 28,0%. The reason for the change of index was a sustainability adjustment of the fund to exclude more controversial activities than before. The fund's investment policy has not been affected.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

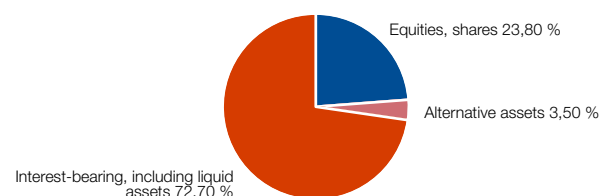
Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Fund Performance*



* Performance is shown in the fund's base currency.

Market Exposure*



* The fund's allocation of investments within the markets as of 31/12/2019, relative to the fund's total assets on this date.

Handelsbanken Aktiv 30, cont.

Fund Facts - History

	2019	2018	2017	13/4-31/12 2016	2015	2014	2013	2012	2011	2010
Net asset value, NOK	118.23	110.28	111.72	103.20	-	-	-	-	-	-
The fund's total net flow, mNOK	29	52	156	107	-	-	-	-	-	-
Fund capital, NOKm	379	327	279	110	-	-	-	-	-	-
Number of units, 1000's	3,205	2,963	2,494	1,062	-	-	-	-	-	-
Total returns in %, NOK	+7.2	-1.3	+8.3	+3.2	-	-	-	-	-	-
Index including dividends in %, NOK	+8.4	-0.6	+6.2	+2.8	-	-	-	-	-	-
Tracking error, 2 yrs. %	0.9	0.9	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. % in NOK	+2.9	+3.4	-	-	-	-	-	-	-	-
Comparison to index including dividends, % in NOK	+3.7	+2.7	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.07	1.02	1.00	1.06	-	-	-	-	-	-

Benchmark: Solactive ISS ESG Screened Global Markets Index 15.00%, SIX SRI Nordic 200 Net Index 6.0%, Oslo Stock Exchange Mutual Fund Index 9.0%, Oslo Stock Exchange State Bonds 5.00 Index 42.0% and Oslo Stock Exchange State Bonds 0.25 Index 28.0%

Up to 28/02/2019: MSCI All Country World Index Net 15.00%, VINX Benchmark Cap Net Index SEK 6.0%, Oslo Stock Exchange Mutual Fund Index 9.0%, Oslo Stock Exchange State Bonds 5Y Index 42.0% and Oslo Stock Exchange State Bonds 0.25 Index 28.0%.

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 page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	0.90
Collected mgmt. costs in % of average fund capital	0.90
Annual fees in %	1.07
Transaction costs, NOKt	21
Transaction costs in % of turnover	0.00
Costs in NOK for a one-time subscription, 10 000 NOK	93.93
Costs in NOK for monthly savings, 100 NOK	6.00

A maximum fixed fee of 3% may be deducted annually for the management of the underlying funds in which the fund invests assets. During each measurement period, any potential performance-based management fees in the underlying funds may total a maximum of 30% of the excess returns in relation to each of the fund's comparison norms (index or equivalent).

Fund Facts - Other Key Figures

Turnover rate	0.5
Share of turnover conducted via closely-related securities companies in %	1.7
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk %	3.1	Information ratio	Negative
Total risk in index %	3.1	Sharpe ratio	0.7
Benchmark	Solactive ISS ESG Screened Global Markets Index 15.00%, SIX SRI Nordic 200 Net Index 6.0%, Oslo Stock Exchange Mutual Fund Index 9.0%, Oslo Stock Exchange State Bonds 5.00 Index 42.0% och Oslo Stock Exchange State Bonds 0.25 Index 28.0%	Sharpe ratio in index	0.9
Active return %	-0.9		

* 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.

Income Statement, NOKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	-4,065	-1,007
Changes in value for fund units **	28,126	-2,969
Interest income	74	-5
Dividends	89	160
Currency exchange profits and losses, net	340	1,049
Other financial income ¹⁾	1,686	1,739
Other income	0	0
Total income and changes in value	26,250	-1,033
EXPENSES		
Management costs:		
- Remuneration to the Management Company	3,065	2,836
Interest expense	8	7
Other expenses	21	18
Total expenses	3,094	2,862
Net income	23,156	-3,895
* Details of changes in value		
Capital gains	4,720	14,672
Capital losses	-9,186	-15,679
Unrealised gains/losses	401	-
Sum	-4,065	-1,007
** Details of changes in value		
Capital gains	8,173	4,781
Capital losses	-1,195	-1,493
Unrealised gains/losses	21,147	-6,257
Sum	28,126	-2,969

¹⁾ The item consists primarily of discounts for management costs in underlying funds.

Balance Sheet, NOKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	442	0.1	446	0.1
Fund units	362,851	95.8	319,690	97.9
Total financial instruments with positive market value ^{Note 2)}	363,293	95.9	320,136	98.0
Bank assets and other liquid assets	15,858	4.2	8,009	2.5
Prepaid expenses and accrued income	160	0.0	147	0.1
Other assets	64	0.0	151	0.0
Total assets	379,375	100.1	328,443	100.6
LIABILITIES				
OTC derivative instruments with negative market value	-	-	261	0.1
Total financial instruments with negative market value ^{Note 2)}	-	-	261	0.1
Accrued expenses and prepaid income	287	0.1	250	0.1
Other liabilities	138	0.0	1,141	0.4
Total liabilities	425	0.1	1,652	0.6
Fund capital ^{Note 1)}	378,950	100.0	326,791	100.0
Other derivative instruments with negative market value ¹⁾	1,608	0.4	654	0.2

¹⁾ Liquid assets 1 541 tNOK

Handelsbanken Aktiv 30, cont.

Note 1) for Balance Sheet

Changes in fund capital, NOK

	2019	2018
Fund capital at beginning of year	326,791	278,666
Units issued	118,388	159,892
Units redeemed	-89,385	-107,872
Profit according to Income Statement	23,156	-3,895
Dividends to unit holders	-	-
Fund capital at the close of the period	378,950	326,791

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
STOCK INDEX FUTURES			
EURO STOXX 50 Mar20 ¹⁾	-13	0	0.0
OMXO200A ²⁾	17	0	0.0
OMXS30 ESG Future Jan20 ³⁾	14	0	0.0
STOXX EUROPE 600 Mar20 ⁴⁾	-74	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
INTEREST RATE FUTURES			
EURO-BUND Future Mar20 ⁵⁾	-5	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG AC World-NOK	127,172	1,637	0.4
Fidelity Sustainable Water & Waste Fund I acc NOK	292,179	3,290	0.9
JPM Europe Small Cap A Acc EUR	2,265	2,306	0.6
JPM Fds Multi-Manager Alternatives	10,483	10,373	2.7
SHB Amerika Småbolag Tema (A1 SEK)	2,132	1,883	0.5
SHB Amerika Tema (A1 NOK)	8,060	8,440	2.2
SHB Asien Tema (A1 NOK)	2,549	1,804	0.5
SHB Emerging Markets Index (A1 SEK)	6,558	1,035	0.3
SHB Europa Tema (A1 NOK)	8,442	3,561	0.9
SHB Hållbar Energi (A1 NOK)	9,652	1,777	0.5
SHB Hälsovård Tema (A1 SEK)	7,271	1,816	0.5
SHB Japan Tema (A1 NOK)	41,608	3,793	1.0
SHB Norden (A1 NOK)	9,386	11,314	3.0
SHB Norden Selektiv (A1 NOK)	5,241	2,281	0.6
SHB Nordiska Småbolag (A1 NOK)	3,592	4,342	1.1
SHB Norge (A1 NOK)	11,375	14,074	3.7
SHB Norge Index (A1 NOK)	137,458	14,065	3.7
SHB Sverige 100 Index Criteria (A1 SEK)	15,183	3,942	1.0
SHB Tillväxtmarknad Tema (A1 NOK)	12,902	4,523	1.2
SHB USA Index Criteria (A1 NOK)	18,827	7,874	2.1
UBS Equity Sicav USA Growth	14,396	5,680	1.5
		109,809	29.0
LISTED EQUITY FUNDS**			
XACT Högutdelande	51,116	6,246	1.6
XACT Norden	23,311	2,929	0.8
XACT OBX	80,054	6,467	1.7
		15,642	4.1
OTHER FUNDS			
JPM Global Macro Sustainable C (acc) - NO K (hedged)	12,183	12,119	3.2
		12,119	3.2
FIXED INCOME FUNDS			
Alfred Berg Obligasjon	92,970	11,151	2.9
BlueOrchard Ucits EM Sdg Impact Bond Fu	11,107	10,622	2.8
SHB Høyrente (A1 NOK)	520,178	60,575	16.0
SHB Kort Rente Norge (A1 NOK)	266,850	27,055	7.1
SHB Kreditt (A1 NOK)	110,598	11,162	2.9
SHB Obligasjon (A1 NOK)	450,959	58,197	15.4
SHB Råntestrategi Plus (A7 SEK)	53,367	5,057	1.3
UBS Currency Allocation Return Strategy	2,563	1,685	0.4
UI - Aktia EM Frontier Bond+	169,912	16,288	4.3
UI - Aktia EM Local Currency Bond+ - s1	225,894	23,489	6.2
		225,281	59.5
Total fund units		362,851	95.8

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
NOK/EUR ⁶⁾		304	0.1
NOK/SEK ⁷⁾		138	0.0
		442	0.1
Total OTC derivative instruments		442	0.1
Total other financial instruments		363,293	95.9

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
Total holdings in financial instruments		363,293	95.9
Net, other assets and liabilities		15,657	4.1
Total fund capital		378,950	100.0

1) Stock index futures with underlying exposure of -4 782 tNOK, which is equivalent to 1.3% of fund capital.
2) Stock index futures with underlying exposure of 1 475 tNOK, which is equivalent to 0.4% of fund capital.
3) Stock index futures with underlying exposure of 2 295 tNOK, which is equivalent to 0.6% of fund capital.
4) Stock index futures with underlying exposure of -15 102 tNOK, which is equivalent to 4.0% of fund capital.
5) Interest rate futures with underlying exposure of -8 409 tNOK, which is equivalent to 2.2% of fund capital.
6) tNOK 3 615/tEUR -355, counterpart Citibank Plc tNOK 7 537/tEUR -741 counterpart Skandinaviska Enskilda Banken AB (publ).
7) tNOK 15 080/tSEK -15 886, counterpart Skandinaviska Enskilda Banken AB (publ).

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

4.1

91.8

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
UI Aktia	10.5	UBS	1.9
JPMorgan Chase	6.5	Fidelity Funds	1.3

* 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.

Handelsbanken Aktiv 30

Sustainability dimensions taken into consideration in the management of the fund

The fund takes environmental, social and corporate governance criteria (ESG) into consideration in its selection of investments, i.e., in the selection of the underlying funds. As a result, the fund is placing greater focus on making investments that are in line with the UN's Sustainable Development Goals. Fund managers in the underlying funds are also encouraged to increase investments in green bonds, for example.

Methods used for sustainability efforts

Inclusion

Sustainability is a separate area of assessment in the evaluation of the underlying funds and investments. When striking a balance between returns and risk for equivalent investments, we select the investment we consider to be most sustainable. An important assessment factor is how well sustainability is integrated in the underlying fund. We also work actively to increase the quantitative measurability in our assessments to clarify sustainability dimensions in the portfolio.

Exclusion

In accordance with the Management Company's comprehensive policy for responsible investments, the following are excluded from all of the

Management Company's funds:

- companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within mining of coal or in power companies that have coal as a major source of energy.

The Management Company's engagement activities

We require service providers to use their ownership influence in the underlying companies within the fund. In addition, we work actively to influence service providers to change their policies in a direction we believe is more sustainable in general, as well as within specific funds. This could include the exclusion of certain types of sectors or specific companies. The engagement activities also focus on contributing to the development of new products with a higher standard of sustainability.

The fund is a fund of funds, which means that we do not have a direct impact on the underlying companies, but rather work to have an impact on the fund providers.



Handelsbanken Aktiv 50

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund is a mixed fund that invests globally without being limited to a specific sector or geographic area. The fund invests in fixed income funds, equity funds, alternative assets and in other financial instruments. Alternative assets refers to funds or other financial instruments that give exposure to commodities, real estate and other permitted exposure in addition to equities or interest rates, with the intent of increasing the fund's diversification. The fund invests primarily in funds within Handelsbanken as well as in funds managed by other fund management companies. For the current distribution, refer to the Portfolio distribution section at www.handelsbanken.se/funds. The basis for the investments is to create excess returns in Norwegian crowns over the long term. 30 – 70% of the fund's value shall be invested in equity funds or other equity-related financial instruments, 20 – 60% in fixed income funds or other fixed income related financial instruments and 0 – 20% in funds and other financial instruments with alternative exposure.

Significant risks

The fund is a mixed fund that normally implies an investment with moderately high risk. The risk in the fund is due to the fund's allocation between the equity, fixed income and alternative investment asset classes. An investment in equities, equity funds and alternative investments can be associated with high risk and can fluctuate significantly over time. An investment in interest-bearing securities or in a fixed income fund is associated with interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The duration on holdings in the fund can vary significantly over time. The fund may make concentrated investments with regard to regions and sectors. This means that the risk in the fund can be higher than an investment in a diversified global fund that allocates its investments across several regions or sectors. Given that the fund's investments are made in foreign

equities denominated in another currency other than the fund's base currency, an investment in the fund is associated with currency risk. An investment in an interest-bearing 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 interest-bearing securities issued by companies or states with a low credit quality increases. The fund may invest in derivatives as part of its investment focus to increase returns in the fund or to create leverage. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

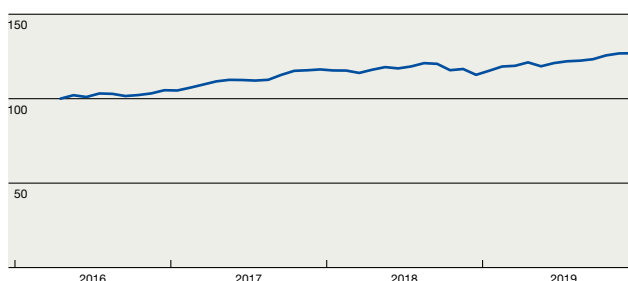
Information

As of April 30, 2019 the fund changed its index from MSCI All Country World Index Net 25,00%, VINX Benchmark Cap Net Index SEK 10,0%, Oslo Stock Exchange Mutual Fund Index 15,0%, Oslo Stock Exchange State Bonds 5Y Index 28,0% and Oslo Stock Exchange State Bonds 0.25Y Index 22,0% to Solactive ISS ESG Screened Global Markets Index 25,00%, SIX SRI Nordic 200 Net Index 10,0%, Oslo Stock Exchange Mutual Fund Index 15,0%, Oslo Stock Exchange State Bonds 5.00 Index 28,0% and Oslo Stock Exchange State Bonds 0.25 Index 22,0%. The reason for the change of index was a sustainability adjustment of the fund to exclude more controversial activities than before. The fund's investment policy has not been affected.

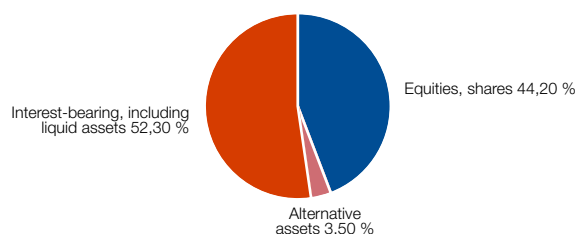
Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Fund Performance*



Market Exposure*



* The fund's allocation of investments within the markets as of 31/12/2019, relative to the fund's total assets on this date.

Fund Facts - History

	2019	2018	2017	13/4-31/12 2016	2015	2014	2013	2012	2011	2010
Net asset value, NOK	126.43	113.70	116.88	104.62	-	-	-	-	-	-
The fund's total net flow, mNOK	84	194	459	157	-	-	-	-	-	-
Fund capital, NOKm	1,004	825	658	163	-	-	-	-	-	-
Number of units, 1000's	7,938	7,260	5,626	1,559	-	-	-	-	-	-
Total returns in %, NOK	+11.2	-2.7	+11.7	+4.6	-	-	-	-	-	-
Index including dividends in %, NOK	+13.1	-1.5	+9.5	+5.2	-	-	-	-	-	-
Tracking error, 2 yrs. %	0.9	1.0	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. % in NOK	+4.0	+4.3	-	-	-	-	-	-	-	-

Handelsbanken Aktiv 50, cont.

Fund Facts - History cont.

	2019	2018	2017	13/4-31/12 2016	2015	2014	2013	2012	2011	2010
Comparison to index including dividends, % in NOK	+5.6	+3.9	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.07	1.02	1.00	1.06	-	-	-	-	-	-
Benchmark: Solactive ISS ESG Screened Global Markets Index 25,00%, SIX SRI Nordic 200 Net Index 10,0%, Oslo Stock Exchange Mutual Fund Index 15,0%, Oslo Stock Exchange State Bonds 5,00 Index 28,0% and Oslo Stock Exchange State Bonds 0,25 Index 22,0%										

Up to 28/02/2019: MSCI All Country World Index Net 25,00%, VINX Benchmark Cap Net Index SEK 10,0%, Oslo Stock Exchange Mutual Fund Index 15,0%, Oslo Stock Exchange State Bonds 5Y Index 28,0% and Oslo Stock Exchange State Bonds 0,25Y Index 22,0%.

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 page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.10
Collected mgmt. costs in % of average fund capital	1.10
Annual fees in %	1.23
Transaction costs, NOKt	116
Transaction costs in % of turnover	0.00
Costs in NOK for a one-time subscription, 10 000 NOK	117.35
Costs in NOK for monthly savings, 100 NOK	7.40

A maximum fixed fee of 3% may be deducted annually for the management of the underlying funds in which the fund invests assets. During each measurement period, any potential performance-based management fees in the underlying funds may total a maximum of 30% of the excess returns in relation to each of the fund's comparison norms (index or equivalent).

Fund Facts - Other Key Figures

Turnover rate	0.4
Share of turnover conducted via closely-related securities companies in %	2.0
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk %	5.1	Information ratio	Negative
Total risk in index %	5.0	Sharpe ratio	0.6
Benchmark	Solactive ISS ESG Screened Global Markets Index 25,00%, SIX SRI Nordic 200 Net Index 10,0%, Oslo Stock Exchange Mutual Fund Index 15,0%, Oslo Stock Exchange State Bonds 5,00 Index 28,0% och Oslo Stock Exchange State Bonds 0,25 Index 22,0%	Sharpe ratio in index	0.9

Active return % -1.6

* 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.

Income Statement, NOKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments	-11,066	-2,376
Changes in value for fund units **	107,993	-23,861
Interest income	89	-8
Dividends	397	360
Currency exchange profits and losses, net	873	2,736
Other financial income ¹⁾	6,001	5,715
Other income	0	0
Total income and changes in value	104,287	-17,434
EXPENSES		
Management costs:		
- Remuneration to the Management Company	9,940	8,292
Interest expense	13	13
Other expenses	78	43
Total expenses	10,031	8,348
Net income	94,256	-25,782

* Details of changes in value

Capital gains	12,502	34,142
Capital losses	-24,786	-36,518
Unrealised gains/losses	1,219	0
Sum	-11,066	-2,376

** Details of changes in value

Capital gains	24,691	11,279
Capital losses	-2,869	-3,942
Unrealised gains/losses	86,171	-31,197
Sum	107,993	-23,861

1) The item consists primarily of discounts for management costs in underlying funds.

Balance Sheet, NOKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	933	0.1	1,195	0.1
Fund units	979,475	97.6	805,005	97.5
Total financial instruments with positive market value ^{Note 2)}	980,408	97.7	806,200	97.6
Bank assets and other liquid assets	22,875	2.3	23,528	2.9
Prepaid expenses and accrued income	569	0.1	512	0.1
Other assets	945	0.0	690	0.0
Total assets	1,004,797	100.1	830,930	100.6
LIABILITIES				
OTC derivative instruments with negative market value	-	-	684	0.1
Total financial instruments with negative market value ^{Note 2)}	-	-	684	0.1
Accrued expenses and prepaid income	933	0.1	779	0.1
Other liabilities	304	0.0	4,043	0.4
Total liabilities	1,237	0.1	5,506	0.6
Fund capital ^{Note 1)}	1,003,560	100.0	825,424	100.0
Other derivative instruments with negative market value ¹⁾	3,991	0.4	1,616	0.2

1) Liquid assets 4 023 tNOK

Note 1) for Balance Sheet

Changes in fund capital, NOKt

	2019	2018
Fund capital at beginning of year	825,424	657,612
Units issued	217,081	305,595
Units redeemed	-133,201	-112,001
Profit according to Income Statement	94,256	-25,782
Dividends to unit holders	-	-
Fund capital at the close of the period	1,003,560	825,424

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
STOCK INDEX FUTURES			
EURO STOXX 50 Mar20 ¹⁾	-27	0	0.0
OMX200A ²⁾	43	0	0.0
OMXS30 ESG Future Jan20 ³⁾	36	0	0.0
STOXX EUROPE 600 Mar20 ⁴⁾	-194	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
INTEREST RATE FUTURES			
EURO-BUND Future Mar20 ⁵⁾	-12	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG AC World-NOK	555,702	7,152	0.7
Fidelity Sustainable Water & Waste Fund I ac c NOK	1,278,977	14,401	1.4
JPM Europe Small Cap A Acc EUR	10,393	10,582	1.1
JPM Fds Multi-Manager Alternatives	22,001	21,768	2.2
SHB Amerika Småbolag Tema (A1 SEK)	20,259	17,892	1.8
SHB Amerika Tema (A1 NOK)	35,701	37,383	3.7
SHB Asien Tema (A1 NOK)	11,743	8,309	0.8
SHB Emerging Markets Index (A1 SEK)	29,810	4,706	0.5
SHB Europa Index Criteria (A1 NOK)	4,498	578	0.1
SHB Europa Tema (A1 NOK)	47,715	20,124	2.0
SHB Hållbar Energi (A1 NOK)	41,782	7,692	0.8
SHB Hålsövärd Tema (A1 SEK)	31,488	7,866	0.8
SHB Japan Tema (A1 NOK)	167,027	15,228	1.5
SHB Norden (A1 NOK)	41,267	49,743	5.0

Handelsbanken Aktiv 50, cont.

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
SHB Norden Selektiv (A1 NOK)	23,413	10,191	1.0
SHB Nordiska Småbolag (A1 NOK)	15,129	18,285	1.8
SHB Norge (A1 NOK)	49,599	61,365	6.1
SHB Norge Index (A1 NOK)	598,740	61,262	6.1
SHB Sverige 100 Index Criteria (A1 SEK)	39,805	10,336	1.0
SHB Tillväxtmarknad Tema (A1 NOK)	56,101	19,667	2.0
SHB USA Index Criteria (A1 NOK)	97,154	40,632	4.0
UBS Equity Sicav USA Growth	37,195	14,675	1.5
		459,837	45.8
LISTED EQUITY FUNDS**			
XACT Högtudelände	163,346	19,960	2.0
XACT Norden	100,573	12,638	1.3
XACT OBX	377,943	30,530	3.0
		63,129	6.3
OTHER FUNDS			
JPM Global Macro Sustainable C (acc) - NO K (hedged)	32,609	32,439	3.2
		32,439	3.2
FIXED INCOME FUNDS			
Alfred Berg Obligasjon	937	112	0.0
BlueOrchard Ucits EM Sdg Impact Bond Fu	20,349	19,461	1.9
SHB Høyrente (A1 NOK)	1,458,104	169,796	16.9
SHB Kort Rente Norge (A1 NOK)	1,550	157	0.0
SHB Kreditt (A1 NOK)	197,216	19,903	2.0
SHB Obligasjon (A1 NOK)	917,406	118,393	11.8
SHB Råntestrategi Plus (A7 SEK)	153,333	14,529	1.4
UBS Currency Allocation Return Strategy	6,747	4,435	0.4
UI - Aktia EM Frontier Bond+	293,405	28,126	2.8
UI - Aktia EM Local Currency Bond+ - s1	472,749	49,157	4.9
		424,070	42.3
Total fund units		979,475	97.6
	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
NOK/EUR ⁶⁾		650	0.1
NOK/SEK ⁷⁾		283	0.0
		933	0.1
Total OTC derivative instruments		933	0.1
Total other financial instruments		980,408	97.7
Total holdings in financial instruments		980,408	97.7
Net, other assets and liabilities		23,152	2.3
Total fund capital		1,003,560	100.0

1) Stock index futures with underlying exposure of -9 931 tNOK, which is equivalent to 1.0% of fund capital.

2) Stock index futures with underlying exposure of 3 731 tNOK, which is equivalent to 0.4% of fund capital.

3) Stock index futures with underlying exposure of 5 901 tNOK, which is equivalent to 0.6% of fund capital.

4) Stock index futures with underlying exposure of -39 592 tNOK, which is equivalent to 3.9% of fund capital.

5) Interest rate futures with underlying exposure of -20 182 tNOK, which is equivalent to 2.0% of fund capital.

6) tNOK 9 368/tEUR -920, counterpart Citibank Plc. tNOK 14 514/tEUR -1 427 counterpart Skandinaviska Enskilda Banken (publ).

7) tNOK 30 970/tSEK -32 625, counterpart Skandinaviska Enskilda Banken AB (publ).

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

6.3

91.4

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
UI Aktia	7.7	Fidelity Funds	2.1
JPMorgan Chase	6.5	UBS	1.9

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

Handelsbanken Aktiv 50

Sustainability dimensions taken into consideration in the management of the fund

The fund takes environmental, social and corporate governance criteria (ESG) into consideration in its selection of investments, i.e., in the selection of the underlying funds. As a result, the fund is placing greater focus on making investments that are in line with the UN's Sustainable Development Goals. Fund managers in the underlying funds are also encouraged to increase investments in green bonds, for example.

Methods used for sustainability efforts

Inclusion

Sustainability is a separate area of assessment in the evaluation of the underlying funds and investments. When striking a balance between returns and risk for equivalent investments, we select the investment we consider to be most sustainable. An important assessment factor is how well sustainability is integrated in the underlying fund. We also work actively to increase the quantitative measurability in our assessments to clarify sustainability dimensions in the portfolio.

Exclusion

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Management Company's funds:

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- companies with substantial business operations within mining of coal or in power companies that have coal as a major source of energy.

The Management Company's engagement activities

We require service providers to use their ownership influence in the underlying companies within the fund. In addition, we work actively to influence service providers to change their policies in a direction we believe is more sustainable in general, as well as within specific funds. This could include the exclusion of certain types of sectors or specific companies. The engagement activities also focus on contributing to the development of new products with a higher standard of sustainability.

The fund is a fund of funds, which means that we do not have a direct impact on the underlying companies, but rather work to have an impact on the fund providers.



Handelsbanken Aktiv 70

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund is a mixed fund that invests globally without being limited to a specific sector or geographic area. The fund invests in fixed income funds, equity funds, alternative assets and in other financial instruments. Alternative assets refers to funds or other financial instruments that give exposure to commodities, real estate and other permitted exposure in addition to equities or interest rates, with the intent of increasing the fund's diversification. The fund invests primarily in funds within Handelsbanken as well as in funds managed by other fund management companies. For the current distribution, refer to the Portfolio distribution section at www.handelsbanken.se/funds. The basis for the investments is to create excess returns in Norwegian crowns over the long term. 50 – 90% of the fund's value shall be invested in equity funds or other equity-related financial instruments, 0 – 40% in fixed income funds or other fixed income related financial instruments and 0 – 20% in funds and other financial instruments with alternative exposure.

Portfolio

The fund rose 15.2% in 2019*. A weaker global economy led many central banks to pursue a more expansive monetary policy. Expectations for a long period of low interest rates have resulted in a sharp upturn in the equity markets. Decreased concerns about the trade war and Brexit also contributed to an increased risk appetite. The World Index rose 30,05% (NOK). A weaker NOK contributed to returns in foreign holdings. The US equity market posted the most strength, while Japan was slightly weaker. Market rates in the US, Europe and Norway fell, which caused bonds to outperform fixed income investments with a shorter duration. Our holdings in emerging market bonds posted strength during the year. We had a lower risk in equities during most of the year. Regionally, we prefer the Swedish stock market over the European. We are neutral to Japan, emerging markets and the US. We purchased holdings in Handelsbanken Hålsövärd Tema, Aktia Emerging Market Frontier Debt Fund, as well as Fidelity Sustainable Water and Waste Fund. We also purchased holdings in the currency fund UBS Currency Allocation Return Strategy and the absolute return fund JPM Multi Manager Alternatives. Within fixed income, we held a short duration in our Norwegian holdings and an overweight in emerging market bonds.

* Refer to fund statistics for comparable index.

Significant risks

The fund is a mixed fund that normally implies an investment with moderately high risk. The risk in the fund is due to the fund's allocation between the equity, fixed income and alternative investment asset classes. An investment in equities, equity funds and alternative investments can be associated with high risk and can fluctuate significantly over time. An investment in interest-bearing securities or in a fixed income fund is associated with interest rate risk, which means that

when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The duration on holdings in the fund can vary significantly over time. The fund may make concentrated investments with regard to regions and sectors. This means that the risk in the fund can be higher than an investment in a diversified global fund that allocates its investments across several regions or sectors. Given that the fund's investments are made in foreign equities denominated in another currency other than the fund's base currency, an investment in the fund is associated with currency risk. An investment in an interest-bearing 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 interest-bearing securities issued by companies or states with a low credit quality increases. The fund may invest in derivatives as part of its investment focus to increase returns in the fund or to create leverage. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

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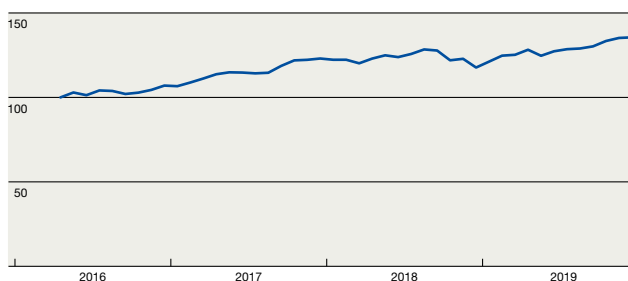
Information

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Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

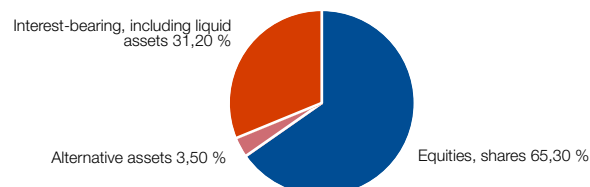
Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Fund Performance*



* Performance is shown in the fund's base currency.

Market Exposure*



* The fund's allocation of investments within the markets as of 31/12/2019, relative to the fund's total assets on this date.

Handelsbanken Aktiv 70, cont.

Fund Facts - History

	2019	2018	2017	13/4-31/12 2016	2015	2014	2013	2012	2011	2010
Net asset value, NOK	134.98	117.18	122.50	106.55	-	-	-	-	-	-
The fund's total net flow, mNOK	107	111	1,013	239	-	-	-	-	-	-
Fund capital, NOKm	1,720	1,393	1,343	252	-	-	-	-	-	-
Number of units, 1000's	12,742	11,886	10,961	2,362	-	-	-	-	-	-
Total returns in %, NOK	+15.2	-4.3	+15.0	+6.5	-	-	-	-	-	-
Index including dividends in %, NOK	+17.9	-2.4	+12.8	+7.6	-	-	-	-	-	-
Tracking error, 2 yrs. %	1.2	1.3	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. % in NOK	+5.0	+4.9	-	-	-	-	-	-	-	-
Comparison to index including dividends, % in NOK	+7.3	+5.0	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.07	1.02	1.00	1.06	-	-	-	-	-	-

Benchmark: Solactive ISS ESG Screened Global Markets Index 35.00%, SIX SRI Nordic 200 Net Index 14.0%, Oslo Stock Exchange Mutual Fund Index 21.0%, Oslo Stock Exchange State Bonds 5.00 Index 14.0% and Oslo Stock Exchange State Bonds 0.25 Index 16.0%

Up to 28/02/2019: MSCI All Country World Index Net 35.00%, VINX Benchmark Cap Net Index SEK 14.0%, Oslo Stock Exchange Mutual Fund Index 21.0%, Oslo Stock Exchange State Bonds 5Y Index 14.0% and Oslo Stock Exchange State Bonds 0.25Y Index 16.0%.

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 page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.30
Collected mgmt. costs in % of average fund capital	1.30
Annual fees in %	1.43
Transaction costs, NOKt	116
Transaction costs in % of turnover	0.00
Costs in NOK for a one-time subscription, 10 000 NOK	141.59
Costs in NOK for monthly savings, 100 NOK	8.82

A maximum fixed fee of 3% may be deducted annually for the management of the underlying funds in which the fund invests assets. During each measurement period, any potential performance-based management fees in the underlying funds may total a maximum of 30% of the excess returns in relation to each of the fund's comparison norms (index or equivalent).

Fund Facts - Other Key Figures

Turnover rate	0.5
Share of turnover conducted via closely-related securities companies in %	2.1
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk %	7.2	Information ratio	Negative
Total risk in index %	7.0	Sharpe ratio	0.6
Benchmark	Solactive ISS ESG Screened Global Markets Index 35.00%, SIX SRI Nordic 200 Net Index 14.0%, Oslo Stock Exchange Mutual Fund Index 21.0%, Oslo Stock Exchange State Bonds 5.00 Index 14.0% och Oslo Stock Exchange State Bonds 0.25 Index 16.0%	Sharpe ratio in index	0.9
Active return %	-2.3		

* 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.

Income Statement, NOKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	-19,174	-4,799
Changes in value for fund units **	244,457	-56,734
Interest income	135	-38
Dividends	1,014	793
Currency exchange profits and losses, net	1,539	5,615
Other financial income ¹⁾	12,529	13,011
Other income	0	0
Total income and changes in value	240,500	-42,152

EXPENSES

Management costs:		
- Remuneration to the Management Company	20,714	18,624
Interest expense	28	18
Other expenses	125	85
Total expenses	20,867	18,727
Net income	219,633	-60,879

* Details of changes in value

Capital gains	21,952	66,457
Capital losses	-43,223	-71,256
Unrealised gains/losses	2,098	-
Sum	-19,174	-4,799

** Details of changes in value

Capital gains	50,724	29,330
Capital losses	-5,220	-8,644
Unrealised gains/losses	198,953	-77,420
Sum	244,457	-56,734

1) The item consists primarily of discounts for management costs in underlying funds.

Balance Sheet, NOKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	1,765	0.1	2,067	0.1
Fund units	1,686,901	98.1	1,368,871	98.3
Total financial instruments with positive market value ^{Note 2)}	1,688,666	98.2	1,370,938	98.4
Bank assets and other liquid assets	31,936	1.9	24,976	1.8
Prepaid expenses and accrued income	1,174	0.1	1,024	0.1
Other assets	482	-0.1	506	0.0
Total assets	1,722,258	100.1	1,397,444	100.3
LIABILITIES				
OTC derivative instruments with negative market value	-	-	1,148	0.1
Total financial instruments with negative market value ^{Note 2)}	-	-	1,148	0.1
Accrued expenses and prepaid income	1,894	0.1	1,548	0.1
Other liabilities	411	0.0	1,891	0.1
Total liabilities	2,305	0.1	4,587	0.3
Fund capital ^{Note 1)}	1,719,953	100.0	1,392,857	100.0
Other derivative instruments with negative market value ¹⁾	7,097	0.4	2,728	0.2

1) Liquid assets 7 071NOK

Handelsbanken Aktiv 70, cont.

Note 1) for Balance Sheet

Changes in fund capital, NOK

	2019	2018
Fund capital at beginning of year	1,392,857	1,342,730
Units issued	291,329	353,126
Units redeemed	-183,866	-242,120
Profit according to Income Statement	219,633	-60,879
Dividends to unit holders	-	-
Fund capital at the close of the period	1,719,953	1,392,857

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
STOCK INDEX FUTURES			
EURO STOXX 50 Mar20 ¹⁾	-47	0	0.0
OMXO200A ²⁾	76	0	0.0
OMXS30 ESG Future Jan20 ³⁾	62	0	0.0
STOXX EUROPE 600 Mar20 ⁴⁾	-348	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
INTEREST RATE FUTURES			
EURO-BUND Future Mar20 ⁵⁾	-22	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG AC World-NOK	1,353,635	17,421	1.0
Fidelity Sustainable Water & Waste Fund I acc NOK	3,097,881	34,882	2.0
JPM Europe Small Cap A Acc EUR	23,772	24,203	1.4
JPM Fds Multi-Manager Alternatives	48,830	48,314	2.8
SHB Amerika Småbolag Tema (A1 SEK)	61,642	54,441	3.2
SHB Amerika Tema (A1 NOK)	86,981	91,080	5.3
SHB Asien Tema (A1 NOK)	28,207	19,959	1.2
SHB Emerging Markets Index (A1 SEK)	71,544	11,294	0.7
SHB Europa Index Criteria (A1 NOK)	65,995	8,482	0.5
SHB Europa Tema (A1 NOK)	114,003	48,082	2.8
SHB Hållbar Energi (A1 NOK)	103,905	19,128	1.1
SHB Hålsövärd Tema (A1 SEK)	74,553	18,625	1.1
SHB Japan Tema (A1 NOK)	410,524	37,427	2.2
SHB Norden (A1 NOK)	98,841	119,141	6.9
SHB Norden Selektiv (A1 NOK)	56,718	24,688	1.4
SHB Nordiska Småbolag (A1 NOK)	35,912	43,405	2.5
SHB Norge (A1 NOK)	119,543	147,899	8.6
SHB Norge Index (A1 NOK)	1,441,143	147,456	8.6
SHB Sverige 100 Index Criteria (A1 SEK)	70,714	18,362	1.1
SHB Tillväxtmarknad Tema (A1 NOK)	138,900	48,693	2.8
SHB USA Index Criteria (A1 NOK)	250,855	104,913	6.1
UBS Equity Sicav USA Growth	66,456	26,220	1.5
		1,114,114	64.8

LISTED EQUITY FUNDS**

XACT Högutdelande	335,104	40,948	2.4
XACT Norden	236,711	29,746	1.7
XACT OBX	904,835	73,093	4.2
		143,787	8.4

OTHER FUNDS

JPM Global Macro Sustainable C (acc) - NO K (hedged)	55,767	55,476	3.2
		55,476	3.2

FIXED INCOME FUNDS

Alfred Berg Obligasjon	199	24	0.0
BlueOrchard Ucits EM Sdg Impact Bond Fu	16,429	15,712	0.9
SHB Høyrente (A1 NOK)	1,392,772	162,189	9.4
SHB Kort Rente Norge (A1 NOK)	42,172	4,276	0.2
SHB Kreditt (A1 NOK)	167,313	16,885	1.0
SHB Obligasjon (A1 NOK)	327,211	42,227	2.5
SHB Råntestrategi Plus (A7 SEK)	263,008	24,921	1.4
UBS Currency Allocation Return Strategy	11,941	7,849	0.5
UI - Aktia EM Frontier Bond+	258,977	24,826	1.4
UI - Aktia EM Local Currency Bond+ - s1	717,588	74,615	4.3
		373,524	21.7
Total fund units		1,686,901	98.1

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
NOK/EUR ⁶⁾		1,406	0.1
NOK/SEK ⁷⁾		359	0.0
		1,765	0.1
Total OTC derivative instruments		1,765	0.1
Total other financial instruments		1,688,666	98.2

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
Total holdings in financial instruments		1,688,666	98.2
Net, other assets and liabilities		31,287	1.8
Total fund capital		1,719,953	100.0

- 1) Stock index futures with underlying exposure of -17 287 tNOK, which is equivalent to 1.0% of fund capital.
2) Stock index futures with underlying exposure of 6 594 tNOK, which is equivalent to 0.4% of fund capital.
3) Stock index futures with underlying exposure of 10 164 tNOK, which is equivalent to 0.6% of fund capital.
4) Stock index futures with underlying exposure of -71 020 tNOK, which is equivalent to 4.1% of fund capital.
5) Interest rate futures with underlying exposure of -37 000 tNOK, which is equivalent to 2.2% of fund capital.
6) tNOK 16 802/tEUR -1 650, counterpart Citibank Plc. tNOK 34 837/tEUR -3 425, counterpart Skandinaviska Enskilda Banken (publ).
7) tNOK 99 350/tSEK -41 453, counterpart Skandinaviska Enskilda Banken AB (publ).

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

8.4

89.8

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
JPMorgan Chase	7.4	Fidelity Funds	3.0
UI Aktia	5.7	UBS	2.0

* 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.

Handelsbanken Aktiv 70

Sustainability dimensions taken into consideration in the management of the fund

The fund takes environmental, social and corporate governance criteria (ESG) into consideration in its selection of investments, i.e., in the selection of the underlying funds. As a result, the fund is placing greater focus on making investments that are in line with the UN's Sustainable Development Goals. Fund managers in the underlying funds are also encouraged to increase investments in green bonds, for example.

Methods used for sustainability efforts

Inclusion

Sustainability is a separate area of assessment in the evaluation of the underlying funds and investments. When striking a balance between returns and risk for equivalent investments, we select the investment we consider to be most sustainable. An important assessment factor is how well sustainability is integrated in the underlying fund. We also work actively to increase the quantitative measurability in our assessments to clarify sustainability dimensions in the portfolio.

Exclusion

In accordance with the Management Company's comprehensive policy for responsible investments, the following are excluded from all of the

Management Company's funds:

- companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within mining of coal or in power companies that have coal as a major source of energy.

The Management Company's engagement activities

We require service providers to use their ownership influence in the underlying companies within the fund. In addition, we work actively to influence service providers to change their policies in a direction we believe is more sustainable in general, as well as within specific funds. This could include the exclusion of certain types of sectors or specific companies. The engagement activities also focus on contributing to the development of new products with a higher standard of sustainability.

The fund is a fund of funds, which means that we do not have a direct impact on the underlying companies, but rather work to have an impact on the fund providers.



Handelsbanken Aktiv 100

Management Report

Investment Focus

The fund is actively managed, which means that the portfolio manager takes active, independent investment decisions. The objective of the fund is to attain returns over the long term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund is a mixed fund that invests globally without being limited to sectors or geographic regions. The fund invests in fixed income funds, equity funds, alternative assets, as well as in other financial instruments. Alternative assets refer to funds or other financial instruments that give exposure to commodities, real estate and other permitted exposures, in addition to equities or fixed income, with the intent of increasing the fund's diversification. The fund invests primarily in funds within Handelsbanken as well as in fund that are managed by other fund management companies. Refer to Portfolio distribution at www.handelsbanken.se/funds for the current distribution. The starting point for investments is to create excess returns in NOK over the long term. A minimum of 95% of the fund's value shall be invested in equity funds or other equity-related financial instruments. We compare the fund's performance with an index consisting of Solactive ISS ESG Screened Global Markets Index NTR 50,0%, SIX SRI Nordic 200 Net Index 20,0%, Oslo Stock Exchange Mutual Fund Index 30,0%. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 22.9% in 2019*. A weaker global economy led many central banks to pursue a more expansive monetary policy. Expectations for a long period of low interest rates have resulted in a sharp upturn in the equity markets. Decreased concerns about the trade war and Brexit also contributed to an increased risk appetite. The World Index rose 30.05% (NOK). A weaker NOK contributed to returns in foreign holdings. The US equity market posted the most strength, while Japan was slightly weaker. Regionally, we prefer the Swedish stock market over the European. We are neutral to Japan, emerging markets and the US. We purchased holdings in Handelsbanken Hålsövärd Tema as well as Fidelity Sustainable Water and Waste Fund.

*) Refer to fund statistics for comparable index.

Significant risks

The fund is a mixed fund that normally implies an investment with moderately high risk. The risk in the fund is due to the fund's allocation between the equity, fixed income and alternative investment asset classes. An investment in equities, equity funds and alternative investments can be associated with high risk and can fluctuate significantly over time. An investment in interest-bearing securities or in a fixed income fund is associated with interest rate risk, which means that when the general interest rate rises, the value of the fixed income

securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The duration on holdings in the fund can vary significantly over time. The fund may make concentrated investments with regard to regions and sectors. This means that the risk in the fund can be higher than an investment in a diversified global fund that allocates its investments across several regions or sectors. Given that the fund's investments are made in foreign equities denominated in another currency other than the fund's base currency, an investment in the fund is associated with currency risk. An investment in an interest-bearing 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 interest-bearing securities issued by companies or states with a low credit quality increases. The fund may invest in derivatives as part of its investment focus to increase returns in the fund or to create leverage. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

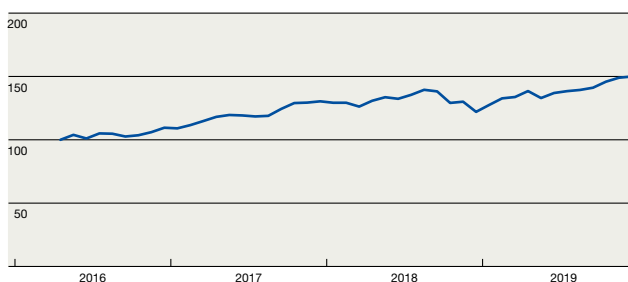
Information

As of April 30, 2019 the fund changed its index from MSCI All Country World Index Net 50,0%, VINX Benchmark Cap Net Index SEK 20,0%, Oslo Stock Exchange Mutual Fund Index 30,0% to Solactive ISS ESG Screened Global Markets Index NTR 50,0%, SIX SRI Nordic 200 Net Index 20,0%, Oslo Stock Exchange Mutual Fund Index 30,0%. The reason for the change of index was a sustainability adjustment of the fund to exclude more controversial activities than before. The fund's investment policy has not been affected.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

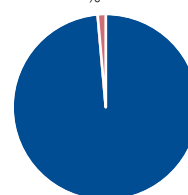
Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Fund Performance*



Market Exposure*

Interest-bearing, including liquid assets 1,40 %



Equities, shares 98,60 %

* The fund's allocation of investments within the markets as of 31/12/2019, relative to the fund's total assets on this date.

Handelsbanken Aktiv 100, cont.

Fund Facts - History

	2019	2018	2017	13/4-31/12 2016	2015	2014	2013	2012	2011	2010
Net asset value, NOK	149.18	121.42	129.69	108.96	-	-	-	-	-	-
The fund's total net flow, mNOK	219	250	475	437	-	-	-	-	-	-
Fund capital, NOKm	1,740	1,223	1,062	472	-	-	-	-	-	-
Number of units, 1000's	11,663	10,075	8,189	4,334	-	-	-	-	-	-
Total returns in %, NOK	+22.9	-6.4	+19.0	+9.0	-	-	-	-	-	-
Index including dividends in %, NOK	+25.6	-3.7	+18.1	+11.1	-	-	-	-	-	-
Tracking error, 2 yrs. %	1.6	1.7	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. % in NOK	+7.2	+5.6	-	-	-	-	-	-	-	-
Comparison to index including dividends, % in NOK	+10.0	+6.6	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.07	1.02	1.00	1.06	-	-	-	-	-	-

Benchmark: Solactive ISS ESG Screened Global Markets Index NTR 50,0%, SIX SRI Nordic 200 Net Index 20,0%, Oslo Stock Exchange Mutual Fund Index 30,0%

Up to 28/02/2019: MSCI All Country World Index Net 50,0%, VINX Benchmark Cap Net Index SEK 20,0%, Oslo Stock Exchange Mutual Fund Index 30,0%.

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 page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.50
Collected mgmt. costs in % of average fund capital	1.50
Annual fees in %	1.55
Transaction costs, NOKt	131
Transaction costs in % of turnover	0.00
Costs in NOK for a one-time subscription, 10 000 NOK	169.64
Costs in NOK for monthly savings, 100 NOK	10.36

A maximum fixed fee of 3% may be deducted annually for the management of the underlying funds in which the fund invests assets. During each measurement period, any potential performance-based management fees in the underlying funds may total a maximum of 30% of the excess returns in relation to each of the fund's comparison norms (index or equivalent).

Fund Facts - Other Key Figures

Turnover rate	0.3
Share of turnover conducted via closely-related securities companies in %	5.5
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk %	10.5	Information ratio	Negative
Total risk in index %	10.1	Sharpe ratio	0.6
Benchmark	Solactive ISS ESG Screened Global Markets Index NTR 50,0%, SIX SRI Nordic 200 Net Index 20,0%, Oslo Stock Exchange Mutual Fund Index 30,0%	Sharpe ratio in index	0.9
Active return %	-2.7		

* 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.

Income Statement, NOKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	1,376	-1,566
Changes in value for fund units **	302,316	-87,103
Interest income	93	-8
Dividends	1,292	0
Currency exchange profits and losses, net	-340	4,297
Other financial income ¹⁾	15,028	13,017
Other income	0	0
Total income and changes in value	319,765	-71,362
EXPENSES		
Management costs:		
- Remuneration to the Management Company	22,386	17,658
Interest expense	8	13
Other expenses	141	75
Total expenses	22,534	17,746
Net income	297,230	-89,109

* Details of changes in value

Capital gains	14,307	40,025
Capital losses	-12,622	-41,590
Unrealised gains/losses	-309	0
Sum	1,376	-1,566

** Details of changes in value

Capital gains	49,794	43,824
Capital losses	-5,563	-4,302
Unrealised gains/losses	258,085	-126,624
Sum	302,316	-87,103

1) The item consists primarily of discounts for management costs in underlying funds.

Balance Sheet, NOKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	-	-	1,839	0.1
Fund units	1,699,227	97.7	1,204,671	98.5
Total financial instruments with positive market value ^{Note 2)}	1,699,227	97.7	1,206,510	98.6
Bank assets and other liquid assets	39,899	2.3	20,601	1.7
Prepaid expenses and accrued income	1,516	0.1	1,189	0.1
Other assets	2,381	0.1	841	0.1
Total assets	1,743,023	100.2	1,229,141	105.5
LIABILITIES				
Accrued expenses and prepaid income	2,190	0.1	1,589	0.1
Other liabilities	970	0.1	4,279	0.4
Total liabilities	3,160	0.2	-5,868	0.5
Fund capital ^{Note 1)}	1,739,863	100.0	1,223,273	100.0
Other derivative instruments with negative market value ¹⁾	5,880	0.3	683	0.1

1) Liquid assets 6 457 tNOK

Note 1) for Balance Sheet

Changes in fund capital, NOKt

	2019	2018
Fund capital at beginning of year	1,223,273	1,062,057
Units issued	421,371	506,976
Units redeemed	-202,011	-256,651
Profit according to Income Statement	297,230	-89,109
Dividends to unit holders	-	-
Fund capital at the close of the period	1,739,863	1,223,273

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
STOCK INDEX FUTURES			
OMXO200A ¹⁾	265	0	0.0
OMXS30 ESG Future Jan20 ²⁾	172	0	0.0
STOXX EUROPE 600 Mar20 ³⁾	-163	0	0.0
Total stock index futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG AC World-NOK	1,915,614	24,654	1.4
Fidelity Sustainable Water & Waste Fund I ac c NOK	4,455,143	50,165	2.9
JPM Europe Small Cap A Acc EUR	33,032	33,631	1.9
SHB Amerika Småbolag Tema (A1 SEK)	99,849	88,185	5.1
SHB Amerika Tema (A1 NOK)	123,391	129,207	7.4
SHB Asien Tema (A1 NOK)	39,664	28,065	1.6
SHB Emerging Markets Index (A1 SEK)	101,353	15,999	0.9
SHB Europa Index Criteria (A1 NOK)	150,531	19,347	1.1
SHB Europa Tema (A1 NOK)	164,195	69,251	4.0
SHB Hållbar Energi (A1 NOK)	145,140	26,719	1.5
SHB Hållsvård Tema (A1 SEK)	102,957	25,721	1.5
SHB Japan Tema (A1 NOK)	582,766	53,130	3.1
SHB Norden (A1 NOK)	141,390	170,428	9.8
SHB Norden Selektiv (A1 NOK)	79,707	34,695	2.0
SHB Nordiska Småbolag (A1 NOK)	51,032	61,679	3.5
SHB Norge (A1 NOK)	173,028	214,070	12.3
SHB Norge Index (A1 NOK)	2,085,260	213,361	12.3
SHB Sverige 100 Index Criteria (A1 SEK)	64,624	16,781	1.0
SHB Tillväxtmarknad Tema (A1 NOK)	197,912	69,379	4.0

Handelsbanken Aktiv 100, cont.

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
SHB USA Index Criteria (A1 NOK)	359,719	150,442	8.6
UBS Equity Sicav USA Growth	64,206	25,332	1.5
		1,520,241	87.4
LISTED EQUITY FUNDS**			
XACT Högutdelande	413,825	50,568	2.9
XACT Norden	330,368	41,515	2.4
XACT OBX	1,075,794	86,903	5.0
		178,986	10.3
Total fund units		1,699,227	97.7
Total other financial instruments		1,699,227	97.7
Total holdings in financial instruments		1,699,227	97.7
Net, other assets and liabilities		40,636	2.3
Total fund capital		1,739,863	100.0

1) Stock index futures with underlying exposure of 22 994 tNOK, which is equivalent to 1.3% of fund capital.

2) ÖVERSÄTT_H: Under:28 196 tNOK

3) Stock index futures with underlying exposure of -33 265 tNOK, which is equivalent to 1.9% of fund capital.

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

Compilation, Company and Group exposure*

Company/Group	% of fund capital
Fidelity Funds	4.3

* 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.

Handelsbanken Aktiv 100

Sustainability dimensions taken into consideration in the management of the fund

The fund takes environmental, social and corporate governance criteria (ESG) into consideration in its selection of investments, i.e., in the selection of the underlying funds. As a result, the fund is placing greater focus on making investments that are in line with the UN's Sustainable Development Goals. Fund managers in the underlying funds are also encouraged to increase investments in green bonds, for example.

Methods used for sustainability efforts

Inclusion

Sustainability is a separate area of assessment in the evaluation of the underlying funds and investments. When striking a balance between returns and risk for equivalent investments, we select the investment we consider to be most sustainable. An important assessment factor is how well sustainability is integrated in the underlying fund. We also work actively to increase the quantitative measurability in our assessments to clarify sustainability dimensions in the portfolio.

Exclusion

In accordance with the Management Company's comprehensive policy for responsible investments, the following are excluded from all of the

Management Company's funds:

- companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within mining of coal or in power companies that have coal as a major source of energy.

The Management Company's engagement activities

We require service providers to use their ownership influence in the underlying companies within the fund. In addition, we work actively to influence service providers to change their policies in a direction we believe is more sustainable in general, as well as within specific funds. This could include the exclusion of certain types of sectors or specific companies. The engagement activities also focus on contributing to the development of new products with a higher standard of sustainability.

The fund is a fund of funds, which means that we do not have a direct impact on the underlying companies, but rather work to have an impact on the fund providers.



Handelsbanken Kapitalförvaltning 25

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund is a mixed fund that invests worldwide without being limited to a specific sector or geographic area. The fund invests in fixed income funds, equity funds, alternative assets, as well as in other financial instruments. Alternative assets refers to funds or other financial instruments that give exposure to commodities, real estate and other permitted exposure in addition to equities or interest rates, with the intent of increasing the fund's diversification. The fund invests primarily in funds within Handelsbanken as well as in funds managed by other fund management companies. For the current distribution, refer to the Portfolio distribution section at www.handelsbanken.se/funds. The basis for the investments is to create excess returns in EUR over the long term. 5 - 45% of the fund's value shall be invested in equity funds or other equity-related financial instruments, 45 - 85% in fixed income funds or other interest-related financial instruments and 0 - 20% in funds and other financial instruments with alternative exposure. We compare fund performance to an index consisting of Solactive ISS ESG Screened Global Markets Index: 12.5%, SIX SRI Nordic 200 Net Index: 12.5%, Solactive 3 Month EURIBOR Index: 35% and Solactive Eurozone Government Bond Index: 40%. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 7.6% in 2019*. A weaker global economy led many central banks to pursue a more expansive monetary policy. Expectations for a long period of low interest rates have resulted in a sharp upturn in the equity markets. Decreased concerns about the trade war and Brexit also contributed to an increased risk appetite. The World Index rose 30.66% (EUR). The US equity market posted the most strength, while Japan was slightly weaker. Market rates in the US and Europe fell, which caused bonds to outperform fixed income investments with shorter duration. Our holdings in emerging market bonds posted strength during the year. We had a lower risk in equities during most of the year. Regionally, we prefer the Swedish stock market over the European. We are neutral to Japan, emerging markets and the US. We purchased holdings in Handelsbanken Hälsovård Tema, Aktia Emerging Market Frontier Debt Fund as well as Fidelity Sustainable Water and Waste Fund. We also purchased holdings in the currency fund UBS Currency Allocation Return Strategy and the absolute return fund JPM Multi Manager Alternatives. We sold our holdings in UBS European Bond Fund and Blackrock European Short Duration Fund. Within fixed income we had a short duration in our European holdings and an overweight in emerging market bonds.

*) Refer to fund statistics for comparable index.

Significant risks

The fund is a mixed fund that normally implies an investment with low risk. The risk in the fund is due to the fund's allocation between the equity, fixed income and alternative investment asset classes. An investment in

equities, equity funds and alternative investments can be associated with high risk and can fluctuate significantly over time. An investment in fixed income securities or in a fixed income fund is associated with interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The duration on holdings in the fund can vary significantly over time. The fund may make concentrated investments with regard to regions and sectors. This means that the risk in the fund can be higher than an investment in a diversified global fund that allocates its investments across several regions or sectors. Given that the fund's investments are made in foreign equities denominated in another currency other than the fund's base currency, an investment in the fund is associated with currency risk. An investment in an interest-bearing 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 interest-bearing securities issued by companies or states with a low credit quality increases. The fund may invest in derivatives as part of its investment focus to increase returns in the fund or to create leverage. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

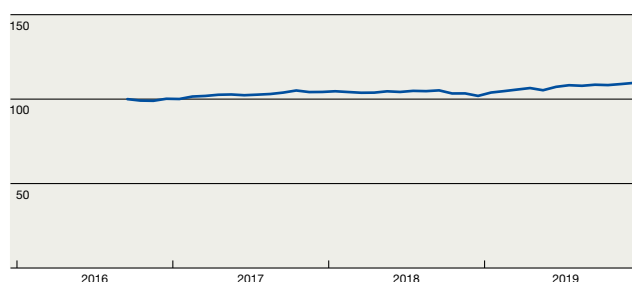
On 30 April 2019, the fund changed index from MSCI All Country World Index Net 12.5%, VINX Benchmark Cap Net Index SEK 12.5%, Bloomberg Barclays Euro Treasury 0-12 months Index 35% and Barclays Euro Gov Bond 40% to Solactive ISS ESG Screened Global Markets Index 12.5%, SIX SRI Nordic 200 Net Index 12.5%, Solactive 3 Month EURIBOR Index 35% and Solactive Eurozone Government Bond Index 40%. This was due to the change to a sustainability-oriented index that excludes a greater number of controversial business operations than previously. The fund's investment focus has not been affected by the change.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

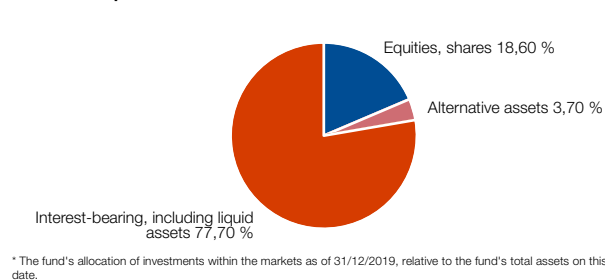
Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Handelsbanken Kapitalförvaltning 25, cont.

Fund Performance*



Market Exposure*



Fund Facts - History

	2019	2018	2017	28/9-31/12 2016	2015	2014	2013	2012	2011	2010
Net asset value, EUR	10.96	10.19	10.42	10.02	-	-	-	-	-	-
The fund's total net flow, mEUR	5	12	10	15	-	-	-	-	-	-
Fund capital, mEUR	44	37	26	15	-	-	-	-	-	-
Number of units, 1000's	4,056	3,626	2,473	1,526	-	-	-	-	-	-
Total returns in %, EUR	+7.6	-2.3	+4.0	+0.2	-	-	-	-	-	-
Index including dividends in %, EUR	+9.2	-1.0	+2.3	+0.1	-	-	-	-	-	-
Tracking error, 2 yrs. %	1.1	1.0	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. % in EUR	+2.5	+0.8	-	-	-	-	-	-	-	-
Comparison to index including dividends, % in EUR	+4.0	+0.7	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.51	10.13	9.83	9.58	-	-	-	-	-	-

Benchmark: Solactive ISS ESG Screened Global Markets Index 12,5%, SIX SRI Nordic 200 Net Index 12,5%, Solactive 3 Month EURIBOR Index 35% and Solactive Eurozone Government Bond Index 40%

Up to 31/05/2018: EUR Libor 3 Month Index 35%, VINX Benchmark Cap SEK_NI 12,5%, Barclays Euro Government Bond Index 40%, MSCI All Country World Index Net 12,5%

Up to 31/05/2018: Bloomberg Barclays Euro Treasury 0-12 Months 35%, VINX Benchmark Cap SEK_NI 12,5%, Barclays Euro Government Bond Index 40%, MSCI All Country World Index Net 12,5%

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 page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	0.90
Collected mgmt. costs in % of average fund capital	0.90
Annual fees in %	1.11
Transaction costs, EURt	4
Transaction costs in % of turnover	0.00
Costs in EUR for a one-time subscription, 1 000 EUR	9.46
Costs in EUR for monthly savings, 10 EUR	0.60

A maximum fixed fee of 3% may be deducted annually for the management of the underlying funds in which the fund invests assets. During each measurement period, any potential performance-based management fees in the underlying funds may total a maximum of 30% of the excess returns in relation to each of the fund's comparison norms (index or equivalent).

Fund Facts - Other Key Figures

Turnover rate	0.6
Share of turnover conducted via closely-related securities companies in %	1.9
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk %	3.1	Information ratio	Negative
Total risk in index %	2.9	Sharpe ratio	0.9
Benchmark	Solactive ISS ESG Screened Global Markets Index 12,5%, SIX SRI Nordic 200 Net Index 12,5%, Solactive 3 Month EURIBOR Index 35% och Solactive Eurozone Government Bond Index 40%	Sharpe ratio in index	1.5
Active return %	-1.4		

* 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.

Income Statement, EURt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	-499	-99
Changes in value for fund units **	3,574	-851
Interest income	0	-1
Dividends	23	16
Currency exchange profits and losses, net	-32	117
Other financial income ¹⁾	215	198
Other income	0	0
Total income and changes in value	3,281	-620
EXPENSES		
Management costs:		
- Remuneration to the Management Company	372	307
Interest expense	1	1
Other expenses	3	2
Total expenses	376	310
Net income	2,905	-930

* Details of changes in value

Capital gains	561	1,578
Capital losses	-1,113	-1,677
Unrealised gains/losses	53	0
Sum	-499	-99

** Details of changes in value

Capital gains	873	499
Capital losses	-244	-310
Unrealised gains/losses	2,945	-1,041
Sum	3,574	-851

¹⁾ The item consists primarily of discounts for management costs in underlying funds.

Handelsbanken Kapitalförvaltning 25, cont.

Balance Sheet, EURt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	-	-	66	0.1
Fund units	43,891	98.8	36,380	98.5
Total financial instruments with positive market value ^{Note 2)}	43,891	98.8	36,445	98.6
Bank assets and other liquid assets	537	1.2	644	1.8
Prepaid expenses and accrued income	40	0.1	17	0.1
Other assets	61	0.1	-	-
Total assets	44,529	100.2	37,107	100.5
LIABILITIES				
OTC derivative instruments with negative market value	61	0.1	11	0.0
Total financial instruments with negative market value ^{Note 2)}	61	0.1	11	0.0
Accrued expenses and prepaid income	34	0.1	28	0.1
Other liabilities	2	0.0	138	0.4
Total liabilities	97	0.2	177	0.5
Fund capital ^{Note 1)}	44,432	100.0	36,930	100.0
Other derivative instruments with negative market value ¹⁾	1,941	4.4	716	1.9

1) Liquid assets 1 932 tSEK

Note 1) for Balance Sheet

Changes in fund capital, EURt

	2019	2018
Fund capital at beginning of year	36,930	25,767
Units issued	13,981	36,253
Units redeemed	-9,384	-24,160
Profit according to Income Statement	2,905	-930
Dividends to unit holders	-	-
Fund capital at the close of the period	44,432	36,930

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
STOCK INDEX FUTURES			
EURO STOXX 50 Mar20 ¹⁾	-12	0	0.0
OMX200A ²⁾	19	0	0.0
OMXS30 ESG Future Jan20 ³⁾	16	0	0.0
STOXX EUROPE 600 Mar20 ⁴⁾	-89	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
INTEREST RATE FUTURES			
EURO-BUND Future Mar20 ⁵⁾	-6	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG AC World-EUR	13,923	172	0.4
Fidelity Sustainable Water & Waste Fund	27,523	342	0.8
JPM Europe Small Cap A Acc EUR	2,257	233	0.5
JPM Fds Multi-Manager Alternatives	12,896	1,294	2.9
SHB Amerika Småbolag Tema (A1 SEK)	2,068	185	0.4
SHB Amerika Tema (A1 EUR)	8,003	850	1.9
SHB Asien Tema (A1 EUR)	3,022	217	0.5
SHB Emerging Markets Index (A1 SEK)	6,558	105	0.2
SHB Europa Tema (A1 EUR)	6,093	261	0.6
SHB Hållbar Energi (A1 EUR)	9,294	173	0.4
SHB Hållsövärd Tema (A1 SEK)	7,033	178	0.4
SHB Japan Tema (A1 EUR)	39,642	366	0.8
SHB Norden (A1 EUR)	22,930	2,802	6.3
SHB Norden Selektiv (A1 EUR)	12,328	544	1.2
SHB Nordiska Småbolag (A1 EUR)	8,325	1,020	2.3
SHB Sverige 100 Index Criteria (A1 SEK)	15,359	404	0.9
SHB Tillväxtmarknad Tema (A1 EUR)	12,633	449	1.0
SHB USA Index Criteria (A1 EUR)	16,836	714	1.6
UBS Equity Sicav USA Growth	13,552	542	1.2
		10,851	24.4
LISTED EQUITY FUNDS**			
XACT Högutdelande	88,145	1,092	2.5
XACT Norden	59,897	763	1.7
		1,855	4.2

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
OTHER FUNDS			
JPM Global Macro Sustainable I (acc) - EUR	13,964	1,380	3.1
		1,380	3.1
FIXED INCOME FUNDS			
BlueOrchard Ucits EM Sdg Impact Bond Fu	15,994	1,551	3.5
SHB Euro Corporate Bond Fund (A7 EUR)	69,250	7,519	16.9
SHB Euro Obligation (A1 EUR)	19,590	8,107	18.2
SHB Euro Ranta (A1 EUR)	25,489	4,980	11.2
SHB Kredit (A1 NOK)	142,720	1,460	3.3
SHB Rantestrategi Plus (A7 SEK)	69,004	663	1.5
UBS Currency Allocation Return Strategy	3,007	200	0.5
UI - Aktia EM Frontier Bond+	231,136	2,246	5.1
UI - Aktia EM Local Currency Bond+ - sh	28,478	3,078	6.9
		29,805	67.1
Total fund units		43,891	98.8

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
EUR/NOK ⁶⁾		-33	-0.1
EUR/SEK ⁷⁾		-28	-0.1
		-61	-0.1
Total OTC derivative instruments		-61	-0.1
Total other financial instruments		43,830	98.7
Total holdings in financial instruments		43,830	98.7
Net, other assets and liabilities		602	1.3
Total fund capital		44,432	100.0

1) Stock index futures with underlying exposure of -447 tEUR, which is equivalent to 1.0% of fund capital.
2) Stock index futures with underlying exposure of 167 tEUR, which is equivalent to 0.4% of fund capital.
3) Stock index futures with underlying exposure of 266 tEUR, which is equivalent to 0.6% of fund capital.
4) Stock index futures with underlying exposure of -1 841 tEUR, which is equivalent to 4.1% of fund capital.
5) Interest rate futures with underlying exposure of -1 023 tEUR, which is equivalent to 2.3% of fund capital.
6) tEUR 1 040/tNOK -10 611, counterpart Skandinaviska Enskilda Banken AB (publ).
7) tEUR 2 066 /tSEK -22 017, counterpart Nordea Bank Abp.

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

4.2

94.6

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
UI Aktia	12.0	UBS	1.7
JPMorgan Chase	6.5	Fidelity Funds	1.2

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

Handelsbanken Kapitalförvaltning 25

Sustainability dimensions that are taken into consideration in the management of the fund

Sustainability dimensions that are taken into consideration in the management of the fund

The fund takes environmental, social and corporate governance (ESG) factors into consideration in its selection of investments, i.e. in the selection of the underlying funds. This means that the fund is placing greater emphasis on aligning its investments with the UN's Sustainable Development Goals (SDG). We are also encouraging the fund managers of the underlying funds to increase investments in green bonds, for example.

Methods used in sustainability efforts

Inclusion

Sustainability is an individual area of assessment in the evaluation of underlying funds and investments. When striking a balance between comparable returns and risk, we make the choice that we believe is most sustainable. A critical factor in the evaluation includes how well sustainability is integrated in the underlying fund. We also work actively to increase the quantitative measurability in our assessments to clarify the sustainability dimensions in the portfolio.

Exclusion

In accordance with the Management Company's overall policy for

responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. We also do not invest in companies involved in the production or distribution of nuclear weapons.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

The Management Company's engagement activities

We make demands in the fund that providers use their ownership influence in the underlying companies. In addition, we work actively to influence providers to change their policies in a more sustainable direction, both generally and in specific funds, e.g., by excluding certain types of sectors or specific companies. The engagement activities also focus on contributing to the development of new products that have a higher sustainability standard.

The fund is a fund of funds, which means that we are unable to impact the underlying companies directly and work by influencing the fund providers.

Follow-up of sustainability work

During the year we took measures to adjust our holdings to meet the enhanced sustainability criteria. As a result, we exclude* funds with investments in companies whose principle operations are within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. We also exclude funds that invest in companies that violate international norms and conventions regarding human rights, labour law, the environment, and anti-corruption.

Our actively-managed funds may include so-called companies in transition. Companies in transition work to transition their operations towards fossil-free energy production. The principle of excluding fossil fuels can thereby be granted an exemption over a period of time if the company meets our requirements to qualify as a company in transition.

We also changed the benchmark index during the year to better reflect our more sustainable investment criteria. We have had extensive dialogues with providers who are willing to meet our requirements in existing investments and in some cases have jointly launched new funds that comply with the increased requirements. We also sold funds that did not meet our requirements.

The fund has new fund rules as of 1 January 2020, which reflect that the fund is managed with enhanced sustainability criteria.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.



Handelsbanken Kapitalförvaltning 50

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund is a mixed fund that invests worldwide without being limited to a specific sector or geographic area. The fund invests in fixed income funds, equity funds, alternative assets, as well as in other financial instruments. Alternative assets refers to funds or other financial instruments that give exposure to commodities, real estate and other permitted exposure in addition to equities or interest rates, with the intent of increasing the fund's diversification. The fund invests primarily in funds within Handelsbanken as well as in funds managed by other fund management companies. For the current distribution, refer to the Portfolio distribution section at www.handelsbanken.se/funds. The basis for the investments is to create excess returns in EUR over the long term. 30 - 70% of the fund's value shall be invested in equity funds or other equity-related financial instruments, 20 - 60% in fixed income funds or other interest-related financial instruments and 0 - 20% in funds and other financial instruments with alternative exposure. We compare fund performance to an index consisting of Solactive ISS ESG Screened Global Markets Index: 25%, SIX SRI Nordic 200 Net Index: 25%, Solactive 3 Month EURIBOR Index: 25% and Solactive Eurozone Government Bond Index: 25%. Given that the fund is actively managed, returns will deviate from this index over time.

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Significant risks

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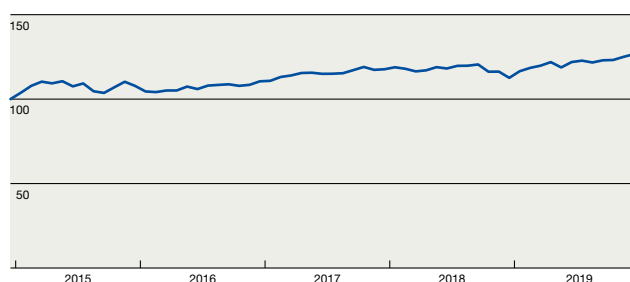
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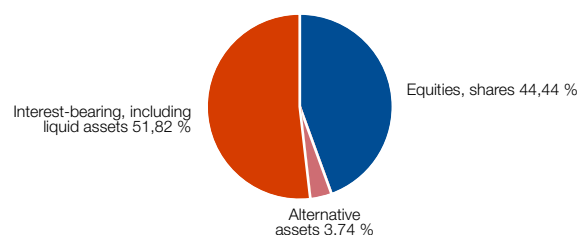
Handelsbanken Kapitalförvaltning 50, cont.

Fund Performance*



* Performance is shown in the fund's base currency.

Market Exposure*



* The fund's allocation of investments within the markets as of 31/12/2019, relative to the fund's total assets on this date.

Fund Facts - History

	2019	2018	2017	2016	2015	26/9-31/12 2014	2013	2012	2011	2010
Net asset value, EUR ¹⁾	20.50	18.23	19.05	17.89	17.45	16.19	-	-	-	-
The fund's total net flow, mEUR	9	-17	7	62	5	4	-	-	-	-
Fund capital, mEUR	113	92	114	101	37	30	-	-	-	-
Number of units, 1000's	5,517	5,055	5,976	5,629	2,116	1,823	-	-	-	-
Total returns in %, EUR	+12.5	-4.3	+6.5	+2.5	+7.8	+8.1	+10.7	+11.4	-8.2	+16.2
Index including dividends in %, EUR	+15.0	-2.5	+4.8	+4.3	+6.6	+10.2	+10.3	+13.9	-4.0	+15.2
Tracking error, 2 yrs. %	1.1	1.1	1.2	1.5	1.3	1.1	-	-	-	-
Average yearly return, 2 yrs. % in EUR	+3.7	+0.9	+4.5	+5.1	+7.9	+9.4	+11.1	+1.1	+3.3	+20.9
Comparison to index including dividends, % in EUR	+5.9	+1.1	+4.5	+5.5	+8.4	+10.3	+12.1	+4.6	+5.2	+19.3
Average yearly return, 5 yrs. % in EUR	+4.8	+4.0	+7.1	+8.1	+5.7	+7.3	+10.6	+1.7	-0.2	+3.2
Comparison to index including dividends, % in EUR	+5.5	+4.6	+7.2	+9.1	+7.3	+8.9	+11.4	+3.5	+1.2	+3.7
Average yearly return, 10 yrs. % in EUR	+6.1	+7.3	+4.3	+3.8	+4.5	-	-	-	-	-
Comparison to index including dividends, % in EUR	+7.2	+8.0	+5.4	+5.1	+5.5	-	-	-	-	-
Exchange rate EUR/SEK	10.51	10.13	9.83	9.58	9.16	9.47	-	-	-	-

¹⁾ The net asset value was adjusted on June 16, 2014 after a judgment in the Administrative Court in Falun. Pursuant to the judgment, funds with U.S. Holdings shall be charged with full U.S. withholding taxes as of January 1, 2012. As of June 16, 2014, full U.S. withholding taxes were deducted until an Administrative Court of Appeals in Sundsvall changed the Administrative Court's judgment on March 30, 2015, and the withholding taxes previously reserved were repaid to each fund concerned.

Benchmark: Solactive ISS ESG Screened Global Markets Index 25%, SIX SRI Nordic 200 Net Index 25%, Solactive 3 Month EURIBOR Index 25% and Solactive Eurozone Government Bond Index 25%

Up to 31/05/2018: EUR Libor 3 Month Index 25%, VINX Benchmark Cap SEK_NI 25%, Barclays Euro Government Bond Index 25%, MSCI All Country World Index Net 25%

Up to 28/02/2019: Bloomberg Barclays Euro Treasury 0-12 Months 25%, VINX Benchmark Cap SEK_NI 25%, Barclays Euro Government Bond Index 25%, MSCI All Country World Index Net 25%

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 page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.40
Collected mgmt. costs in % of average fund capital	1.40
Annual fees in %	1.61
Transaction costs, EURt	7
Transaction costs in % of turnover	0.00
Costs in EUR for a one-time subscription, 1 000 EUR	15.13
Costs in EUR for monthly savings, 10 EUR	0.94

A maximum fixed fee of 3% may be deducted annually for the management of the underlying funds in which the fund invests assets. During each measurement period, any potential performance-based management fees in the underlying funds may total a maximum of 30% of the excess returns in relation to each of the fund's comparison norms (index or equivalent).

Fund Facts - Other Key Figures

Turnover rate	0.6
Share of turnover conducted via closely-related securities companies in %	2.3
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk %	6.0	Information ratio	Negative
Total risk in index %	5.6	Sharpe ratio	0.7
Benchmark	Solactive ISS ESG Screened Global Markets Index 25%, SIX SRI Nordic 200 Net Index 25%, Solactive 3 Month EURIBOR Index 25% och Solactive Eurozone Government Bond Index 25%	Sharpe ratio in index	1.1
Active return %	-2.2		

* 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.

Income Statement, EURt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	-1,227	-380
Changes in value for fund units **	13,574	-4,058
Interest income	-2	-4
Dividends	111	70
Currency exchange profits and losses, net	-35	387
Other financial income ¹⁾	766	820
Other income	0	0
Total income and changes in value	13,187	-3,165
EXPENSES		
Management costs:		
- Remuneration to the Management Company	1,431	1,432
Interest expense	1	2
Other expenses	9	6
Total expenses	1,441	1,440
Net income	11,746	-4,605
* Details of changes in value		
Capital gains	1,396	5,013
Capital losses	-2,758	-5,392
Unrealised gains/losses	135	-
Sum	-1,227	-380
** Details of changes in value		
Capital gains	3,310	3,713
Capital losses	-495	-1,130
Unrealised gains/losses	10,759	-6,640
Sum	13,574	-4,058

¹⁾ The item consists primarily of discounts for management costs in underlying funds.

Handelsbanken Kapitalförvaltning 50, cont.

Balance Sheet, EURt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	-	-	158	0.1
Fund units	110,477	97.7	91,881	99.7
Total financial instruments with positive market value ^{Note 2)}	110,477	97.7	92,039	99.8
Bank assets and other liquid assets	2,632	2.3	872	1.1
Prepaid expenses and accrued income	140	0.1	64	0.1
Other assets	100	0.1	56	0.0
Total assets	113,349	100.2	93,031	101.0
LIABILITIES				
OTC derivative instruments with negative market value	95	0.1	29	0.0
Total financial instruments with negative market value ^{Note 2)}	95	0.1	29	0.0
Accrued expenses and prepaid income	133	0.1	112	0.1
Other liabilities	26	0.0	752	0.9
Total liabilities	254	0.2	893	1.0
Fund capital ^{Note 1)}	113,095	100.0	92,138	100.0
Other derivative instruments with negative market value ¹⁾	4,791	4.2	1,809	2.0

1) Liquid assets 4 784 tSEK

Note 1) for Balance Sheet

Changes in fund capital, EURt

	2019	2018
Fund capital at beginning of year	92,138	113,855
Units issued	25,115	29,934
Units redeemed	-15,904	-47,046
Profit according to Income Statement	11,746	-4,605
Dividends to unit holders	-	-
Fund capital at the close of the period	113,095	92,138

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
STOCK INDEX FUTURES			
EURO STOXX 50 Mar20 ¹⁾	-30	0	0.0
OMX200A ²⁾	48	0	0.0
OMXS30 ESG Future Jan20 ³⁾	41	0	0.0
STOXX EUROPE 600 Mar20 ⁴⁾	-220	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
INTEREST RATE FUTURES			
EURO-BUND Future Mar20 ⁵⁾	-14	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG AC World-EUR	67,639	837	0.7
Fidelity Sustainable Water & Waste Fund	133,540	1,660	1.5
JPM Europe Small Cap A Acc EUR	10,923	1,127	1.0
JPM Fds Multi-Manager Alternatives	33,017	3,312	2.9
SHB Amerika Småbolag Tema (A1 SEK)	23,684	2,121	1.9
SHB Amerika Tema (A1 EUR)	41,284	4,383	3.9
SHB Asien Tema (A1 EUR)	13,295	954	0.8
SHB Emerging Markets Index (A1 SEK)	32,791	525	0.5
SHB Europa Index Criteria (A1 EUR)	4,772	62	0.1
SHB Europa Tema (A1 EUR)	53,526	2,289	2.0
SHB Hållbar Energi (A1 EUR)	45,653	852	0.8
SHB Hålsövärd Tema (A1 SEK)	34,699	879	0.8
SHB Japan Tema (A1 EUR)	192,864	1,783	1.6
SHB Norden (A1 EUR)	116,149	14,194	12.6
SHB Norden Selektiv (A1 EUR)	66,148	2,919	2.6
SHB Nordiska Småbolag (A1 EUR)	41,494	5,084	4.5
SHB Sverige 100 Index Criteria (A1 SEK)	45,158	1,189	1.1
SHB Tillväxtmarknad Tema (A1 EUR)	62,932	2,237	2.0
SHB USA Index Criteria (A1 EUR)	111,475	4,727	4.2
UBS Equity Sicav USA Growth	42,420	1,697	1.5
		52,828	46.7

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
LISTED EQUITY FUNDS**			
XACT Högutdelande	324,014	4,014	3.5
XACT Norden	284,577	3,626	3.2
		7,640	6.8
OTHER FUNDS			
JPM Global Macro Sustainable I (acc) - EUR	35,840	3,541	3.1
		3,541	3.1
FIXED INCOME FUNDS			
BlueOrchard Ucits EM Sdg Impact Bond Fu	20,695	2,007	1.8
SHB Euro Corporate Bond Fund (A7 EUR)	93,657	10,169	9.0
SHB Euro Obligation (A1 EUR)	34,921	14,453	12.8
SHB Euro Ränta (A1 EUR)	32,805	6,409	5.7
SHB Kredit (A1 NOK)	222,127	2,273	2.0
SHB Råntestrategi Plus (A7 SEK)	176,380	1,694	1.5
UBS Currency Allocation Return Strategy	7,297	486	0.4
UI - Aktia EM Frontier Bond+	342,462	3,328	2.9
UI - Aktia EM Local Currency Bond+ - sh	52,269	5,650	5.0
		46,468	41.1
Total fund units		110,477	97.7

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
EUR/NOK ⁶⁾		-46	0.0
EUR/SEK ⁷⁾		-48	0.0
		-95	-0.1
Total OTC derivative instruments		-95	-0.1
Total other financial instruments		110,382	97.6
Total holdings in financial instruments		110,382	97.6
Net, other assets and liabilities		2,713	2.4
Total fund capital		113,095	100.0

1) Stock index futures with underlying exposure of -1 119 tEUR, which is equivalent to 1.0% of fund capital.

2) Stock index futures with underlying exposure of 422 tEUR, which is equivalent to 0.4% of fund capital.

3) Stock index futures with underlying exposure of 681 tEUR, which is equivalent to 0.6% of fund capital.

4) Stock index futures with underlying exposure of -4 552 tEUR, which is equivalent to 4.0% of fund capital.

5) Interest rate futures with underlying exposure of -2 387 tEUR, which is equivalent to 2.1% of fund capital.

6) tEUR 1 460/tNOK -14 896, counterpart Skandinaviska Enskilda Banken AB (publ).

7) tEUR 3 586/tSEK -38 217, counterpart Nordea Bank Abp.

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

6.8

90.8

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
UI Aktia	7.9	Fidelity Funds	2.2
JPMorgan Chase	7.0	UBS	1.9

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

Handelsbanken Kapitalförvaltning 50

Sustainability dimensions that are taken into consideration in the management of the fund

Sustainability dimensions that are taken into consideration in the management of the fund

The fund takes environmental, social and corporate governance (ESG) factors into consideration in its selection of investments, i.e. in the selection of the underlying funds. This means that the fund is placing greater emphasis on aligning its investments with the UN's Sustainable Development Goals (SDG). We are also encouraging the fund managers of the underlying funds to increase investments in green bonds, for example.

Methods used in sustainability efforts

Inclusion

Sustainability is an individual area of assessment in the evaluation of underlying funds and investments. When striking a balance between comparable returns and risk, we make the choice that we believe is most sustainable. A critical factor in the evaluation includes how well sustainability is integrated in the underlying fund. We also work actively to increase the quantitative measurability in our assessments to clarify the sustainability dimensions in the portfolio.

Exclusion

In accordance with the Management Company's overall policy for

responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. We also do not invest in companies involved in the production or distribution of nuclear weapons.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

The Management Company's engagement activities

We make demands in the fund that providers use their ownership influence in the underlying companies. In addition, we work actively to influence providers to change their policies in a more sustainable direction, both generally and in specific funds, e.g., by excluding certain types of sectors or specific companies. The engagement activities also focus on contributing to the development of new products that have a higher sustainability standard.

The fund is a fund of funds, which means that we are unable to impact the underlying companies directly and work by influencing the fund providers.

Follow-up of sustainability work

During the year we took measures to adjust our holdings to meet the enhanced sustainability criteria. As a result, we exclude* funds with investments in companies whose principle operations are within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. We also exclude funds that invest in companies that violate international norms and conventions regarding human rights, labour law, the environment, and anti-corruption.

Our actively-managed funds may include so-called companies in transition. Companies in transition work to transition their operations towards fossil-free energy production. The principle of excluding fossil fuels can thereby be granted an exemption over a period of time if the company meets our requirements to qualify as a company in transition.

We also changed the benchmark index during the year to better reflect our more sustainable investment criteria. We have had extensive dialogues with providers who are willing to meet our requirements in existing investments and in some cases have jointly launched new funds that comply with the increased requirements. We also sold funds that did not meet our requirements.

The fund has new fund rules as of 1 January 2020, which reflect that the fund is managed with enhanced sustainability criteria.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.



Handelsbanken Kapitalförvaltning 75

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund is a mixed fund that invests worldwide without being limited to a specific sector or geographic area. The fund invests in fixed income funds, equity funds, alternative assets, as well as in other financial instruments. Alternative assets refers to funds or other financial instruments that give exposure to commodities, real estate and other permitted exposure in addition to equities or interest rates, with the intent of increasing the fund's diversification. The fund invests primarily in funds within Handelsbanken as well as in funds managed by other fund management companies. For the current distribution, refer to the Portfolio distribution section at www.handelsbanken.se/funds. The basis for the investments is to create excess returns in EUR over the long term. 55 - 95% of the fund's value shall be invested in equity funds or other equity-related financial instruments, 0 - 35% in fixed income funds or other interest-related financial instruments and 0 - 20% in funds and other financial instruments with alternative exposure. We compare fund performance to an index consisting of Solactive ISS ESG Screened Global Markets Index: 37.5%, SIX SRI Nordic 200 Net Index: 37.5%, Solactive 3 Month EURIBOR Index: 15% and Solactive Eurozone Government Bond Index: 10%. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 17.9% in 2019*. A weaker global economy led many central banks to pursue a more expansive monetary policy. Expectations for a long period of low interest rates have resulted in a sharp upturn in the equity markets. Decreased concerns about the trade war and Brexit also contributed to an increased risk appetite. The World Index rose 30.66% (EUR). The US equity market posted the most strength, while Japan was slightly weaker. Market rates in the US and Europe fell, which caused bonds to outperform fixed income investments with shorter duration. Our holdings in emerging market bonds posted strength during the year. We had a lower risk in equities during most of the year. Regionally, we prefer the Swedish stock market over the European. We are neutral to Japan, emerging markets and the US. We purchased holdings in Handelsbanken Hälsovård Tema, Aktia Emerging Market Frontier Debt Fund as well as Fidelity Sustainable Water and Waste Fund. We also purchased holdings in the currency fund UBS Currency Allocation Return Strategy and the absolute return fund JPM Multi Manager Alternatives. We sold our holdings in UBS European Bond Fund and Blackrock European Short Duration Fund. Within fixed income we had a short duration in our European holdings and an overweight in emerging market bonds.

*) Refer to fund statistics for comparable index.

Significant risks

The fund is a mixed fund that normally implies an investment with low risk. The risk in the fund is due to the fund's allocation between the equity,

fixed income and alternative investment asset classes. An investment in equities, equity funds and alternative investments can be associated with high risk and can fluctuate significantly over time. An investment in fixed income securities or in a fixed income fund is associated with interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The duration on holdings in the fund can vary significantly over time. The fund may make concentrated investments with regard to regions and sectors. This means that the risk in the fund can be higher than an investment in a diversified global fund that allocates its investments across several regions or sectors. Given that the fund's investments are made in foreign equities denominated in another currency other than the fund's base currency, an investment in the fund is associated with currency risk. An investment in an interest-bearing 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 interest-bearing securities issued by companies or states with a low credit quality increases. The fund may invest in derivatives as part of its investment focus to increase returns in the fund or to create leverage. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

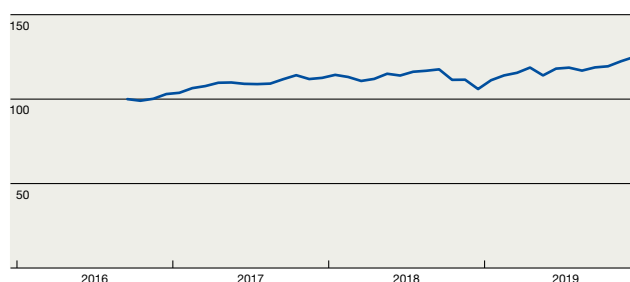
On 30 April 2019, the fund changed index from MSCI All Country World Index Net 37.5%, VINX Benchmark Cap Net Index SEK 37.5%, Bloomberg Barclays Euro Treasury 0-12 months Index 15% and Barclays Euro Gov Bond 10% to Solactive ISS ESG Screened Global Markets Index 37.5%, SIX SRI Nordic 200 Net Index 37.5%, Solactive 3 Month EURIBOR Index 15% and Solactive Eurozone Government Bond Index 10%. This was due to the change to a sustainability-oriented index that excludes a greater number of controversial business operations than previously. The fund's investment focus has not been affected by the change.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

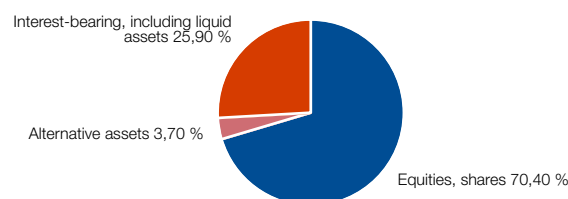
Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Handelsbanken Kapitalförvaltning 75, cont.

Fund Performance*



Market Exposure*



Fund Facts - History

	2019	2018	2017	28/9-31/12 2016	2015	2014	2013	2012	2011	2010
Net asset value, EUR	12.48	10.59	11.25	10.29	-	-	-	-	-	-
The fund's total net flow, mEUR	3	-4	4	18	-	-	-	-	-	-
Fund capital, mEUR	25	19	24	19	-	-	-	-	-	-
Number of units, 1000's	2,029	1,798	2,168	1,826	-	-	-	-	-	-
Total returns in %, EUR	+17.9	-5.9	+9.3	+2.9	-	-	-	-	-	-
Index including dividends in %, EUR	+21.0	-4.0	+7.2	+3.8	-	-	-	-	-	-
Tracking error, 2 yrs. %	1.3	1.3	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. % in EUR	+5.3	+1.4	-	-	-	-	-	-	-	-
Comparison to index including dividends, % in EUR	+7.8	+1.4	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.51	10.13	9.83	9.58	-	-	-	-	-	-

Benchmark: Solactive ISS ESG Screened Global Markets Index 37,5%, SIX SRI Nordic 200 Net Index 37,5%, Solactive 3 Month EURIBOR Index 15% and Solactive Eurozone Government Bond Index 10%

Up to 31/05/2018: EUR Libor 3 Month Index 15%, VINX Benchmark Cap SEK_NI 37,5%, Barclays Euro Government Bond Index 10%, MSCI All Country World Index Net 37,5%

Up to 28/02/2019: Bloomberg Barclays Euro Treasury 0-12 Months 15%, VINX Benchmark Cap SEK_NI 37,5%, Barclays Euro Government Bond Index 10%, MSCI All Country World Index Net 37,5%

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 page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.50
Collected mgmt. costs in % of average fund capital	1.50
Annual fees in %	1.64
Transaction costs, EURt	2
Transaction costs in % of turnover	0.00
Costs in EUR for a one-time subscription, 1 000 EUR	16.67
Costs in EUR for monthly savings, 10 EUR	1.02

A maximum fixed fee of 3% may be deducted annually for the management of the underlying funds in which the fund invests assets. During each measurement period, any potential performance-based management fees in the underlying funds may total a maximum of 30% of the excess returns in relation to each of the fund's comparison norms (index or equivalent).

Fund Facts - Other Key Figures

Turnover rate	0.5
Share of turnover conducted via closely-related securities companies in %	3.1
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk %	9.0	Information ratio	Negative
Total risk in index %	8.6	Sharpe ratio	0.6
Benchmark	Solactive ISS ESG Screened Global Markets Index 37,5%, SIX SRI Nordic 200 Net Index 37,5%, Solactive 3 Month EURIBOR Index 15% och Solactive Eurozone Government Bond Index 10%	Sharpe ratio in index	0.9
Active return %	-2.4		

* 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.

Income Statement, EURt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	-258	-98
Changes in value for fund units **	3,923	-1,166
Interest income	0	-1
Dividends	37	14
Currency exchange profits and losses, net	6	79
Other financial income ¹⁾	211	218
Other income	0	0
Total income and changes in value	3,919	-954
EXPENSES		
Management costs:		
- Remuneration to the Management Company	334	329
Interest expense	0	1
Other expenses	3	1
Total expenses	337	331
Net income	3,582	-1,285
* Details of changes in value		
Capital gains	317	1,135
Capital losses	-604	-1,233
Unrealised gains/losses	29	-
Sum	-258	-98
** Details of changes in value		
Capital gains	879	1,065
Capital losses	-108	-306
Unrealised gains/losses	3,152	-1,925
Sum	3,923	-1,166

¹⁾ The item consists primarily of discounts for management costs in underlying funds.

Handelsbanken Kapitalförvaltning 75, cont.

Balance Sheet, EURt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	-	-	30	0.1
Fund units	24,687	97.4	18,793	98.7
Total financial instruments with positive market value ^{Note 2)}	24,687	97.4	18,823	98.8
Bank assets and other liquid assets	646	2.6	254	1.4
Prepaid expenses and accrued income	35	0.1	16	0.1
Other assets	10	0.0	5	0.0
Total assets	25,378	100.1	19,098	100.3
LIABILITIES				
OTC derivative instruments with negative market value	11	0.0	6	0.0
Total financial instruments with negative market value ^{Note 2)}	11	0.0	6	0.0
Accrued expenses and prepaid income	32	0.1	25	0.1
Other liabilities	0	0.0	27	0.2
Total liabilities	43	0.1	58	0.3
Fund capital ^{Note 1)}	25,335	100.0	19,040	100.0
Other derivative instruments with negative market value ¹⁾	1,456	5.7	401	2.1

1) Liquid assets 1 041 tSEK

Note 1) for Balance Sheet

Changes in fund capital, EURt

	2019	2018
Fund capital at beginning of year	19,040	24,390
Units issued	7,709	8,333
Units redeemed	-4,996	-12,398
Profit according to Income Statement	3,582	-1,285
Dividends to unit holders	-	-
Fund capital at the close of the period	25,335	19,040

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
STOCK INDEX FUTURES			
EURO STOXX 50 Mar20 ¹⁾	-7	0	0.0
OMX200A ²⁾	11	0	0.0
OMXS30 ESG Future Jan20 ³⁾	9	0	0.0
STOXX EUROPE 600 Mar20 ⁴⁾	-48	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
INTEREST RATE FUTURES			
EURO-BUND Future Mar20 ⁵⁾	-3	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG AC World-EUR	21,994	272	1.1
Fidelity Sustainable Water & Waste Fund	44,212	550	2.2
JPM Europe Small Cap A Acc EUR	3,462	357	1.4
JPM Fds Multi-Manager Alternatives	7,335	736	2.9
SHB Amerika Småbolag Tema (A1 SEK)	9,838	881	3.5
SHB Amerika Tema (A1 EUR)	13,508	1,434	5.7
SHB Asien Tema (A1 EUR)	4,391	315	1.2
SHB Emerging Markets Index (A1 SEK)	11,328	181	0.7
SHB Europa Index Criteria (A1 EUR)	11,276	147	0.6
SHB Europa Tema (A1 EUR)	18,174	777	3.1
SHB Hållbar Energi (A1 EUR)	13,797	258	1.0
SHB Hälsovård Tema (A1 SEK)	11,175	283	1.1
SHB Japan Tema (A1 EUR)	63,239	585	2.3
SHB Norden (A1 EUR)	39,601	4,839	19.1
SHB Norden Selektiv (A1 EUR)	20,732	915	3.6
SHB Nordiska Småbolag (A1 EUR)	13,940	1,708	6.7
SHB Sverige 100 Index Criteria (A1 SEK)	9,356	246	1.0
SHB Tillväxtmarknad Tema (A1 EUR)	21,333	758	3.0
SHB USA Index Criteria (A1 EUR)	38,170	1,618	6.4
UBS Equity Sicav USA Growth	9,536	381	1.5
		17,242	68.0

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
LISTED EQUITY FUNDS**			
XACT Högutdelande	97,766	1,211	4.8
XACT Norden	94,203	1,200	4.7
		2,411	9.5
OTHER FUNDS			
JPM Global Macro Sustainable I (acc) - EUR	7,855	776	3.1
		776	3.1
FIXED INCOME FUNDS			
BlueOrchard Ucits EM Sdg Impact Bond Fu	1,653	160	0.6
SHB Euro Corporate Bond Fund (A7 EUR)	11,151	1,211	4.8
SHB Euro Obligation (A1 EUR)	2,546	1,054	4.2
SHB Euro Ränta (A1 EUR)	403	79	0.3
SHB Kredit (A1 NOK)	18,531	190	0.7
SHB Råntestrategi Plus (A7 SEK)	38,391	369	1.5
UBS Currency Allocation Return Strategy	1,581	105	0.4
UI - Aktia EM Frontier Bond+	30,213	294	1.2
UI - Aktia EM Local Currency Bond+ - sh	7,372	797	3.1
		4,258	16.8
Total fund units		24,687	97.4

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
EUR/NOK ⁶⁾		-4	0.0
EUR/SEK ⁷⁾		-7	0.0
		-11	0.0
Total OTC derivative instruments		-11	0.0
Total other financial instruments		24,676	97.4
Total holdings in financial instruments		24,676	97.4
Net, other assets and liabilities		659	2.6
Total fund capital		25,335	100.0

1) Stock index futures with underlying exposure of -261 tEUR, which is equivalent to 1.0% of fund capital.

2) Stock index futures with underlying exposure of 97 tEUR, which is equivalent to 0.4% of fund capital.

3) Stock index futures with underlying exposure of 150 tEUR, which is equivalent to 0.6% of fund capital.

4) Stock index futures with underlying exposure of -993 tEUR, which is equivalent to 3.9% of fund capital.

5) Interest rate futures with underlying exposure of -512 tEUR, which is equivalent to 2.0% of fund capital.

6) tEUR 119/tNOK -1 214, counterpart Skandinaviska Enskilda Banken AB (publ).

7) tEUR 501/tSEK -5 337, counterpart Nordea Bank Abp.

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

9.5

87.9

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
JPMorgan Chase	7.4	Fidelity Funds	3.3
UI Aktia	4.3	UBS	1.9

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

Handelsbanken Kapitalförvaltning 75

Sustainability dimensions that are taken into consideration in the management of the fund

Sustainability dimensions that are taken into consideration in the management of the fund

The fund takes environmental, social and corporate governance (ESG) factors into consideration in its selection of investments, i.e. in the selection of the underlying funds. This means that the fund is placing greater emphasis on aligning its investments with the UN's Sustainable Development Goals (SDG). We are also encouraging the fund managers of the underlying funds to increase investments in green bonds, for example.

Methods used in sustainability efforts

Inclusion

Sustainability is an individual area of assessment in the evaluation of underlying funds and investments. When striking a balance between comparable returns and risk, we make the choice that we believe is most sustainable. A critical factor in the evaluation includes how well sustainability is integrated in the underlying fund. We also work actively to increase the quantitative measurability in our assessments to clarify the sustainability dimensions in the portfolio.

Exclusion

In accordance with the Management Company's overall policy for

responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. We also do not invest in companies involved in the production or distribution of nuclear weapons.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

The Management Company's engagement activities

We make demands in the fund that providers use their ownership influence in the underlying companies. In addition, we work actively to influence providers to change their policies in a more sustainable direction, both generally and in specific funds, e.g., by excluding certain types of sectors or specific companies. The engagement activities also focus on contributing to the development of new products that have a higher sustainability standard.

The fund is a fund of funds, which means that we are unable to impact the underlying companies directly and work by influencing the fund providers.

Follow-up of sustainability work

During the year we took measures to adjust our holdings to meet the enhanced sustainability criteria. As a result, we exclude* funds with investments in companies whose principle operations are within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. We also exclude funds that invest in companies that violate international norms and conventions regarding human rights, labour law, the environment, and anti-corruption.

Our actively-managed funds may include so-called companies in transition. Companies in transition work to transition their operations towards fossil-free energy production. The principle of excluding fossil fuels can thereby be granted an exemption over a period of time if the company meets our requirements to qualify as a company in transition.

We also changed the benchmark index during the year to better reflect our more sustainable investment criteria. We have had extensive dialogues with providers who are willing to meet our requirements in existing investments and in some cases have jointly launched new funds that comply with the increased requirements. We also sold funds that did not meet our requirements.

The fund has new fund rules as of 1 January 2020, which reflect that the fund is managed with enhanced sustainability criteria.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.



Handelsbanken Multi Asset 15

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in fixed income funds, equity funds, alternative assets, as well as in other financial instruments. Alternative assets refer to funds or other financial instruments that provide exposure to commodities, real estate and other permitted exposures in addition to equities or fixed income for the purpose of increasing the fund's diversification. The fund invests primarily in funds within Handelsbanken as well as in fund that are managed by other fund management companies. The equity portion in the fund can fluctuate between 0% and 25% depending on market conditions. The fixed income portion can fluctuate between 60% and 100% depending on market conditions. The portion of alternative assets can vary between 0% and 20% depending on market conditions. Fund management is adjusted within each interval based on the prevailing market conditions. The current allocation is shown under Portfolio Distribution at www.handelsbanken.se/funds. We compare fund performance with a composite index consisting of SIX SRI Nordic 200 Net Index 7,5%, Solactive ISS ESG Screened Global Markets Index 7,5%, OMRX Treasury Bill Index 47,5%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 11,25% and HMNI Swe All Government Dur Const 6Y (HMSD6) 26,25%. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 3.9% in 2019*. A weaker global economy led many central banks to pursue a more expansive monetary policy. Expectations for a long period of low interest rates resulted in a sharp upturn in the equity markets. Decreased concerns about the trade war and Brexit also contributed to an increased risk appetite. The World Index rose 34.92% (SEK). A weaker SEK contributed to returns on foreign holdings. The US equity market posted the most strength, while Japan was slightly weaker. Market rates in the US, Europe and Sweden fell, which resulted in bonds outperforming fixed income investments with a shorter duration. Our holdings in emerging market bonds posted strength during the year. We had a lower risk in equities during most of the year. Regionally, we prefer the Swedish stock market over the European. We are neutral to Japan, emerging markets and the US. We purchased holdings in Handelsbanken Hälsovård Tema, Aktia Emerging Market Frontier Debt Fund as well as Fidelity Sustainable Water and Waste Fund. We also purchased holdings in the currency fund UBS Currency Allocation Return Strategy and the absolute return fund JPM Multi Manager Alternatives. Within fixed income, we had a short duration in our Swedish holdings as well as an overweight in emerging market bonds.

*) Refer to fund statistics for comparable index.

Significant risks

The fund is a mixed fund that normally implies an investment with low risk. The risk in the fund is due to the fund's allocation between the equity, fixed income and alternative investment asset classes. An investment in equities, equity funds and alternative investments can be associated with

high risk and returns in the fund can vary significantly over time. An investment in interest-bearing securities or in a fixed income fund is associated with interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The duration on holdings in the fund can vary significantly over time. The fund may concentrate its investments by region and sector. This means that the risk in the fund can be higher than an investment in a diversified global fund that allocates its investments across several regions or sectors. Given that the fund's investments are made in foreign equities denominated in another currency other than the fund's base currency, an investment in the fund is associated with currency risk. An investment in an interest-bearing 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 interest-bearing securities issued by companies or states with a low credit quality increases. The fund may invest in derivatives as part of its investment focus with the aim of increasing returns in the fund and to create leverage. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

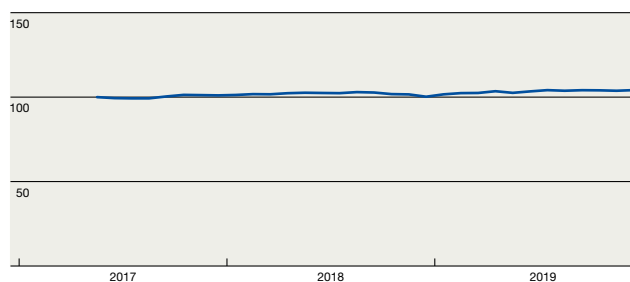
On 30 April 2019, the fund changed index from HMNI Swe All Government Dur Const 6Y (HMSD6) 26.25%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 11.25%, VINX Benchmark Cap SEK_NI 7.5%, OMRXTBILL 47.5% and MSCI All Country World Index Net 7.5% to SIX SRI Nordic 200 Net Index 7.5%, Solactive ISS ESG Screened Global Markets Index 7.5%, OMRX Treasury Bill Index 47.5%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 11.25% and HMNI Swe All Government Dur Const 6Y (HMSD6) 26.25%. This was due to the change to a sustainability-oriented index that excludes a greater number of controversial business operations than previously. The fund's investment focus has not been affected by the change.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

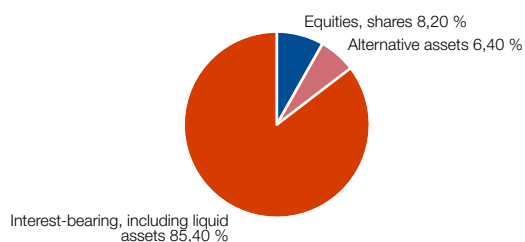
Handelsbanken Multi Asset 15, cont.

Fund Performance*



* Performance is shown in the fund's base currency.

Market Exposure*



* The fund's allocation of investments within the markets as of 31/12/2019, relative to the fund's total assets on this date.

Fund Facts - History

	2019	2018	10/5-31/12 2017	2016	2015	2014	2013	2012	2011	2010
Net asset value, SEK	104.14	100.23	101.03	-	-	-	-	-	-	-
The fund's total net flow, mSEK	292	874	1,167	-	-	-	-	-	-	-
Fund capital, mSEK	2,397	2,023	1,172	-	-	-	-	-	-	-
Number of units, 1000's	23,013	20,181	11,606	-	-	-	-	-	-	-
Total returns in %, SEK	+3.9	-0.8	+1.0	-	-	-	-	-	-	-
Index including dividends in %, SEK	+4.8	-0.3	+0.3	-	-	-	-	-	-	-
Tracking error, 2 yrs. %	0.8	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %	+1.5	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+2.3	-	-	-	-	-	-	-	-	-

Benchmark: SIX SRI Nordic 200 Net Index 7.5%, Solactive ISS ESG Screened Global Markets Index 7.5%, OMRX Treasury Bill Index 47.5%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 11.25% and HMNI Swe All Government Dur Const 6Y (HMSD6) 26.25%

Up to 30/04/2019: HMNI Swe All Government Dur Const 6Y (HMSD6) 26.25%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 11.25%, VINX Benchmark Cap SEK_NI 7.5%, OMRXTBILL 47.5%, MSCI All Country World Index Net 7.5%
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 page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	0.75
Collected mgmt. costs in % of average fund capital	0.75
Annual fees in %	0.89
Transaction costs, SEKt	441
Transaction costs in % of turnover	0.01
Costs in SEK for a one-time subscription, 10 000 SEK	77.21
Costs in SEK for monthly savings, 100 SEK	4.94

A maximum fixed fee of 3% may be deducted annually for the management of the underlying funds in which the fund invests assets. During each measurement period, any potential performance-based management fees in the underlying funds may total a maximum of 30% of the excess returns in relation to each of the fund's comparison norms (index or equivalent).

Fund Facts - Other Key Figures

Turnover rate	0.5
Share of turnover conducted via closely-related securities companies in %	1.8
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk %	2.2	Information ratio	Negative
Total risk in index %	2.1	Sharpe ratio	1.0
Benchmark	SIX SRI Nordic 200 Net Index 7.5%, Solactive ISS ESG Screened Global Markets Index 7.5%, OMRX Treasury Bill Index 47.5%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 11.25% och HMNI Swe All Government Dur Const 6Y (HMSD6) 26.25%	Sharpe ratio in index	1.4
Active return %	-0.7		

* 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.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments	-26,980	-4,261
Changes in value for fund units **	120,853	-20,829
Interest income	-70	-143
Dividends	737	669
Currency exchange profits and losses, net	-4,624	5,722
Other financial income ¹⁾	9,291	8,225
Other income	0	0
Total income and changes in value	99,207	-10,617
EXPENSES		
Management costs:		
- Remuneration to the Management Company	16,956	12,856
Interest expense	19	67
Other expenses	131	94
Total expenses	17,106	13,017
Net income	82,101	-23,634

* Details of changes in value

Capital gains	31,316	72,910
Capital losses	-61,233	-77,171
Unrealised gains/losses	2,937	-
Sum	-26,980	-4,261

** Details of changes in value

Capital gains	30,956	6,661
Capital losses	-3,047	-3,922
Unrealised gains/losses	92,944	-23,568
Sum	120,853	-20,829

¹⁾ The item consists primarily of discounts for management costs in underlying funds.

Handelsbanken Multi Asset 15, cont.

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	-	-	5,329	0.2
Fund units	2,350,290	98.1	1,980,542	98.0
Total financial instruments with positive market value ^{Note 2)}	2,350,290	98.1	1,985,871	98.2
Bank assets and other liquid assets	48,298	2.0	42,326	2.1
Prepaid expenses and accrued income	845	0.0	772	0.0
Other assets	2,105	0.1	4,614	0.2
Total assets	2,401,538	100.2	2,033,583	100.5
LIABILITIES				
OTC derivative instruments with negative market value	732	0.0	-	-
Total financial instruments with negative market value ^{Note 2)}	732	0.0	-	-
Accrued expenses and prepaid income	1,544	0.1	1,293	0.1
Other liabilities	2,644	0.1	9,495	0.4
Total liabilities	4,920	0.2	10,788	0.5
Fund capital ^{Note 1)}	2,396,618	100.0	2,022,795	100.0
Other derivative instruments with negative market value ¹⁾	10,080	0.4	3,756	0.2

1) Liquid assets 10 157 tSEK

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	2,022,795	1,172,480
Units issued	976,092	1,327,032
Units redeemed	-684,370	-453,083
Profit according to Income Statement	82,101	-23,634
Dividends to unit holders	-	-
Fund capital at the close of the period	2,396,618	2,022,795

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
STOCK INDEX FUTURES			
EURO STOXX 50 Mar20 ¹⁾	-64	0	0.0
OMX200A ²⁾	99	0	0.0
OMXS30 ESG Future Jan20 ³⁾	85	0	0.0
STOXX EUROPE 600 Mar20 ⁴⁾	-461	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
EURO-BUND Future Mar20 ⁵⁾	-29	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG AC World-SEK	408,366	5,435	0.2
Fidelity Funds - Sustainable Water & Waste Fund ac	1,025,054	11,224	0.5
JPM Europe Small Cap A Acc EUR	6,833	7,411	0.3
JPM Fds Multi-Manager Alternative1	69,601	70,026	2.9
SHB Amerika Småbolag Tema (A1 SEK)	1,262	1,187	0.0
SHB Amerika Tema (A1 SEK)	24,625	27,469	1.1
SHB Asien Tema (A1 SEK)	7,968	6,007	0.3
SHB Emerging Markets Index (A1 SEK)	23,848	4,010	0.2
SHB Hållbar Energi (A1 SEK)	29,328	5,752	0.2
SHB Hälsovård Tema (A1 SEK)	22,090	5,879	0.2
SHB Japan Tema (A1 SEK)	131,407	12,762	0.5
SHB Norden (A1 SEK)	71,039	91,220	3.8
SHB Norden Selektiv (A1 SEK)	42,333	19,630	0.8
SHB Nordiska Småbolag (A1 SEK)	25,477	32,804	1.4
SHB Sverige 100 Index Criteria (A1 SEK)	88,505	24,483	1.0
SHB Tillväxtmarknad Tema (A1 SEK)	40,222	15,021	0.6
SHB USA Index Criteria (A1 SEK)	29,587	13,182	0.6
UBS Equity Sicav USA Growth	56,826	23,885	1.0
		377,387	15.8
LISTED EQUITY FUNDS**			
XACT Högutdelande	340,400	44,311	1.8
XACT Norden	177,842	23,808	1.0
		68,119	2.8

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTHER FUNDS			
JPM Global Macro Sustainable I (acc) SEK H	75,920	75,071	3.1
		75,071	3.1
FIXED INCOME FUNDS			
BlueOrchard Ucits EM Sdg Impact Bond Fu	87,308	88,951	3.7
SHB Företagsobligation (A1 SEK)	996,528	131,935	5.5
SHB Företagsobligation IG (A1 SEK)	3,060,774	310,054	12.9
SHB Hållbar Global Obligation (A1 SEK)	867,459	88,162	3.7
SHB Institutionell Kortränta (A1 SEK)	2,986,550	299,548	12.5
SHB Kredit (A1 NOK)	860,211	92,480	3.9
SHB Långränta (A1 SEK)	688,410	81,279	3.4
SHB Räntheavkastning (A1 SEK)	52,717	101,060	4.2
SHB Räntheavkastning (A1 SEK)	2,957,591	302,686	12.6
SHB Räntheavkastning Plus (A7 SEK)	348,610	35,189	1.5
UBS Currency Allocation Return Strategy	15,697	10,992	0.5
UI - Aktia EM Frontier Bond+	1,176,133	120,107	5.0
UI - Aktia EM Local Currency Bond+ - s1	1,510,082	167,272	7.0
		1,829,713	76.4
Total fund units		2,350,290	98.1

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
SEK/NOK ⁶⁾		-732	0.0
		-732	0.0
Total OTC derivative instruments		-732	0.0
Total other financial instruments		2,349,558	98.1
Total holdings in financial instruments		2,349,558	98.1
Net, other assets and liabilities		47,060	1.9
Total fund capital		2,396,618	100.0

1) Stock index futures with underlying exposure of -25 077 tSEK, which is equivalent to 1.0% of fund capital.

2) Stock index futures with underlying exposure of 9 151 tSEK, which is equivalent to 0.4% of fund capital.

3) Stock index futures with underlying exposure of 14 844 tSEK, which is equivalent to 0.6% of fund capital.

4) Stock index futures with underlying exposure of -100 224 tSEK, which is equivalent to 4.2% of fund capital.

5) Interest rate futures with underlying exposure of 51 958 tSEK, which is equivalent to 2.2% of fund capital.

6) tSEK 79 208/NOK -75 190, counterpart Skandinaviska Enskilda Banken AB (publ).

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

2.8

95.3

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
UI Aktia	12.0	UBS	1.5
JPMorgan Chase	6.3	Fidelity Funds	0.7

* 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.

Handelsbanken Multi Asset 15

Sustainability dimensions taken into consideration in the management of the fund

The fund takes environmental, social and corporate governance criteria (ESG) into consideration in its selection of investments, i.e., in the selection of the underlying funds. As a result, the fund is placing greater focus on making investments that are in line with the UN's Sustainable Development Goals. Fund managers in the underlying funds are also encouraged to increase investments in green bonds, for example.

Methods used for sustainability efforts

Inclusion

Sustainability is a separate area of assessment in the evaluation of the underlying funds and investments. When striking a balance between returns and risk for equivalent investments, we select the investment we consider to be most sustainable. An important assessment factor is how well sustainability is integrated in the underlying fund. We also work actively to increase the quantitative measurability in our assessments to clarify sustainability dimensions in the portfolio.

Exclusion

In accordance with the Management Company's comprehensive policy for responsible investments, the following are excluded from all of the

Management Company's funds:

- companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within mining of coal or in power companies that have coal as a major source of energy.

The Management Company's engagement activities

We require service providers to use their ownership influence in the underlying companies within the fund. In addition, we work actively to influence service providers to change their policies in a direction we believe is more sustainable in general, as well as within specific funds. This could include the exclusion of certain types of sectors or specific companies. The engagement activities also focus on contributing to the development of new products with a higher standard of sustainability.

The fund is a fund of funds, which means that we do not have a direct impact on the underlying companies, but rather work to have an impact on the fund providers.

Follow-up of sustainability work

During the year we took measures to adjust our holdings to meet the enhanced sustainability criteria. As a result, we exclude* funds with investments in companies whose principle operations are within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. We also exclude funds that invest in companies that violate international norms and conventions regarding human rights, labour law, the environment, and anti-corruption.

Our actively-managed funds may include so-called companies in transition. Companies in transition work to transition their operations towards fossil-free energy production. The principle of excluding fossil fuels can thereby be granted an exemption over a period of time if the company meets our requirements to qualify as a company in transition.

We also changed the benchmark index during the year to better reflect our more sustainable investment criteria. We have had extensive dialogues with providers who are willing to meet our requirements in existing investments and in some cases have jointly launched new funds that comply with the increased requirements. We also sold funds that did not meet our requirements.

The fund has new fund rules as of 1 January 2020, which reflect that the fund is managed with enhanced sustainability criteria.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.



Handelsbanken Multi Asset 25

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in fixed income funds, equity funds, alternative assets, as well as in other financial instruments. Alternative assets refer to funds or other financial instruments that provide exposure to commodities, real estate and other permitted exposures in addition to equities or fixed income for the purpose of increasing the fund's diversification. The fund invests primarily in funds within Handelsbanken as well as in fund that are managed by other fund management companies. The equity portion in the fund is normally 25%, but can fluctuate between 10% and 35% depending on market conditions. The fixed income portion is normally 55%, but can fluctuate between 40% and 80% depending on market conditions. The portion of alternative assets is normally 20%, but can vary between 0% and 30% depending on market conditions. Fund management is adjusted within each interval based on the prevailing market conditions. The current allocation is shown under Portfolio Distribution at www.handelsbanken.se/funds. We compare fund performance with a composite index consisting of SIX SRI Nordic 200 Net Index 12,5%, Solactive ISS ESG Screened Global Markets Index 12,5%, OMRX Treasury Bill Index 47,5%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 8,25% and HMNI Swe All Government Dur Const 6Y (HMSD6) 19,25%. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 6.4% in 2019*. A weaker global economy led many central banks to pursue a more expansive monetary policy. Expectations for a long period of low interest rates resulted in a sharp upturn in the equity markets. Decreased concerns about the trade war and Brexit also contributed to an increased risk appetite. The World Index rose 34.92% (SEK). A weaker SEK contributed to returns on foreign holdings. The US equity market posted the most strength, while Japan was slightly weaker. Market rates in the US, Europe and Sweden fell, which resulted in bonds outperforming fixed income investments with a shorter duration. Our holdings in emerging market bonds posted strength during the year. We had a lower risk in equities during most of the year. Regionally, we prefer the Swedish stock market over the European. We are neutral to Japan, emerging markets and the US. We purchased holdings in Handelsbanken Hälsovård Tema, Aktia Emerging Market Frontier Debt Fund as well as Fidelity Sustainable Water and Waste Fund. We also purchased holdings in the currency fund UBS Currency Allocation Return Strategy and the absolute return fund JPM Multi Manager Alternatives. Within fixed income, we had a short duration in our Swedish holdings as well as an overweight in emerging market bonds.

*) 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 a mixed fund that normally implies an investment with low risk. The risk in the fund is due to the fund's allocation between the equity, fixed income and alternative investment asset classes. An investment in equities, equity funds and alternative investments can be associated with high risk and returns in the fund can vary significantly over time. An

investment in interest-bearing securities or in a fixed income fund is associated with interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The duration on holdings in the fund can vary significantly over time. The fund may concentrate its investments by region and sector. This means that the risk in the fund can be higher than an investment in a diversified global fund that allocates its investments across several regions or sectors. Given that the fund's investments are made in foreign equities denominated in another currency other than the fund's base currency, an investment in the fund is associated with currency risk. An investment in an interest-bearing 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 interest-bearing securities issued by companies or states with a low credit quality increases. The fund may invest in derivatives as part of its investment focus with the aim of increasing returns in the fund and to create leverage. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

As of April 30, 2019 the fund changed its index from HMNI Swe All Government Dur Const 6Y (HMSD6) 19,25%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 8,25%, VINX Benchmark Cap SEK_NI 12,5%, OMRXTBILL 47,5%, MSCI All Country World Index Net 12,5% to SIX SRI Nordic 200 Net Index 12,5%, Solactive ISS ESG Screened Global Markets Index 12,5%, OMRX Treasury Bill Index 47,5%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 8,25% and HMNI Swe All Government Dur Const 6Y (HMSD6) 19,25%. The reason for the change of index was a sustainability adjustment of the fund to exclude more controversial activities than before. The fund's investment policy has not been affected.

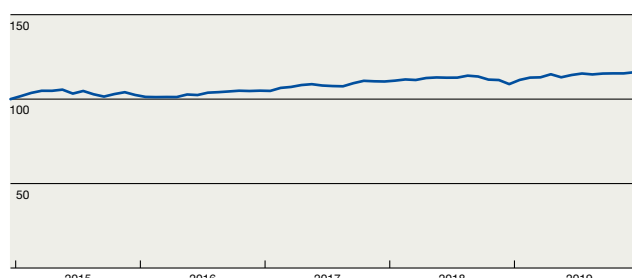
The fund's historical performance prior to the launch date is attributed to the merger between Placeringsfonden Handelsbanken Stabil 25 (Finland) and Handelsbanken Stabil 25 (Sweden) that occurred on September 12, 2014.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

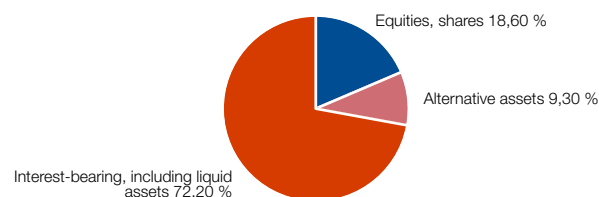
Handelsbanken Multi Asset 25, cont.

Fund Performance*



* Performance is shown in the fund's base currency. The fund may have several share classes, which are referred to in the Fund Facts.

Market Exposure*



* The fund's allocation of investments within the markets as of 31/12/2019, relative to the fund's total assets on this date.

Fund Facts - History

	2019	2018	2017	2016	2015	12/9-31/12 2014	2013	2012	2011	2010
Net asset value, SEK										
Multi Asset 25 A1 ¹⁾	156.83	147.34	149.44	142.08	138.64	135.32	-	-	-	-
Multi Asset 25 B1	97.63	94.44	-	-	-	-	-	-	-	-
Multi Asset 25 B8 ¹⁾	97.99	94.60	99.73	-	-	-	-	-	-	-
The fund's total net flow, mSEK	928	1,671	3,568	302	1,858	541	-	-	-	-
Fund capital total, mSEK	31,849	29,040	27,816	10,523	9,971	7,943	-	-	-	-
Multi Asset 25 A1	31,642	28,858	27,650	10,523	9,971	7,943	-	-	-	-
Multi Asset 25 B1	60	55	-	-	-	-	-	-	-	-
Multi Asset 25 B8	147	127	166	-	-	-	-	-	-	-
Number of units, 1000's	203,878	197,790	186,693	74,065	71,918	58,698	-	-	-	-
Multi Asset 25 A1	201,760	195,864	185,024	74,065	71,918	58,698	-	-	-	-
Multi Asset 25 B1	611	586	-	-	-	-	-	-	-	-
Multi Asset 25 B8	1,507	1,340	1,669	-	-	-	-	-	-	-
Total returns in %, SEK										
Multi Asset 25 A1	+6.4	-1.4	+5.2	+2.5	+2.5	+7.7	+6.6	+6.4	-0.9	+4.1
Multi Asset 25 B1	+6.4	-1.4	-	-	-	-	-	-	-	-
Multi Asset 25 B8	+6.7	-1.2	-0.2	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Multi Asset 25 A1	+7.7	-0.6	+2.8	+3.9	+2.3	+8.9	+5.5	+4.6	+1.8	+4.3
Multi Asset 25 B1	+7.7	-0.6	-	-	-	-	-	-	-	-
Multi Asset 25 B8	+7.7	-0.6	-0.1	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Multi Asset 25 A1	0.8	0.9	1.1	1.1	0.9	0.8	1.0	1.2	1.0	0.7
Multi Asset 25 B1	0.8	0.9	-	-	-	-	-	-	-	-
Multi Asset 25 B8	0.8	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Multi Asset 25 A1	+2.4	+1.8	+3.8	+2.5	+5.0	+7.1	+6.5	+2.7	+1.6	+6.3
Multi Asset 25 B1	+2.4	+1.8	-	-	-	-	-	-	-	-
Multi Asset 25 B8	+2.6	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+3.5	+1.1	+3.3	+3.1	+5.6	+7.2	+5.1	+3.2	+3.0	+6.2
Average yearly return, 5 yrs. %										
Multi Asset 25 A1	+3.0	+3.2	+4.9	+5.1	+4.4	+4.7	+4.9	+2.2	+1.4	+2.1
Multi Asset 25 B1	+3.0	+3.2	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+3.2	+3.4	+4.6	+5.0	+4.6	+5.0	+4.9	+3.3	+3.1	+3.4
Average yearly return, 10 yrs. %										
Multi Asset 25 A1	+3.9	+4.1	+3.5	+3.2	+3.3	-	-	-	-	-
Multi Asset 25 B1	+3.9	+4.1	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+4.1	+4.1	+4.0	+4.0	+4.0	-	-	-	-	-
Dividends per unit, SEK										
Multi Asset 25 B1	2.83	3.99	-	-	-	-	-	-	-	-
Multi Asset 25 B8	2.84	3.99	-	-	-	-	-	-	-	-

1) The net asset value was adjusted on June 16, 2014 after a judgment in the Administrative Court in Falun. Pursuant to the judgment, funds with U.S. Holdings shall be charged with full U.S. withholding taxes as of January 1, 2012. As of June 16, 2014, full U.S. withholding taxes were deducted until an Administrative Court of Appeals in Sundsvall changed the Administrative Court's judgment on March 30, 2015, and the withholding taxes previously reserved were repaid to each fund concerned.

Benchmark: SIX SRI Nordic 200 Net Index 12.5%, Solactive ISS ESG Screened Global Markets Index 12.5%, OMRX Treasury Bill Index 47.5%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 8.25% and HMNI Swe All Government Dur Const 6Y (HMSD6) 19.25%

Up to 26/04/2017: HMNI Swe All Government Dur Const 6Y (HMSD6) 26.25%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 11.25%, VINX Benchmark Cap SEK_NI 12.5%, OMRXTBILL 37.5%, MSCI All Country World Index Net 12.5%.

Up to 28/02/2019: HMNI Swe All Government Dur Const 6Y (HMSD6) 19.25%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 8.25%, VINX Benchmark Cap SEK_NI 12.5%, OMRXTBILL 47.5%, MSCI All Country World Index Net 12.5%

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 information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Multi Asset 25 A1	0.85
Multi Asset 25 B1	0.85
Multi Asset 25 B8	0.65
Collected mgmt. costs in % of average fund capital	
Multi Asset 25 A1	0.85
Multi Asset 25 B1	0.85
Multi Asset 25 B8	0.65
Annual fees in %	
Multi Asset 25 A1	1.01
Multi Asset 25 B1	1.01
Multi Asset 25 B8	0.81
Transaction costs, SEKt	1,809
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Multi Asset 25 A1	88.92
Multi Asset 25 B1	88.92
Multi Asset 25 B8	68.07
Costs in SEK for monthly savings, 100 SEK	
Multi Asset 25 A1	5.63
Multi Asset 25 B1	5.63
Multi Asset 25 B8	4.31

A maximum fixed fee of 3% may be deducted annually for the management of the underlying funds in which the fund invests assets. During each measurement period, any potential performance-based management fees in the underlying funds may total a maximum of 30% of the excess returns in relation to each of the fund's comparison norms (index or equivalent).

Fund Facts - Other Key Figures

Turnover rate	0.4
Share of turnover conducted via closely-related securities companies in %	2.1
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Handelsbanken Multi Asset 25, cont.

Risk and Return Measurements*

Total risk % - A1 SEK	3.5	Information ratio - A1 SEK	Negative
Total risk % - B1 SEK	3.5	Information ratio - B1 SEK	Negative
Total risk % - B8 SEK	3.5	Information ratio - B8 SEK	Negative
Total risk in index % - A1 SEK	3.3	Sharpe ratio - A1 SEK	0.9
Total risk in index % - B1 SEK	3.3	Sharpe ratio - B1 SEK	0.9
Total risk in index % - B8 SEK	3.3	Sharpe ratio - B8 SEK	0.9
Benchmark	SIX SRI Nordic 200 Net	Sharpe ratio in index - A1 SEK	1.2
	Index 12.5%, Solactive ISS	Sharpe ratio in index - B1 SEK	1.2
	ESG Screened Global	Sharpe ratio in index - B8 SEK	1.2
	Markets Index 12.5%,		
	OMRX Treasury Bill Index		
	47.5%, HMNI Swe All		
	Mortgage Dur Const 2.5Y		
	(HMSMD25) 8.25% och		
	HMNI Swe All Government		
	Dur Const 6Y (HMSD6)		
	19.25%		
Active return % - A1 SEK	-1.0		
Active return % - B1 SEK	-1.0		
Active return % - B8 SEK	-0.8		

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

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments	-371,937	-95,696
Changes in value for fund units **	2,416,393	-355,443
Interest income	-1,180	-2,334
Dividends	17,400	16,868
Currency exchange profits and losses, net	-57,992	84,616
Other financial income ¹⁾	146,030	157,665
Other income	12	0
Total income and changes in value	2,148,726	-194,324
EXPENSES		
Management costs:		
- Remuneration to the Management Company	262,365	247,837
Interest expense	172	142
Other expenses	1,648	1,683
Total expenses	264,185	249,662
Net income	1,884,541	-443,986
* Details of changes in value		
Capital gains	440,010	1,375,652
Capital losses	-853,431	-1,471,348
Unrealised gains/losses	41,484	-
Sum	-371,937	-95,696
** Details of changes in value		
Capital gains	1,001,288	660,777
Capital losses	-44,411	-112,716
Unrealised gains/losses	1,459,516	-903,504
Sum	2,416,393	-355,443

1) The item consists primarily of discounts for management costs in underlying funds.

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	-	-	66,545	0.2
Fund units	31,035,725	97.5	28,752,123	99.0
Total financial instruments with positive market value ^{Note 2)}	31,035,725	97.5	28,818,668	99.2
Bank assets and other liquid assets	831,772	2.6	306,292	1.1
Prepaid expenses and accrued income	12,407	0.0	12,610	0.0
Other assets	43,001	0.1	66,138	0.3
Total assets	31,922,905	100.2	29,203,708	100.6
LIABILITIES				
OTC derivative instruments with negative market value	7,511	0.0	-	-
Total financial instruments with negative market value ^{Note 2)}	7,511	0.0	-	-
Accrued expenses and prepaid income	23,045	0.1	21,143	0.1
Other liabilities	42,922	0.1	142,854	0.5
Total liabilities	73,478	0.2	163,997	0.6
Fund capital ^{Note 1)}	31,849,427	100.0	29,039,711	100.0
Collateral received for OTC derivative instruments ¹⁾	-	-	5,869	0.0
Secured collateral for OTC derivative instruments	-	-	43,791	0.2
Other derivative instruments with negative market value ²⁾	133,438	0.4	54,888	0.2

1) Liquid assets 13 406 tSEK

2) Liquid assets 141 071 tSEK

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	29,039,711	27,815,941
Units issued	5,769,043	6,514,500
Units redeemed	-4,838,178	-4,839,953
Profit according to Income Statement	1,884,541	-443,986
Dividends to unit holders	-5,690	-6,791
Fund capital at the close of the period	31,849,427	29,039,711

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
STOCK INDEX FUTURES			
EURO STOXX 50 Mar20 ¹⁾	-829	0	0.0
OMXO200A ²⁾	1,355	0	0.0
OMXS30 ESG Future Jan20 ³⁾	1,110	0	0.0
STOXX EUROPE 600 Mar20 ⁴⁾	-6,170	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
EURO-BUND Future Mar20 ⁵⁾	-381	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG AC World-SEK	9,545,209	127,047	0.4
Fidelity Funds - Sustainable Water & Waste F und ac	22,089,023	241,875	0.8
JPM Europe Small Cap A Acc EUR	154,589	167,669	0.5
JPM Fds Multi-Manager Alternative1	1,235,755	1,243,305	3.9
SHB Amerika Småbolag Tema (A1 SEK)	56,610	53,262	0.2
SHB Amerika Tema (A1 SEK)	531,382	592,757	1.9
SHB Asien Tema (A1 SEK)	176,240	132,860	0.4
SHB Emerging Markets Index (A1 SEK)	447,147	75,194	0.2
SHB Europa Tema (A1 SEK)	407,424	183,054	0.6
SHB Hållbar Energi (A1 SEK)	672,186	131,823	0.4
SHB Hälsovård Tema (A1 SEK)	507,052	134,946	0.4
SHB Japan Tema (A1 SEK)	2,650,785	257,447	0.8
SHB Norden (A1 SEK)	1,603,993	2,059,653	6.5
SHB Norden Selektiv (A1 SEK)	925,798	429,286	1.3
SHB Nordiska Småbolag (A1 SEK)	581,843	749,152	2.4
SHB Sverige 100 Index Criteria (A1 SEK)	1,167,456	322,948	1.0
SHB Tillväxtmarknad Tema (A1 SEK)	866,114	323,446	1.0
SHB USA Index Criteria (A1 SEK)	1,141,364	508,510	1.6
UBS Equity Scav USA Growth	1,115,344	468,791	1.5
		8,203,025	25.8
LISTED EQUITY FUNDS**			
XACT Högutdelande	5,522,792	718,925	2.3
XACT Norden	3,952,692	529,142	1.7
		1,248,067	3.9
OTHER FUNDS			
JPM Global Macro Sustainable I (acc) SEK H	1,403,789	1,388,095	4.4
		1,388,095	4.4
FIXED INCOME FUNDS			
BlueOrchard Uclits EM Sdg Impact Bond Fu	596,271	607,492	1.9
SHB Företagsobligation (A1 SEK)	6,823,093	903,338	2.8
SHB Företagsobligation IG (A1 SEK)	39,184,938	3,969,397	12.5
SHB Hållbar Global Obligation (A1 SEK)	4,749,990	482,751	1.5
SHB Institutionell Kortränta (A1 SEK)	28,227,236	2,831,164	8.9
SHB Kortränta (A1 SEK)	6,739,354	974,180	3.1
SHB Kortränta SEK (A1 SEK)	3,948	412	0.0
SHB Kredit (A1 NOK)	7,713,870	829,309	2.6
SHB Långränta (A1 SEK)	2,258,319	266,635	0.8
SHB Rånteaavkastning (A1 SEK)	613,656	1,176,384	3.7
SHB Råntestrategi (A1 SEK)	40,069,909	4,100,838	12.9
SHB Råntestrategi Plus (A7 SEK)	5,398,530	544,931	1.7
UBS Currency Allocation Return Strategy	454,534	318,292	1.0
UI - Aktia EM Frontier Bond+	12,574,429	1,284,101	4.0
UI - Aktia EM Local Currency Bond+ - s1	17,218,700	1,907,315	6.0
		20,196,538	63.4
Total fund units		31,035,725	97.5

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
SEK/NOK ⁶⁾		-7,511	0.0
		-7,511	0.0
Total OTC derivative instruments		-7,511	0.0
Total other financial instruments		31,028,214	97.5

Handelsbanken Multi Asset 25, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Total holdings in financial instruments		31,028,214	97.5
Net, other assets and liabilities		821,213	2.5
Total fund capital		31,849,427	100.0

- 1) Stock index futures with underlying exposure of -324 831 tSEK, which is equivalent to 1.0% of fund capital.
 2) Stock index futures with underlying exposure of 125 247 tSEK, which is equivalent to 0.4% of fund capital.
 3) Stock index futures with underlying exposure of 193 840 tSEK, which is equivalent to 0.6% of fund capital.
 4) Stock index futures with underlying exposure of -1 341 395 tSEK, which is equivalent to 4.2% of fund capital.
 5) Interest rate futures with underlying exposure of -682 616 tSEK, which is equivalent to 2.1% of fund capital.
 6) tSEK 813 250/tNOK -772 000, counterpart Skandinaviska Enskilda Banken AB (publ).

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
UI Aktia	10.0	UBS	2.5
JPMorgan Chase	8.8	Fidelity Funds	1.2

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

Handelsbanken Multi Asset 25

Sustainability dimensions taken into consideration in the management of the fund

The fund takes environmental, social and corporate governance criteria (ESG) into consideration in its selection of investments, i.e., in the selection of the underlying funds. As a result, the fund is placing greater focus on making investments that are in line with the UN's Sustainable Development Goals. Fund managers in the underlying funds are also encouraged to increase investments in green bonds, for example.

Methods used for sustainability efforts

Inclusion

Sustainability is a separate area of assessment in the evaluation of the underlying funds and investments. When striking a balance between returns and risk for equivalent investments, we select the investment we consider to be most sustainable. An important assessment factor is how well sustainability is integrated in the underlying fund. We also work actively to increase the quantitative measurability in our assessments to clarify sustainability dimensions in the portfolio.

Exclusion

In accordance with the Management Company's comprehensive policy for responsible investments, the following are excluded from all of the

Management Company's funds:

- companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within mining of coal or in power companies that have coal as a major source of energy.

The Management Company's engagement activities

We require service providers to use their ownership influence in the underlying companies within the fund. In addition, we work actively to influence service providers to change their policies in a direction we believe is more sustainable in general, as well as within specific funds. This could include the exclusion of certain types of sectors or specific companies. The engagement activities also focus on contributing to the development of new products with a higher standard of sustainability.

The fund is a fund of funds, which means that we do not have a direct impact on the underlying companies, but rather work to have an impact on the fund providers.

Follow-up of sustainability work

During the year we took measures to adjust our holdings to meet the enhanced sustainability criteria. As a result, we exclude* funds with investments in companies whose principle operations are within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. We also exclude funds that invest in companies that violate international norms and conventions regarding human rights, labour law, the environment, and anti-corruption.

Our actively-managed funds may include so-called companies in transition. Companies in transition work to transition their operations towards fossil-free energy production. The principle of excluding fossil fuels can thereby be granted an exemption over a period of time if the company meets our requirements to qualify as a company in transition.

We also changed the benchmark index during the year to better reflect our more sustainable investment criteria. We have had extensive dialogues with providers who are willing to meet our requirements in existing investments and in some cases have jointly launched new funds that comply with the increased requirements. We also sold funds that did not meet our requirements.

The fund has new fund rules as of 1 January 2020, which reflect that the fund is managed with enhanced sustainability criteria.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.



Handelsbanken Multi Asset 40

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in fixed income funds, equity funds, alternative assets, as well as in other financial instruments. Alternative assets refer to funds or other financial instruments that provide exposure to commodities, real estate and other permitted exposures in addition to equities or fixed income for the purpose of increasing the fund's diversification. The fund invests primarily in funds within Handelsbanken as well as in fund that are managed by other fund management companies. The equity portion in the fund can fluctuate between 25% and 55% depending on market conditions. The fixed income portion can fluctuate between 25% and 65% depending on market conditions. The portion of alternative assets can vary between 0% and 30% depending on market conditions. Fund management is adjusted within each interval based on the prevailing market conditions. The current allocation is shown under Portfolio Distribution at www.handelsbanken.se/funds. We compare fund performance with a composite index consisting of SIX SRI Nordic 200 Net Index 20%, Solactive ISS ESG Screened Global Markets Index 20%, OMRX Treasury Bill Index 40%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 6% and HMNI Swe All Government Dur Const 6Y (HMSD6) 14%. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 10.3% in 2019*. A weaker global economy led many central banks to pursue a more expansive monetary policy. Expectations for a long period of low interest rates resulted in a sharp upturn in the equity markets. Decreased concerns about the trade war and Brexit also contributed to an increased risk appetite. The World Index rose 34.92% (SEK). A weaker SEK contributed to returns on foreign holdings. The US equity market posted the most strength, while Japan was slightly weaker. Market rates in the US, Europe and Sweden fell, which resulted in bonds outperforming fixed income investments with a shorter duration. Our holdings in emerging market bonds posted strength during the year. We had a lower risk in equities during most of the year. Regionally, we prefer the Swedish stock market over the European. We are neutral to Japan, emerging markets and the US. We purchased holdings in Handelsbanken Hälsovård Tema, Aktia Emerging Market Frontier Debt Fund as well as Fidelity Sustainable Water and Waste Fund. We also purchased holdings in the currency fund UBS Currency Allocation Return Strategy and the absolute return fund JPM Multi Manager Alternatives. Within fixed income, we had a short duration in our Swedish holdings as well as an overweight in emerging market bonds.

*) 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 a mixed fund that normally implies an investment with low risk. The risk in the fund is due to the fund's allocation between the equity, fixed income and alternative investment asset classes. An investment in

equities, equity funds and alternative investments can be associated with high risk and returns in the fund can vary significantly over time. An investment in interest-bearing securities or in a fixed income fund is associated with interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The duration on holdings in the fund can vary significantly over time. The fund may concentrate its investments by region and sector. This means that the risk in the fund can be higher than an investment in a diversified global fund that allocates its investments across several regions or sectors. Given that the fund's investments are made in foreign equities denominated in another currency other than the fund's base currency, an investment in the fund is associated with currency risk. An investment in an interest-bearing 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 interest-bearing securities issued by companies or states with a low credit quality increases. The fund may invest in derivatives as part of its investment focus with the aim of increasing returns in the fund and to create leverage. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

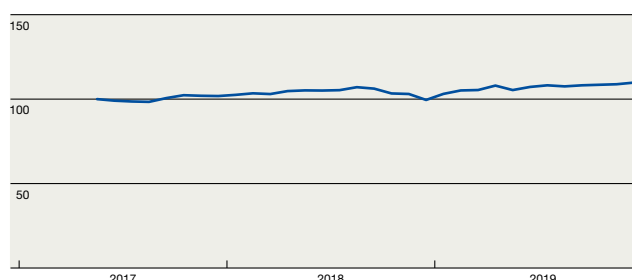
As of April 30, 2019 the fund changed its index from HMNI Swe All Government Dur Const 6Y (HMSD6) 14%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 6%, VINX Benchmark Cap SEK_NI 20%, OMRXTBILL 40%, MSCI All Country World Index Net 20% to SIX SRI Nordic 200 Net Index 20%, Solactive ISS ESG Screened Global Markets Index 20%, OMRX Treasury Bill Index 40%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 6% and HMNI Swe All Government Dur Const 6Y (HMSD6) 14%. The reason for the change of index was a sustainability adjustment of the fund to exclude more controversial activities than before. The fund's investment policy has not been affected.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

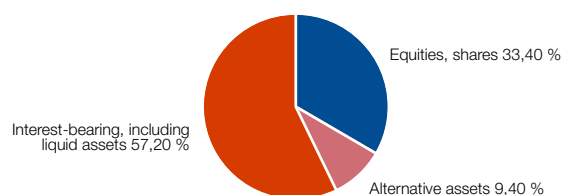
Handelsbanken Multi Asset 40, cont.

Fund Performance*



* Performance is shown in the fund's base currency. The fund may have several share classes, which are referred to in the Fund Facts.

Market Exposure*



* The fund's allocation of investments within the markets as of 31/12/2019, relative to the fund's total assets on this date.

Fund Facts - History

	2019	2018	10/5-31/12 2017	2016	2015	2014	2013	2012	2011	2010
Net asset value, SEK										
Multi Asset 40 A1	109.39	99.15	101.46	-	-	-	-	-	-	-
Multi Asset 40 B8	100.91	93.85	99.70	-	-	-	-	-	-	-
The fund's total net flow, mSEK	-814	-833	3,762	-	-	-	-	-	-	-
Fund capital total, mSEK	13,653	13,136	14,266	-	-	-	-	-	-	-
Multi Asset 40 A1	13,582	13,097	14,245	-	-	-	-	-	-	-
Multi Asset 40 B8	71	39	21	-	-	-	-	-	-	-
Number of units, 1000's	124,867	132,509	140,619	-	-	-	-	-	-	-
Multi Asset 40 A1	124,159	132,092	140,412	-	-	-	-	-	-	-
Multi Asset 40 B8	708	417	207	-	-	-	-	-	-	-
Total returns in %, SEK										
Multi Asset 40 A1	+10.3	-2.3	+1.5	-	-	-	-	-	-	-
Multi Asset 40 B8	+10.7	-2.0	-0.2	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Multi Asset 40 A1	+12.3	-1.0	+0.8	-	-	-	-	-	-	-
Multi Asset 40 B8	+12.3	-1.0	0.0	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Multi Asset 40 A1	0.9	-	-	-	-	-	-	-	-	-
Multi Asset 40 B8	0.9	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Multi Asset 40 A1	+3.8	-	-	-	-	-	-	-	-	-
Multi Asset 40 B8	+4.1	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+5.4	-	-	-	-	-	-	-	-	-
Dividends per unit, SEK	2.82	3.99	-	-	-	-	-	-	-	-

Benchmark: SIX SRI Nordic 200 Net Index 20%, Solactive ISS ESG Screened Global Markets Index 20%, OMRX Treasury Bill Index 40%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 6% and HMNI Swe All Government Dur Const 6Y (HMSD6) 14%

Up to 28/02/2019: HMNI Swe All Government Dur Const 6Y (HMSD6) 14%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 6%, VINX Benchmark Cap SEK_NI 20%, OMRXTBILL 40%, MSCI All Country World Index Net 20%

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 information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Multi Asset 40 A1	1.25
Multi Asset 40 B8	0.95
Collected mgmt. costs in % of average fund capital	
Multi Asset 40 A1	1.25
Multi Asset 40 B8	0.95
Annual fees in %	
Multi Asset 40 A1	1.41
Multi Asset 40 B8	1.11
Transaction costs, SEKt	918
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Multi Asset 40 A1	133.96
Multi Asset 40 B8	101.97
Costs in SEK for monthly savings, 100 SEK	
Multi Asset 40 A1	8.34
Multi Asset 40 B8	6.35

Risk and Return Measurements*

Total risk % - A1 SEK	5.6	Information ratio - A1 SEK	Negative
Total risk % - B8 SEK	5.6	Information ratio - B8 SEK	Negative
Total risk in index % - A1 SEK	5.3	Sharpe ratio - A1 SEK	0.8
Total risk in index % - B8 SEK	5.3	Sharpe ratio - B8 SEK	0.9
Benchmark	SIX SRI Nordic 200 Net Index 20%, Solactive ISS ESG Screened Global Markets Index 20%, OMRX Treasury Bill Index 40%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 6% och HMNI Swe All Government Dur Const 6Y (HMSD6) 14%	Sharpe ratio in index - A1 SEK	1.2
		Sharpe ratio in index - B8 SEK	1.2
Active return % - A1 SEK	-1.6		
Active return % - B8 SEK	-1.3		

* 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.

Fund Facts - Other Key Figures

Turnover rate	0.5
Share of turnover conducted via closely-related securities companies in %	2.4
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Handelsbanken Multi Asset 40, cont.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	-165,558	-49,319
Changes in value for fund units **	1,593,682	-217,374
Interest income	-600	-747
Dividends	12,544	8,732
Currency exchange profits and losses, net	-21,753	44,681
Other financial income ¹⁾	84,063	95,827
Other income	23	4
Total income and changes in value	1,502,401	-118,196
EXPENSES		
Management costs:		
- Remuneration to the Management Company	170,661	177,654
Interest expense	133	194
Other expenses	800	834
Total expenses	171,594	178,682
Net income	1,330,807	-296,878
* Details of changes in value		
Capital gains	197,254	680,659
Capital losses	-381,715	-729,978
Unrealised gains/losses	18,903	-
Sum	-165,558	-49,319
** Details of changes in value		
Capital gains	667,291	526,592
Capital losses	-25,029	-37,866
Unrealised gains/losses	951,420	-706,100
Sum	1,593,682	-217,374

¹⁾ The item consists primarily of discounts for management costs in underlying funds.

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	-	-	33,041	0.3
Fund units	13,516,704	99.0	13,074,181	99.5
Total financial instruments with positive market value ^{Note 2)}	13,516,704	99.0	13,107,222	99.8
Bank assets and other liquid assets	152,411	1.1	64,009	0.5
Prepaid expenses and accrued income	7,624	0.1	7,364	0.1
Other assets	8,897	0.0	15,506	0.0
Total assets	13,685,636	100.2	13,194,101	100.4
LIABILITIES				
OTC derivative instruments with negative market value	2,442	0.0	-	-
Total financial instruments with negative market value ^{Note 2)}	2,442	0.0	-	-
Accrued expenses and prepaid income	14,515	0.1	14,211	0.1
Other liabilities	15,608	0.1	43,680	0.3
Total liabilities	32,565	0.2	57,891	0.4
Fund capital ^{Note 1)}	13,653,071	100.0	13,136,210	100.0
Collateral received for OTC derivative instruments ¹⁾	5,464	0.0	-	-
Secured collateral for OTC derivative instruments	-	-	12,365	0.1
Other derivative instruments with negative market value ²⁾	58,331	0.4	25,290	0.2

¹⁾ Liquid assets 1 049 tSEK
²⁾ Liquid assets 61 681 tSEK

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	13,136,210	14,266,167
Units issued	1,415,972	1,850,324
Units redeemed	-2,229,046	-2,682,578
Profit according to Income Statement	1,330,807	-296,878
Dividends to unit holders	-872	-825
Fund capital at the close of the period	13,653,071	13,136,210

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
STOCK INDEX FUTURES			
EURO STOXX 50 Mar20 ¹⁾	-358	0	0.0
OMX200A ²⁾	596	0	0.0
OMXS30 ESG Future Jan20 ³⁾	476	0	0.0
STOXX EUROPE 600 Mar20 ⁴⁾	-2,697	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
EURO-BUND Future Mar20 ⁵⁾	-166	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG AC World-SEK	6,575,819	87,524	0.6
Fidelity Funds - Sustainable Water & Waste F und ac	15,513,911	169,877	1.2
JPM Europe Small Cap A Acc EUR	107,460	116,552	0.9
JPM Fds Multi-Manager Alternative1	540,212	543,513	4.0
SHB Amerika Småbolag Tema (A1 SEK)	175,215	164,851	1.2
SHB Amerika Tema (A1 SEK)	372,588	415,622	3.0
SHB Asien Tema (A1 SEK)	124,609	93,937	0.7
SHB Emerging Markets Index (A1 SEK)	304,060	51,132	0.4
SHB Europa Tema (A1 SEK)	467,284	209,948	1.5
SHB Hållbar Energi (A1 SEK)	436,508	85,604	0.6
SHB Hålsövärd Tema (A1 SEK)	334,838	89,113	0.7
SHB Japan Tema (A1 SEK)	1,804,226	175,228	1.3
SHB Norden (A1 SEK)	1,089,164	1,398,572	10.2
SHB Norden Selektiv (A1 SEK)	598,987	277,746	2.0
SHB Nordiska Småbolag (A1 SEK)	384,051	494,485	3.6
SHB Sverige 100 Index Criteria (A1 SEK)	502,021	138,872	1.0
SHB Tillväxtmarknad Tema (A1 SEK)	595,286	222,307	1.6
SHB USA Index Criteria (A1 SEK)	967,000	430,825	3.2
UBS Equity Sicav USA Growth	484,681	203,717	1.5
		5,369,426	39.3

LISTED EQUITY FUNDS**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
XACT Högutdelande	3,201,949	416,811	3.1
XACT Norden	2,599,386	347,977	2.5
		764,788	5.6

OTHER FUNDS

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
JPM Global Macro Sustainable I (acc) SEK H	616,152	609,264	4.5
		609,264	4.5

FIXED INCOME FUNDS

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
BlueOrchard Ucits EM Sdg Impact Bond Fu	274,679	279,848	2.0
SHB Företagsobligation (A1 SEK)	1,213,537	160,665	1.2
SHB Företagsobligation IG (A1 SEK)	14,701,300	1,489,228	10.9
SHB Hållbar Global Obligation (A1 SEK)	2,654,766	269,809	2.0
SHB Institutionell Kortränta (A1 SEK)	9,484,861	951,322	7.0
SHB Krediti (A1 NOK)	2,590,036	278,452	2.0
SHB Långränta (A1 SEK)	866,746	102,335	0.7
SHB Ränsteavkastning (A1 SEK)	105,609	202,454	1.5
SHB Ränstrategi (A1 SEK)	13,873,343	1,419,827	10.4
SHB Ränstrategi Plus (A7 SEK)	4,045,971	408,403	3.0
UBS Currency Allocation Return Strategy	190,623	133,486	1.0
UI - Aktia EM Frontier Bond+	3,952,734	403,653	3.0
UI - Aktia EM Local Currency Bond+ - s1	6,082,370	673,744	4.9
		6,773,226	49.6

Total fund units		13,516,704	99.0
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	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
SEK/NOK ⁶⁾		-2,442	0.0
		-2,442	0.0
Total OTC derivative instruments		-2,442	0.0
Total other financial instruments		13,514,262	99.0
Total holdings in financial instruments		13,514,262	99.0
Net, other assets and liabilities		138,809	1.0
Total fund capital		13,653,071	100.0

¹⁾ Stock index futures with underlying exposure of -140 277 tSEK, which is equivalent to 1.0% of fund capital.
²⁾ Stock index futures with underlying exposure of 55 090 tSEK, which is equivalent to 0.4% of fund capital.
³⁾ Stock index futures with underlying exposure of 83 124 tSEK, which is equivalent to 0.6% of fund capital.
⁴⁾ Stock index futures with underlying exposure of -586 344 tSEK, which is equivalent to 4.3% of fund capital.
⁵⁾ Interest rate futures with underlying exposure of -297 413 tSEK, which is equivalent to 2.2% of fund capital.
⁶⁾ tSEK 264 411/tNOK -251 000, counterpart Skandinaviska Enskilda Banken AB (publ).

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

5.6

93.4

Handelsbanken Multi Asset 40, cont.

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
JPMorgan Chase	9.4	UBS	2.5
UI Aktia	7.9	Fidelity Funds	1.8

* 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.

Handelsbanken Multi Asset 40

Sustainability dimensions taken into consideration in the management of the fund

The fund takes environmental, social and corporate governance criteria (ESG) into consideration in its selection of investments, i.e., in the selection of the underlying funds. As a result, the fund is placing greater focus on making investments that are in line with the UN's Sustainable Development Goals. Fund managers in the underlying funds are also encouraged to increase investments in green bonds, for example.

Methods used for sustainability efforts

Inclusion

Sustainability is a separate area of assessment in the evaluation of the underlying funds and investments. When striking a balance between returns and risk for equivalent investments, we select the investment we consider to be most sustainable. An important assessment factor is how well sustainability is integrated in the underlying fund. We also work actively to increase the quantitative measurability in our assessments to clarify sustainability dimensions in the portfolio.

Exclusion

In accordance with the Management Company's comprehensive policy for responsible investments, the following are excluded from all of the

Management Company's funds:

- companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within mining of coal or in power companies that have coal as a major source of energy.

The Management Company's engagement activities

We require service providers to use their ownership influence in the underlying companies within the fund. In addition, we work actively to influence service providers to change their policies in a direction we believe is more sustainable in general, as well as within specific funds. This could include the exclusion of certain types of sectors or specific companies. The engagement activities also focus on contributing to the development of new products with a higher standard of sustainability.

The fund is a fund of funds, which means that we do not have a direct impact on the underlying companies, but rather work to have an impact on the fund providers.

Follow-up of sustainability work

During the year we took measures to adjust our holdings to meet the enhanced sustainability criteria. As a result, we exclude* funds with investments in companies whose principle operations are within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. We also exclude funds that invest in companies that violate international norms and conventions regarding human rights, labour law, the environment, and anti-corruption.

Our actively-managed funds may include so-called companies in transition. Companies in transition work to transition their operations towards fossil-free energy production. The principle of excluding fossil fuels can thereby be granted an exemption over a period of time if the company meets our requirements to qualify as a company in transition.

We also changed the benchmark index during the year to better reflect our more sustainable investment criteria. We have had extensive dialogues with providers who are willing to meet our requirements in existing investments and in some cases have jointly launched new funds that comply with the increased requirements. We also sold funds that did not meet our requirements.

The fund has new fund rules as of 1 January 2020, which reflect that the fund is managed with enhanced sustainability criteria.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.



Handelsbanken Multi Asset 50

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in, equity funds, fixed income funds, alternative assets, as well as in other financial instruments. Alternative assets refer to funds or other financial instruments that provide exposure to commodities, real estate and other permitted exposures in addition to equities or fixed income for the purpose of increasing the fund's diversification. The fund invests primarily in funds within Handelsbanken as well as in fund that are managed by other fund management companies. The equity portion in the fund can fluctuate between 35% and 65% depending on market conditions. The fixed income portion can fluctuate between 15% and 55% depending on market conditions. The portion of alternative assets can vary between 0% and 30% depending on market conditions. Fund management is adjusted within each interval based on the prevailing market conditions. The current allocation is shown under Portfolio Distribution at www.handelsbanken.se/funds. We compare fund performance with a composite index consisting of SIX SRI Nordic 200 Net Index 25%, Solactive ISS ESG Screened Global Markets Index 25%, OMRX Treasury Bill Index 35%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 4,5% and HMNI Swe All Government Dur Const 6Y (HMSD6) 10,5%. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 13.0% in 2019*. A weaker global economy led many central banks to pursue a more expansive monetary policy. Expectations for a long period of low interest rates resulted in a sharp upturn in the equity markets. Decreased concerns about the trade war and Brexit also contributed to an increased risk appetite. The World Index rose 34.92% (SEK). A weaker SEK contributed to returns on foreign holdings. The US equity market posted the most strength, while Japan was slightly weaker. Market rates in the US, Europe and Sweden fell, which resulted in bonds outperforming fixed income investments with a shorter duration. Our holdings in emerging market bonds posted strength during the year. We had a lower risk in equities during most of the year. Regionally, we prefer the Swedish stock market over the European. We are neutral to Japan, emerging markets and the US. We purchased holdings in Handelsbanken Hälsovård Tema, Aktia Emerging Market Frontier Debt Fund as well as Fidelity Sustainable Water and Waste Fund. We also purchased holdings in the currency fund UBS Currency Allocation Return Strategy and the absolute return fund JPM Multi Manager Alternatives. Within fixed income, we had a short duration in our Swedish holdings as well as an overweight in emerging market bonds.

*) Refer to fund statistics for comparable index.

Significant risks

The fund is a mixed fund that normally means an investment with a moderately high risk. The risk in the fund depends on the allocation between the equity, fixed income and alternative investment asset classes. An investment in equities, equity funds and alternative

investments can be associated with high risk and returns in the fund can vary significantly over time. An investment in interest-bearing securities or in a fixed income fund is associated with interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The duration on holdings in the fund can vary significantly over time. The fund may concentrate its investments by region and sector. This means that the risk in the fund can be higher than an investment in a diversified global fund that allocates its investments across several regions or sectors. Given that the fund's investments are made in foreign equities denominated in another currency other than the fund's base currency, an investment in the fund is associated with currency risk. An investment in an interest-bearing 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 interest-bearing securities issued by companies or states with a low credit quality increases. The fund may invest in derivatives as part of its investment focus with the aim of increasing returns in the fund and to create leverage. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

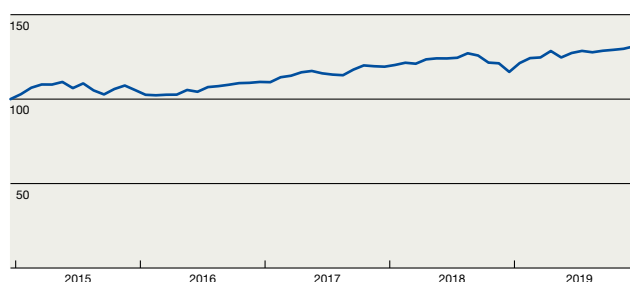
As of April 30, 2019 the fund changed its index from HMNI Swe All Government Dur Const 6Y (HMSD6) 10,5%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 4,5%, VINX Benchmark Cap SEK_NI 25%, OMRXTBILL35%, MSCI All Country World Index Net 25% to SIX SRI Nordic 200 Net Index 25%, Solactive ISS ESG Screened Global Markets Index 25%, OMRX Treasury Bill Index 35%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 4,5% and HMNI Swe All Government Dur Const 6Y (HMSD6) 10,5%. The reason for the change of index was a sustainability adjustment of the fund to exclude more controversial activities than before. The fund's investment policy has not been affected.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

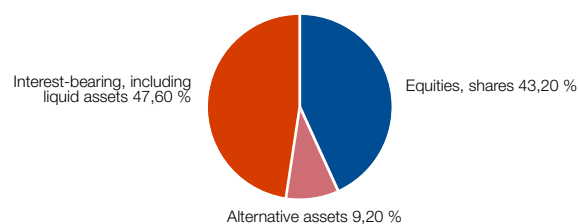
Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Handelsbanken Multi Asset 50, cont.

Fund Performance*



Market Exposure*



Fund Facts - History

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net asset value, SEK ¹⁾	207.98	183.99	188.89	174.58	166.91	158.46	141.57	125.24	118.44	129.55
The fund's total net flow, mSEK	1,429	2,680	1,251	376	3,040	722	450	-20	-	-
Fund capital, mSEK	23,345	19,330	17,250	14,761	13,746	6,537	5,161	4,145	3,856	3,965
Number of units, 1000's	112,245	105,062	91,320	84,550	82,356	41,254	36,458	33,099	32,557	30,607
Total returns in %, SEK	+13.0	-2.6	+8.2	+4.6	+5.3	+11.9	+13.0	+8.5	-7.1	+7.9
Index including dividends in %, SEK	+15.4	-1.3	+5.9	+6.6	+4.4	+13.2	+11.3	+7.5	-2.6	+7.2
Tracking error, 2 yrs. %	0.9	1.0	1.4	1.6	1.2	1.1	1.3	1.8	1.9	1.4
Average yearly return, 2 yrs. %	+4.9	+2.7	+6.4	+5.0	+8.6	+12.5	+10.8	+0.4	+0.1	+12.9
Comparison to index including dividends, %	+6.8	+2.3	+6.3	+5.5	+8.7	+12.2	+9.4	+2.3	+2.2	+10.9
Average yearly return, 5 yrs. %	+5.6	+5.4	+8.6	+8.6	+6.1	+6.6	+7.8	+0.8	0.0	+2.9
Comparison to index including dividends, %	+6.1	+5.7	+8.2	+8.6	+6.6	+7.2	+7.5	+2.0	+1.4	+3.3
Average yearly return, 10 yrs. %	+6.1	+6.6	+4.6	+4.2	+4.5	+5.9	-	-	-	-
Comparison to index including dividends, %	+6.6	+6.6	+5.1	+4.9	+5.0	+6.4	-	-	-	-
Dividends per unit, SEK	-	-	-	-	-	-	-	3.20	2.07	2.82

1) The net asset value was adjusted on June 16, 2014 after a judgment in the Administrative Court in Falun. Pursuant to the judgment, funds with U.S. Holdings shall be charged with full U.S. withholding taxes as of January 1, 2012. As of June 16, 2014, full U.S. withholding taxes were deducted until an Administrative Court of Appeals in Sundsvall changed the Administrative Court's judgment on March 30, 2015, and the withholding taxes previously reserved were repaid to each fund concerned.

Benchmark: HMNI Sve All Government Dur Const 6Y (HMSD6) 10.5%, HMNI Sve All Mortgage Dur Const 2.5Y (HMSMD25) 4.5%, VINX Benchmark Cap SEK_NI 25%, OMRXTBILL35%, MSCI All Country World Index Net 25%

Up to 26/04/2017: HMNI Sve All Government Dur Const 6Y (HMSD6) 17.5%, VINX Benchmark Cap SEK_NI 25%, HMNI Sve All Mortgage Dur Const 2.5Y (HMSMD25) 7.5%, OMRXTBILL 25%, MSCI All Country World Index Net 25%

Up to 02/01/2014: HMNI Sve All Government Dur Const 6Y (HMSD6) 17.5%, SHB NORDIX Port Nordic Net (NHNXPOR) 25%, HMNI Sve All Mortgage Dur Const 2.5Y (HMSMD25) 7.5%, OMRXTBILL 25%, MSCI All Country World Index Net 25%

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 page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.35
Collected mgmt. costs in % of average fund capital	1.35
Annual fees in %	1.50
Transaction costs, SEKt	1,547
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	147.03
Costs in SEK for monthly savings, 100 SEK	9.05

A maximum fixed fee of 3% may be deducted annually for the management of the underlying funds in which the fund invests assets. During each measurement period, any potential performance-based management fees in the underlying funds may total a maximum of 30% of the excess returns in relation to each of the fund's comparison norms (index or equivalent).

Fund Facts - Other Key Figures

Turnover rate	0.5
Share of turnover conducted via closely-related securities companies in %	2.5
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk %	6.8	Information ratio	Negative
Total risk in index %	6.6	Sharpe ratio	0.8
Benchmark	HMNI Sve All Government Dur Const 6Y (HMSD6) 10.5%, HMNI Sve All Mortgage Dur Const 2.5Y (HMSMD25) 4.5%, VINX Benchmark Cap SEK_NI 25%, OMRXTBILL35%, MSCI All Country World Index Net 25%	Sharpe ratio in index	1.1
Active return %	-1.8		

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

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	-263,652	-59,718
Changes in value for fund units **	2,994,483	-507,756
Interest income	-1,045	-1,587
Dividends	26,409	10,968
Currency exchange profits and losses, net	-27,245	74,184
Other financial income ¹⁾	157,648	144,578
Other income	72	1
Total income and changes in value	2,886,670	-339,330
EXPENSES		
Management costs:		
- Remuneration to the Management Company	299,444	259,092
Interest expense	138	99
Other expenses	1,356	1,111
Total expenses	300,938	260,302
Net income	2,585,732	-599,632
* Details of changes in value		
Capital gains	308,433	889,096
Capital losses	-601,467	-948,814
Unrealised gains/losses	29,382	-
Sum	-263,652	-59,718
** Details of changes in value		
Capital gains	1,039,370	660,276
Capital losses	-37,536	-102,724
Unrealised gains/losses	1,992,649	-1,065,308
Sum	2,994,483	-507,756

1) The item consists primarily of discounts for management costs in underlying funds.

Handelsbanken Multi Asset 50, cont.

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	-	-	36,624	0.2
Fund units	22,531,921	96.5	18,952,339	98.0
Total financial instruments with positive market value ^{Note 2)}	22,531,921	96.5	18,988,963	98.2
Bank assets and other liquid assets	816,187	3.5	378,051	2.0
Prepaid expenses and accrued income	13,396	0.1	12,365	0.1
Other assets	47,247	0.2	47,643	0.2
Total assets	23,408,751	100.3	19,427,022	100.5
LIABILITIES				
OTC derivative instruments with negative market value	2,948	0.0	-	-
Total financial instruments with negative market value ^{Note 2)}	2,948	0.0	-	-
Accrued expenses and prepaid income	26,619	0.1	22,534	0.1
Other liabilities	34,624	0.2	74,226	0.4
Total liabilities	64,191	0.3	96,760	0.5
Fund capital ^{Note 1)}	23,344,560	100.0	19,330,262	100.0
Collateral received for OTC derivative instruments ¹⁾	736	0.0	-	-
Secured collateral for OTC derivative instruments	-	-	23,896	0.1
Other derivative instruments with negative market value ²⁾	94,620	0.4	37,149	0.2

1) Liquid assets 12 404 tSEK
2) Liquid assets 100 628 tSEK

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	19,330,262	17,249,595
Units issued	5,077,554	5,258,606
Units redeemed	-3,648,988	-2,578,307
Profit according to Income Statement	2,585,732	-599,632
Dividends to unit holders	-	-
Fund capital at the close of the period	23,344,560	19,330,262

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
STOCK INDEX FUTURES			
EURO STOXX 50 Mar20 ¹⁾	-588	0	0.0
OMXQ200A ²⁾	988	0	0.0
OMXS30 ESG Future Jan20 ³⁾	807	0	0.0
STOXX EUROPE 600 Mar20 ⁴⁾	-4,285	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
EURO-BUND Future Mar20 ⁵⁾	-281	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG AC World-SEK	12,770,567	169,976	0.7
Fidelity Funds - Sustainable Water & Waste Fund ac	30,667,713	335,811	1.4
JPM Europe Small Cap A Acc EUR	228,627	247,972	1.1
JPM Fds Multi-Manager Alternative1	889,859	895,297	3.8
SHB Amerika Småbolag Tema (A1 SEK)	453,650	426,816	1.8
SHB Amerika Tema (A1 SEK)	787,773	878,761	3.8
SHB Asien Tema (A1 SEK)	258,049	194,532	0.8
SHB Emerging Markets Index (A1 SEK)	655,816	110,285	0.5
SHB Europa Index Criteria (A1 SEK)	98,184	13,443	0.1
SHB Europa Tema (A1 SEK)	1,058,160	475,426	2.0
SHB Hållbar Energi (A1 SEK)	908,761	178,219	0.8
SHB Hälsovård Tema (A1 SEK)	693,283	184,509	0.8
SHB Japan Tema (A1 SEK)	3,827,778	371,758	1.6
SHB Norden (A1 SEK)	2,287,871	2,937,807	12.6
SHB Norden Selektiv (A1 SEK)	1,320,578	612,342	2.6
SHB Nordiska Småbolag (A1 SEK)	841,094	1,082,951	4.6
SHB Sverige 100 Index Criteria (A1 SEK)	877,021	242,606	1.0
SHB Tillväxtmarknad Tema (A1 SEK)	1,267,127	473,202	2.0
SHB USA Index Criteria (A1 SEK)	2,179,378	970,974	4.2
UBS Equity Sicav USA Growth	824,782	346,665	1.5
		11,149,353	47.7

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITY FUNDS**			
XACT Högutdelande	6,275,876	816,957	3.5
XACT Norden	5,518,667	738,777	3.2
		1,555,735	6.7
OTHER FUNDS			
JPM Global Macro Sustainable I (acc) SEK H	1,008,680	997,403	4.3
		997,403	4.3
FIXED INCOME FUNDS			
BlueOrchard Ucits EM Sdg Impact Bond Fu	330,241	336,456	1.4
SHB Företagsobligation (A1 SEK)	2,185,875	289,397	1.2
SHB Företagsobligation IG (A1 SEK)	21,405,858	2,168,393	9.3
SHB Hållbar Global Obligation (A1 SEK)	3,252,953	330,604	1.4
SHB Institutionell Kortränta (A1 SEK)	10,009,119	1,003,905	4.3
SHB Kortränta SEK (A1 SEK)	4,840	505	0.0
SHB Kredit (A1 NOK)	3,232,822	347,557	1.5
SHB Långränta (A1 SEK)	1,950,445	230,285	1.0
SHB Råntekavkastning (A1 SEK)	86,265	165,371	0.7
SHB Råntestrategi (A1 SEK)	16,347,952	1,673,083	7.2
SHB Råntestrategi Plus (A7 SEK)	5,497,673	554,939	2.4
UBS Currency Allocation Return Strategy	329,712	230,884	1.0
UI - Aktia EM Frontier Bond+	5,079,962	518,766	2.2
UI - Aktia EM Local Currency Bond+ - s1	8,840,700	979,284	4.2
		8,829,430	37.8
Total fund units		22,531,921	96.5

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
SEK/NOK ⁶⁾			
		-2,948	0.0
		-2,948	0.0
Total OTC derivative instruments		-2,948	0.0
Total other financial instruments		22,528,973	96.5
Total holdings in financial instruments		22,528,973	96.5
Net, other assets and liabilities		815,587	3.5
Total fund capital		23,344,560	100.0

1) Stock index futures with underlying exposure of -230 399 tSEK, which is equivalent to 1.0% of fund capital.
2) Stock index futures with underlying exposure of 91 324 tSEK, which is equivalent to 0.4% of fund capital.
3) Stock index futures with underlying exposure of 140 927 tSEK, which is equivalent to 0.6% of fund capital.
4) Stock index futures with underlying exposure of -931 584 tSEK, which is equivalent to 4.0% of fund capital.
5) Interest rate futures with underlying exposure of -503 452 tSEK, which is equivalent to 2.2% of fund capital.
6) tSEK 319 190/NOK -303 000, counterpart Skandinaviska Enskilda Banken AB (publ).

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

6.7
89.8

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
JPMorgan Chase	9.2	UBS	2.5
UI Aktia	6.4	Fidelity Funds	2.1

* 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.

Handelsbanken Multi Asset 50

Sustainability dimensions taken into consideration in the management of the fund

The fund takes environmental, social and corporate governance criteria (ESG) into consideration in its selection of investments, i.e., in the selection of the underlying funds. As a result, the fund is placing greater focus on making investments that are in line with the UN's Sustainable Development Goals. Fund managers in the underlying funds are also encouraged to increase investments in green bonds, for example.

Methods used for sustainability efforts

Inclusion

Sustainability is a separate area of assessment in the evaluation of the underlying funds and investments. When striking a balance between returns and risk for equivalent investments, we select the investment we consider to be most sustainable. An important assessment factor is how well sustainability is integrated in the underlying fund. We also work actively to increase the quantitative measurability in our assessments to clarify sustainability dimensions in the portfolio.

Exclusion

In accordance with the Management Company's comprehensive policy for responsible investments, the following are excluded from all of the

Management Company's funds:

- companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within mining of coal or in power companies that have coal as a major source of energy.

The Management Company's engagement activities

We require service providers to use their ownership influence in the underlying companies within the fund. In addition, we work actively to influence service providers to change their policies in a direction we believe is more sustainable in general, as well as within specific funds. This could include the exclusion of certain types of sectors or specific companies. The engagement activities also focus on contributing to the development of new products with a higher standard of sustainability.

The fund is a fund of funds, which means that we do not have a direct impact on the underlying companies, but rather work to have an impact on the fund providers.

Follow-up of sustainability work

During the year we took measures to adjust our holdings to meet the enhanced sustainability criteria. As a result, we exclude* funds with investments in companies whose principle operations are within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. We also exclude funds that invest in companies that violate international norms and conventions regarding human rights, labour law, the environment, and anti-corruption.

Our actively-managed funds may include so-called companies in transition. Companies in transition work to transition their operations towards fossil-free energy production. The principle of excluding fossil fuels can thereby be granted an exemption over a period of time if the company meets our requirements to qualify as a company in transition.

We also changed the benchmark index during the year to better reflect our more sustainable investment criteria. We have had extensive dialogues with providers who are willing to meet our requirements in existing investments and in some cases have jointly launched new funds that comply with the increased requirements. We also sold funds that did not meet our requirements.

The fund has new fund rules as of 1 January 2020, which reflect that the fund is managed with enhanced sustainability criteria.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.



Handelsbanken Multi Asset 60

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in equity funds, fixed income funds, alternative assets, as well as in other financial instruments. Alternative assets refer to funds or other financial instruments that provide exposure to commodities, real estate and other permitted exposures in addition to equities or fixed income for the purpose of increasing the fund's diversification. The fund invests primarily in funds within Handelsbanken as well as in fund that are managed by other fund management companies. The equity portion in the fund can fluctuate between 45% and 75% depending on market conditions. The fixed income portion can fluctuate between 5% and 45% depending on market conditions. The portion of alternative assets can vary between 0% and 30% depending on market conditions. Fund management is adjusted within each interval based on the prevailing market conditions. The current allocation is shown under Portfolio Distribution at www.handelsbanken.se/funds. We compare fund performance with a composite index consisting of SIX SRI Nordic 200 Net Index 30%, Solactive ISS ESG Screened Global Markets Index 30%, OMRX Treasury Bill Index 30%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 3% and HMNI Swe All Government Dur Const 6Y (HMSD6) 7%. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 16.0% in 2019*. A weaker global economy led many central banks to pursue a more expansive monetary policy. Expectations for a long period of low interest rates resulted in a sharp upturn in the equity markets. Decreased concerns about the trade war and Brexit also contributed to an increased risk appetite. The World Index rose 34.92% (SEK). A weaker SEK contributed to returns on foreign holdings. The US equity market posted the most strength, while Japan was slightly weaker. Market rates in the US, Europe and Sweden fell, which resulted in bonds outperforming fixed income investments with a shorter duration. Our holdings in emerging market bonds posted strength during the year. We had a lower risk in equities during most of the year. Regionally, we prefer the Swedish stock market over the European. We are neutral to Japan, emerging markets and the US. We purchased holdings in Handelsbanken Hälsovård Tema, Aktia Emerging Market Frontier Debt Fund as well as Fidelity Sustainable Water and Waste Fund. We also purchased holdings in the currency fund UBS Currency Allocation Return Strategy and the absolute return fund JPM Multi Manager Alternatives. Within fixed income, we had a short duration in our Swedish holdings as well as an overweight in emerging market bonds.

*) 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 a mixed fund that normally means an investment with a moderately high risk. The risk in the fund depends on the allocation between the equity, fixed income and alternative investment asset

classes. An investment in equities, equity funds and alternative investments can be associated with high risk and returns in the fund can vary significantly over time. An investment in interest-bearing securities or in a fixed income fund is associated with interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The duration on holdings in the fund can vary significantly over time. The fund may concentrate its investments by region and sector. This means that the risk in the fund can be higher than an investment in a diversified global fund that allocates its investments across several regions or sectors. Given that the fund's investments are made in foreign equities denominated in another currency other than the fund's base currency, an investment in the fund is associated with currency risk. An investment in an interest-bearing 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 interest-bearing securities issued by companies or states with a low credit quality increases. The fund may invest in derivatives as part of its investment focus with the aim of increasing returns in the fund and to create leverage. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

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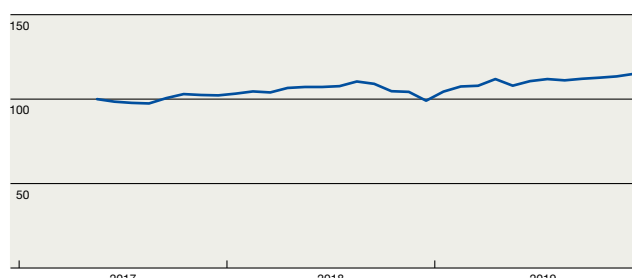
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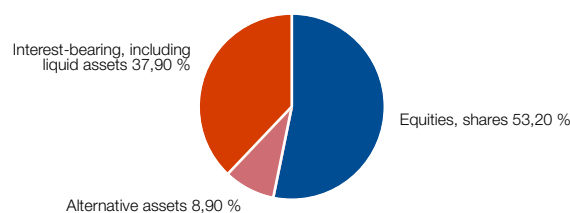
Handelsbanken Multi Asset 60, cont.

Fund Performance*



* Performance is shown in the fund's base currency. The fund may have several share classes, which are referred to in the Fund Facts.

Market Exposure*



* The fund's allocation of investments within the markets as of 31/12/2019, relative to the fund's total assets on this date.

Fund Facts - History

	2019	2018	10/5-31/12 2017	2016	2015	2014	2013	2012	2011	2010
Net asset value, SEK										
Multi Asset 60 A1	114.25	98.45	101.57	-	-	-	-	-	-	-
Multi Asset 60 B8	105.41	93.06	99.61	-	-	-	-	-	-	-
The fund's total net flow, mSEK	1,349	1,553	3,136	-	-	-	-	-	-	-
Fund capital total, mSEK	11,251	8,486	7,264	-	-	-	-	-	-	-
Multi Asset 60 A1	11,219	8,473	7,256	-	-	-	-	-	-	-
Multi Asset 60 B8	32	13	8	-	-	-	-	-	-	-
Number of units, 1000's	98,505	86,206	71,513	-	-	-	-	-	-	-
Multi Asset 60 A1	98,202	86,063	71,437	-	-	-	-	-	-	-
Multi Asset 60 B8	303	143	76	-	-	-	-	-	-	-
Total returns in %, SEK										
Multi Asset 60 A1	+16.0	-3.1	+1.6	-	-	-	-	-	-	-
Multi Asset 60 B8	+16.5	-2.7	-0.2	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Multi Asset 60 A1	+18.6	-1.6	+1.2	-	-	-	-	-	-	-
Multi Asset 60 B8	+18.6	-1.6	+0.1	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Multi Asset 60 A1	1.0	-	-	-	-	-	-	-	-	-
Multi Asset 60 B8	1.0	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Multi Asset 60 A1	+6.1	-	-	-	-	-	-	-	-	-
Multi Asset 60 B8	+6.4	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+8.1	-	-	-	-	-	-	-	-	-
Dividends per unit, SEK	2.79	3.98	-	-	-	-	-	-	-	-

Benchmark: SIX SRI Nordic 200 Net Index 30%, Solactive ISS ESG Screened Global Markets Index 30%, OMRX Treasury Bill Index 30%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 3% and HMNI Swe All Government Dur Const 6Y (HMSD6) 7%
Up to 30/04/2019: HMNI Swe All Government Dur Const 6Y (HMSD6) 7%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 3%, VINX Benchmark Cap SEK_NI 30%, OMRXTBILL 30%, MSCI All Country World Index Net 30%

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 information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Multi Asset 60 A1	1.40
Multi Asset 60 B8	1.05
Collected mgmt. costs in % of average fund capital	
Multi Asset 60 A1	1.40
Multi Asset 60 B8	1.05
Annual fees in %	
Multi Asset 60 A1	1.55
Multi Asset 60 B8	1.20
Transaction costs, SEKt	744
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Multi Asset 60 A1	155.12
Multi Asset 60 B8	116.56
Costs in SEK for monthly savings, 100 SEK	
Multi Asset 60 A1	9.45
Multi Asset 60 B8	7.10

A maximum fixed fee of 3% may be deducted annually for the management of the underlying funds in which the fund invests assets. During each measurement period, any potential performance-based management fees in the underlying funds may total a maximum of 30% of the excess returns in relation to each of the fund's comparison norms (index or equivalent).

Fund Facts - Other Key Figures

Turnover rate	0.5
Share of turnover conducted via closely-related securities companies in %	2.5
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	8.2	Information ratio - A1 SEK	Negative
Total risk % - B8 SEK	8.2	Information ratio - B8 SEK	Negative
Total risk in index % - A1 SEK	7.9	Sharpe ratio - A1 SEK	0.8
Total risk in index % - B8 SEK	7.9	Sharpe ratio - B8 SEK	0.9
Benchmark	SIX SRI Nordic 200 Net Index 30%, Solactive ISS ESG Screened Global Markets Index 30%, OMRX Treasury Bill Index 30%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 3% och HMNI Swe All Government Dur Const 6Y (HMSD6) 7%		
Active return % - A1 SEK	-2.0	Sharpe ratio in index - A1 SEK	1.1
Active return % - B8 SEK	-1.6	Sharpe ratio in index - B8 SEK	1.1

* 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.

Handelsbanken Multi Asset 60, cont.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	-119,801	-25,091
Changes in value for fund units **	1,590,118	-292,857
Interest income	-502	-637
Dividends	13,875	4,400
Currency exchange profits and losses, net	-6,812	31,218
Other financial income ¹⁾	81,811	70,715
Other income	54	2
Total income and changes in value	1,558,743	-212,250
EXPENSES		
Management costs:		
- Remuneration to the Management Company	141,439	117,405
Interest expense	60	102
Other expenses	594	480
Total expenses	142,093	117,987
Net income	1,416,650	-330,237
* Details of changes in value		
Capital gains	137,945	380,929
Capital losses	-270,791	-406,020
Unrealised gains/losses	13,045	-
Sum	-119,801	-25,091
** Details of changes in value		
Capital gains	370,248	211,394
Capital losses	-19,619	-25,936
Unrealised gains/losses	1,239,489	-478,315
Sum	1,590,118	-292,857

1) The items consist primarily of discounts for management expenses in underlying funds.

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	-	-	15,693	0.2
Fund units	10,854,399	96.5	8,392,341	98.9
Total financial instruments with positive market value ^{Note 2)}	10,854,399	96.5	8,408,034	99.1
Bank assets and other liquid assets	395,663	3.5	79,802	0.9
Prepaid expenses and accrued income	7,342	0.1	6,210	0.1
Other assets	18,587	0.1	23,140	0.3
Total assets	11,275,991	100.2	8,517,186	100.4
LIABILITIES				
OTC derivative instruments with negative market value	886	0.0	-	-
Total financial instruments with negative market value ^{Note 2)}	886	0.0	-	-
Accrued expenses and prepaid income	13,259	0.1	10,311	0.1
Other liabilities	10,809	0.1	20,891	0.3
Total liabilities	24,954	0.2	31,202	0.4
Fund capital ^{Note 1)}	11,251,037	100.0	8,485,984	100.0
Secured collateral for OTC derivative instruments	-	-	5,980	0.1
Other derivative instruments with negative market value ¹⁾	44,810	0.4	16,477	0.2

1) Liquid assets 45 116 tSEK

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	8,485,984	7,263,689
Units issued	2,903,953	2,963,901
Units redeemed	-1,555,159	-1,411,068
Profit according to Income Statement	1,416,650	-330,237
Dividends to unit holders	-391	-301
Fund capital at the close of the period	11,251,037	8,485,984

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
STOCK INDEX FUTURES			
EURO STOXX 50 Mar20 ¹⁾	-279	0	0.0
OMX200A ²⁾	467	0	0.0
OMXS30 ESG Future Jan20 ³⁾	388	0	0.0
STOXX EUROPE 600 Mar20 ⁴⁾	-2,037	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
EURO-BUND Future Mar20 ⁵⁾	-127	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG AC World-SEK	7,385,368	98,299	0.9
Fidelity Funds - Sustainable Water & Waste Fund ac	17,640,946	193,168	1.7
JPM Europe Small Cap A Acc EUR	122,212	132,553	1.2
JPM Fds Multi-Manager Alternative1	411,200	413,712	3.7
SHB Amerika Småbolag Tema (A1 SEK)	293,854	276,472	2.5
SHB Amerika Tema (A1 SEK)	460,599	513,799	4.6
SHB Asien Tema (A1 SEK)	149,515	112,713	1.0
SHB Emerging Markets Index (A1 SEK)	375,604	63,163	0.6
SHB Europa Index Criteria (A1 SEK)	216,884	29,695	0.3
SHB Europa Tema (A1 SEK)	603,535	271,165	2.4
SHB Hållbar Energi (A1 SEK)	519,831	101,945	0.9
SHB Hålsövärd Tema (A1 SEK)	392,290	104,403	0.9
SHB Japan Tema (A1 SEK)	2,282,865	221,714	2.0
SHB Norden (A1 SEK)	1,304,427	1,674,987	14.9
SHB Norden Selektiv (A1 SEK)	750,596	348,046	3.1
SHB Nordiska Småbolag (A1 SEK)	479,715	617,657	5.5
SHB Sverige 100 Index Criteria (A1 SEK)	411,657	113,875	1.0
SHB Tillväxtmarknad Tema (A1 SEK)	733,446	273,902	2.4
SHB USA Index Criteria (A1 SEK)	1,308,179	582,830	5.2
UBS Equity Sicav USA Growth	386,437	162,424	1.4
		6,306,523	56.1

LISTED EQUITY FUNDS**

XACT Högtudlande	3,465,197	451,079	4.0
XACT Norden	3,179,334	425,614	3.8
		876,693	7.8

OTHER FUNDS

JPM Global Macro Sustainable I (acc) SEK H	467,124	461,902	4.1
		461,902	4.1

FIXED INCOME FUNDS

BlueOrchard Ucits EM Sdg Impact Bond Fu	101,742	103,656	0.9
SHB Företagsobligation (A1 SEK)	1,477,737	195,644	1.7
SHB Företagsobligation IG (A1 SEK)	8,120,549	822,604	7.3
SHB Hållbar Global Obligation (A1 SEK)	1,029,837	104,664	0.9
SHB Institutionell Kortränta (A1 SEK)	3,065,136	307,430	2.7
SHB Kortränta SEK (A1 SEK)	8,595	897	0.0
SHB Kredit (A1 NOK)	1,030,345	110,771	1.0
SHB Långränta (A1 SEK)	1,289,881	152,294	1.4
SHB Råntestrategi (A1 SEK)	4,562,631	466,949	4.2
SHB Råntestrategi Plus (A7 SEK)	3,097,345	312,648	2.8
UBS Currency Allocation Return Strategy	151,048	105,773	0.9
UI - Aktia EM Frontier Bond+	1,542,628	157,533	1.4
UI - Aktia EM Local Currency Bond+ - s1	3,325,968	368,417	3.3
		3,209,281	28.5

Total fund units		10,854,399	96.5
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	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
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OTC DERIVATIVE INSTRUMENTS

CURRENCY FUTURES			
SEK/NOK ⁶⁾		-886	0.0
		-886	0.0
Total OTC derivative instruments		-886	0.0
Total other financial instruments		10,853,513	96.5
Total holdings in financial instruments		10,853,513	96.5
Net, other assets and liabilities		397,524	3.5
Total fund capital		11,251,037	100.0

1) Stock index futures with underlying exposure of -109 322 tSEK, which is equivalent to 1.0% of fund capital.

2) Stock index futures with underlying exposure of 43 166 tSEK, which is equivalent to 0.4% of fund capital.

3) Stock index futures with underlying exposure of 67 757 tSEK, which is equivalent to 0.6% of fund capital.

4) Stock index futures with underlying exposure of -442 856 tSEK, which is equivalent to 3.9% of fund capital.

5) Interest rate futures with underlying exposure of -227 539 tSEK, which is equivalent to 2.0% of fund capital.

6) tSEK 95 968/NOK -91 100, counterpart Skandinaviska Enskilda Banken AB (publ).

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, § 4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

7.8

88.7

Handelsbanken Multi Asset 60, cont.

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
JPMorgan Chase	9.0	Fidelity Funds	2.6
UI Aktia	4.7	UBS	2.3

* 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.

Handelsbanken Multi Asset 60

Sustainability dimensions taken into consideration in the management of the fund

The fund takes environmental, social and corporate governance criteria (ESG) into consideration in its selection of investments, i.e., in the selection of the underlying funds. As a result, the fund is placing greater focus on making investments that are in line with the UN's Sustainable Development Goals. Fund managers in the underlying funds are also encouraged to increase investments in green bonds, for example.

Methods used for sustainability efforts

Inclusion

Sustainability is a separate area of assessment in the evaluation of the underlying funds and investments. When striking a balance between returns and risk for equivalent investments, we select the investment we consider to be most sustainable. An important assessment factor is how well sustainability is integrated in the underlying fund. We also work actively to increase the quantitative measurability in our assessments to clarify sustainability dimensions in the portfolio.

Exclusion

In accordance with the Management Company's comprehensive policy for responsible investments, the following are excluded from all of the

Management Company's funds:

- companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within mining of coal or in power companies that have coal as a major source of energy.

The Management Company's engagement activities

We require service providers to use their ownership influence in the underlying companies within the fund. In addition, we work actively to influence service providers to change their policies in a direction we believe is more sustainable in general, as well as within specific funds. This could include the exclusion of certain types of sectors or specific companies. The engagement activities also focus on contributing to the development of new products with a higher standard of sustainability.

The fund is a fund of funds, which means that we do not have a direct impact on the underlying companies, but rather work to have an impact on the fund providers.

Follow-up of sustainability work

During the year we took measures to adjust our holdings to meet the enhanced sustainability criteria. As a result, we exclude* funds with investments in companies whose principle operations are within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. We also exclude funds that invest in companies that violate international norms and conventions regarding human rights, labour law, the environment, and anti-corruption.

Our actively-managed funds may include so-called companies in transition. Companies in transition work to transition their operations towards fossil-free energy production. The principle of excluding fossil fuels can thereby be granted an exemption over a period of time if the company meets our requirements to qualify as a company in transition.

We also changed the benchmark index during the year to better reflect our more sustainable investment criteria. We have had extensive dialogues with providers who are willing to meet our requirements in existing investments and in some cases have jointly launched new funds that comply with the increased requirements. We also sold funds that did not meet our requirements.

The fund has new fund rules as of 1 January 2020, which reflect that the fund is managed with enhanced sustainability criteria.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.



Handelsbanken Multi Asset 75

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in, equity funds, fixed income funds, alternative assets, as well as in other financial instruments. Alternative assets refer to funds or other financial instruments that provide exposure to commodities, real estate and other permitted exposures in addition to equities or fixed income for the purpose of increasing the fund's diversification. The fund invests primarily in funds within Handelsbanken as well as in fund that are managed by other fund management companies. The equity portion in the fund can fluctuate between 60% and 90% depending on market conditions. The fixed income portion can fluctuate between 0% and 30% depending on market conditions. The portion of alternative assets can vary between 0% and 30% depending on market conditions. Fund management is adjusted within each interval based on the prevailing market conditions. The current allocation is shown under Portfolio Distribution at www.handelsbanken.se/funds. We compare fund performance with a composite index consisting of SIX SRI Nordic 200 Net Index 37,5%, Solactive ISS ESG Screened Global Markets Index 37,5%, OMRX Treasury Bill Index 22,5%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 0,75% och HMNI Swe All Government Dur Const 6Y (HMSD6) 1,75%. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 20.6% in 2019*. A weaker global economy led many central banks to pursue a more expansive monetary policy. Expectations for a long period of low interest rates resulted in a sharp upturn in the equity markets. Decreased concerns about the trade war and Brexit also contributed to an increased risk appetite. The World Index rose 34.92% (SEK). A weaker SEK contributed to returns on foreign holdings. The US equity market posted the most strength, while Japan was slightly weaker. Market rates in the US, Europe and Sweden fell, which resulted in bonds outperforming fixed income investments with a shorter duration. Our holdings in emerging market bonds posted strength during the year. We had a lower risk in equities during most of the year. Regionally, we prefer the Swedish stock market over the European. We are neutral to Japan, emerging markets and the US. We purchased holdings in Handelsbanken Hälsovård Tema, Aktia Emerging Market Frontier Debt Fund as well as Fidelity Sustainable Water and Waste Fund. We also purchased holdings in the currency fund UBS Currency Allocation Return Strategy and the absolute return fund JPM Multi Manager Alternatives. Within fixed income, we had a short duration in our Swedish holdings as well as an overweight in emerging market bonds.

*) Refer to fund statistics for comparable index.

Significant risks

The fund is a mixed fund that normally means an investment with a moderately high risk. The risk in the fund depends on the allocation between the equity, fixed income and alternative investment asset classes. An investment in equities, equity funds and alternative

investments can be associated with high risk and returns in the fund can vary significantly over time. An investment in interest-bearing securities or in a fixed income fund is associated with interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The duration on holdings in the fund can vary significantly over time. The fund may concentrate its investments by region and sector. This means that the risk in the fund can be higher than an investment in a diversified global fund that allocates its investments across several regions or sectors. Given that the fund's investments are made in foreign equities denominated in another currency other than the fund's base currency, an investment in the fund is associated with currency risk. An investment in an interest-bearing 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 interest-bearing securities issued by companies or states with a low credit quality increases. The fund may invest in derivatives as part of its investment focus with the aim of increasing returns in the fund and to create leverage. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

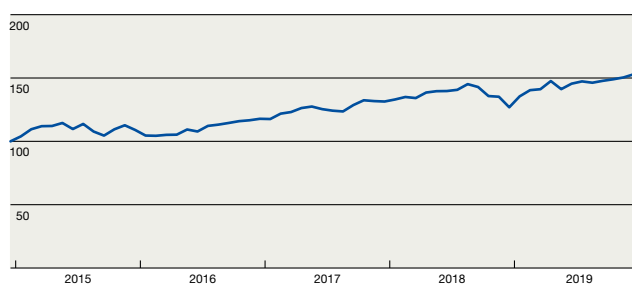
As of April 30, 2019 the fund changed its index from HMNI Swe All Government Dur Const 6Y (HMSD6) 1,75%, VINX Benchmark Cap SEK_NI 37,5%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 0,75%, OMRXTBILL 22,5%, MSCI All Country World Index Net 37,5% to SIX SRI Nordic 200 Net Index 37,5%, Solactive ISS ESG Screened Global Markets Index 37,5%, OMRX Treasury Bill Index 22,5%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 0,75% and HMNI Swe All Government Dur Const 6Y (HMSD6) 1,75%. The reason for the change of index was a sustainability adjustment of the fund to exclude more controversial activities than before. The fund's investment policy has not been affected.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

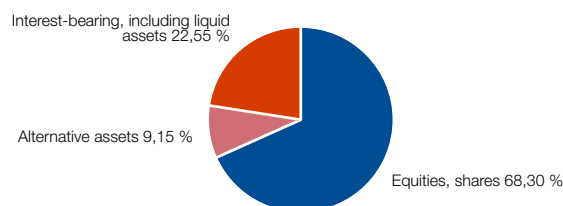
Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Handelsbanken Multi Asset 75, cont.

Fund Performance*



Market Exposure*



* The fund's allocation of investments within the markets as of 31/12/2019, relative to the fund's total assets on this date.

Fund Facts - History

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net asset value, SEK ¹⁾	229.68	190.47	197.31	176.84	163.61	150.12	129.01	108.43	100.58	115.67
The fund's total net flow, mSEK	1,315	1,908	1,178	328	415	141	42	-47	-	-
Fund capital, mSEK	7,462	5,034	3,397	1,955	1,487	985	721	569	555	719
Number of units, 1000's	32,491	26,429	17,217	11,053	9,087	6,562	5,586	5,249	5,520	6,213
Total returns in %, SEK	+20.6	-3.5	+11.6	+8.1	+9.0	+16.4	+19.0	+11.4	-11.0	+10.9
Index including dividends in %, SEK	+23.6	-2.0	+9.2	+9.3	+6.5	+17.5	+17.4	+10.3	-7.0	+10.0
Tracking error, 2 yrs. %	1.2	1.2	1.5	1.9	1.6	1.3	1.6	2.0	2.0	-
Average yearly return, 2 yrs. %	+7.9	+3.8	+9.8	+8.5	+12.6	+17.7	+15.1	-0.5	-0.7	-
Comparison to index including dividends, %	+10.0	+3.4	+9.2	+7.9	+11.9	+17.5	+13.8	+1.3	+1.2	-
Average yearly return, 5 yrs. %	+8.9	+8.1	+12.7	+12.7	+8.4	+8.8	-	-	-	-
Comparison to index including dividends, %	+9.0	+7.9	+11.9	+12.1	+8.6	+9.3	-	-	-	-
Average yearly return, 10 yrs. %	+8.8	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+9.1	-	-	-	-	-	-	-	-	-
Dividends per unit, SEK	-	-	-	-	-	-	-	3.49	2.55	0.47

1) The net asset value was adjusted on June 16, 2014 after a judgment in the Administrative Court in Falun. Pursuant to the judgment, funds with U.S. Holdings shall be charged with full U.S. withholding taxes as of January 1, 2012. As of June 16, 2014, full U.S. withholding taxes were deducted until an Administrative Court of Appeals in Sundsvall changed the Administrative Court's judgment on March 30, 2015, and the withholding taxes previously reserved were repaid to each fund concerned.

Benchmark: SIX SRI Nordic 200 Net Index 37,5%, Solactive ISS ESG Screened Global Markets Index 37,5%, OMRX Treasury Bill Index 22,5%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 0,75% and HMNI Swe All Government Dur Const 6Y (HMSD6) 1,75%

Up to 30/04/2019: HMNI Swe All Government Dur Const 6Y (HMSD6) 1,75%, VINX Benchmark Cap SEK_NI 37,5%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 0,75%, OMRXTBILL 22,5%, MSCI All Country World Index Net 37,5%
Up to 26/04/2017: HMNI Swe All Government Dur Const 6Y (HMSD6) 8,75%, VINX Benchmark Cap SEK_NI (VINXBCAPSEKN) 37,5%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 3,75%, OMRXTBILL 12,5%, MSCI All Country World Index Net 37,5%

Up to 02/01/2014: HMNI Swe All Government Dur Const 6Y (HMSD6) 8,75%, SHB NORDIX Port Nordic Net (NHNXPOR) 37,5%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 3,75%, OMRXTBILL 12,5%, MSCI All Country World Index Net 37,5%

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 page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.45
Collected mgmt. costs in % of average fund capital	1.45
Annual fees in %	1.59
Transaction costs, SEKt	537
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	164.72
Costs in SEK for monthly savings, 100 SEK	9.88

A maximum fixed fee of 3% may be deducted annually for the management of the underlying funds in which the fund invests assets. During each measurement period, any potential performance-based management fees in the underlying funds may total a maximum of 30% of the excess returns in relation to each of the fund's comparison norms (index or equivalent).

Fund Facts - Other Key Figures

Turnover rate	0.4
Share of turnover conducted via closely-related securities companies in %	3.3
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk %	10.1	Information ratio	Negative
Total risk in index %	9.9	Sharpe ratio	0.8
Benchmark	SIX SRI Nordic 200 Net Index 37,5%, Solactive ISS ESG Screened Global Markets Index 37,5%, OMRX Treasury Bill Index 22,5%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 0,75% och HMNI Swe All Government Dur Const 6Y (HMSD6) 1,75%	Sharpe ratio in index	1.1
Active return %	-2.1		

* 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.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments ¹⁾	-75,908	-11,180
Changes in value for fund units ²⁾	1,216,059	-255,389
Interest income	-238	-329
Dividends	10,986	1,404
Currency exchange profits and losses, net	-3,541	17,706
Other financial income ¹⁾	59,999	44,178
Other income	35	1
Total income and changes in value	1,207,392	-203,609
EXPENSES		
Management costs:		
- Remuneration to the Management Company	93,896	66,977
Interest expense	48	61
Other expenses	438	261
Total expenses	94,382	67,299
Net income	1,113,010	-270,908

¹⁾ Details of changes in value

Capital gains	86,680	199,861
Capital losses	-170,689	-211,041
Unrealised gains/losses	8,101	0
Sum	-75,908	-11,180

²⁾ Details of changes in value

Capital gains	230,311	109,597
Capital losses	-11,738	-19,797
Unrealised gains/losses	997,486	-345,189
Sum	1,216,059	-255,389

1) The item consists primarily of discounts for management costs in underlying funds.

Handelsbanken Multi Asset 75, cont.

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	-	-	7,464	0.1
Fund units	7,203,233	96.5	4,918,368	97.7
Total financial instruments with positive market value ^{Note 2)}	7,203,233	96.5	4,925,832	97.8
Bank assets and other liquid assets	254,575	3.4	100,120	2.0
Prepaid expenses and accrued income	5,556	0.1	4,243	0.1
Other assets	18,280	0.3	21,819	0.4
Total assets	7,481,644	100.3	5,052,014	100.3
LIABILITIES				
OTC derivative instruments with negative market value	141	0.0	-	-
Total financial instruments with negative market value ^{Note 2)}	141	0.0	-	-
Accrued expenses and prepaid income	9,070	0.1	6,349	0.1
Other liabilities	10,002	0.2	11,610	0.3
Total liabilities	19,213	0.3	17,959	0.3
Fund capital ^{Note 1)}	7,462,431	100.0	5,034,056	100.0
Secured collateral for OTC derivative instruments	-	-	5,305	0.1
Other derivative instruments with negative market value ¹⁾	29,175	0.4	9,838	0.2

1) Liquid assets 28 864 tSEK

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	5,034,056	3,397,083
Units issued	2,341,085	2,753,170
Units redeemed	-1,025,720	-845,289
Profit according to Income Statement	1,113,010	-270,908
Dividends to unit holders	-	-
Fund capital at the close of the period	7,462,431	5,034,056

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
STOCK INDEX FUTURES			
EURO STOXX 50 Mar20 ¹⁾	-183	0	0.0
OMXO200A ²⁾	289	0	0.0
OMXS30 ESG Future Jan20 ³⁾	256	0	0.0
STOXX EUROPE 600 Mar20 ⁴⁾	-1,339	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
EURO-BUND Future Mar20 ⁵⁾	-83	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG AC World-SEK	6,000,331	79,864	1.1
Fidelity Funds - Sustainable Water & Waste Fund ac	14,365,785	157,305	2.1
JPM Europe Small Cap A Acc EUR	100,412	108,909	1.5
JPM Fds Multi-Manager Alternative1	278,471	280,172	3.8
SHB Amerika Småbolag Tema (A1 SEK)	277,797	261,365	3.5
SHB Amerika Tema (A1 SEK)	379,044	422,823	5.7
SHB Asien Tema (A1 SEK)	122,394	92,268	1.2
SHB Emerging Markets Index (A1 SEK)	310,022	52,135	0.7
SHB Europa Index Criteria (A1 SEK)	305,844	41,876	0.6
SHB Europa Tema (A1 SEK)	486,719	218,681	2.9
SHB Hållbar Energi (A1 SEK)	416,389	81,659	1.1
SHB Hållsvård Tema (A1 SEK)	313,913	83,544	1.1
SHB Japan Tema (A1 SEK)	1,843,540	179,046	2.4
SHB Norden (A1 SEK)	1,076,483	1,382,289	18.5
SHB Norden Selektiv (A1 SEK)	615,527	285,415	3.8
SHB Nordiska Småbolag (A1 SEK)	394,249	507,615	6.8
SHB Sverige 100 Index Criteria (A1 SEK)	282,042	78,020	1.0
SHB Tillväxtmarknad Tema (A1 SEK)	606,912	226,648	3.0
SHB USA Index Criteria (A1 SEK)	1,119,350	498,702	6.7
UBS Equity Sicav USA Growth	260,582	109,525	1.5
		5,147,862	69.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITY FUNDS**			
XACT Högtutdelande	2,690,678	350,257	4.7
XACT Norden	2,592,020	346,991	4.6
		697,248	9.3
OTHER FUNDS			
JPM Global Macro Sustainable I (acc) SEK H	314,042	310,531	4.2
		310,531	4.2
FIXED INCOME FUNDS			
BlueOrchard Ucits EM Sdg Impact Bond Fu	14,711	14,988	0.2
SHB Företagsobligation (A1 SEK)	391,950	51,892	0.7
SHB Företagsobligation IG (A1 SEK)	1,887,538	191,206	2.6
SHB Hållbar Global Obligation (A1 SEK)	166,592	16,931	0.2
SHB Institutionell Kortränta (A1 SEK)	1,744,842	175,006	2.3
SHB Kredit (A1 NOK)	169,203	18,191	0.2
SHB Långränta (A1 SEK)	350,179	41,345	0.6
SHB Ränteaavkastning (A1 SEK)	6,423	12,314	0.2
SHB Räntestrategi (A1 SEK)	343,939	35,199	0.5
SHB Räntestrategi Plus (A7 SEK)	2,071,235	209,072	2.8
UBS Currency Allocation Return Strategy	106,466	74,554	1.0
UI - Aktia EM Frontier Bond+	252,953	25,832	0.3
UI - Aktia EM Local Currency Bond+ - s1	1,634,586	181,063	2.4
		1,047,592	14.0
Total fund units		7,203,233	96.5

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
SEK/NOK ⁶⁾		-141	0.0
		-141	0.0
Total OTC derivative instruments		-141	0.0
Total other financial instruments		7,203,092	96.5
Total holdings in financial instruments		7,203,092	96.5
Net, other assets and liabilities		259,339	3.5
Total fund capital		7,462,431	100.0

1) Stock index futures with underlying exposure of -71 706 tSEK, which is equivalent to 1.0% of fund capital.

2) Stock index futures with underlying exposure of 26 713 tSEK, which is equivalent to 0.4% of fund capital.

3) Stock index futures with underlying exposure of 44 706 tSEK, which is equivalent to 0.6% of fund capital.

4) Stock index futures with underlying exposure of -291 107 tSEK, which is equivalent to 3.9% of fund capital.

5) Interest rate futures with underlying exposure of -148 706 tSEK, which is equivalent to 2.0% of fund capital.

6) tSEK 15 317/tNOK -14 540, counterpart Skandinaviska Enskilda Banken AB (publ).

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

9.3

87.2

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
JPMorgan Chase	9.5	UI Aktia	2.7
Fidelity Funds	3.2	UBS	2.5

* 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.

Handelsbanken Multi Asset 75

Sustainability dimensions taken into consideration in the management of the fund

The fund takes environmental, social and corporate governance criteria (ESG) into consideration in its selection of investments, i.e., in the selection of the underlying funds. As a result, the fund is placing greater focus on making investments that are in line with the UN's Sustainable Development Goals. Fund managers in the underlying funds are also encouraged to increase investments in green bonds, for example.

Methods used for sustainability efforts

Inclusion

Sustainability is a separate area of assessment in the evaluation of the underlying funds and investments. When striking a balance between returns and risk for equivalent investments, we select the investment we consider to be most sustainable. An important assessment factor is how well sustainability is integrated in the underlying fund. We also work actively to increase the quantitative measurability in our assessments to clarify sustainability dimensions in the portfolio.

Exclusion

In accordance with the Management Company's comprehensive policy for responsible investments, the following are excluded from all of the

Management Company's funds:

- companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within mining of coal or in power companies that have coal as a major source of energy.

The Management Company's engagement activities

We require service providers to use their ownership influence in the underlying companies within the fund. In addition, we work actively to influence service providers to change their policies in a direction we believe is more sustainable in general, as well as within specific funds. This could include the exclusion of certain types of sectors or specific companies. The engagement activities also focus on contributing to the development of new products with a higher standard of sustainability.

The fund is a fund of funds, which means that we do not have a direct impact on the underlying companies, but rather work to have an impact on the fund providers.

Follow-up of sustainability work

During the year we took measures to adjust our holdings to meet the enhanced sustainability criteria. As a result, we exclude* funds with investments in companies whose principle operations are within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. We also exclude funds that invest in companies that violate international norms and conventions regarding human rights, labour law, the environment, and anti-corruption.

Our actively-managed funds may include so-called companies in transition. Companies in transition work to transition their operations towards fossil-free energy production. The principle of excluding fossil fuels can thereby be granted an exemption over a period of time if the company meets our requirements to qualify as a company in transition.

We also changed the benchmark index during the year to better reflect our more sustainable investment criteria. We have had extensive dialogues with providers who are willing to meet our requirements in existing investments and in some cases have jointly launched new funds that comply with the increased requirements. We also sold funds that did not meet our requirements.

The fund has new fund rules as of 1 January 2020, which reflect that the fund is managed with enhanced sustainability criteria.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.



Handelsbanken Multi Asset 100

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in, equity funds, fixed income funds, alternative assets, as well as in other financial instruments. Alternative assets refer to funds or other financial instruments that provide exposure to commodities, real estate and other permitted exposures in addition to equities or fixed income for the purpose of increasing the fund's diversification. The fund invests primarily in funds within Handelsbanken as well as in fund that are managed by other fund management companies. The equity portion in the fund can fluctuate between 85% and 115% depending on market conditions. The fixed income portion can fluctuate between 0% and 20% depending on market conditions. The portion of alternative assets can vary between 0% and 30% depending on market conditions. Fund management is adjusted within each interval based on the prevailing market conditions. The current allocation is shown under Portfolio Distribution at www.handelsbanken.se/funds. We compare fund performance with a composite index consisting of SIX SRI Nordic 200 Net Index 50% and Solactive ISS ESG Screened Global Markets Index 50%. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 29.3% in 2019*. A weaker global economy led many central banks to pursue a more expansive monetary policy. Expectations for a long period of low interest rates resulted in a sharp upturn in the equity markets. Decreased concerns about the trade war and Brexit also contributed to an increased risk appetite. The World Index rose 34.92% (SEK). A weaker SEK contributed to returns on foreign holdings. The US equity market posted the most strength, while Japan was slightly weaker. Market rates in the US, Europe and Sweden fell, which resulted in bonds outperforming fixed income investments with a shorter duration. Our holdings in emerging market bonds posted strength during the year. We had a lower risk in equities during most of the year. Regionally, we prefer the Swedish stock market over the European. We are neutral to Japan, emerging markets and the US. We have an overweight in emerging market bonds. We purchased holdings in Handelsbanken Hälsovård Tema, Aktia Emerging Market Frontier Debt Fund as well as Fidelity Sustainable Water and Waste Fund. We also purchased holdings in the currency fund UBS Currency Allocation Return Strategy and the absolute return fund JPM Multi Manager Alternatives.

* 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 a mixed fund that normally implies an investment with low risk. The risk in the fund is due to the fund's allocation between the equity, fixed income and alternative investment asset classes. An investment in equities, equity funds and alternative investments can be associated with high risk and returns in the fund can vary significantly over time. An

investment in interest-bearing securities or in a fixed income fund is associated with interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The duration on holdings in the fund can vary significantly over time. The fund may concentrate its investments by region and sector. This means that the risk in the fund can be higher than an investment in a diversified global fund that allocates its investments across several regions or sectors. Given that the fund's investments are made in foreign equities denominated in another currency other than the fund's base currency, an investment in the fund is associated with currency risk. Given that the fund consists of different share classes, the changes in exchange rates can result in a differentiation in risk classifications between different share classes depending on the type of currency in which the share class is traded. An investment in an interest-bearing 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 interest-bearing securities issued by companies or states with a low credit quality increases. The fund may invest in derivatives as part of its investment focus with the aim of increasing returns in the fund and to create leverage. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

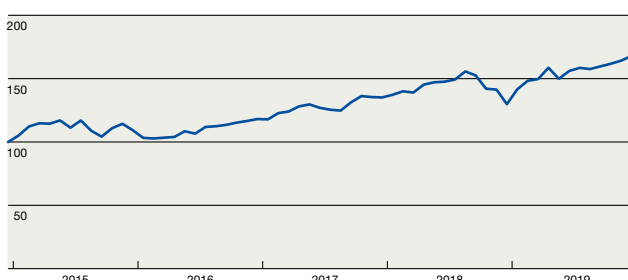
Information

On 30 April 2019, the fund changed index from MSCI AC World Net 50% and VINX Benchmark Cap SEK NI 50% to SIX SRI Nordic 200 Net Index 50% and Solactive ISS ESG Screened Global Markets Index 50%. This was due to the change to a sustainability-oriented index that excludes a greater number of controversial business operations than previously. The fund's investment focus has not been affected by the change.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

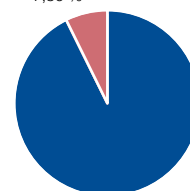
Fund Performance*



* Performance is shown in the fund's base currency. The fund may have several share classes, which are referred to in the Fund Facts.

Market Exposure*

Interest-bearing, including liquid assets
7,30 %



Equities, shares 92,70 %

* The fund's allocation of investments within the markets as of 31/12/2019, relative to the fund's total assets on this date.

Handelsbanken Multi Asset 100, cont.

Fund Facts - History

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net asset value										
Multi Asset 100 A1 - SEK ¹⁾	338.81	261.97	272.66	238.26	220.41	201.74	168.87	136.62	122.83	146.32
Multi Asset 100 A1 - EUR ¹⁾	32.24	25.85	27.73	24.87	24.07	21.30	-	-	-	-
Multi Asset 100 A1 - NOK ¹⁾	318.04	255.86	272.39	225.75	231.41	193.22	-	-	-	-
The fund's total net flow, mSEK	1,356	1,055	1,037	667	907	320	75	-45	-	-
Fund capital total, mSEK	16,150	11,343	10,822	8,499	7,181	5,759	-	-	-	-
Multi Asset 100 A1 - SEK	15,832	11,114	10,601	8,318	7,010	5,601	4,409	3,501	3,112	3,709
Multi Asset 100 A1 - EUR	23	16	14	11	11	10	-	-	-	-
Multi Asset 100 A1 - NOK	74	61	80	70	78	56	-	-	-	-
Number of units, 1000's	47,666	43,298	39,692	35,672	32,581	28,546	-	-	-	-
Multi Asset 100 A1 - SEK	46,728	42,425	38,879	34,909	31,807	27,762	26,109	25,628	25,335	25,346
Multi Asset 100 A1 - EUR	704	635	520	452	437	492	-	-	-	-
Multi Asset 100 A1 - NOK	234	238	293	311	337	292	-	-	-	-
Total returns in %, SEK										
Multi Asset 100 A1 - SEK	+29.3	-3.9	+14.4	+8.1	+9.3	+19.5	+23.6	+14.4	-14.3	+13.6
Multi Asset 100 A1 - EUR	+24.7	-6.8	+11.5	+3.3	+13.0	+11.6	-	-	-	-
Multi Asset 100 A1 - NOK	+24.3	-6.1	+20.7	-2.4	+19.8	+21.1	+36.5	+12.4	-13.8	+21.4
Index including dividends in %, SEK										
Multi Asset 100 A1 - SEK	+32.4	-2.7	+12.6	+11.9	+8.4	+22.0	+23.8	+13.2	-11.2	+12.8
Multi Asset 100 A1 - EUR	+27.7	-5.6	+9.7	+7.0	+12.1	+14.0	-	-	-	-
Multi Asset 100 A1 - NOK	+27.2	-4.9	+18.7	+1.0	+18.8	+23.7	+36.7	+11.2	-10.6	+20.5
Tracking error, 2 yrs. %										
Multi Asset 100 A1 - SEK	1.5	1.5	1.3	1.8	1.7	1.4	1.7	2.2	1.9	1.4
Multi Asset 100 A1 - EUR	1.5	1.5	1.3	1.8	1.7	1.4	-	-	-	-
Multi Asset 100 A1 - NOK	1.5	1.5	1.3	1.8	1.7	1.4	-	-	-	-
Average yearly return, 2 yrs. %										
Multi Asset 100 A1 - SEK	+11.5	+4.9	+11.2	+8.7	+14.2	+21.5	+18.9	-1.0	-1.4	+23.2
Multi Asset 100 A1 - EUR	+7.8	+2.0	+7.3	+8.1	+12.3	+15.6	+19.3	+1.5	+5.8	+36.1
Multi Asset 100 A1 - NOK	+8.1	+6.5	+8.5	+8.1	+20.4	+28.6	+23.9	-1.5	+2.3	+21.8
Comparison to index including dividends, %										
SEK	+13.5	+4.7	+12.3	+10.1	+15.0	+22.9	+18.4	+0.3	+0.1	+20.5
EUR	+9.8	+1.8	+8.3	+9.5	+13.1	+17.0	+18.7	+2.8	+7.4	+33.1
NOK	+10.0	+6.3	+9.5	+9.5	+21.3	+30.1	+23.3	-0.3	+3.8	+19.1
Average yearly return, 5 yrs. %										
Multi Asset 100 A1 - SEK	+10.9	+9.2	+14.8	+14.8	+9.6	+10.5	+13.0	-1.7	-3.1	+2.2
Multi Asset 100 A1 - EUR	+8.6	+6.3	+11.7	+13.1	+9.3	+12.2	+18.0	+0.2	-2.8	+3.0
Multi Asset 100 A1 - NOK	+10.5	+9.9	+18.4	+16.8	+13.9	+14.2	+14.4	-1.4	-3.9	+2.5
Comparison to index including dividends, %										
SEK	+12.0	+10.2	+15.6	+15.7	+10.5	+11.4	+12.6	-1.3	-2.3	+2.4
EUR	+9.7	+7.2	+12.5	+14.0	+10.1	+13.1	+17.6	+0.7	-2.0	+3.2
NOK	+11.5	+10.9	+19.2	+17.7	+14.9	+15.2	+14.0	-0.9	-3.2	+2.7
Average yearly return, 10 yrs. %										
Multi Asset 100 A1 - SEK	+10.7	+11.1	+6.2	+5.5	+5.8	+8.3	-	-	-	-
Multi Asset 100 A1 - EUR	+10.4	+12.0	+5.8	+4.9	+6.1	+7.8	-	-	-	-
Multi Asset 100 A1 - NOK	+12.3	+12.2	+8.1	+5.9	+8.1	+8.8	-	-	-	-
Comparison to index including dividends, %										
SEK	+11.7	+11.4	+6.8	+6.3	+6.3	+8.8	-	-	-	-
EUR	+11.4	+12.3	+6.4	+5.7	+6.6	+8.3	-	-	-	-
NOK	+13.3	+12.5	+8.7	+6.8	+8.6	+9.3	-	-	-	-
Dividends per unit, SEK	-	-	-	-	-	-	-	3.82	2.87	3.64
Exchange rate EUR/SEK	10.51	10.13	9.83	9.58	9.16	9.47	-	-	-	-
Exchange rate NOK/SEK	1.07	1.02	1.00	1.06	0.95	1.04	-	-	-	-

¹⁾ The net asset value was adjusted on June 16, 2014 after a judgment in the Administrative Court in Falun. Pursuant to the judgment, funds with U.S. Holdings shall be charged with full U.S. withholding taxes as of January 1, 2012. As of June 16, 2014, full U.S. withholdings taxes were deducted until an Administrative Court of Appeals in Sundsvall changed the Administrative Court's judgment on March 30, 2015, and the withholding taxes previously reserved were repaid to each fund concerned.

Benchmark: SIX SRI Nordic 200 Net Index 50% and Solactive ISS ESG Screened Global Markets Index 50%

Up to 01/02/2014: SHB NORDIX Port Nordic Net (NHXPORT) 50%, MSCI All Country World Index Net 50%

Up to 30/04/2019: MSCI AC World Net 50%, VINX Benchmark Cap SEK NI 50%

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 information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.55
Collected mgmt. costs in % of average fund capital	1.55
Annual fees in %	1.61
Transaction costs, SEKt	1,505
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	184.02
Costs in SEK for monthly savings, 100 SEK	10.77

A maximum fixed fee of 3% may be deducted annually for the management of the underlying funds in which the fund invests assets. During each measurement period, any potential performance-based management fees in the underlying funds may total a maximum of 30% of the excess returns in relation to each of the fund's comparison norms (index or equivalent).

Fund Facts - Other Key Figures

Turnover rate	0.3
Share of turnover conducted via closely-related securities companies in %	6.6
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	13.4	Information ratio - A1 SEK	Negative
Total risk % - A1 EUR	11.9	Information ratio - A1 EUR	Negative
Total risk % - A1 NOK	10.6	Information ratio - A1 NOK	Negative
Total risk in index % - A1 SEK	13.2	Sharpe ratio - A1 SEK	0.9
Total risk in index % - A1 EUR	11.6	Sharpe ratio - A1 EUR	0.7
Total risk in index % - A1 NOK	10.6	Sharpe ratio - A1 NOK	0.7
Benchmark	SIX SRI Nordic 200 Net Index 50% och Solactive ISS ESG Screened Global Markets Index 50%	Sharpe ratio in index - A1 SEK	1.1
		Sharpe ratio in index - A1 EUR	0.9
		Sharpe ratio in index - A1 NOK	0.9
Active return % - A1 SEK	-2.0		
Active return % - A1 EUR	-2.0		
Active return % - A1 NOK	-2.0		

* 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.

Handelsbanken Multi Asset 100, cont.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	-6,524	-72,740
Changes in value for fund units **	3,470,423	-474,253
Interest income	-704	-758
Dividends	41,772	12,705
Currency exchange profits and losses, net	3,237	44,666
Other financial income ¹⁾	166,017	145,287
Other income	70	0
Total income and changes in value	3,674,291	-345,093
EXPENSES		
Management costs:		
- Remuneration to the Management Company	222,161	189,238
Interest expense	47	100
Other expenses	1,155	568
Total expenses	223,363	189,906
Net income	3,450,928	-534,999
* Details of changes in value		
Capital gains	351,643	538,454
Capital losses	-355,460	-611,194
Unrealised gains/losses	-2,707	-
Sum	-6,524	-72,740
** Details of changes in value		
Capital gains	789,621	527,214
Capital losses	-28,917	-7,863
Unrealised gains/losses	2,709,719	-993,604
Sum	3,470,423	-474,253

1) The item consists primarily of discounts for management costs in underlying funds.

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	1,237	0.0	17,029	0.2
Fund units	15,854,292	98.2	11,251,400	99.2
Total financial instruments with positive market value ^{Note 2)}	15,855,529	98.2	11,268,429	99.4
Bank assets and other liquid assets	297,114	1.8	68,301	0.6
Prepaid expenses and accrued income	19,513	0.1	12,210	0.1
Other assets	19,952	0.2	30,121	0.2
Total assets	16,192,108	100.3	11,379,061	100.3
LIABILITIES				
OTC derivative instruments with negative market value	-	-	3,273	0.0
Total financial instruments with negative market value ^{Note 2)}	-	-	3,273	0.0
Accrued expenses and prepaid income	21,035	0.1	15,529	0.1
Other liabilities	21,146	0.2	17,527	0.2
Total liabilities	42,181	0.3	36,329	0.3
Fund capital ^{Note 1)}	16,149,927	100.0	11,342,732	100.0
Secured collateral for OTC derivative instruments	-	-	11,250	0.1
Other derivative instruments with negative market value ¹⁾	57,663	0.4	28,992	0.3

1) Liquid assets 57 449 tSEK

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	11,342,732	10,822,453
Units issued	2,785,908	2,423,295
Units redeemed	-1,429,641	-1,368,017
Profit according to Income Statement	3,450,928	-534,999
Dividends to unit holders	-	-
Fund capital at the close of the period	16,149,927	11,342,732

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
STOCK INDEX FUTURES			
EURO STOXX 50 Mar20 ¹⁾	-398	0	0.0
OMX200A ²⁾	631	0	0.0
OMXS30 ESG Future Jan20 ³⁾	1,933	0	0.0
STOXX EUROPE 600 Mar20 ⁴⁾	-1,455	0	0.0
Total stock index futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG AC World-SEK	17,479,632	232,654	1.4
Fidelity Funds - Sustainable Water & Waste F und ac	41,845,810	458,212	2.8
JPM Europe Small Cap A Acc EUR	294,864	319,813	2.0
SHB Amerika Småbolag Tema (A1 SEK)	862,162	811,164	5.0
SHB Amerika Tema (A1 SEK)	1,083,213	1,208,324	7.5
SHB Asien Tema (A1 SEK)	338,185	254,943	1.6
SHB Emerging Markets Index (A1 SEK)	894,294	150,388	0.9
SHB Europa Index Criteria (A1 SEK)	3,472	475	0.0
SHB Europa Tema (A1 SEK)	1,126,305	506,043	3.1
SHB Hållbar Energi (A1 SEK)	1,215,365	238,347	1.5
SHB Hälsovård Tema (A1 SEK)	915,714	243,706	1.5
SHB Japan Tema (A1 SEK)	5,381,327	522,640	3.2
SHB Norden (A1 SEK)	2,392,760	3,072,492	19.0
SHB Norden Selektiv (A1 SEK)	2,213,854	1,026,548	6.4
SHB Nordiska Småbolag (A1 SEK)	1,412,944	1,819,236	11.3
SHB Sverige 100 Index Criteria (A1 SEK)	575,365	159,161	1.0
SHB Tillväxtmarknad Tema (A1 SEK)	1,751,911	654,242	4.1
SHB USA Index Criteria (A1 SEK)	3,341,149	1,488,575	9.2
UBS Equity Sicav USA Growth	547,121	229,961	1.4
		13,396,925	83.0
LISTED EQUITY FUNDS**			
XACT Högtutdelande	8,868,319	1,154,426	7.1
XACT Norden	7,534,512	1,008,636	6.2
		2,163,062	13.4
FIXED INCOME FUNDS			
SHB Räntestrategi (A1 SEK)	356	36	0.0
UI - Aktia EM Local Currency Bond+ - s1	2,656,575	294,269	1.8
		294,305	1.8
Total fund units		15,854,292	98.2

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
EUR/SEK ⁵⁾		1,237	0.0
		1,237	0.0
Total OTC derivative instruments		1,237	0.0
Total other financial instruments		15,855,529	98.2
Total holdings in financial instruments		15,855,529	98.2
Net, other assets and liabilities		294,398	1.8
Total fund capital		16,149,927	100.0

1) Stock index futures with underlying exposure of -155 950 tSEK, which is equivalent to 1.0% of fund capital.

2) Stock index futures with underlying exposure of 58 325 tSEK, which is equivalent to 0.4% of fund capital.

3) Stock index futures with underlying exposure of 337 562 tSEK, which is equivalent to 2.1% of fund capital.

4) Stock index futures with underlying exposure of -316 326 tSEK, which is equivalent to 2.0% of fund capital.

5) EUR 27 970/tSEK -292 988, counterpart Skandinaviska Enskilda Banken AB (publ).

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

Compilation, Company and Group exposure*

Company/Group	% of fund capital
Fidelity Funds	4.2

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

Handelsbanken Multi Asset 100

Sustainability dimensions taken into consideration in the management of the fund

The fund takes environmental, social and corporate governance criteria (ESG) into consideration in its selection of investments, i.e., in the selection of the underlying funds. As a result, the fund is placing greater focus on making investments that are in line with the UN's Sustainable Development Goals. Fund managers in the underlying funds are also encouraged to increase investments in green bonds, for example.

Methods used for sustainability efforts

Inclusion

Sustainability is a separate area of assessment in the evaluation of the underlying funds and investments. When striking a balance between returns and risk for equivalent investments, we select the investment we consider to be most sustainable. An important assessment factor is how well sustainability is integrated in the underlying fund. We also work actively to increase the quantitative measurability in our assessments to clarify sustainability dimensions in the portfolio.

Exclusion

In accordance with the Management Company's comprehensive policy for responsible investments, the following are excluded from all of the

Management Company's funds:

- companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within mining of coal or in power companies that have coal as a major source of energy.

The Management Company's engagement activities

We require service providers to use their ownership influence in the underlying companies within the fund. In addition, we work actively to influence service providers to change their policies in a direction we believe is more sustainable in general, as well as within specific funds. This could include the exclusion of certain types of sectors or specific companies. The engagement activities also focus on contributing to the development of new products with a higher standard of sustainability.

The fund is a fund of funds, which means that we do not have a direct impact on the underlying companies, but rather work to have an impact on the fund providers.

Follow-up of sustainability work

During the year we took measures to adjust our holdings to meet the enhanced sustainability criteria. As a result, we exclude* funds with investments in companies whose principle operations are within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. We also exclude funds that invest in companies that violate international norms and conventions regarding human rights, labour law, the environment, and anti-corruption.

Our actively-managed funds may include so-called companies in transition. Companies in transition work to transition their operations towards fossil-free energy production. The principle of excluding fossil fuels can thereby be granted an exemption over a period of time if the company meets our requirements to qualify as a company in transition.

We also changed the benchmark index during the year to better reflect our more sustainable investment criteria. We have had extensive dialogues with providers who are willing to meet our requirements in existing investments and in some cases have jointly launched new funds that comply with the increased requirements. We also sold funds that did not meet our requirements.

The fund has new fund rules as of 1 January 2020, which reflect that the fund is managed with enhanced sustainability criteria.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.



Handelsbanken Multi Asset 120

Management Report

Investment Focus

The fund is actively managed whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in equity funds, fixed income funds, alternative assets, as well as in other financial instruments. Alternative assets refer to funds or other financial instruments that provide exposure to commodities, real estate and other permitted exposures in addition to equities or fixed income for the purpose of increasing the fund's diversification. The fund invests primarily in funds within Handelsbanken as well as in fund that are managed by other fund management companies. The equity portion in the fund can fluctuate between 100% and 140% depending on market conditions. The fixed income portion can fluctuate between 0% and 20% depending on market conditions. The portion of alternative assets can vary between 0% and 30% depending on market conditions. Fund management is adjusted within each interval based on the prevailing market conditions. The current allocation is shown under Portfolio Distribution at www.handelsbanken.se/funds. We compare fund performance with a composite index consisting of SIX SRI Nordic 200 Net Index 60%, Solactive ISS ESG Screened Global Markets Index 60% and OMRX Treasury Bill Index -20%. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 36.9% in 2019*. A weaker global economy led many central banks to pursue a more expansive monetary policy. Expectations for a long period of low interest rates resulted in a sharp upturn in the equity markets. Decreased concerns about the trade war and Brexit also contributed to an increased risk appetite. The World Index rose 34.92% (SEK). A weaker SEK contributed to returns on foreign holdings. The US equity market posted the most strength, while Japan was slightly weaker. Market rates in the US, Europe and Sweden fell, which resulted in bonds outperforming fixed income investments with a shorter duration. Our holdings in emerging market bonds posted strength during the year. We had a lower risk in equities during most of the year. Regionally, we prefer the Swedish stock market over the European. We are neutral to Japan, emerging markets and the US. We have an overweight in emerging market bonds. We purchased holdings in Handelsbanken Hålsövärd Tema, Aktia Emerging Market Frontier Debt Fund as well as Fidelity Sustainable Water and Waste Fund. We also purchased holdings in the currency fund UBS Currency Allocation Return Strategy and the absolute return fund JPM Multi Manager Alternatives.

* Refer to fund statistics for comparable index.

Significant risks

The fund is a mixed fund that normally means an investment with high risk. The risk in the fund depends on the allocation between the equity, fixed income and alternative investment asset classes. An investment in equities, equity funds and alternative investments can be associated with high risk and returns in the fund can vary significantly over time. An investment in interest-bearing securities or in a fixed income fund is

associated with interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The duration on holdings in the fund can vary significantly over time. The fund may concentrate its investments by region and sector. This means that the risk in the fund can be higher than an investment in a diversified global fund that allocates its investments across several regions or sectors. Given that the fund's investments are made in foreign equities denominated in another currency other than the fund's base currency, an investment in the fund is associated with currency risk. An investment in an interest-bearing 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 interest-bearing securities issued by companies or states with a low credit quality increases. The fund may invest in derivatives as part of its investment focus with the aim of increasing returns in the fund and to create leverage. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

• Highest leverage during the financial year	30.5%
• Lowest leverage during the financial year	23.6%
• Average leverage during the financial year	25.9%

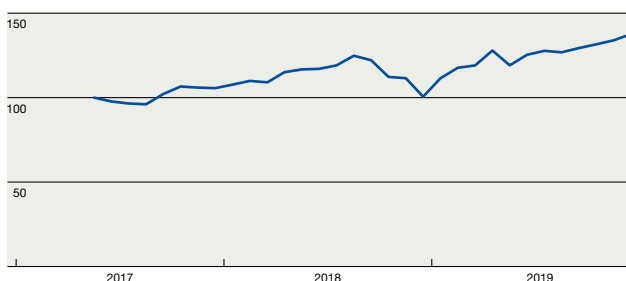
Information

On 30 April 2019, the fund changed index from VINX Benchmark Cap SEK_NI 60%, OMRXTBILL -20% and MSCI All Country World Index Net 60% to SIX SRI Nordic 200 Net Index 60%, Solactive ISS ESG Screened Global Markets Index 60% and OMRX Treasury Bill Index -20%. This was due to the change to a sustainability-oriented index that excludes a greater number of controversial business operations than previously. The fund's investment focus has not been affected by the change.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

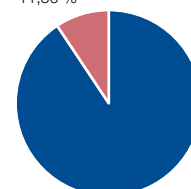
Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Fund Performance*



Market Exposure*

Interest-bearing, including liquid assets
-11,50 %



Equities, shares 111,50 %

* The fund's allocation of investments within the markets as of 31/12/2019, relative to the fund's total assets on this date.

Handelsbanken Multi Asset 120, cont.

Fund Facts - History

	2019	2018	10/5-31/12 2017	2016	2015	2014	2013	2012	2011	2010
Net asset value, SEK	136.90	100.03	105.09	-	-	-	-	-	-	-
The fund's total net flow, mSEK	201	308	151	-	-	-	-	-	-	-
Fund capital, mSEK	784	412	154	-	-	-	-	-	-	-
Number of units, 1000's	5,725	4,119	1,461	-	-	-	-	-	-	-
Total returns in %, SEK	+36.9	-4.8	+5.1	-	-	-	-	-	-	-
Index including dividends in %, SEK	+39.9	-3.2	+2.5	-	-	-	-	-	-	-
Tracking error, 2 yrs. %	1.7	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %	+14.1	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+16.3	-	-	-	-	-	-	-	-	-

Benchmark: SIX SRI Nordic 200 Net Index 60%, Solactive ISS ESG Screened Global Markets Index 60% and OMRX Treasury Bill Index -20%

Up to 28/02/2019: VINX Benchmark Cap SEK_NI 60%, OMRXTBILL -20%, MSCI All Country World Index Net 60%

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 page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.60
Collected mgmt. costs in % of average fund capital	1.60
Annual fees in %	1.67
Transaction costs, SEKt	168
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	196.93
Costs in SEK for monthly savings, 100 SEK	11.29

A maximum fixed fee of 3% may be deducted annually for the management of the underlying funds in which the fund invests assets. During each measurement period, any potential performance-based management fees in the underlying funds may total a maximum of 30% of the excess returns in relation to each of the fund's comparison norms (index or equivalent).

Fund Facts - Other Key Figures

Turnover rate	0.4
Share of turnover conducted via closely-related securities companies in %	7.3
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk %	16.2	Information ratio	Negative
Total risk in index %	15.8	Sharpe ratio	0.9
Benchmark	SIX SRI Nordic 200 Net Index 60%, Solactive ISS ESG Screened Global Markets Index 60% och OMRX Treasury Bill Index -20%	Sharpe ratio in index	1.1
Active return %	-2.2		

* 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.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	32,019	-11,591
Changes in value for fund units **	133,574	-40,504
Interest income	134	31
Dividends	2,283	-
Currency exchange profits and losses, net	5,151	3,609
Other financial income ¹⁾	7,518	4,307
Other income	25	0
Total income and changes in value	180,704	-44,148
EXPENSES		
Management costs:		
- Remuneration to the Management Company	9,835	5,202
Interest expense	4	16
Other expenses	147	65
Total expenses	9,986	5,283
Net income	170,718	-49,431
* Details of changes in value		
Capital gains	77,909	71,298
Capital losses	-50,479	-82,889
Unrealised gains/losses	4,589	0
Sum	32,019	-11,591
** Details of changes in value		
Capital gains	11,173	3,051
Capital losses	-2,772	-2,633
Unrealised gains/losses	125,173	-40,922
Sum	133,574	-40,504

¹⁾ The item consists primarily of discounts for management costs in underlying funds.

Handelsbanken Multi Asset 120, cont.

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	18	0.0	606	0.2
Fund units	728,441	93.0	392,699	95.3
Total financial instruments with positive market value ^{Note 2)}	728,459	93.0	393,305	95.5
Bank assets and other liquid assets	56,956	7.3	17,937	4.4
Prepaid expenses and accrued income	773	0.1	493	0.1
Other assets	2,732	0.3	3,904	0.9
Total assets	788,920	100.7	415,639	100.9
LIABILITIES				
OTC derivative instruments with negative market value	3,503	0.5	1,592	0.4
Total financial instruments with negative market value ^{Note 2)}	3,503	0.5	1,592	0.4
Accrued expenses and prepaid income	1,028	0.1	581	0.1
Other liabilities	651	0.1	1,464	0.4
Total liabilities	5,182	0.7	3,637	0.9
Fund capital ^{Note 1)}	783,738	100.0	412,002	100.0
Secured collateral for OTC derivative instruments ¹⁾	2,732	0.3	-	-
Other derivative instruments with negative market value ²⁾	10,846	1.4	8,031	1.9

1) Liquid assets SEK 2 732 t
2) Liquid assets 10 951 tSEK

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	412,002	153,582
Units issued	491,085	471,960
Units redeemed	-290,067	-164,109
Profit according to Income Statement	170,718	-49,431
Dividends to unit holders	-	-
Fund capital at the close of the period	783,738	412,002

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
STOCK INDEX FUTURES			
EURO STOXX 50 Mar20 ¹⁾	21	0	0.0
OMXO200A ²⁾	205	0	0.0
OMXS30 ESG Future Jan20 ³⁾	399	0	0.0
S&P500 EMINI FUT Mar20 ⁴⁾	64	0	0.0
STOXX EUROPE 600 Mar20 ⁵⁾	-62	0	0.0
Total stock index futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG AC World-SEK	1,039,645	13,838	1.8
Fidelity Funds - Sustainable Water & Waste Fund ac	2,500,682	27,382	3.5
JPM Europe Small Cap A Acc EUR	16,024	17,379	2.2
SHB Amerika Småbolag Tema (A1 SEK)	44,909	42,253	5.4
SHB Amerika Tema (A1 SEK)	62,280	69,473	8.9
SHB Asien Tema (A1 SEK)	20,521	15,470	2.0
SHB Emerging Markets Index (A1 SEK)	52,455	8,821	1.1
SHB Europa Tema (A1 SEK)	33,026	14,838	1.9
SHB Hållbar Energi (A1 SEK)	74,599	14,630	1.9
SHB Hälsovård Tema (A1 SEK)	52,264	13,909	1.8
SHB Japan Tema (A1 SEK)	298,042	28,946	3.7
SHB Norden (A1 SEK)	114,943	147,595	18.8
SHB Norden Selektiv (A1 SEK)	131,228	60,849	7.8
SHB Nordiska Småbolag (A1 SEK)	86,262	111,066	14.2
SHB Sverige 100 Index Criteria (A1 SEK)	29,436	8,143	1.0
SHB Tillväxtmarknad Tema (A1 SEK)	101,234	37,805	4.8
UBS Equity Sicav USA Growth	27,290	11,470	1.5
		643,870	82.2
LISTED EQUITY FUNDS**			
XACT Högutdelande	531,222	69,151	8.8
XACT Norden	58	8	0.0
		69,159	8.8
FIXED INCOME FUNDS			
SHB Råntestategi (A1 SEK)	1,837	188	0.0
UI - Aktia EM Local Currency Bond+ - s1	137,437	15,224	1.9
		15,412	2.0
Total fund units		728,441	93.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
DKK/SEK ⁶⁾		-242	0.0
EUR/SEK ⁷⁾		-425	-0.1
NOK/SEK ⁸⁾		18	0.0
USD/SEK ⁹⁾		-2,836	-0.4
		-3,485	-0.5
Total OTC derivative instruments		-3,485	-0.5
Total other financial instruments		724,956	92.5
Total holdings in financial instruments		724,956	92.5
Net, other assets and liabilities		58,782	7.5
Total fund capital		783,738	100.0

1) Stock index futures with underlying exposure of 8 229 tSEK, which is equivalent to 1.0% of fund capital.
2) Stock index futures with underlying exposure of 18 949 tSEK, which is equivalent to 2.4% of fund capital.
3) Stock index futures with underlying exposure of 69 678 tSEK, which is equivalent to 8.9% of fund capital.
4) Stock index futures with underlying exposure of 96 789 tSEK, which is equivalent to 12.3% of fund capital.
5) Stock index futures with underlying exposure of -13 479 tSEK, which is equivalent to 1.7% of fund capital.
6) DKK 9 200/tSEK -13 191, counterpart Citibank Plc.
7) tEUR 2 526/tSEK -27 035, counterpart Citibank Plc. tEUR 1 230/tSEK -12 884, counterpart Skandinaviska Enskilda Banken AB (publ).
8) tNOK 2 692/tSEK -2 844, counterpart Skandinaviska Enskilda Banken AB (publ).
9) tUSD 8 571/tSEK -82 891, counterpart Citibank Plc.

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

8.8
83.7

Compilation, Company and Group exposure*

Company/Group	% of fund capital
Fidelity Funds	5.3

* 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.

Handelsbanken Multi Asset 120

Sustainability dimensions taken into consideration in the management of the fund

The fund takes environmental, social and corporate governance criteria (ESG) into consideration in its selection of investments, i.e., in the selection of the underlying funds. As a result, the fund is placing greater focus on making investments that are in line with the UN's Sustainable Development Goals. Fund managers in the underlying funds are also encouraged to increase investments in green bonds, for example.

Methods used for sustainability efforts

Inclusion

Sustainability is a separate area of assessment in the evaluation of the underlying funds and investments. When striking a balance between returns and risk for equivalent investments, we select the investment we consider to be most sustainable. An important assessment factor is how well sustainability is integrated in the underlying fund. We also work actively to increase the quantitative measurability in our assessments to clarify sustainability dimensions in the portfolio.

Exclusion

In accordance with the Management Company's comprehensive policy for responsible investments, the following are excluded from all of the

Management Company's funds:

- companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within mining of coal or in power companies that have coal as a major source of energy.

The Management Company's engagement activities

We require service providers to use their ownership influence in the underlying companies within the fund. In addition, we work actively to influence service providers to change their policies in a direction we believe is more sustainable in general, as well as within specific funds. This could include the exclusion of certain types of sectors or specific companies. The engagement activities also focus on contributing to the development of new products with a higher standard of sustainability.

The fund is a fund of funds, which means that we do not have a direct impact on the underlying companies, but rather work to have an impact on the fund providers.

Follow-up of sustainability work

During the year we took measures to adjust our holdings to meet the enhanced sustainability criteria. As a result, we exclude* funds with investments in companies whose principle operations are within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. We also exclude funds that invest in companies that violate international norms and conventions regarding human rights, labour law, the environment, and anti-corruption.

Our actively-managed funds may include so-called companies in transition. Companies in transition work to transition their operations towards fossil-free energy production. The principle of excluding fossil fuels can thereby be granted an exemption over a period of time if the company meets our requirements to qualify as a company in transition.

We also changed the benchmark index during the year to better reflect our more sustainable investment criteria. We have had extensive dialogues with providers who are willing to meet our requirements in existing investments and in some cases have jointly launched new funds that comply with the increased requirements. We also sold funds that did not meet our requirements.

The fund has new fund rules as of 1 January 2020, which reflect that the fund is managed with enhanced sustainability criteria.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.



Handelsbanken Pension 50 Aktiv

Management Report

Investment Focus

The fund is most appropriate for investors born in the 1950s. The objective of the fund is to achieve good returns while gradually lowering risk up to the time of retirement. We decrease the proportion of equities and gradually increase the proportion of interest-bearing securities until the retirement age. The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in Swedish fixed income funds, as well as in Nordic and global equity funds without being limited to a specific sector or geographic area. The fund invests primarily in funds within Handelsbanken as well as in funds managed by other fund management companies. For the current distribution, refer to the Portfolio distribution section at www.handelsbanken.se/funds. We compare fund performance to an index consisting of SIX SRI Nordic 200 Net Index: 29.375%, Solactive ISS ESG Screened Global Markets Index: 29.375%, HMNI Swe Gov Dur Const 6y (HMSD6): 14.438%, HMNI Swe Mort Dur Const 2.5y (HMSMD25): 6.188% and OMRXTBILL 20.625%. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 12.8% in 2019*. A weaker global economy led many central banks to pursue a more expansive monetary policy. Expectations for a long period of low interest rates resulted in a sharp upturn in the equity markets. Decreased concerns about the trade war and Brexit also contributed to an increased risk appetite. The World Index rose 34.92% (SEK). A weaker SEK contributed to returns on foreign holdings. The US equity market posted the most strength, while Japan was slightly weaker. Market rates in the US, Europe and Sweden fell, which resulted in bonds outperforming fixed income investments with a shorter duration. Our holdings in emerging market bonds posted strength during the year. We had a lower risk in equities during most of the year. Regionally, we prefer the Swedish stock market over the European. We are neutral to Japan, emerging markets and the US. We purchased holdings in Handelsbanken Hälsovård Tema, Aktia Emerging Market Frontier Debt Fund as well as Fidelity Sustainable Water and Waste Fund. Within fixed income, we had a short duration in our Swedish holdings as well as an overweight in emerging market bonds.

*) Refer to fund statistics for comparable index.

Significant risks

The fund is a mixed fund that normally implies an investment with moderately high risk. The risk in the fund is due to the fund's allocation between the equity and fixed income asset classes. An investment in equities and equity funds can be associated with high risk and can fluctuate significantly over time. An investment in fixed income securities or in a fixed income fund is associated with interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long

residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The duration on holdings in the fund can vary significantly over time. The fund may make concentrated investments with regard to regions and sectors. This means that the risk in the fund can be higher than an investment in a diversified global fund that allocates its investments across several regions or sectors. Given that the fund's investments are made in foreign equities denominated in another currency other than the fund's base currency, an investment in the fund is associated with currency risk. An investment in an interest-bearing 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 interest-bearing securities issued by companies or states with a low credit quality increases. The fund may invest in derivatives as part of its investment focus to increase returns in the fund or to create leverage. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

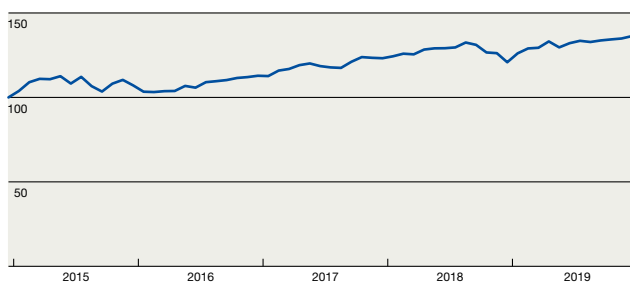
As of April 30, 2019 the fund changed its index from HMNI Swe All Government Dur Const 6Y (HMSD6) 15,75%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 6,75%, VINX Benchmark Cap SEK_NI 27,5%, OMRXTBILL 22,5%, MSCI All Country World Index Net 27,5% to SIX SRI Nordic 200 Net Index 29,375%, Solactive ISS ESG Screened Global Markets Index 29,375%, HMNI Swe Gov Dur Const 6y (HMSD6) 14,438%, HMNI Swe Mort Dur Const 2,5y (HMSMD25) 6,188% and OMRXTBILL 20,625%. The reason for the change of index was a sustainability adjustment of the fund to exclude more controversial activities than before. The fund's investment policy has not been affected.

The fund's historical performance prior to the launch date is attributed to the merger between Placeringsfonden Handelsbanken Pension 50 Aktiv (Finland) and Handelsbanken Pension 50 Aktiv (Sweden) that occurred on September 12, 2014.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

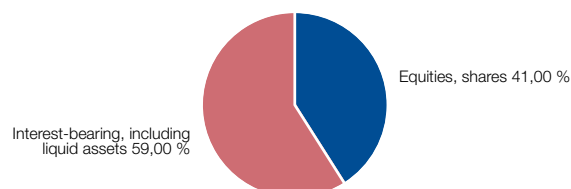
Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Fund Performance*



* Performance is shown in the fund's base currency.

Market Exposure*



* The fund's allocation of investments within the markets as of 31/12/2019, relative to the fund's total assets on this date.

Handelsbanken Pension 50 Aktiv, cont.

Fund Facts - History

	2019	2018	2017	2016	2015	12/9-31/12 2014	2013	2012	2011	2010
Net asset value, SEK ¹⁾	210.62	186.70	190.38	174.35	165.52	154.53	-	-	-	-
The fund's total net flow, mSEK	399	392	186	115	199	42	-	-	-	-
Fund capital, mSEK	2,915	2,217	1,883	1,549	1,355	1,081	-	-	-	-
Number of units, 1000's	13,839	11,873	9,890	8,886	8,189	6,995	-	-	-	-
Total returns in %, SEK	+12.8	-1.9	+9.2	+5.3	+7.1	+16.6	+17.6	+11.6	-10.6	+10.7
Index including dividends in %, SEK	+14.9	-1.1	+6.7	+7.5	+5.5	+16.7	+16.2	+9.8	-6.8	+10.0
Tracking error, 2 yrs. %	1.0	1.0	1.4	1.5	1.2	1.2	-	-	-	-
Average yearly return, 2 yrs. %	+5.2	+3.5	+7.2	+6.2	+11.8	+17.1	+14.5	-0.2	-0.6	+17.9
Comparison to index including dividends, %	+6.6	+2.7	+7.1	+6.5	+11.0	+16.4	+12.9	+1.2	+1.3	+15.7
Average yearly return, 5 yrs. %	+6.4	+7.1	+11.1	+11.5	+7.9	+8.6	+10.3	-0.4	-1.6	+2.2
Comparison to index including dividends, %	+6.6	+6.9	+10.4	+11.0	+7.9	+8.8	+9.7	+0.4	-0.3	+2.6
Average yearly return, 10 yrs. %	+7.5	+8.7	+5.2	+4.8	+5.0	-	-	-	-	-
Comparison to index including dividends, %	+7.7	+8.3	+5.3	+5.2	+5.2	-	-	-	-	-

1) The net asset value was adjusted on June 16, 2014 after a judgment in the Administrative Court in Falun. Pursuant to the judgment, funds with U.S. Holdings shall be charged with full U.S. withholding taxes as of January 1, 2012. As of June 16, 2014, full U.S. withholdings taxes were deducted until an Administrative Court of Appeals in Sundsvall changed the Administrative Court's judgment on March 30, 2015, and the withholding taxes previously reserved were repaid to each fund concerned.

Benchmark: SIX SRI Nordic 200 Net Index 29,375%, Solactive ISS ESG Screened Global Markets Index 29,375%, HMNI Sve Gov Dur Const 6y (HMSD6) 14,438%, HMNI Sve Mort Dur Const 2.5y (HMSMD25) 6,188% and OMRXTBILL 20,625%

Up to 31/12/2016: HMNI Sve All Government Dur Const 6Y (HMSD6) 13.1%, HMNI Sve All Mortgage Dur Const 2.5Y (HMSMD25) 5.6%, VINX Benchmark Cap SEK_NI 31.3%, OMRXTBILL 18.7%, MSCI All Country World Index Net 31.3%

Up to 30/04/2019: HMNI Sve All Government Dur Const 6Y (HMSD6) 15,75%, HMNI Sve All Mortgage Dur Const 2.5Y (HMSMD25) 6,75%, VINX Benchmark Cap SEK_NI 27,5%, OMRXTBILL 22,5%, MSCI All Country World Index Net 27,5%

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 page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.25
Collected mgmt. costs in % of average fund capital	1.25
Annual fees in %	1.28
Transaction costs, SEKt	170
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	135.86
Costs in SEK for monthly savings, 100 SEK	8.38

A maximum fixed fee of 3% may be deducted annually for the management of the underlying funds in which the fund invests assets. During each measurement period, any potential performance-based management fees in the underlying funds may total a maximum of 30% of the excess returns in relation to each of the fund's comparison norms (index or equivalent).

Fund Facts - Other Key Figures

Turnover rate	0.4
Share of turnover conducted via closely-related securities companies in %	2.3
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk %	6.7	Information ratio	Negative
Total risk in index %	6.5	Sharpe ratio	0.9
Benchmark	SIX SRI Nordic 200 Net Index 29,375%, Solactive ISS ESG Screened Global Markets Index 29,375%, HMNI Sve Gov Dur Const 6y (HMSD6) 14,438%, HMNI Sve Mort Dur Const 2.5y (HMSMD25) 6,188% och OMRXTBILL 20,625%	Sharpe ratio in index	1.1

Active return % -1.4

* 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.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments ¹⁾	-31,034	-6,377
Changes in value for fund units ²⁾	343,493	-52,413
Interest income	-144	-199
Dividends	2,860	2,159
Currency exchange profits and losses, net	-3,496	8,207
Other financial income ¹⁾	20,488	17,587
Other income	4	0
Total income and changes in value	332,171	-31,036
EXPENSES		
Management costs:		
- Remuneration to the Management Company	32,962	26,572
Interest expense	23	6
Other expenses	148	122
Total expenses	33,133	26,700
Net income	299,038	-57,736

* Details of changes in value

Capital gains	36,069	98,538
Capital losses	-70,771	-104,915
Unrealised gains/losses	3,668	-
Sum	-31,034	-6,377

** Details of changes in value

Capital gains	131,417	108,028
Capital losses	-4,569	-2,066
Unrealised gains/losses	216,645	-158,375
Sum	343,493	-52,413

1) The item consists primarily of discounts for management costs in underlying funds.

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	-	-	4,914	0.2
Fund units	2,837,819	97.4	2,170,401	97.9
Total financial instruments with positive market value ^{Note 2)}	2,837,819	97.4	2,175,315	98.1
Bank assets and other liquid assets	84,364	2.9	52,014	2.4
Prepaid expenses and accrued income	1,983	0.1	1,559	0.1
Other assets	1,584	0.0	3,081	0.0
Total assets	2,925,750	100.4	2,231,969	100.7
LIABILITIES				
OTC derivative instruments with negative market value	603	0.0	-	-
Total financial instruments with negative market value ^{Note 2)}	603	0.0	-	-
Accrued expenses and prepaid income	3,090	0.1	2,395	0.1
Other liabilities	7,225	0.3	12,836	0.6
Total liabilities	10,918	0.4	15,231	0.7
Fund capital ^{Note 1)}	2,914,832	100.0	2,216,738	100.0
Other derivative instruments with negative market value ¹⁾	10,457	0.4	4,226	0.2

1) Liquid assets 11 803 tSEK

Handelsbanken Pension 50 Aktiv, cont.

Note 1) for Balance Sheet

Changes in fund capital, SEK

	2019	2018
Fund capital at beginning of year	2,216,738	1,882,966
Units issued	587,910	570,307
Units redeemed	-188,854	-178,799
Profit according to Income Statement	299,038	-57,736
Dividends to unit holders	-	-
Fund capital at the close of the period	2,914,832	2,216,738

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
STOCK INDEX FUTURES			
EURO STOXX 50 Mar20 ¹⁾	-74	0	0.0
OMXO200A ²⁾	118	0	0.0
STOXX EUROPE 600 Mar20 ³⁾	-536	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
EURO-BUND Future Mar20 ⁴⁾	-34	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
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FUND UNITS

EQUITY FUNDS

Fidelity First ESG AC World-SEK	1,580,221	21,033	0.7
Fidelity Funds - Sustainable Water & Waste Fund ac	3,647,770	39,943	1.4
JPM Europe Small Cap A Acc EUR	26,979	29,262	1.0
SHB Amerika Småbolag Tema (A1 SEK)	52,062	48,982	1.7
SHB Amerika Tema (A1 SEK)	91,322	101,870	3.5
SHB Asien Tema (A1 SEK)	31,927	24,069	0.8
SHB Emerging Markets Index (A1 SEK)	77,506	13,034	0.4
SHB Europa Index Criteria (A1 SEK)	276	38	0.0
SHB Europa Tema (A1 SEK)	127,847	57,441	2.0
SHB Hållbar Energi (A1 SEK)	107,746	21,130	0.7
SHB Hållsvård Tema (A1 SEK)	81,261	21,627	0.7
SHB Japan Tema (A1 SEK)	471,022	45,746	1.6
SHB Norden (A1 SEK)	273,588	351,308	12.1
SHB Norden Selektiv (A1 SEK)	159,148	73,796	2.5
SHB Nordiska Småbolag (A1 SEK)	101,004	130,047	4.5
SHB Sverige 100 Index Criteria (A1 SEK)	114,804	31,758	1.1
SHB Tillväxtmarknad Tema (A1 SEK)	149,684	55,899	1.9
SHB USA Index Criteria (A1 SEK)	256,431	114,247	3.9
UBS Equity Sicav USA Growth	103,922	43,680	1.5
		1,224,909	42.0

LISTED EQUITY FUNDS**

XACT Högutdelande	762,203	99,219	3.4
XACT Norden	655,664	87,773	3.0
		186,992	6.4

FIXED INCOME FUNDS

BlueOrchard Ucits EM Sdg Impact Bond Fu	72,251	73,611	2.5
SHB Företagsobligation (A1 SEK)	691,338	91,529	3.1
SHB Företagsobligation (B5 SEK)	1,140	127	0.0
SHB Företagsobligation IG (A1 SEK)	2,224,549	225,345	7.7
SHB Hållbar Global Obligation (A1 SEK)	724,796	73,662	2.5
SHB Institutionell Kortränta (A1 SEK)	1,606,336	161,114	5.5
SHB Kreditt (A1 NOK)	708,953	76,219	2.6
SHB Långränta (A1 SEK)	255,216	30,133	1.0
SHB Räntheavkastning (A1 SEK)	34,849	66,806	2.3
SHB Ränthestrategi (A1 SEK)	3,445,430	352,612	12.1
SHB Ränthestrategi Plus (A7 SEK)	12,296	1,241	0.0
UI - Aktia EM Frontier Bond+	1,064,978	108,756	3.7
UI - Aktia EM Local Currency Bond+ - s1	1,487,440	164,764	5.7
		1,425,918	49.0
Total fund units		2,837,819	97.4

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
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OTC DERIVATIVE INSTRUMENTS

CURRENCY FUTURES

SEK/NOK ⁵⁾		-603	0.0
		-603	0.0
Total OTC derivative instruments		-603	0.0
Total other financial instruments		2,837,216	97.4
Total holdings in financial instruments		2,837,216	97.4
Net, other assets and liabilities		77,616	2.6
Total fund capital		2,914,832	100.0

1) Stock index futures with underlying exposure of -28 996 tSEK, which is equivalent to 1.0% of fund capital.
2) Stock index futures with underlying exposure of 10 907 tSEK, which is equivalent to 0.4% of fund capital.
3) Stock index futures with underlying exposure of -116 530 tSEK, which is equivalent to 4.0% of fund capital.
4) Interest rate futures with underlying exposure of -60 916 tSEK, which is equivalent to 2.1% of fund capital.
5) tSEK 65 344/tNOK -62 030, counterpart Skandinaviska Enskilda Banken AB (publ).

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

6.4
91.0

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
UI Aktia	9.4	Fidelity Funds	2.1

* 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.

Handelsbanken Pension 50 Aktiv

Sustainability dimensions taken into consideration in the management of the fund

The fund takes environmental, social and corporate governance criteria (ESG) into consideration in its selection of investments, i.e., in the selection of the underlying funds. As a result, the fund is placing greater focus on making investments that are in line with the UN's Sustainable Development Goals. Fund managers in the underlying funds are also encouraged to increase investments in green bonds, for example.

Methods used for sustainability efforts

Inclusion

Sustainability is a separate area of assessment in the evaluation of the underlying funds and investments. When striking a balance between returns and risk for equivalent investments, we select the investment we consider to be most sustainable. An important assessment factor is how well sustainability is integrated in the underlying fund. We also work actively to increase the quantitative measurability in our assessments to clarify sustainability dimensions in the portfolio.

Exclusion

In accordance with the Management Company's comprehensive policy for responsible investments, the following are excluded from all of the

Management Company's funds:

- companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within mining of coal or in power companies that have coal as a major source of energy.

The Management Company's engagement activities

We require service providers to use their ownership influence in the underlying companies within the fund. In addition, we work actively to influence service providers to change their policies in a direction we believe is more sustainable in general, as well as within specific funds. This could include the exclusion of certain types of sectors or specific companies. The engagement activities also focus on contributing to the development of new products with a higher standard of sustainability.

The fund is a fund of funds, which means that we do not have a direct impact on the underlying companies, but rather work to have an impact on the fund providers.

Follow-up of sustainability work

During the year we took measures to adjust our holdings to meet the enhanced sustainability criteria. As a result, we exclude* funds with investments in companies whose principle operations are within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. We also exclude funds that invest in companies that violate international norms and conventions regarding human rights, labour law, the environment, and anti-corruption.

Our actively-managed funds may include so-called companies in transition. Companies in transition work to transition their operations towards fossil-free energy production. The principle of excluding fossil fuels can thereby be granted an exemption over a period of time if the company meets our requirements to qualify as a company in transition.

We also changed the benchmark index during the year to better reflect our more sustainable investment criteria. We have had extensive dialogues with providers who are willing to meet our requirements in existing investments and in some cases have jointly launched new funds that comply with the increased requirements. We also sold funds that did not meet our requirements.

The fund has new fund rules as of 1 January 2020, which reflect that the fund is managed with enhanced sustainability criteria.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.



Handelsbanken Pension 60 Aktiv

Management Report

Investment Focus

The fund is most appropriate for investors born in the 1960s. The objective of the fund is to achieve good returns while gradually lowering risk up to the time of retirement. We decrease the proportion of equities and gradually increase the proportion of interest-bearing securities until the retirement age. The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in Swedish fixed income funds, as well as in Nordic and global equity funds without being limited to a specific sector or geographic area. The fund invests primarily in funds within Handelsbanken as well as in funds managed by other fund management companies. For the current distribution, refer to the Portfolio distribution section at www.handelsbanken.se/funds. We compare fund performance to an index consisting of Solactive ISS ESG Screened Global Markets Index: 48.125%, SIX SRI Nordic 200 Net Index: 48.125%, OMRXTBILL: 1.875%, HMNI Swe All Mortgage Dur Const 2.5Y: 0.5625%, HMNI Swe All Government Dur Const 6Y: 1.3125%. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 24.5% in 2019*. A weaker global economy led many central banks to pursue a more expansive monetary policy. Expectations for a long period of low interest rates resulted in a sharp upturn in the equity markets. Decreased concerns about the trade war and Brexit also contributed to an increased risk appetite. The World Index rose 34.92% (SEK). A weaker SEK contributed to returns on foreign holdings. The US equity market posted the most strength, while Japan was slightly weaker. Market rates in the US, Europe and Sweden fell, which resulted in bonds outperforming fixed income investments with a shorter duration. Our holdings in emerging market bonds posted strength during the year. We had a lower risk in equities during most of the year. Regionally, we prefer the Swedish stock market over the European. We are neutral to Japan, emerging markets and the US. We purchased holdings in Handelsbanken Hälsovård Tema, Aktia Emerging Market Frontier Debt Fund as well as Fidelity Sustainable Water and Waste Fund. Within fixed income, we had a short duration in our Swedish holdings as well as an overweight in emerging market bonds.

*) Refer to fund statistics for comparable index.

Significant risks

The fund is a mixed fund that normally implies an investment with moderately high risk. The risk in the fund is due to the fund's allocation between the equity and fixed income asset classes. An investment in equities and equity funds can be associated with high risk and can fluctuate significantly over time. An investment in fixed income securities or in a fixed income fund is associated with interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long

residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The duration on holdings in the fund can vary significantly over time. The fund may make concentrated investments with regard to regions and sectors. This means that the risk in the fund can be higher than an investment in a diversified global fund that allocates its investments across several regions or sectors. Given that the fund's investments are made in foreign equities denominated in another currency other than the fund's base currency, an investment in the fund is associated with currency risk. An investment in an interest-bearing 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 interest-bearing securities issued by companies or states with a low credit quality increases. The fund may invest in derivatives as part of its investment focus to increase returns in the fund or to create leverage. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

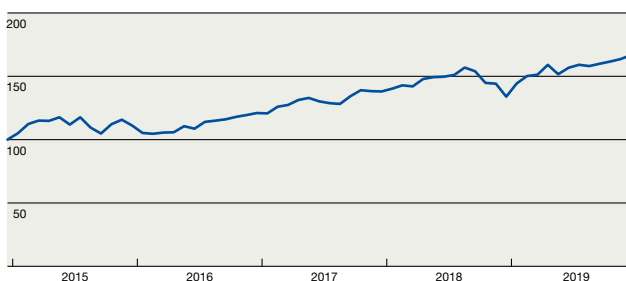
As of April 30, 2019 the fund changed its index from HMNI Swe All Government Dur Const 6Y (HMSD6) 2,63%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 1,13%, VINX Benchmark Cap SEK_NI 46,25%, OMRXTBILL 3,75%, MSCI All Country World Index Net 46,25% to Solactive ISS ESG Screened Global Markets Index 48,125%, SIX SRI Nordic 200 Net Index 48,125%, OMRXTBILL 1,875%, HMNI Swe All Mortgage Dur Const 2.5Y 0,5625%, HMNI Swe All Government Dur Const 6Y 1,3125%. The reason for the change of index was a sustainability adjustment of the fund to exclude more controversial activities than before. The fund's investment policy has not been affected.

The fund's historical performance prior to the launch date is attributed to the merger between Placeringsfonden Handelsbanken Pension 60 Aktiv (Finland) and Handelsbanken Pension 60 Aktiv (Sweden) that occurred on September 12, 2014.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

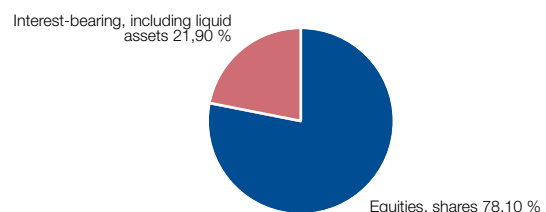
Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Fund Performance*



* Performance is shown in the fund's base currency.

Market Exposure*



* The fund's allocation of investments within the markets as of 31/12/2019, relative to the fund's total assets on this date.

Handelsbanken Pension 60 Aktiv, cont.

Fund Facts - History

	2019	2018	2017	2016	2015	12/9-31/12 2014	2013	2012	2011	2010
Net asset value, SEK ¹⁾	276.45	222.05	228.86	200.64	184.22	165.80	-	-	-	-
The fund's total net flow, mSEK	1,043	824	455	309	348	73	-	-	-	-
Fund capital, mSEK	7,096	4,803	4,176	3,241	2,666	2,088	-	-	-	-
Number of units, 1000's	25,669	21,629	18,247	16,155	14,472	12,593	-	-	-	-
Total returns in %, SEK	+24.5	-3.0	+14.1	+8.9	+11.1	+20.8	+23.7	+14.8	-14.2	+13.7
Index including dividends in %, SEK	+27.2	-2.3	+11.6	+11.5	+8.4	+22.0	+23.8	+13.2	-11.2	+12.8
Tracking error, 2 yrs. %	1.4	1.2	1.4	1.8	1.6	1.3	-	-	-	-
Average yearly return, 2 yrs. %	+9.9	+5.2	+11.5	+10.0	+15.8	+22.2	+19.2	-0.8	-1.2	+23.2
Comparison to index including dividends, %	+11.5	+4.4	+11.6	+9.9	+15.0	+22.9	+18.4	+0.3	+0.1	+20.5
Average yearly return, 5 yrs. %	+10.8	+10.1	+15.6	+15.7	+10.3	+10.8	+13.1	-1.6	-3.0	+2.0
Comparison to index including dividends, %	+10.9	+10.0	+15.3	+15.6	+10.5	+11.4	+12.6	-1.3	-2.3	+2.4
Average yearly return, 10 yrs. %	+10.8	+11.6	+6.7	+5.9	+6.1	-	-	-	-	-
Comparison to index including dividends, %	+11.1	+11.3	+6.7	+6.3	+6.3	-	-	-	-	-

¹⁾ The net asset value was adjusted on June 16, 2014 after a judgment in the Administrative Court in Falun. Pursuant to the judgment, funds with U.S. Holdings shall be charged with full U.S. withholding taxes as of January 1, 2012. As of June 16, 2014, full U.S. withholdings taxes were deducted until an Administrative Court of Appeals in Sundsvall changed the Administrative Court's judgment on March 30, 2015, and the withholding taxes previously reserved were repaid to each fund concerned.

Benchmark: Solactive ISS ESG Screened Global Markets Index 48,125%, SIX SRI Nordic 200 Net Index 48,125%, OMRXTBILL 1,875%, HMNI Swe All Mortgage Dur Const 2.5Y 0,5625%, HMNI Swe All Government Dur Const 6Y 1,3125%

Up to 31/12/2016: VINX Benchmark Cap SEK_NI 50%, MSCI All Country World Index Net 50%.

Up to 30/04/2019: HMNI Swe All Government Dur Const 6Y (HMSD6) 15,75%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 6,75%, VINX Benchmark Cap SEK_NI 27,5%, OMRXTBILL 22,5%, MSCI All Country World Index Net 27,5%

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 page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.25
Collected mgmt. costs in % of average fund capital	1.25
Annual fees in %	1.27
Transaction costs, SEKt	514
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	144.80
Costs in SEK for monthly savings, 100 SEK	8.59

A maximum fixed fee of 3% may be deducted annually for the management of the underlying funds in which the fund invests assets. During each measurement period, any potential performance-based management fees in the underlying funds may total a maximum of 30% of the excess returns in relation to each of the fund's comparison norms (index or equivalent).

Fund Facts - Other Key Figures

Turnover rate	0.4
Share of turnover conducted via closely-related securities companies in %	4.2
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk %	11.7	Information ratio	Negative
Total risk in index %	11.5	Sharpe ratio	0.9
Benchmark	Solactive ISS ESG Screened Global Markets Index 48,125%, SIX SRI Nordic 200 Net Index 48,125%, OMRXTBILL 1,875%, HMNI Swe All Mortgage Dur Const 2.5Y 0,5625%, HMNI Swe All Government Dur Const 6Y 1,3125%	Sharpe ratio in index	1.1
Active return %	-1.6		

* 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.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments ^{**}	-76,427	-14,997
Changes in value for fund units ^{**}	1,327,811	-200,891
Interest income	-359	-479
Dividends	13,288	3,612
Currency exchange profits and losses, net	-2,977	21,726
Other financial income ¹⁾	66,735	54,658
Other income	25	0
Total income and changes in value	1,328,096	-136,371
EXPENSES		
Management costs:		
- Remuneration to the Management Company	76,714	60,131
Interest expense	40	59
Other expenses	398	271
Total expenses	77,152	60,461
Net income	1,250,944	-196,832

^{*} Details of changes in value

Capital gains	75,844	215,552
Capital losses	-160,175	-230,549
Unrealised gains/losses	7,904	-
Sum	-76,427	-14,997

^{**} Details of changes in value

Capital gains	369,204	260,817
Capital losses	-11,184	-924
Unrealised gains/losses	969,791	-460,784
Sum	1,327,811	-200,891

¹⁾ The item consists primarily of discounts for management costs in underlying funds.

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	-	-	7,959	0.2
Fund units	6,910,175	97.4	4,694,320	97.7
Total financial instruments with positive market value ^{Note 2)}	6,910,175	97.4	4,702,279	97.9
Bank assets and other liquid assets	184,258	2.6	99,497	2.1
Prepaid expenses and accrued income	6,271	0.1	4,809	0.1
Other assets	4,370	0.0	9,183	0.2
Total assets	7,105,074	100.1	4,815,768	100.3
LIABILITIES				
OTC derivative instruments with negative market value	400	0.0	-	-
Total financial instruments with negative market value ^{Note 2)}	400	0.0	-	-
Accrued expenses and prepaid income	7,463	0.1	5,245	0.1
Other liabilities	895	0.0	7,737	0.2
Total liabilities	8,758	0.1	12,982	0.3
Fund capital ^{Note 1)}	7,096,316	100.0	4,802,786	100.0
Secured collateral for OTC derivative instruments	-	-	5,492	0.1
Other derivative instruments with negative market value ¹⁾	27,851	0.4	6,968	0.1

¹⁾ Liquid assets 27 027 tSEK

Handelsbanken Pension 60 Aktiv, cont.

Note 1) for Balance Sheet

Changes in fund capital, SEK

	2019	2018
Fund capital at beginning of year	4,802,786	4,176,013
Units issued	1,229,001	1,095,789
Units redeemed	-186,415	-272,184
Profit according to Income Statement	1,250,944	-196,832
Dividends to unit holders	-	-
Fund capital at the close of the period	7,096,316	4,802,786

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
STOCK INDEX FUTURES			
EURO STOXX 50 Mar20 ¹⁾	-176	0	0.0
OMXO200A ²⁾	339	0	0.0
OMXS30 ESG Future Jan20 ³⁾	227	0	0.0
STOXX EUROPE 600 Mar20 ⁴⁾	-1,258	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
EURO-BUND Future Mar20 ⁵⁾	-78	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG AC World-SEK	6,776,150	90,191	1.3
Fidelity Funds - Sustainable Water & Waste Fund ac	15,971,036	174,883	2.5
JPM Europe Small Cap A Acc EUR	111,118	120,520	1.7
SHB Amerika Småbolag Tema (A1 SEK)	311,649	293,215	4.1
SHB Amerika Tema (A1 SEK)	406,474	453,422	6.4
SHB Asien Tema (A1 SEK)	129,378	97,532	1.4
SHB Emerging Markets Index (A1 SEK)	333,870	56,145	0.8
SHB Europa Index Criteria (A1 SEK)	402,245	55,075	0.8
SHB Europa Tema (A1 SEK)	548,076	246,248	3.5
SHB Företagsobligation Investment Grade (B 5 SEK)	659	66	0.0
SHB Hållbar Energi (A1 SEK)	484,157	94,949	1.3
SHB Hälsovård Tema (A1 SEK)	350,638	93,318	1.3
SHB Japan Tema (A1 SEK)	1,960,247	190,381	2.7
SHB Norden (A1 SEK)	1,040,001	1,335,443	18.8
SHB Norden Selektiv (A1 SEK)	732,685	339,741	4.8
SHB Nordiska Småbolag (A1 SEK)	468,427	603,123	8.5
SHB Sverige 100 Index Criteria (A1 SEK)	265,226	73,368	1.0
SHB Tillväxtmarknad Tema (A1 SEK)	655,018	244,613	3.4
SHB USA Index Criteria (A1 SEK)	1,230,073	548,032	7.7
UBS Equity Sicav USA Growth	252,932	106,310	1.5
		5,216,574	73.6

LISTED EQUITY FUNDS**

XACT Högutdelande	3,070,534	399,704	5.6
XACT Norden	3,075,850	411,760	5.8
		811,465	11.4

FIXED INCOME FUNDS

BlueOrchard Ucits EM Sdg Impact Bond Fu	47,102	47,988	0.7
SHB Företagsobligation (A1 SEK)	712,132	94,282	1.3
SHB Hållbar Global Obligation (A1 SEK)	473,872	48,160	0.7
SHB Kortränta (A1 SEK)	46	7	0.0
SHB Kortränta SEK (A1 SEK)	9,331	974	0.0
SHB Kredit (A1 NOK)	482,084	51,828	0.7
SHB Långränta (A1 SEK)	1,024,984	121,018	1.7
SHB Räntheavkastning (A1 SEK)	37,605	72,090	1.0
SHB Räntheavkastning (A1 SEK)	1,451,956	148,596	2.1
UI - Aktia EM Frontier Bond+	718,509	73,374	1.0
UI - Aktia EM Local Currency Bond+ - s1	2,020,568	223,818	3.2
		882,136	12.4
Total fund units		6,910,175	97.4

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
SEK/NOK ⁶⁾		-400	0.0
		-400	0.0
Total OTC derivative instruments		-400	0.0
Total other financial instruments		6,909,775	97.4
Total holdings in financial instruments		6,909,775	97.4
Net, other assets and liabilities		186,541	2.6
Total fund capital		7,096,316	100.0

1) Stock index futures with underlying exposure of -68 963 tSEK, which is equivalent to 1.0% of fund capital.

2) Stock index futures with underlying exposure of 31 335 tSEK, which is equivalent to 0.4% of fund capital.

3) Stock index futures with underlying exposure of 39 641 tSEK, which is equivalent to 0.6% of fund capital.

4) Stock index futures with underlying exposure of -273 497 tSEK, which is equivalent to 3.9% of fund capital.

5) Interest rate futures with underlying exposure of -139 748 tSEK, which is equivalent to 2.0% of fund capital.

6) tSEK 43 275/tNOK -41 080, counterpart Skandinaviska Enskilda Banken AB (publ).

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

11.4

86.0

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
UI Aktia	4.2	Fidelity Funds	3.8

* 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.

Handelsbanken Pension 60 Aktiv

Sustainability dimensions taken into consideration in the management of the fund

The fund takes environmental, social and corporate governance criteria (ESG) into consideration in its selection of investments, i.e., in the selection of the underlying funds. As a result, the fund is placing greater focus on making investments that are in line with the UN's Sustainable Development Goals. Fund managers in the underlying funds are also encouraged to increase investments in green bonds, for example.

Methods used for sustainability efforts

Inclusion

Sustainability is a separate area of assessment in the evaluation of the underlying funds and investments. When striking a balance between returns and risk for equivalent investments, we select the investment we consider to be most sustainable. An important assessment factor is how well sustainability is integrated in the underlying fund. We also work actively to increase the quantitative measurability in our assessments to clarify sustainability dimensions in the portfolio.

Exclusion

In accordance with the Management Company's comprehensive policy for responsible investments, the following are excluded from all of the

Management Company's funds:

- companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within mining of coal or in power companies that have coal as a major source of energy.

The Management Company's engagement activities

We require service providers to use their ownership influence in the underlying companies within the fund. In addition, we work actively to influence service providers to change their policies in a direction we believe is more sustainable in general, as well as within specific funds. This could include the exclusion of certain types of sectors or specific companies. The engagement activities also focus on contributing to the development of new products with a higher standard of sustainability.

The fund is a fund of funds, which means that we do not have a direct impact on the underlying companies, but rather work to have an impact on the fund providers.

Follow-up of sustainability work

During the year we took measures to adjust our holdings to meet the enhanced sustainability criteria. As a result, we exclude* funds with investments in companies whose principle operations are within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. We also exclude funds that invest in companies that violate international norms and conventions regarding human rights, labour law, the environment, and anti-corruption.

Our actively-managed funds may include so-called companies in transition. Companies in transition work to transition their operations towards fossil-free energy production. The principle of excluding fossil fuels can thereby be granted an exemption over a period of time if the company meets our requirements to qualify as a company in transition.

We also changed the benchmark index during the year to better reflect our more sustainable investment criteria. We have had extensive dialogues with providers who are willing to meet our requirements in existing investments and in some cases have jointly launched new funds that comply with the increased requirements. We also sold funds that did not meet our requirements.

The fund has new fund rules as of 1 January 2020, which reflect that the fund is managed with enhanced sustainability criteria.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.



Handelsbanken Pension 70 Aktiv

Management Report

Investment Focus

The fund is most appropriate for investors born in the 1970s. The objective of the fund is to achieve good returns while gradually lowering risk up to the time of retirement. We decrease the proportion of equities and gradually increase the proportion of interest-bearing securities until the retirement age. The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in Swedish fixed income funds, as well as in Nordic and global equity funds without being limited to a specific sector or geographic area. The fund invests primarily in funds within Handelsbanken as well as in funds managed by other fund management companies. For the current distribution, refer to the Portfolio distribution section at www.handelsbanken.se/funds. We compare fund performance to an index consisting of SIX SRI Nordic 200 Net Index: 50% and Solactive ISS ESG Screened Global Markets Index: 50%. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 29.0% in 2019*. A weaker global economy led many central banks to pursue a more expansive monetary policy. Expectations for a long period of low interest rates resulted in a sharp upturn in the equity markets. Decreased concerns about the trade war and Brexit also contributed to an increased risk appetite. The World Index rose 34.92% (SEK). A weaker SEK contributed to returns on foreign holdings. The US equity market posted the most strength, while Japan was slightly weaker. Market rates in the US, Europe and Sweden fell, which resulted in bonds outperforming fixed income investments with a shorter duration. Our holdings in emerging market bonds posted strength during the year. We had a lower risk in equities during most of the year. Regionally, we prefer the Swedish stock market over the European. We are neutral to Japan, emerging markets and the US. We purchased holdings in Handelsbanken Hälsovård Tema as well as Fidelity Sustainable Water and Waste Fund. Within fixed income, we had a short duration in our Swedish holdings as well as an overweight in emerging market bonds.

*) Refer to fund statistics for comparable index.

Significant risks

The fund is a mixed fund that normally implies an investment with moderately high risk. The risk in the fund is due to the fund's allocation between the equity and fixed income asset classes. An investment in equities and equity funds can be associated with high risk and can fluctuate significantly over time. An investment in fixed income securities or in a fixed income fund is associated with interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's

returns. A fund that invests in interest-bearing instruments with a long residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The duration on holdings in the fund can vary significantly over time. The fund may concentrate its investments by region and sector. This means that the risk in the fund can be higher than an investment in a diversified global fund that allocates its investments across several regions or sectors. Given that the fund's investments are made in foreign equities denominated in another currency other than the fund's base currency, an investment in the fund is associated with currency risk. An investment in an interest-bearing 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 interest-bearing securities issued by companies or states with a lower credit quality is high. The fund may invest in derivatives as part of its investment focus to increase returns in the fund or to create leverage. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

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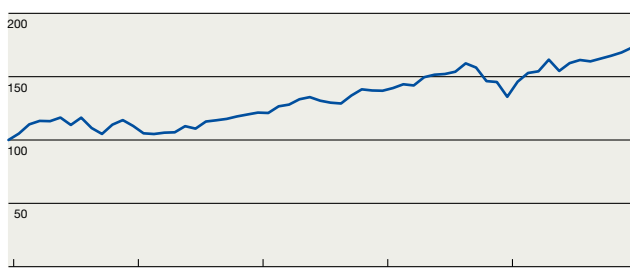
As of April 30, 2019 the fund changed its index from VINX Benchmark Cap SEK_NI 50%, MSCI All Country World Index Net 50% to SIX SRI Nordic 200 Net Index 50% and Solactive ISS ESG Screened Global Markets Index 50%. The reason for the change of index was a sustainability adjustment of the fund to exclude more controversial activities than before. The fund's investment policy has not been affected.

The fund's historical performance prior to the launch date is attributed to the merger between Placeringsfonden Handelsbanken Pension 70 Aktiv (Finland) and Handelsbanken Pension 70 Aktiv (Sweden) that occurred on September 12, 2014.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

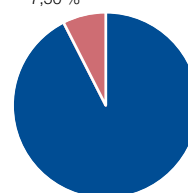
Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Fund Performance*



Market Exposure*

Interest-bearing, including liquid assets
7,50 %



Equities, shares 92,50 %

* The fund's allocation of investments within the markets as of 31/12/2019, relative to the fund's total assets on this date.

Handelsbanken Pension 70 Aktiv, cont.

Fund Facts - History

	2019	2018	2017	2016	2015	12/9-31/12 2014	2013	2012	2011	2010
Net asset value, SEK ¹⁾	286.87	222.40	230.33	201.72	184.21	165.84	-	-	-	-
The fund's total net flow, mSEK	716	477	328	258	303	73	-	-	-	-
Fund capital, mSEK	6,478	4,422	4,135	3,318	2,771	2,223	-	-	-	-
Number of units, 1000's	22,581	19,882	17,954	16,448	15,040	13,403	-	-	-	-
Total returns in %, SEK	+29.0	-3.4	+14.2	+9.5	+11.1	+20.8	+23.8	+14.7	-14.2	+13.7
Index including dividends in %, SEK	+32.4	-2.7	+12.6	+11.9	+8.4	+22.0	+23.8	+13.2	-11.2	+12.8
Tracking error, 2 yrs. %	1.6	1.4	1.3	1.7	1.5	1.3	-	-	-	-
Average yearly return, 2 yrs. %	+11.6	+5.0	+11.8	+10.3	+15.8	+22.3	+19.1	-0.8	-1.2	+23.2
Comparison to index including dividends, %	+13.5	+4.7	+12.3	+10.1	+15.0	+22.9	+18.4	+0.3	+0.1	+20.5
Average yearly return, 5 yrs. %	+11.6	+10.1	+15.7	+15.8	+10.3	+10.8	+13.1	-1.6	-3.0	+2.0
Comparison to index including dividends, %	+12.0	+10.2	+15.6	+15.7	+10.5	+11.4	+12.6	-1.3	-2.3	+2.4
Average yearly return, 10 yrs. %	+11.2	+11.6	+6.7	+6.0	+6.1	-	-	-	-	-
Comparison to index including dividends, %	+11.7	+11.4	+6.8	+6.3	+6.3	-	-	-	-	-

1) The net asset value was adjusted on June 16, 2014 after a judgment in the Administrative Court in Falun. Pursuant to the judgment, funds with U.S. Holdings shall be charged with full U.S. withholding taxes as of January 1, 2012. As of June 16, 2014, full U.S. withholding taxes were deducted until an Administrative Court of Appeals in Sundsvall changed the Administrative Court's judgment on March 30, 2015, and the withholding taxes previously reserved were repaid to each fund concerned.

Benchmark: SIX SRI Nordic 200 Net Index 50% and Solactive ISS ESG Screened Global Markets Index 50%

Up to 30/04/2019: VINX Benchmark Cap SEK_Ni 50%, MSCI All Country World Index Net 50%.

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 page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.25
Collected mgmt. costs in % of average fund capital	1.25
Annual fees in %	1.27
Transaction costs, SEKt	577
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	148.02
Costs in SEK for monthly savings, 100 SEK	8.67

A maximum fixed fee of 3% may be deducted annually for the management of the underlying funds in which the fund invests assets. During each measurement period, any potential performance-based management fees in the underlying funds may total a maximum of 30% of the excess returns in relation to each of the fund's comparison norms (index or equivalent).

Fund Facts - Other Key Figures

Turnover rate	0.3
Share of turnover conducted via closely-related securities companies in %	5.9
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk %	13.3	Information ratio	Negative
Total risk in index %	13.2	Sharpe ratio	0.9
Benchmark	SIX SRI Nordic 200 Net Index 50% och Solactive ISS ESG Screened Global Markets Index 50%	Sharpe ratio in index	1.1
Active return %	-1.9		

* 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.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	-29,698	-23,562
Changes in value for fund units **	1,355,834	-188,110
Interest income	-347	-277
Dividends	16,191	2,888
Currency exchange profits and losses, net	1,993	18,698
Other financial income ¹⁾	67,175	57,062
Other income	39	1
Total income and changes in value	1,411,187	-133,300
EXPENSES		
Management costs:		
- Remuneration to the Management Company	70,323	57,661
Interest expense	17	27
Other expenses	438	197
Total expenses	70,778	57,885
Net income	1,340,409	-191,185

* Details of changes in value

Capital gains	137,769	189,463
Capital losses	-175,467	-213,025
Unrealised gains/losses	8,000	-
Sum	-29,698	-23,562

** Details of changes in value

Capital gains	351,979	223,221
Capital losses	-8,937	-2,599
Unrealised gains/losses	1,012,792	-408,732
Sum	1,355,834	-188,110

1) The item consists primarily of discounts for management costs in underlying funds.

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	488	0.0	6,731	0.1
Fund units	6,336,436	97.8	4,343,909	98.2
Total financial instruments with positive market value ^{Note 2)}	6,336,924	97.8	4,350,640	98.3
Bank assets and other liquid assets	139,271	2.2	65,134	1.6
Prepaid expenses and accrued income	6,099	0.1	4,888	0.1
Other assets	3,374	0.1	10,300	0.2
Total assets	6,485,668	100.1	4,430,962	100.2
LIABILITIES				
OTC derivative instruments with negative market value	-	-	1,271	0.0
Total financial instruments with negative market value ^{Note 2)}	-	-	1,271	0.0
Accrued expenses and prepaid income	6,801	0.1	4,857	0.1
Other liabilities	938	0.0	3,175	0.1
Total liabilities	7,739	0.1	9,303	0.2
Fund capital ^{Note 1)}	6,477,929	100.0	4,421,659	100.0
Other derivative instruments with negative market value ¹⁾	22,551	0.3	10,066	0.2

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	4,421,659	4,135,407
Units issued	857,543	693,865
Units redeemed	-141,682	-216,428
Profit according to Income Statement	1,340,409	-191,185
Dividends to unit holders	-	-
Fund capital at the close of the period	6,477,929	4,421,659

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
STOCK INDEX FUTURES			
EURO STOXX 50 Mar20 ¹⁾	-160	0	0.0
OMXO200A ²⁾	249	0	0.0
OMXS30 ESG Future Jan20 ³⁾	590	0	0.0
STOXX EUROPE 600 Mar20 ⁴⁾	-576	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
EURO-BUND Future Mar20 ⁵⁾	-71	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

Handelsbanken Pension 70 Aktiv, cont.

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG AC World-SEK	6,904,812	91,903	1.4
Fidelity Funds - Sustainable Water & Waste Fund ac	17,038,766	186,574	2.9
JPM Europe Small Cap A Acc EUR	119,355	129,454	2.0
SHB Amerika Småbolag Tema (A1 SEK)	351,731	330,926	5.1
SHB Amerika Tema (A1 SEK)	437,094	487,579	7.5
SHB Asien Tema (A1 SEK)	140,157	105,659	1.6
SHB Emerging Markets Index (A1 SEK)	357,718	60,155	0.9
SHB Europa Tema (A1 SEK)	459,053	206,250	3.2
SHB Hållbar Energi (A1 SEK)	507,751	99,576	1.5
SHB Hälsovård Tema (A1 SEK)	375,025	99,808	1.5
SHB Japan Tema (A1 SEK)	2,105,435	204,482	3.2
SHB Norden (A1 SEK)	947,959	1,217,254	18.8
SHB Norden Selektiv (A1 SEK)	877,427	406,856	6.3
SHB Nordiska Småbolag (A1 SEK)	556,615	716,669	11.1
SHB Sverige 100 Index Criteria (A1 SEK)	224,807	62,187	1.0
SHB Tillväxtmarknad Tema (A1 SEK)	702,725	262,429	4.1
SHB USA Index Criteria (A1 SEK)	1,267,940	564,903	8.7
UBS Equity Sicav USA Growth	224,184	94,227	1.5
		5,326,893	82.2
LISTED EQUITY FUNDS**			
XACT Högutdelande	3,496,647	455,173	7.0
XACT Norden	3,253,254	435,509	6.7
		890,682	13.8
FIXED INCOME FUNDS			
UI - Aktia EM Local Currency Bond+ - s1	1,073,042	118,861	1.8
		118,861	1.8
Total fund units		6,336,436	97.8

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
EUR/SEK ⁶⁾		488	0.0
		488	0.0
Total OTC derivative instruments		488	0.0
Total other financial instruments		6,336,924	97.8
Total holdings in financial instruments		6,336,924	97.8
Net, other assets and liabilities		141,005	2.2
Total fund capital		6,477,929	100.0

1) Stock index futures with underlying exposure of -62 694 tSEK, which is equivalent to 1.0% of fund capital.
2) Stock index futures with underlying exposure of 23 016 tSEK, which is equivalent to 0.4% of fund capital.
3) Stock index futures with underlying exposure of 103 032 tSEK, which is equivalent to 1.6% of fund capital.
4) Stock index futures with underlying exposure of -125 226 tSEK, which is equivalent to 1.9% of fund capital.
5) Interest rate futures with underlying exposure of -127 207 tSEK, which is equivalent to 2.0% of fund capital.
6) tEUR 11 040/tSEK -115 645, counterpart Skandinaviska Enskilda Banken AB (publ).

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

Compilation, Company and Group exposure*

Company/Group	% of fund capital
Fidelity Funds	4.3

* 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.

Handelsbanken Pension 70 Aktiv

Sustainability dimensions taken into consideration in the management of the fund

The fund takes environmental, social and corporate governance criteria (ESG) into consideration in its selection of investments, i.e., in the selection of the underlying funds. As a result, the fund is placing greater focus on making investments that are in line with the UN's Sustainable Development Goals. Fund managers in the underlying funds are also encouraged to increase investments in green bonds, for example.

Methods used for sustainability efforts

Inclusion

Sustainability is a separate area of assessment in the evaluation of the underlying funds and investments. When striking a balance between returns and risk for equivalent investments, we select the investment we consider to be most sustainable. An important assessment factor is how well sustainability is integrated in the underlying fund. We also work actively to increase the quantitative measurability in our assessments to clarify sustainability dimensions in the portfolio.

Exclusion

In accordance with the Management Company's comprehensive policy for responsible investments, the following are excluded from all of the

Management Company's funds:

- companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within mining of coal or in power companies that have coal as a major source of energy.

The Management Company's engagement activities

We require service providers to use their ownership influence in the underlying companies within the fund. In addition, we work actively to influence service providers to change their policies in a direction we believe is more sustainable in general, as well as within specific funds. This could include the exclusion of certain types of sectors or specific companies. The engagement activities also focus on contributing to the development of new products with a higher standard of sustainability.

The fund is a fund of funds, which means that we do not have a direct impact on the underlying companies, but rather work to have an impact on the fund providers.

Follow-up of sustainability work

During the year we took measures to adjust our holdings to meet the enhanced sustainability criteria. As a result, we exclude* funds with investments in companies whose principle operations are within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. We also exclude funds that invest in companies that violate international norms and conventions regarding human rights, labour law, the environment, and anti-corruption.

Our actively-managed funds may include so-called companies in transition. Companies in transition work to transition their operations towards fossil-free energy production. The principle of excluding fossil fuels can thereby be granted an exemption over a period of time if the company meets our requirements to qualify as a company in transition.

We also changed the benchmark index during the year to better reflect our more sustainable investment criteria. We have had extensive dialogues with providers who are willing to meet our requirements in existing investments and in some cases have jointly launched new funds that comply with the increased requirements. We also sold funds that did not meet our requirements.

The fund has new fund rules as of 1 January 2020, which reflect that the fund is managed with enhanced sustainability criteria.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.



Handelsbanken Pension 80 Aktiv

Management Report

Investment Focus

The fund is most appropriate for investors born in the 1980s. The objective of the fund is to achieve good returns while gradually lowering risk up to the time of retirement. We decrease the proportion of equities and gradually increase the proportion of interest-bearing securities until the retirement age. The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in Swedish fixed income funds, as well as in Nordic and global equity funds without being limited to a specific sector or geographic area. The fund invests primarily in funds within Handelsbanken as well as in funds managed by other fund management companies. For the current distribution, refer to the Portfolio distribution section at www.handelsbanken.se/funds. We compare fund performance to an index consisting of SIX SRI Nordic 200 Net Index: 50% and Solactive ISS ESG Screened Global Markets Index: 50%. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 29.0% in 2019*. A weaker global economy led many central banks to pursue a more expansive monetary policy. Expectations for a long period of low interest rates resulted in a sharp upturn in the equity markets. Decreased concerns about the trade war and Brexit also contributed to an increased risk appetite. The World Index rose 34.92% (SEK). A weaker SEK contributed to returns on foreign holdings. The US equity market posted the most strength, while Japan was slightly weaker. Market rates in the US, Europe and Sweden fell, which resulted in bonds outperforming fixed income investments with a shorter duration. Our holdings in emerging market bonds posted strength during the year. We had a lower risk in equities during most of the year. Regionally, we prefer the Swedish stock market over the European. We are neutral to Japan, emerging markets and the US. We purchased holdings in Handelsbanken Hälsovård Tema as well as Fidelity Sustainable Water and Waste Fund. Within fixed income, we had a short duration in our Swedish holdings as well as an overweight in emerging market bonds.

*) Refer to fund statistics for comparable index.

Significant risks

The fund is a mixed fund that normally implies an investment with moderately high risk. The risk in the fund is due to the fund's allocation between the equity and fixed income asset classes. An investment in equities and equity funds can be associated with high risk and can fluctuate significantly over time. An investment in fixed income securities or in a fixed income fund is associated with interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long

residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The duration on holdings in the fund can vary significantly over time. The fund may make concentrated investments with regard to regions and sectors. This means that the risk in the fund can be higher than an investment in a diversified global fund that allocates its investments across several regions or sectors. Given that the fund's investments are made in foreign equities denominated in another currency other than the fund's base currency, an investment in the fund is associated with currency risk. An investment in an interest-bearing 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 interest-bearing securities issued by companies or states with a low credit quality increases. The fund may invest in derivatives as part of its investment focus to increase returns in the fund or to create leverage. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

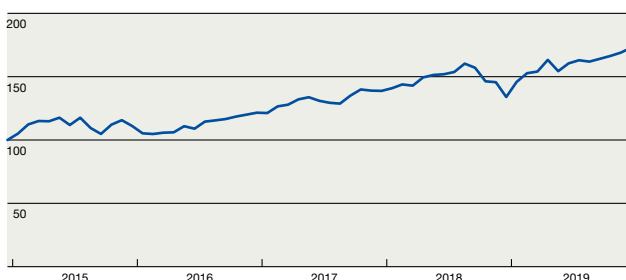
As of April 30, 2019 the fund changed its index from VINX Benchmark Cap SEK_NI 50%, MSCI All Country World Index Net 50% to SIX SRI Nordic 200 Net Index 50% and Solactive ISS ESG Screened Global Markets Index 50%. The reason for the change of index was a sustainability adjustment of the fund to exclude more controversial activities than before. The fund's investment policy has not been affected.

The fund's historical performance prior to the launch date is attributed to the merger between Placeringsfonden Handelsbanken Pension 80 Aktiv (Finland) and Handelsbanken Pension 80 Aktiv (Sweden) that occurred on September 12, 2014.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

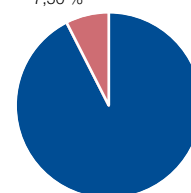
Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Fund Performance*



Market Exposure*

Interest-bearing, including liquid assets
7,50 %



Equities, shares 92,50 %

* The fund's allocation of investments within the markets as of 31/12/2019, relative to the fund's total assets on this date.

Handelsbanken Pension 80 Aktiv, cont.

Fund Facts - History

	2019	2018	2017	2016	2015	12/9-31/12 2014	2013	2012	2011	2010
Net asset value, SEK ¹⁾	288.62	223.76	231.80	203.04	185.48	167.04	-	-	-	-
The fund's total net flow, mSEK	269	173	129	92	123	35	-	-	-	-
Fund capital, mSEK	2,369	1,610	1,507	1,201	1,006	796	-	-	-	-
Number of units, 1000's	8,207	7,197	6,501	5,917	5,425	4,766	-	-	-	-
Total returns in %, SEK	+29.0	-3.5	+14.2	+9.5	+11.0	+20.6	+23.7	+14.6	-14.2	+13.7
Index including dividends in %, SEK	+32.4	-2.7	+12.6	+11.9	+8.4	+22.0	+23.8	+13.2	-11.2	+12.8
Tracking error, 2 yrs. %	1.6	1.4	1.2	1.7	1.6	1.3	-	-	-	-
Average yearly return, 2 yrs. %	+11.6	+5.0	+11.8	+10.3	+15.7	+22.1	+19.1	-0.8	-1.3	+23.4
Comparison to index including dividends, %	+13.5	+4.7	+12.3	+10.1	+15.0	+22.9	+18.4	+0.3	+0.1	+20.5
Average yearly return, 5 yrs. %	+11.6	+10.1	+15.7	+15.8	+10.2	+10.8	+13.1	-1.6	-3.0	+2.2
Comparison to index including dividends, %	+12.0	+10.2	+15.6	+15.7	+10.5	+11.4	+12.6	-1.3	-2.3	+2.4
Average yearly return, 10 yrs. %	+11.2	+11.6	+6.7	+6.0	+6.2	-	-	-	-	-
Comparison to index including dividends, %	+11.7	+11.4	+6.8	+6.3	+6.3	-	-	-	-	-

¹⁾ The net asset value was adjusted on June 16, 2014 after a judgment in the Administrative Court in Falun. Pursuant to the judgment, funds with U.S. Holdings shall be charged with full U.S. withholding taxes as of January 1, 2012. As of June 16, 2014, full U.S. withholding taxes were deducted until an Administrative Court of Appeals in Sundsvall changed the Administrative Court's judgment on March 30, 2015, and the withholding taxes previously reserved were repaid to each fund concerned.

Benchmark: SIX SRI Nordic 200 Net Index 50% and Solactive ISS ESG Screened Global Markets Index 50%

Up to 30/04/2019: VINX Benchmark Cap SEK_NI 50%, MSCI All Country World Index Net 50%.

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 page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.25
Collected mgmt. costs in % of average fund capital	1.25
Annual fees in %	1.27
Transaction costs, SEKt	204
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	148.00
Costs in SEK for monthly savings, 100 SEK	8.67

A maximum fixed fee of 3% may be deducted annually for the management of the underlying funds in which the fund invests assets. During each measurement period, any potential performance-based management fees in the underlying funds may total a maximum of 30% of the excess returns in relation to each of the fund's comparison norms (index or equivalent).

Fund Facts - Other Key Figures

Turnover rate	0.3
Share of turnover conducted via closely-related securities companies in %	6.1
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk %	13.3	Information ratio	Negative
Total risk in index %	13.2	Sharpe ratio	0.9
Benchmark	SIX SRI Nordic 200 Net Index 50% och Solactive ISS ESG Screened Global Markets Index 50%	Sharpe ratio in index	1.1
Active return %	-1.9		

* 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.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	-11,111	-8,835
Changes in value for fund units **	495,364	-68,382
Interest income	-124	-124
Dividends	5,835	1,023
Currency exchange profits and losses, net	592	6,626
Other financial income ¹⁾	24,563	20,796
Other income	11	0
Total income and changes in value	515,130	-48,896
EXPENSES		
Management costs:		
- Remuneration to the Management Company	25,705	21,002
Interest expense	7	7
Other expenses	151	72
Total expenses	25,863	21,081
Net income	489,267	-69,977

* Details of changes in value

Capital gains	49,991	69,387
Capital losses	-63,997	-78,222
Unrealised gains/losses	2,895	-
Sum	-11,111	-8,835

** Details of changes in value

Capital gains	126,787	80,208
Capital losses	-3,261	-946
Unrealised gains/losses	371,838	-147,644
Sum	495,364	-68,382

¹⁾ The item consists primarily of discounts for management costs in underlying funds.

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	179	0.0	2,501	0.1
Fund units	2,314,378	97.7	1,586,503	98.5
Total financial instruments with positive market value ^{Note 2)}	2,314,557	97.7	1,589,004	98.6
Bank assets and other liquid assets	52,827	2.2	17,133	1.2
Prepaid expenses and accrued income	2,232	0.1	1,777	0.1
Other assets	2,505	0.1	6,024	0.3
Total assets	2,372,121	100.1	1,613,938	100.2
LIABILITIES				
OTC derivative instruments with negative market value	-	-	462	0.0
Total financial instruments with negative market value ^{Note 2)}	-	-	462	0.0
Accrued expenses and prepaid income	2,486	0.1	1,766	0.1
Other liabilities	856	0.0	1,281	0.1
Total liabilities	3,342	0.1	3,509	0.2
Fund capital ^{Note 1)}	2,368,779	100.0	1,610,429	100.0
Other derivative instruments with negative market value ¹⁾	8,239	0.3	3,619	0.2

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	1,610,429	1,506,950
Units issued	358,756	289,815
Units redeemed	-89,673	-116,359
Profit according to Income Statement	489,267	-69,977
Dividends to unit holders	-	-
Fund capital at the close of the period	2,368,779	1,610,429

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
STOCK INDEX FUTURES			
EURO STOXX 50 Mar20 ¹⁾	-57	0	0.0
OMXO200A ²⁾	91	0	0.0
OMXS30 ESG Future Jan20 ³⁾	216	0	0.0
STOXX EUROPE 600 Mar20 ⁴⁾	-211	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
EURO-BUND Future Mar20 ⁵⁾	-27	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

Handelsbanken Pension 80 Aktiv, cont.

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG AC World-SEK	2,528,530	33,655	1.4
Fidelity Funds - Sustainable Water & Waste Fund			
und ac	6,277,338	68,737	2.9
JPM Europe Small Cap A Acc EUR	42,355	45,939	1.9
SHB Amerika Småbolag Tema (A1 SEK)	129,493	121,833	5.1
SHB Amerika Tema (A1 SEK)	159,473	177,892	7.5
SHB Asien Tema (A1 SEK)	51,475	38,805	1.6
SHB Emerging Markets Index (A1 SEK)	131,163	22,057	0.9
SHB Europa Tema (A1 SEK)	167,031	75,046	3.2
SHB Hållbar Energi (A1 SEK)	189,987	37,259	1.6
SHB Hållsövärd Tema (A1 SEK)	139,239	37,057	1.6
SHB Japan Tema (A1 SEK)	771,178	74,898	3.2
SHB Norden (A1 SEK)	345,411	443,535	18.7
SHB Norden Selektiv (A1 SEK)	320,347	148,542	6.3
SHB Nordiska Småbolag (A1 SEK)	203,670	262,235	11.1
SHB Sverige 100 Index Criteria (A1 SEK)	82,116	22,715	1.0
SHB Tillväxtmarknad Tema (A1 SEK)	255,532	95,427	4.0
SHB USA Index Criteria (A1 SEK)	462,872	206,222	8.7
UBS Equity Sicav USA Growth	81,508	34,259	1.4
		1,946,113	82.2
LISTED EQUITY FUNDS**			
XACT Högutdelande	1,290,109	167,939	7.1
XACT Norden	1,172,253	156,928	6.6
		324,867	13.7
FIXED INCOME FUNDS			
SHB Räntestrategi (A1 SEK)	136	14	0.0
UI - Aktia EM Local Currency Bond+ - s1	391,662	43,384	1.8
		43,398	1.8
Total fund units		2,314,378	97.7

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
EUR/SEK ⁶⁾		179	0.0
		179	0.0
Total OTC derivative instruments		179	0.0
Total other financial instruments		2,314,557	97.7
Total holdings in financial instruments		2,314,557	97.7
Net, other assets and liabilities		54,222	2.3
Total fund capital		2,368,779	100.0

1) Stock index futures with underlying exposure of -22 335 tSEK, which is equivalent to 0.9% of fund capital.

2) Stock index futures with underlying exposure of 8 411 tSEK, which is equivalent to 0.4% of fund capital.

3) Stock index futures with underlying exposure of 37 720 tSEK, which is equivalent to 1.6% of fund capital.

4) Stock index futures with underlying exposure of -45 873 tSEK, which is equivalent to 1.9% of fund capital.

5) Interest rate futures with underlying exposure of -48 374 tSEK, which is equivalent to 2.0% of fund capital.

6) tEUR 4 040/tSEK -42 319, counterpart Skandinaviska Enskilda Banken AB (publ).

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

13.7
84.0**Compilation, Company and Group exposure***

Company/Group	% of fund capital
Fidelity Funds	4.3

* 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.

Handelsbanken Pension 80 Aktiv

Sustainability dimensions taken into consideration in the management of the fund

The fund takes environmental, social and corporate governance criteria (ESG) into consideration in its selection of investments, i.e., in the selection of the underlying funds. As a result, the fund is placing greater focus on making investments that are in line with the UN's Sustainable Development Goals. Fund managers in the underlying funds are also encouraged to increase investments in green bonds, for example.

Methods used for sustainability efforts

Inclusion

Sustainability is a separate area of assessment in the evaluation of the underlying funds and investments. When striking a balance between returns and risk for equivalent investments, we select the investment we consider to be most sustainable. An important assessment factor is how well sustainability is integrated in the underlying fund. We also work actively to increase the quantitative measurability in our assessments to clarify sustainability dimensions in the portfolio.

Exclusion

In accordance with the Management Company's comprehensive policy for responsible investments, the following are excluded from all of the

Management Company's funds:

- companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within mining of coal or in power companies that have coal as a major source of energy.

The Management Company's engagement activities

We require service providers to use their ownership influence in the underlying companies within the fund. In addition, we work actively to influence service providers to change their policies in a direction we believe is more sustainable in general, as well as within specific funds. This could include the exclusion of certain types of sectors or specific companies. The engagement activities also focus on contributing to the development of new products with a higher standard of sustainability.

The fund is a fund of funds, which means that we do not have a direct impact on the underlying companies, but rather work to have an impact on the fund providers.

Follow-up of sustainability work

During the year we took measures to adjust our holdings to meet the enhanced sustainability criteria. As a result, we exclude* funds with investments in companies whose principle operations are within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. We also exclude funds that invest in companies that violate international norms and conventions regarding human rights, labour law, the environment, and anti-corruption.

Our actively-managed funds may include so-called companies in transition. Companies in transition work to transition their operations towards fossil-free energy production. The principle of excluding fossil fuels can thereby be granted an exemption over a period of time if the company meets our requirements to qualify as a company in transition.

We also changed the benchmark index during the year to better reflect our more sustainable investment criteria. We have had extensive dialogues with providers who are willing to meet our requirements in existing investments and in some cases have jointly launched new funds that comply with the increased requirements. We also sold funds that did not meet our requirements.

The fund has new fund rules as of 1 January 2020, which reflect that the fund is managed with enhanced sustainability criteria.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.



Handelsbanken Pension 90 Aktiv

Management Report

Investment Focus

The fund is most appropriate for investors born in the 1990s. The objective of the fund is to achieve good returns while gradually lowering risk up to the time of retirement. We decrease the proportion of equities and gradually increase the proportion of interest-bearing securities until the retirement age. The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in Swedish fixed income funds, as well as in Nordic and global equity funds without being limited to a specific sector or geographic area. The fund invests primarily in funds within Handelsbanken as well as in funds managed by other fund management companies. For the current distribution, refer to the Portfolio distribution section at www.handelsbanken.se/funds. We compare fund performance to an index consisting of SIX SRI Nordic 200 Net Index: 50% and Solactive ISS ESG Screened Global Markets Index: 50%. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 29.4% in 2019*. A weaker global economy led many central banks to pursue a more expansive monetary policy. Expectations for a long period of low interest rates resulted in a sharp upturn in the equity markets. Decreased concerns about the trade war and Brexit also contributed to an increased risk appetite. The World Index rose 34.92% (SEK). A weaker SEK contributed to returns on foreign holdings. The US equity market posted the most strength, while Japan was slightly weaker. Market rates in the US, Europe and Sweden fell, which resulted in bonds outperforming fixed income investments with a shorter duration. Our holdings in emerging market bonds posted strength during the year. We had a lower risk in equities during most of the year. Regionally, we prefer the Swedish stock market over the European. We are neutral to Japan, emerging markets and the US. We purchased holdings in Handelsbanken Hälsovård Tema as well as Fidelity Sustainable Water and Waste Fund. Within fixed income, we had a short duration in our Swedish holdings as well as an overweight in emerging market bonds.

* Refer to fund statistics for comparable index.

Significant risks

The fund is a mixed fund that normally implies an investment with moderately high risk. The risk in the fund is due to the fund's allocation between the equity and fixed income asset classes. An investment in equities and equity funds can be associated with high risk and can fluctuate significantly over time. An investment in fixed income securities or in a fixed income fund is associated with interest rate risk, which

means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The average duration over time for holdings in the fund can vary between 0 to 7 years. The fund may concentrate its investments by region and sector. This means that the risk in the fund can be higher than an investment in a diversified global fund that allocates its investments across several regions or sectors. Given that the fund's investments are made in foreign equities denominated in another currency other than the fund's base currency, an investment in the fund is associated with currency risk. An investment in an interest-bearing 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 interest-bearing securities issued by companies or states with a low credit quality increases. The fund may invest in derivatives as part of its investment focus to increase returns in the fund or to create leverage. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

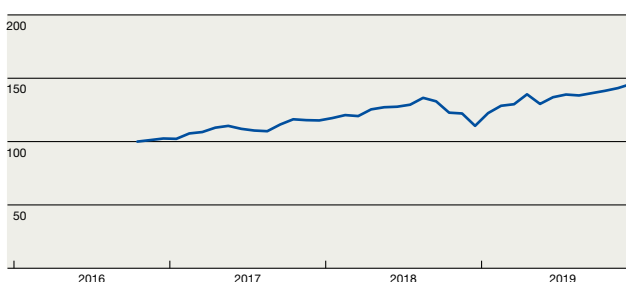
Information

As of April 30, 2019 the fund changed its index from VINX Benchmark Cap SEK_NI 50%, MSCI All Country World Index Net 50% to SIX SRI Nordic 200 Net Index 50% and Solactive ISS ESG Screened Global Markets Index 50%. The reason for the change of index was a sustainability adjustment of the fund to exclude more controversial activities than before. The fund's investment policy has not been affected.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

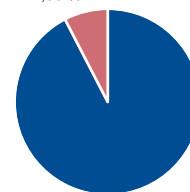
Fund Performance*



* Performance is shown in the fund's base currency.

Market Exposure*

Interest-bearing, including liquid assets
7,60 %



Equities, shares 92.40 %

* The fund's allocation of investments within the markets as of 31/12/2019, relative to the fund's total assets on this date.

Handelsbanken Pension 90 Aktiv, cont.

Fund Facts - History

	2019	2018	2017	26/10-31/12 2016	2015	2014	2013	2012	2011	2010
Net asset value, SEK ¹⁾	145.17	112.21	116.47	102.24	-	-	-	-	-	-
The fund's total net flow, mSEK	75	28	14	12	-	-	-	-	-	-
Fund capital, mSEK	150	53	29	13	-	-	-	-	-	-
Number of units, 1000's	1,035	473	248	123	-	-	-	-	-	-
Total returns in %, SEK	+29.4	-3.7	+13.9	+2.2	-	-	-	-	-	-
Index including dividends in %, SEK	+32.4	-2.7	+12.6	+3.3	-	-	-	-	-	-
Tracking error, 2 yrs. %	1.5	1.4	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %	+11.6	+4.8	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+13.5	+4.7	-	-	-	-	-	-	-	-

1) The net asset value was adjusted on June 16, 2014 after a judgment in the Administrative Court in Falun. Pursuant to the judgment, funds with U.S. Holdings shall be charged with full U.S. withholding taxes as of January 1, 2012. As of June 16, 2014, full U.S. withholdings taxes were deducted until an Administrative Court of Appeals in Sundsvall changed the Administrative Court's judgment on March 30, 2015, and the withholding taxes previously reserved were repaid to each fund concerned.

Benchmark: SIX SRI Nordic 200 Net Index 50% and Solactive ISS ESG Screened Global Markets Index 50%

Up to 30/04/2019: VINX Benchmark Cap SEK_NI 50%, MSCI All Country World Index Net 50%.

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 page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.25
Collected mgmt. costs in % of average fund capital	1.25
Annual fees in %	1.27
Transaction costs, SEKt	11
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	148.35
Costs in SEK for monthly savings, 100 SEK	8.68

A maximum fixed fee of 3% may be deducted annually for the management of the underlying funds in which the fund invests assets. During each measurement period, any potential performance-based management fees in the underlying funds may total a maximum of 30% of the excess returns in relation to each of the fund's comparison norms (index or equivalent).

Fund Facts - Other Key Figures

Turnover rate	0.3
Share of turnover conducted via closely-related securities companies in %	7.7
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk %	13.3	Information ratio	Negative
Total risk in index %	13.2	Sharpe ratio	0.9
Benchmark	SIX SRI Nordic 200 Net Index 50% och Solactive ISS ESG Screened Global Markets Index 50%	Sharpe ratio in index	1.1
Active return %	-1.9		

* 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.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	-89	-173
Changes in value for fund units **	21,681	-3,281
Interest income	-2	-1
Dividends	257	-
Currency exchange profits and losses, net	-73	-23
Other financial income ¹⁾	1,177	533
Other income	3	0
Total income and changes in value	22,954	-2,945
EXPENSES		
Management costs:		
- Remuneration to the Management Company	1,262	539
Interest expense	2	1
Other expenses	7	2
Total expenses	1,271	542
Net income	21,683	-3,487
* Details of changes in value		
Capital gains	1,319	473
Capital losses	-1,423	-646
Unrealised gains/losses	15	-
Sum	-89	-173
** Details of changes in value		
Capital gains	1,660	2,311
Capital losses	-208	-222
Unrealised gains/losses	20,229	-5,370
Sum	21,681	-3,281

1) The item consists primarily of discounts for management costs in underlying funds.

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	10	0.0	76	0.1
Fund units	145,722	97.0	51,916	97.8
Total financial instruments with positive market value ^{Note 2)}	145,732	97.0	51,992	97.9
Bank assets and other liquid assets	4,264	2.8	784	1.5
Prepaid expenses and accrued income	138	0.1	56	0.1
Other assets	937	0.7	749	1.4
Total assets	151,071	100.6	53,581	100.9
LIABILITIES				
OTC derivative instruments with negative market value	-	-	31	0.1
Total financial instruments with negative market value ^{Note 2)}	-	-	31	0.1
Accrued expenses and prepaid income	155	0.1	56	0.1
Other liabilities	688	0.5	383	0.7
Total liabilities	843	0.6	470	0.9
Fund capital ^{Note 1)}	150,228	100.0	53,111	100.0
Other derivative instruments with negative market value ¹⁾	48	0.0	114	0.2

1) Liquid assets 27 tSEK

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	53,111	28,835
Units issued	92,674	52,683
Units redeemed	-17,240	-24,920
Profit according to Income Statement	21,683	-3,487
Dividends to unit holders	-	-
Fund capital at the close of the period	150,228	53,111

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
STOCK INDEX FUTURES			
EURO STOXX 50 Mar20 ¹⁾	-3	0	0.0
OMXO200A ²⁾	6	0	0.0
OMXS30 ESG Future Jan20 ³⁾	14	0	0.0
STOXX EUROPE 600 Mar20 ⁴⁾	-12	0	0.0
Total stock index futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG AC World-SEK	153,083	2,038	1.4
Fidelity Funds - Sustainable Water & Waste F			
und ac	398,613	4,365	2.9
JPM Europe Small Cap A Acc EUR	2,501	2,712	1.8
SHB Amerika Småbolag Tema (A1 SEK)	8,244	7,757	5.2
SHB Amerika Tema (A1 SEK)	10,076	11,240	7.5
SHB Asien Tema (A1 SEK)	3,232	2,436	1.6
SHB Emerging Markets Index (A1 SEK)	8,347	1,404	0.9
SHB Europa Tema (A1 SEK)	10,558	4,743	3.2
SHB Hållbar Energi (A1 SEK)	11,153	2,187	1.5
SHB Hålsövärd Tema (A1 SEK)	8,572	2,281	1.5
SHB Japan Tema (A1 SEK)	47,099	4,574	3.0
SHB Norden (A1 SEK)	22,029	28,287	18.8
SHB Norden Selektiv (A1 SEK)	19,713	9,141	6.1

Handelsbanken Pension 90 Aktiv, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
SHB Nordiska Småbolag (A1 SEK)	12,568	16,182	10.8
SHB Sverige 100 Index Criteria (A1 SEK)	4,919	1,361	0.9
SHB Tillväxtmarknad Tema (A1 SEK)	16,287	6,082	4.0
SHB USA Index Criteria (A1 SEK)	29,397	13,097	8.7
UBS Equity Sicav USA Growth	4,935	2,074	1.4
		121,961	81.2
LISTED EQUITY FUNDS**			
XACT Högutdelande	79,197	10,309	6.9
XACT Norden	72,322	9,682	6.4
		19,991	13.3
FIXED INCOME FUNDS			
SHB Räntestrategi (A1 SEK)	11,380	1,165	0.8
UI - Aktia EM Local Currency Bond+ - s1	23,516	2,605	1.7
		3,770	2.5
Total fund units		145,722	97.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
EUR/SEK ⁵⁾		10	0.0
		10	0.0
Total OTC derivative instruments		10	0.0
Total other financial instruments		145,732	97.0
Total holdings in financial instruments		145,732	97.0
Net, other assets and liabilities		4,496	3.0
Total fund capital		150,228	100.0

1) Stock index futures with underlying exposure of -1 176 tSEK, which is equivalent to 0.8% of fund capital.

2) Stock index futures with underlying exposure of 555 tSEK, which is equivalent to 0.4% of fund capital.

3) Stock index futures with underlying exposure of 2 445 tSEK, which is equivalent to 1.6% of fund capital.

4) Stock index futures with underlying exposure of -2 609 tSEK, which is equivalent to 1.7% of fund capital.

5) tEUR 220/tSEK -2 305, counterpart Skandinaviska Enskilda Banken AB (publ).

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

13.3

83.7

Compilation, Company and Group exposure*

Company/Group	% of fund capital
Fidelity Funds	4.3

* 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.

Handelsbanken Pension 90 Aktiv

Sustainability dimensions taken into consideration in the management of the fund

The fund takes environmental, social and corporate governance criteria (ESG) into consideration in its selection of investments, i.e., in the selection of the underlying funds. As a result, the fund is placing greater focus on making investments that are in line with the UN's Sustainable Development Goals. Fund managers in the underlying funds are also encouraged to increase investments in green bonds, for example.

Methods used for sustainability efforts

Inclusion

Sustainability is a separate area of assessment in the evaluation of the underlying funds and investments. When striking a balance between returns and risk for equivalent investments, we select the investment we consider to be most sustainable. An important assessment factor is how well sustainability is integrated in the underlying fund. We also work actively to increase the quantitative measurability in our assessments to clarify sustainability dimensions in the portfolio.

Exclusion

In accordance with the Management Company's comprehensive policy for responsible investments, the following are excluded from all of the

Management Company's funds:

- companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within mining of coal or in power companies that have coal as a major source of energy.

The Management Company's engagement activities

We require service providers to use their ownership influence in the underlying companies within the fund. In addition, we work actively to influence service providers to change their policies in a direction we believe is more sustainable in general, as well as within specific funds. This could include the exclusion of certain types of sectors or specific companies. The engagement activities also focus on contributing to the development of new products with a higher standard of sustainability.

The fund is a fund of funds, which means that we do not have a direct impact on the underlying companies, but rather work to have an impact on the fund providers.

Follow-up of sustainability work

During the year we took measures to adjust our holdings to meet the enhanced sustainability criteria. As a result, we exclude* funds with investments in companies whose principle operations are within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. We also exclude funds that invest in companies that violate international norms and conventions regarding human rights, labour law, the environment, and anti-corruption.

Our actively-managed funds may include so-called companies in transition. Companies in transition work to transition their operations towards fossil-free energy production. The principle of excluding fossil fuels can thereby be granted an exemption over a period of time if the company meets our requirements to qualify as a company in transition.

We also changed the benchmark index during the year to better reflect our more sustainable investment criteria. We have had extensive dialogues with providers who are willing to meet our requirements in existing investments and in some cases have jointly launched new funds that comply with the increased requirements. We also sold funds that did not meet our requirements.

The fund has new fund rules as of 1 January 2020, which reflect that the fund is managed with enhanced sustainability criteria.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.



Handelsbanken Stiftelsefond

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index, as well as to generate high dividend yields. The fund invests in fixed income funds, equity funds and other financial instruments. The fund invests primarily in funds within Handelsbanken, but may also invest in fund managed by other fund management companies. For the current distribution, refer to the section Portfolio distribution at www.handelsbanken.se/funds. 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 (both direct holdings as well as holdings in funds in which the fund invests) operating within the fossil fuels, war materials, 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. Refer to the fund's information brochure for additional information. The following is applicable to the fund's investments in index derivatives and other index products:

The fund will place emphasis on investing in sustainability-oriented instruments. In the absence of such instruments, the fund will invest in other index derivatives and index products. There may be companies within such instruments that are not permitted in accordance with the exclusion criteria referenced above. Twenty-five to seventy-five percent of the fund's value shall be invested in equity funds or other equity-related financial instruments, 25-75% in fixed income funds or other fixed income related financial instruments. The proportion of equities normally varies between 50-75% and the fixed income portion varies between 25-50%. The current distribution is available in the section Portfolio distribution at www.handelsbanken.se/funds. We compare the fund's performance with an index consisting of 33.3%-SIX SRI Sweden Index GI, 33.3%-Solactive ISS ESG Screened Global Markets Index, 23.28%-HMNI Swe All Government Dur Const 6 Y (HMSD6) and 10.02%-HMNI Swe All Mortgage Dur Const 2.5 Y (HMSMD2.5). Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 22.1% in 2019*. A weaker global economy led many central banks to pursue a more expansive monetary policy. Expectations for a long period of low interest rates resulted in a sharp upturn in the equity markets. Decreased concerns about the trade war and Brexit also contributed to an increased risk appetite. The World Index rose 34.92% (SEK). A weaker SEK contributed to returns on foreign holdings. The US equity market posted the most strength, while Japan was slightly weaker. Market rates in the US, Europe and Sweden fell, which resulted in bonds outperforming fixed income investments with a shorter duration. Our holdings in emerging market bonds posted strength during the year. We had a lower risk in equities during most of the year. Regionally, we prefer the Swedish stock market over the European. We are neutral to Japan, emerging markets and the US. We purchased holdings in Handelsbanken Hålsövärd Tema, Aktia Emerging Market Frontier Debt Fund as well as Fidelity Sustainable Water and Waste Fund. Within fixed income, we had a short duration in our Swedish holdings as well as an overweight in emerging market bonds.

*) 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 a mixed fund that normally implies an investment with low

risk. The risk in the fund is due to the fund's allocation between the equity, fixed income and alternative investment asset classes. An investment in equities, equity funds and alternative investments can be associated with high risk and can fluctuate significantly over time. An investment in fixed income securities or in a fixed income fund is associated with interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The duration on holdings in the fund can vary significantly over time. The fund may make concentrated investments with regard to regions and sectors. This means that the risk in the fund can be higher than an investment in a diversified global fund that allocates its investments across several regions or sectors. Given that the fund's investments are made in foreign equities denominated in another currency other than the fund's base currency, an investment in the fund is associated with currency risk. The fund's liquidity risk is deemed to be moderately high due to the fund's size in relation to the size or turnover of the markets and securities in which the fund invests. An investment in an interest-bearing 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 interest-bearing securities issued by companies or states with a low credit quality increases. The fund may invest in derivatives as part of its investment focus to increase returns in the fund or to create leverage. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

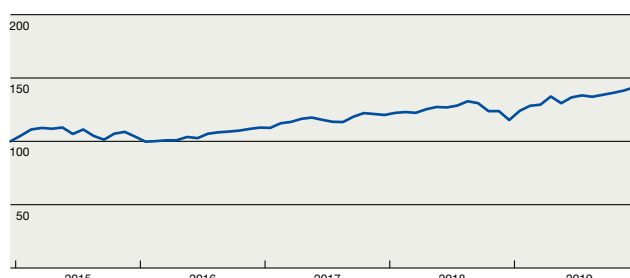
On 30 April 2019, the fund changed index from SIX SRI Sweden Index GI 33.3%, MSCI ACWI Select Global Norms and Criteria Index 33.3%, HMNI Swe All Government Dur Const 6 Y (HMSD6) 23.28% and HMNI Swe All Mortgage Dur Const 2.5 Y (HMSMD2.5) 10.02% to SIX SRI Sweden Index GI 33.3%, Solactive ISS ESG Screened Global Markets Index 33.3%, HMNI Swe All Government Dur Const 6 Y (HMSD6) 23.28% and HMNI Swe All Mortgage Dur Const 2.5 Y (HMSMD2.5) 10.02%. This was due to the change to a sustainability-oriented index that excludes a greater number of controversial business operations than previously. The fund's investment focus has not been affected by the change. The fund changed its fund rules on 1 October 2019. The fund changed its name from Handelsbanken Stiftelsefond Criteria to Handelsbanken Stiftelsefond.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

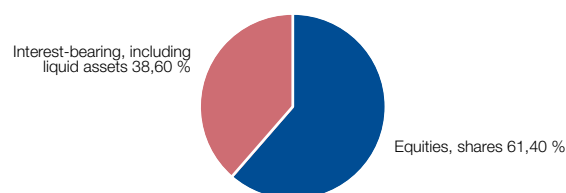
Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Handelsbanken Stiftelsefond, cont.

Fund Performance*



Market Exposure*



* The fund's allocation of investments within the markets as of 31/12/2019, relative to the fund's total assets on this date.

Fund Facts - History

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net asset value, SEK										
Stiftelsefond A1	102.11	-	-	-	-	-	-	-	-	-
Stiftelsefond A10	102.20	-	-	-	-	-	-	-	-	-
Stiftelsefond B1 ¹⁾	135.67	114.77	123.59	117.97	114.50	114.37	103.43	92.86	87.69	96.88
Stiftelsefond B10	137.15	115.32	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	983	494	425	131	335	22	68	-22	-	-
Fund capital total, mSEK	6,131	4,174	3,852	3,154	2,833	-	-	-	-	-
Stiftelsefond A1	3	-	-	-	-	-	-	-	-	-
Stiftelsefond A10	22	-	-	-	-	-	-	-	-	-
Stiftelsefond B1	4,051	3,286	3,852	3,154	2,833	2,434	2,110	1,776	1,646	1,828
Stiftelsefond B10	2,056	888	-	-	-	-	-	-	-	-
Number of units, 1000's	45,090	36,330	31,167	26,738	24,744	-	-	-	-	-
Stiftelsefond A1	29	-	-	-	-	-	-	-	-	-
Stiftelsefond A10	216	-	-	-	-	-	-	-	-	-
Stiftelsefond B1	29,856	28,632	31,167	26,738	24,744	21,285	20,401	19,129	18,765	18,872
Stiftelsefond B10	14,991	7,698	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Stiftelsefond B1	+22.1	-3.3	+9.0	+6.9	+3.7	+14.8	+15.2	+9.8	-6.2	+9.8
Stiftelsefond B10	+22.8	-2.7	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Stiftelsefond B1	+23.4	-1.3	+7.1	+9.3	+4.1	+17.0	+14.8	+9.8	-2.6	+11.4
Stiftelsefond B10	+23.4	-1.3	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Stiftelsefond A1	1.5	1.4	1.0	0.9	0.9	-	-	-	-	-
Stiftelsefond B10	1.5	1.4	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Stiftelsefond B1	+8.7	+2.7	+7.9	+5.3	+9.1	+15.0	+12.5	+1.5	+1.5	+16.6
Stiftelsefond B10	+9.3	+3.3	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+10.4	+2.9	+8.2	+6.7	+10.4	+15.9	+12.3	+3.4	+4.2	+16.6
Average yearly return, 5 yrs. %										
Stiftelsefond B1	+7.4	+6.0	+9.8	+10.0	+7.2	+8.4	+10.0	+1.9	+0.1	+2.6
Stiftelsefond B10	+8.0	+6.7	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+8.2	+7.1	+10.4	+10.9	+8.4	+9.8	+10.8	+3.1	+1.4	+3.3
Average yearly return, 10 yrs. %										
Stiftelsefond B1	+7.9	+8.0	+5.8	+4.9	+4.9	+6.1	+5.3	+5.1	-	-
Stiftelsefond B10	+8.5	+8.7	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+9.0	+8.9	+6.7	+6.0	+5.8	+7.2	+6.4	+6.2	-	-
Dividends per unit, SEK										
Stiftelsefond B1	4.02	4.94	4.72	4.01	4.29	3.88	3.25	3.25	3.40	3.70
Stiftelsefond B10	4.04	4.94	-	-	-	-	-	-	-	-

1) The net asset value was adjusted on June 16, 2014 after a judgment in the Administrative Court in Falun. Pursuant to the judgment, funds with U.S. Holdings shall be charged with full U.S. withholding taxes as of January 1, 2012. As of June 16, 2014, full U.S. withholding taxes were deducted until an Administrative Court of Appeals in Sundsvall changed the Administrative Court's judgment on March 30, 2015, and the withholding taxes previously reserved were repaid to each fund concerned.

Benchmark: SIX SRI Sweden Index GI 33.3%, Solactive ISS ESG Screened Global Markets Index 33.3%, HMNI Swe All Government Dur Const 6 Y (HMSD6) 23.28%, HMNI Swe All Mortgage Dur Const 2.5 Y (HMSMD2.5) 10.02%

Up to 01/03/2016: HMNI Swe All Government Dur Const 6Y (HMSD6) 23.4%, OMXSBGI 33.3%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD2.5) 10%, MSCI All Country World Index Net 33.3%

Up to 30/04/2019: SIX SRI Sweden Index GI 33.3%, MSCI ACWI Select Global Norms and Criteria Index 33.3%, HMNI Swe All Government Dur Const 6 Y (HMSD6) 23.28%, HMNI Swe All Mortgage Dur Const 2.5 Y (HMSMD2.5) 10.02%

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 information provided by the Management Company.

Refer to the last page for definitions.

Handelsbanken Stiftelsefond, cont.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Stiftelsefond A1	0.90
Stiftelsefond A10	0.30
Stiftelsefond B1	0.90
Stiftelsefond B10	0.30
Collected mgmt. costs in % of average fund capital	
Stiftelsefond A1	0.90
Stiftelsefond A10	0.30
Stiftelsefond B1	0.90
Stiftelsefond B10	0.30
Annual fees in %	
Stiftelsefond A1	0.96
Stiftelsefond A10	0.36
Stiftelsefond B1	0.96
Stiftelsefond B10	0.36
Transaction costs, SEKt	74
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Stiftelsefond A1	-
Stiftelsefond A10	-
Stiftelsefond B1	13.70
Stiftelsefond B10	4.57
Costs in SEK for monthly savings, 100 SEK	
Stiftelsefond A1	-
Stiftelsefond A10	-
Stiftelsefond B1	0.21
Stiftelsefond B10	0.07

A maximum fixed fee of 3% may be deducted annually for the management of the underlying funds in which the fund invests assets. During each measurement period, any potential performance-based management fees in the underlying funds may total a maximum of 30% of the excess returns in relation to each of the fund's comparison norms (index or equivalent).

Fund Facts - Other Key Figures

Turnover rate	0.9
Share of turnover conducted via closely-related securities companies in %	0.9
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - B1 SEK	9.6	Information ratio - B1 SEK	Negative
Total risk % - B10 SEK	9.6	Information ratio - B10 SEK	Negative
Total risk in index % - B1 SEK	9.0	Sharpe ratio - B1 SEK	1.0
Total risk in index % - B10 SEK	9.0	Sharpe ratio - B10 SEK	1.0
Benchmark	SIX SRI Sweden Index GI	Sharpe ratio in index - B1 SEK	1.2
	33,3%, Solactive ISS ESG	Sharpe ratio in index - B10 SEK	1.2
	Screened Global Markets		
	Index 33,3%, HMNI Swe		
	All Government Dur Const		
	6 Y (HMSD6) 23,28%		
	HMNI Swe All Mortgage		
	Dur Const 2.5 Y		
	(HMSMD2.5) 10,02%		
Active return % - B1 SEK	-1.7		
Active return % - B10 SEK	-1.1		

* 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.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	-31,295	-1,848
Changes in value for fund units **	1,038,487	-151,032
Interest income	-285	-287
Dividends	233	169
Currency exchange profits and losses, net	-9,467	404
Other financial income ¹⁾	43,148	37,150
Other income	563	4
Total income and changes in value	1,041,384	-115,440
EXPENSES		
Management costs:		
- Remuneration to the Management Company	38,517	34,104
Interest expense	94	11
Other expenses	74	5
Total expenses	38,685	34,120
Net income	1,002,699	-149,560
* Details of changes in value		
Capital gains	22,030	3,774
Capital losses	-61,401	-5,622
Unrealised gains/losses	8,076	-
Sum	-31,295	-1,848
** Details of changes in value		
Capital gains	564,911	122,633
Capital losses	-5,336	-4,784
Unrealised gains/losses	478,912	-268,881
Sum	1,038,487	-151,032

1) The item consists primarily of discounts for management costs in underlying funds.

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	-	-	0	0.0
OTC derivative instruments with positive market value	376	0.0	6,519	0.1
Fund units	5,940,104	96.9	4,124,741	98.8
Total financial instruments with positive market value ^{Note 2)}	5,940,480	96.9	4,131,260	98.9
Bank assets and other liquid assets	195,483	3.2	48,672	1.2
Prepaid expenses and accrued income	4,266	0.1	3,042	0.1
Other assets	2,086	0.0	4,282	0.1
Total assets	6,142,315	100.2	4,187,256	100.3
LIABILITIES				
OTC derivative instruments with negative market value	5,850	0.1	1,546	0.0
Total financial instruments with negative market value ^{Note 2)}	5,850	0.1	1,546	0.0
Accrued expenses and prepaid income	3,604	0.1	2,795	0.1
Other liabilities	1,473	0.0	8,940	0.2
Total liabilities	10,927	0.2	13,281	0.3
Fund capital ^{Note 1)}	6,131,388	100.0	4,173,975	100.0
Secured collateral for OTC derivative instruments ¹⁾	3,804	0.1	-	-
Other derivative instruments with negative market value ²⁾	13,288	0.2	3,029	0.1

1) Liquid assets SEK 3 804 t

2) Liquid assets 3 307 t SEK

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	4,173,975	3,851,998
Units issued	1,386,974	1,405,536
Units redeemed	-275,996	-775,580
Profit according to Income Statement	1,002,699	-149,560
Dividends to unit holders	-156,264	-158,419
Fund capital at the close of the period	6,131,388	4,173,975

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
STOCK INDEX FUTURES			
OMXS30 ESG Future Jan20 ¹⁾	210	0	0.0
STOXX EUROPE 600 Mar20 ²⁾	-711	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
EURO-BUND Future Mar20 ³⁾	-68	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity Funds - Sustainable Water & Waste F und ac	10,488,664	114,851	1.9
SHB Amerika Småbolag Tema (A1 SEK)	156,114	146,880	2.4
SHB Amerika Tema (A1 SEK)	490,449	547,096	8.9
SHB Emerging Markets Index (A1 SEK)	226,555	38,098	0.6
SHB Europa Index Criteria (A1 SEK)	4,518	619	0.0
SHB Europa Tema (A1 SEK)	341,787	153,563	2.5
SHB Global Index Criteria (A1 SEK)	173,655	55,033	0.9
SHB Global Småbolag Index Criteria (A4 SE K)	418,535	53,776	0.9
SHB Global Tema (A1 SEK)	333,372	194,173	3.2
SHB Hållbar Energi (A1 SEK)	301,797	59,186	1.0
SHB Hålsövärd Tema (A1 SEK)	227,383	60,515	1.0
SHB Japan Tema (A1 SEK)	1,145,487	111,251	1.8
SHB Svenska Småbolag (A1 SEK)	353,811	728,821	11.9
SHB Sverige 100 Index Criteria (A1 SEK)	2,792,733	772,542	12.6
SHB Sverige Index Criteria (A1 SEK)	1,053,521	336,370	5.5
SHB Sverige Selektiv (A1 SEK)	823,096	401,805	6.6
SHB Tillväxtmarknad Tema (A1 SEK)	447,823	167,237	2.7
		3,941,816	64.3

Handelsbanken Stiftelsefond, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITY FUNDS**			
XACT Högutdelande	466,438	60,718	1.0
		60,718	1.0
FIXED INCOME FUNDS			
BlueOrchard Ucits EM Sdg Impact Bond Fu	91,636	93,361	1.5
SHB Företagsobligation (A1 SEK)	2,897,601	383,625	6.3
SHB Företagsobligation IG (A1 SEK)	1,275,406	129,197	2.1
SHB Hållbar Global Obligation (A1 SEK)	2,490,718	253,136	4.1
SHB Institutionell Kortränta (A1 SEK)	1,196,291	119,987	2.0
SHB Kreditt (A1 NOK)	951,533	102,298	1.7
SHB Långränta (A1 SEK)	866,186	102,269	1.7
SHB Ränteavkastning (A1 SEK)	105	202	0.0
SHB Räntestrategi (A1 SEK)	3,480,639	356,216	5.8
UI - Aktia EM Frontier Bond+	1,393,468	142,301	2.3
UI - Aktia EM Local Currency Bond+ - s1	2,301,857	254,977	4.2
		1,937,570	31.6
Total fund units		5,940,104	96.9

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
EUR/SEK ⁴⁾		-3,400	-0.1
SEK/EUR ⁵⁾		376	0.0
SEK/NOK ⁶⁾		-2,449	0.0
		-5,474	-0.1
Total OTC derivative instruments		-5,474	-0.1
Total other financial instruments		5,934,630	96.8
Total holdings in financial instruments		5,934,630	96.8
Net, other assets and liabilities		196,758	3.2
Total fund capital		6,131,388	100.0

1) Stock index futures with underlying exposure of 36 673 tSEK, which is equivalent to 0.6% of fund capital.
2) Stock index futures with underlying exposure of -154 576 tSEK, which is equivalent to 2.5% of fund capital.
3) Interest rate futures with underlying exposure of -121 832 tSEK, which is equivalent to 2.0% of fund capital.
4) EUR 24 064/tSEK -256 452, counterpart Nordea Bank Abp.
5) tSEK 150 047/EUR -14 233, counterpart Skandinaviska Enskilda Banken AB (publ).
6) tSEK 99 857/NOK -96 233, counterpart Nordea Bank Abp.

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

Compilation, Company and Group exposure*

Company/Group	% of fund capital
UI Aktia	6.5

* 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.

Handelsbanken Stiftelsefond

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Sustainability dimensions taken into consideration in the management of the fund

The fund takes environmental, social and corporate governance criteria (ESG) into consideration in its selection of investments, i.e., in the selection of the underlying funds. As a result, the fund is placing greater focus on making investments that are in line with the UN's Sustainable Development Goals. Fund managers in the underlying funds are also encouraged to increase investments in green bonds, for example.

Methods used for sustainability efforts

Inclusion

Fund investments are included and followed up in a selection process that includes sustainability criteria at the fund and the fund management company level. The funds in which the Stiftelsefond invests must meet the sustainability criteria applicable to the fund. We also work actively to increase the quantitative measurability in our assessments to clarify sustainability dimensions in the portfolio.

Exclusion

The fund excludes in its entirety companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Investments in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* investments where key activities are within controversial

sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies/issuers that are regarded as contravening international norms and conventions.

The Management Company's engagement activities

We require service providers to use their ownership influence in the underlying companies within the fund. In addition, we work actively to influence service providers to change their policies in a direction we believe is more sustainable in general, as well as within specific funds. This could include the exclusion of certain types of sectors or specific companies. The engagement activities also focus on contributing to the development of new products with a higher standard of sustainability.

The fund is a fund of funds, which means that we do not have a direct impact on the underlying companies, but rather work to have an impact on the fund providers.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.*

Follow-up of sustainability work

During the year the enhanced sustainability criteria were implemented for the fund and its underlying funds in accordance with the above description.

During the year we also changed the benchmark index in order to better reflect our more sustainable investment criteria. We held extensive dialogues with service providers that are willing to fulfil our criteria in existing investments and, in some cases, have together launched new funds that meet the stricter requirements. We also sold funds that did not meet our requirements.



Handelsbanken Euro Corporate Bond Fund

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund may invest in interest-bearing financial instruments denominated in EUR, SEK, DKK and NOK that are issued by companies, mortgage institutions and states. A maximum of 2% of the fund's value may have exposure to currency risk in SEK, NOK or DKK. The average residual duration of the fund's investments may amount to zero to seven years. Fund assets may be invested in interest-bearing financial instruments with a minimum rating of BB- from S&P or Ba3 from Moody's. If the financial instrument lacks an official rating and is not a subordinated debt, the issuer's official rating will be used. If the issuer lacks an official rating, the Management Company may make its own assessment of the credit worthiness. A maximum of 30% of the fund's value may be invested in interest-bearing financial instruments with a rating within the BB segment (BB+/BB/BB-) according to S&P or within the Ba segment (Ba1/Ba2/Ba3) according to Moody's. The remaining shall be within the so-called Investment grade segment. 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. A restrictive position to fossil fuels is applied and criteria for companies with business activities within the weapons, tobacco, alcohol, gambling, pornography and cannabis areas/sectors is taken into consideration. Refer to the fund's information brochure for additional information.

Portfolio

The fund rose 4.8% in 2019*. There were many concerns at the start of the year about how the absence of CSPP (European Central Bank's Corporate Sector Purchase Programme) as the buyer of corporate bonds would impact the credit market and who would take over as the purchaser of the newly-issued credit bonds. It quickly became clear that these concerns were unwarranted. The credit market has performed strongly and demand remains high for bonds issued by companies. Moreover, there has been a significant amount of capital in the system and the interest rate levels in Europe and the US have declined substantially, which led investors to seek returns in other types of assets, such as credit bonds. The major central banks made dovish statements on the back of increasing concerns about the economy, which the market interpreted as it will take some time before we see rate hikes and there is a greater likelihood for rate cuts. Credit spreads were positively affected by this buying spree and during the first four months of the year returned to the levels we saw prior to the turbulence of the autumn 2018. May was slightly more volatile when political events such as the trade war between the US and China, as well as the tensions between the US and Iran, affected the market. We saw a clear downward trend on interest rates and credits during the first half of the year. The fund lost returns relative to its benchmark index during the first months of the year as the market posted strength and we had a more defensive position and outlook. However, the fund recovered a portion of this loss in recent months. The fund changed its benchmark index in March and currently has a Criteria-screened index. Portfolio holdings with a longer duration, as well as the Nordic real estate companies Balder, Akelius and Heimstaden, were the strongest positive contributors to returns. The fund is positioned for further low rates going forward and we also expect the high demand for credits to continue.

*) 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

An investment in the fund is characterised by low risk. An investment in

fixed income securities or in a fixed income fund is associated with interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The average duration over time for holdings in the fund shall be less than 1 year. The fund's investments are concentrated to securities listed in Europe, for holdings in the fund shall be less than 1 year. As a result, the risk in the fund is higher than an investment in a diversified global fund that distributes its investments across several regions. Given that the fund consists of different share classes, the changes in exchange rates can result in a differentiation in risk classifications between different share classes depending on the type of currency in which the share class is traded. The fund's liquidity risk is deemed to be moderately high due to the fund's size in relation to the size or turnover of the markets and securities in which the fund invests. An investment in an interestbearing 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 interestbearing securities issued by companies or states with a low credit quality increases. 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 or to create leverage. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

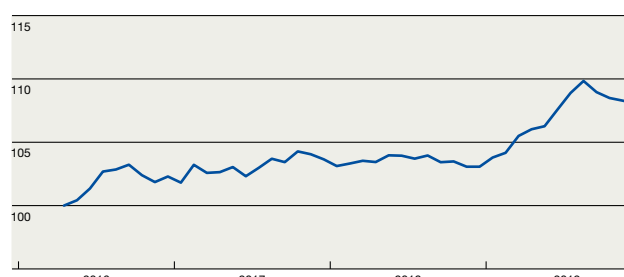
Information

On 28 February 2019, the fund changed index from Barclays Euro Aggregate Corporate Total Return Index Value to Solactive ISS ESG Screened Euro IG Corporate Bond Index as a result of a change in the index provider. The fund's investment focus has not been affected by the change. The fund changed its fund rules on 16 April 2019.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Fund Performance*



* Performance is shown in the fund's base currency. The fund may have several share classes, which are referred to in the Fund Facts.

Handelsbanken Euro Corporate Bond Fund , cont.

Fund Facts - History

	2019	2018	2017	20/4-31/12 2016	2015	2014	2013	2012	2011	2010
Net asset value, EUR										
Euro Corporate Bond Fund A1	107.58	102.61	103.18	101.84	-	-	-	-	-	-
Euro Corporate Bond Fund A7	108.58	103.30	103.62	102.01	-	-	-	-	-	-
Euro Corporate Bond Fund A10	108.46	102.99	-	-	-	-	-	-	-	-
Euro Corporate Bond Fund B7	104.31	100.23	101.56	102.01	-	-	-	-	-	-
The fund's total net flow, mEUR	13	56	11	38	-	-	-	-	-	-
Fund capital total, mEUR	124	106	51	39	-	-	-	-	-	-
Euro Corporate Bond Fund A1	81	75	28	20	-	-	-	-	-	-
Euro Corporate Bond Fund A7	19	12	18	14	-	-	-	-	-	-
Euro Corporate Bond Fund A10	24	19	-	-	-	-	-	-	-	-
Euro Corporate Bond Fund B7	0	0	5	5	-	-	-	-	-	-
Number of units, 1000's	1,152	1,031	490	380	-	-	-	-	-	-
Euro Corporate Bond Fund A1	750	733	265	195	-	-	-	-	-	-
Euro Corporate Bond Fund A7	179	113	173	134	-	-	-	-	-	-
Euro Corporate Bond Fund A10	221	184	-	-	-	-	-	-	-	-
Euro Corporate Bond Fund B7	2	2	52	51	-	-	-	-	-	-
Total returns in %, EUR										
Euro Corporate Bond Fund A1	+4.8	-0.6	+1.3	+1.8	-	-	-	-	-	-
Euro Corporate Bond Fund A7	+5.1	-0.3	+1.6	+2.0	-	-	-	-	-	-
Euro Corporate Bond Fund A10	+5.3	-0.1	-	-	-	-	-	-	-	-
Euro Corporate Bond Fund B7	+5.1	-0.3	+1.6	+2.0	-	-	-	-	-	-
Index including dividends in %, EUR										
Euro Corporate Bond Fund A1	+6.1	-1.3	+2.4	+1.8	-	-	-	-	-	-
Euro Corporate Bond Fund A7	+6.1	-1.3	+2.4	+1.8	-	-	-	-	-	-
Euro Corporate Bond Fund A10	+6.1	-1.3	-	-	-	-	-	-	-	-
Euro Corporate Bond Fund B7	+6.1	-1.3	+2.4	+1.8	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Euro Corporate Bond Fund A1	1.0	1.0	-	-	-	-	-	-	-	-
Euro Corporate Bond Fund A7	1.0	1.0	-	-	-	-	-	-	-	-
Euro Corporate Bond Fund A10	1.0	1.0	-	-	-	-	-	-	-	-
Euro Corporate Bond Fund B7	1.0	1.0	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Euro Corporate Bond Fund A1	+2.1	+0.4	-	-	-	-	-	-	-	-
Euro Corporate Bond Fund A7	+2.4	+0.6	-	-	-	-	-	-	-	-
Euro Corporate Bond Fund A10	+2.6	+0.8	-	-	-	-	-	-	-	-
Euro Corporate Bond Fund B7	+2.4	+0.6	-	-	-	-	-	-	-	-
Comparison to index including dividends, % in EUR	+2.4	+0.6	-	-	-	-	-	-	-	-
Dividends per unit, EUR	1.00	1.02	2.04	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.51	10.13	9.83	9.58	-	-	-	-	-	-

Benchmark: Solactive ISS ESG Screened Euro IG Corporate Bond Index

Up to 28/02/2019: Barclays Euro Aggregate Corporate 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.

Detailed information for the share classes' designation (nomenclature) is provided in the information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Euro Corporate Bond Fund A1	0.65
Euro Corporate Bond Fund A7	0.40
Euro Corporate Bond Fund A10	0.20
Euro Corporate Bond Fund B7	0.40
Collected mgmt. costs in % of average fund capital	
Euro Corporate Bond Fund A1	0.65
Euro Corporate Bond Fund A7	0.40
Euro Corporate Bond Fund A10	0.20
Euro Corporate Bond Fund B7	0.40
Annual fees in %	
Euro Corporate Bond Fund A1	0.65
Euro Corporate Bond Fund A7	0.40
Euro Corporate Bond Fund A10	0.20
Euro Corporate Bond Fund B7	0.40
Transaction costs, EURt	0
Transaction costs in % of turnover	0.00
Costs in EUR for a one-time subscription, 1 000 EUR	
Euro Corporate Bond Fund A1	6.74
Euro Corporate Bond Fund A7	4.15
Euro Corporate Bond Fund A10	2.08
Euro Corporate Bond Fund B7	4.15
Costs in EUR for monthly savings, 10 EUR	
Euro Corporate Bond Fund A1	0.43
Euro Corporate Bond Fund A7	0.27
Euro Corporate Bond Fund A10	0.13
Euro Corporate Bond Fund B7	0.27

Fund Facts - Other Key Figures

Turnover rate	0.4
Share of turnover conducted via closely-related securities companies in %	12.4
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 EUR	2.0	Information ratio - A7 EUR	Negative
Total risk % - A7 EUR	2.0	Information ratio - A10 EUR	0.2
Total risk % - A10 EUR	2.0	Information ratio - B7 EUR	Negative
Total risk % - B7 EUR	2.0	Sharpe ratio - A1 EUR	1.2
Total risk in index % - A1 EUR	2.2	Sharpe ratio - A7 EUR	1.4
Total risk in index % - A7 EUR	2.2	Sharpe ratio - A10 EUR	1.5
Total risk in index % - A10 EUR	2.2	Sharpe ratio - B7 EUR	1.4
Total risk in index % - B7 EUR	2.2	Sharpe ratio in index - A1 EUR	1.3
Benchmark	Solactive ISS ESG	Sharpe ratio in index - A7 EUR	1.3
	Screened Euro IG	Sharpe ratio in index - A10 EUR	1.3
	Corporate Bond Index	Sharpe ratio in index - B7 EUR	1.3
Active return % - A1 EUR	-0.3	Duration, years ¹⁾	4.4
Active return % - A7 EUR	0.0		
Active return % - A10 EUR	0.2		
Active return % - B7 EUR	0.0		
Information ratio - A1 EUR	Negative		

¹⁾ As of the balance sheet date.

* 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.

Handelsbanken Euro Corporate Bond Fund, cont.

Income Statement, EURt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	4,042	-1,465
Changes in value for other derivative instruments **	305	272
Interest income	1,504	1,006
Currency exchange profits and losses, net	0	0
Other financial income	-	0
Other income	10	0
Total income and changes in value	5,861	-187
EXPENSES		
Management costs:		
- Remuneration to the Management Company	607	346
Interest expense	0	0
Other expenses	7	0
Total expenses	614	346
Net income	5,247	-533
* Details of changes in value		
Capital gains	748	52
Capital losses	-345	-351
Unrealised gains/losses	3,639	-1,166
Sum	4,042	-1,465
** Details of changes in value		
Capital gains	420	1,600
Capital losses	-199	-1,328
Unrealised gains/losses	84	-
Sum	305	272

Balance Sheet, EURt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	118,326	95.2	94,210	88.9
Total financial instruments with positive market value ^{Note 2)}	118,326	95.2	94,210	88.9
Bank assets and other liquid assets	5,116	4.1	11,072	10.5
Prepaid expenses and accrued income	877	0.7	748	0.7
Total assets	124,319	100.0	106,030	100.0
LIABILITIES				
Accrued expenses and prepaid income	56	0.0	42	0.0
Other liabilities	-	-	9	0.0
Total liabilities	56	0.0	51	0.0
Fund capital ^{Note 1)}	124,263	100.0	105,979	100.0
Other derivative instruments with negative market value ¹⁾	1,562	1.3	1,033	1.0

Note 1) for Balance Sheet

Changes in fund capital, EURt

	2019	2018
Fund capital at beginning of year	105,979	50,504
Units issued	36,796	95,650
Units redeemed	-23,757	-39,621
Profit according to Income Statement	5,247	-533
Dividends to unit holders	-2	-21
Fund capital at the close of the period	124,263	105,979

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, OTHERS			
3M Company 1,50% 2031-06-02	1,000	1,099	0.9
Apple 0,5% 2031-11-15	2,500	2,485	2.0
BNP Paribas 0,5% 2025-06-04	200	201	0.2
BNP Paribas 1,125% 2024-08-28	1,000	1,035	0.8
BNP Paribas 1,5% 2028-05-28	1,000	1,085	0.9
Citigroup 0,5% 2022-01-29	1,375	1,390	1.1
Coca Cola Company 0,75% 2026-09-22	1,500	1,554	1.3
Coca Cola Company 1,625% 2035-03-09	1,000	1,113	0.9
Cooperatieve Rabobank UA 0,75% 2023-08-29	1,000	1,024	0.8
Cramo OYJ 2,375% 2022-02-28	1,000	1,026	0.8
Credit Agro 0,75% 2023-12-05	2,700	2,770	2.2
Credit Agro 1,375% 2027-05-03	2,000	2,144	1.7
Credit Suisse 1,25% 2025-07-17	1,000	1,037	0.8
Danfoss 1,375% 2022-02-23	2,750	2,816	2.3
Elisa 1,125% 2026-02-26	600	614	0.5
Huhtamäki 1,125% 2026-11-20	1,500	1,488	1.2
ISS Global 2,125% 2024-12-02	2,500	2,681	2.2
Jab Holdings 1% 2027-12-20	700	702	0.6

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
Kemira 1,75% 2024-05-30	2,000	2,055	1.7
Kojamo 1,5% 2024-06-19	3,250	3,376	2.7
Koninklijke Philips 0,50% 2026-05-22	1,500	1,521	1.2
LeasePlan 1% 2023-05-02	2,000	2,040	1.6
LeasePlan 1,375% 2024-03-07	850	880	0.7
Metso 1,125% 2024-06-13	2,000	2,057	1.7
Nasdaq 1,75% 2023-05-19	2,500	2,619	2.1
Nasdaq 1,75% 2029-03-28	625	662	0.5
Nestle 1,75% 2037-11-02	1,000	1,174	0.9
Nordea Bank 0,875% 2023-06-26	3,000	3,072	2.5
Nordea Bank 1,125% 2027-09-27	1,000	1,059	0.9
OP Corporate Bank 0,375% 2024-02-26	1,000	1,012	0.8
OP Yrityspankki 0,375% 2024-06-19	500	500	0.4
Rabobank Nederland 0,25% 2026-10-30	1,400	1,385	1.1
SATO 1,375% 2024-05-31	2,000	2,041	1.6
Stand Chart Plc 0,9% 2027-07-02	1,000	1,012	0.8
Telefónica 1,447% 2027-01	1,000	1,060	0.9
Tennet Holding 0,875% 2030-06-03	600	614	0.5
Tennet Holding 1,00% 2026-06-13	1,000	1,047	0.8
Tennet Holding 1,375 2029-06-26	1,335	1,438	1.2
Transmission Finance 1,50% 2023-05-24	1,400	1,459	1.2
TVO 1,125% 2026-03-09	2,500	2,464	2.0
TVO 2,625% 2023-01-13	2,000	2,122	1.7
UBS Group Fdg 1,5% 2024-11-30	1,000	1,053	0.8
Verizon Communications 1,375% 2028-02-1	1,000	1,065	0.9
		65,048	52.3
FOREIGN ISSUER, STATE			
Franska staten 1,75% 2039-06-25	500	605	0.5
		605	0.5
MORTGAGE			
SBAB 0.50% 2025-01-29	500	514	0.4
		514	0.4
OTHER			
Akellius 1,125% 2024-03-14	3,600	3,681	3.0
Akellius 1,75% 2025-02-07	750	785	0.6
Alfa Laval 0,25% 2024-06-25	1,250	1,241	1.0
Balder 1,125% 2027-01-29	700	686	0.6
Balder 1,875 % 2026-01-23	2,500	2,598	2.1
Castellum 2,125% 2023-11-20	1,900	2,020	1.6
Handelsbanken 0,05% 2026-09-03	1,500	1,456	1.2
Handelsbanken 0,125% 2024-06-18	1,000	999	0.8
Handelsbanken 0,375 % 2023-07-03	2,600	2,631	2.1
Handelsbanken 1,625% Fix-to-Var 2029-03-05	1,500	1,564	1.3
Heimstaden Bostad 2,125% 2023-04-05	1,500	1,577	1.3
Hemsö 1% 2026-09-09	2,500	2,539	2.0
Hoist 1,125% 2021-10-04	1,225	1,238	1.0
Investor 1,50% 2039-06-20	1,010	1,059	0.9
Mölnlycke Holding 0,875% 2029-09-05	2,000	1,940	1.6
Mölnlycke Holding 1,875 % 2025-02-28	1,000	1,063	0.9
Rikshem 1,25% 2024-06-28	3,700	3,833	3.1
Sagax 2% 2024-01-17	800	834	0.7
Sagax 2,25% 2025-03-13	2,200	2,314	1.9
Sandvik 3,00% 2026-06-18	1,700	1,970	1.6
SCA 1,125% 2024-03-27	1,200	1,242	1.0
SCA Hygiene 1,625% 2027-03-30	2,000	2,152	1.7
Securitas 1,25% 2022-03-15	500	513	0.4
SKF 1,25% 2025-09-17	2,000	2,085	1.7
Tele2 1,1125% 2024-05-15	2,500	2,582	2.1
Tele2 2,125% 2028-05-15	1,000	1,084	0.9
Telia 2,125% 2034-02-20	1,500	1,655	1.3
TeliaSonera 3,625% 2024-02-14	1,200	1,378	1.1
Volvo Car 2,125% 2024-04-02	2,000	2,082	1.7
Volvo Car 3,25% 2021-05-18	1,300	1,357	1.1
		52,159	42.0
Total listed fixed-income securities		118,326	95.2
Total transferable securities		118,326	95.2

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
INTEREST RATE FUTURES			
EURO-BUND Future Mar20 ¹⁾	-60	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0
Total holdings in financial instruments		118,326	95.2
Net, other assets and liabilities		5,937	4.8
Total fund capital		124,263	100.0

1) Interest rate futures with underlying exposure of -10 230 tEUR, which is equivalent to 8.2% of fund capital.

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 95.2

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Handelsbanken	5.4	Nordea	3.4
Credit Agro Lon	3.9	Tele2	3.0
Teollisuuden Voima	3.7	Volvo	2.8
Akellius	3.6	Balder	2.7

Handelsbanken Euro Corporate Bond Fund , cont.

Company/Group	% of fund capital	Company/Group	% of fund capital
SCA	2.7	Coca Cola Co	2.2
Nasdaq	2.6	BNP Paribas	1.9
Sagax	2.6	Rabobank	1.9
Mölnycke Holdings	2.5	OP Yrityspankki	1.2
Tennet Holding	2.5		
LeasePlan	2.3		

* 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.

Handelsbanken Euro Corporate Bond Fund

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes in its entirety companies/issuers involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies/issuers involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies/issuers with key activities within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies/issuers that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We

conduct dialogues for the purpose of encouraging companies to improve their sustainability efforts and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
- B. Dialogues together with other investors/capital owners
- C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP

A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.

B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.

C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.*

Follow-up of sustainability work

Inclusion

The fund invested in Apple Inc, which is a world-leading producer of mobile telephones and consumer electronics. The company has a clear sustainability strategy that is well-integrated and a natural part of the entire business operations. In an effort to contribute to Agenda 2030, the company intends to manage the business operations in line with the UN's Sustainable Development Goals and the climate agreement that was concluded in Paris in 2015. During the year Apple Inc issued its second green bond in its green bond framework. The framework that was reviewed by an independent research institute, Sustainalytics, focuses on renewable energy, energy efficiency, green buildings, water usage and waste management.

The Management Company's engagement activities

- A. The fund did not engage in any targeted dialogues directly with companies during the year.
- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund did not have any holdings in these companies.
- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.

Portfolio Manager: KATARINA PASCHAL

BASE CURRENCY



Handelsbanken Euro Obligation

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in interest-bearing securities denominated in EUR. Fund assets shall be invested in interest-bearing securities that are issued or guaranteed by a state, municipality or by a government or municipal authority or by some intergovernmental agency in which one or several states are members, as well as in covered bonds. The average residual fixed interest duration for fund investments is between two and ten years. Fund assets may be invested in interest-bearing financial instruments with a minimum credit rating of BBB- from S&P or corresponding rating of Baa3 from Moody's, so-called Investment Grade. The fund may also invest in securities that lack an official credit rating that we consider have an equivalent credit quality.

Portfolio

The fund rose 10.0% in 2019*. The mood on the financial markets in 2019 was dominated by concerns about a weaker economy in the wake of the trade conflict between the US and China, as well as the uncertainty around Brexit. However, the negative effects on risk sentiment was more than offset by the positive effects from additional monetary stimulus for the major central banks. The Swedish and German long-term rates traded at record lows (-0.5% and -0.75%, respectively) at the end of the summer. However, we believed that the underlying interest rate levels discounted an outlook that was too pessimistic, which led the fund to take a lower interest rate risk than its benchmark index. A higher budget deficit in many of the major economies, a sharply increased supply of bonds, weaker liquidity on the bond markets in general and signs of stress on the US money market has also called for caution. In terms of relative returns, our strategy finally paid off in the autumn when interest rates rose from record lows, despite continuing dovish undertones from the ECB and FED. We also believed during the year that there was a risk that more risky bonds, unlike underlying German rates, would discount an outlook that was too pessimistic. As a result, we gradually reduced the moderate underlying risk in the fund's peripheral EUR bonds. Instead, we took a position for a flatter yield curve, which contributed to a more defensive position and a notable positive contribution to the fund's relative returns. We also increased the fund's proportion of green bonds issued by Swedish municipalities and property developers. These holdings totalled just over 10% of the fund at year-end (4% at the outset of the year). In addition to contributing positively to relative returns, we believe these holdings also contributed to improved liquidity in 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

An investment in an equity fund is characterised by moderately high risk. An investment in fixed income securities or in a fixed income fund is associated with interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The average duration over time for holdings in the fund shall be between 2-10 years. Fund investments are concentrated to securities listed in Europe and can result in exposure to a

limited number of companies or issuers. As a result, the risk in the fund is higher than an investment in a diversified global fund that distributes its investments across several regions or issuers. Given that the fund's investments are made in foreign equities denominated in another currency other than the fund's base currency, an investment in the fund is associated with currency risk. Given that the fund consists of different share classes, the changes in exchange rates can result in a differentiation in risk classifications between different share classes depending on the type of currency in which the share class is traded. An investment in an interest-bearing instrument results in a credit risk, as the fund can be affected by a loss due to an issuer not fulfilling its commitments. The fund only invests in interest-bearing investments with high credit worthiness, which implies interest-bearing instruments issued by states, municipalities or within the EEA, as well as covered bonds or others. The fund may only invest in interest-bearing investments that are so-called investment grade. The fund may invest in derivatives as part of its investment focus to increase returns in the fund. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

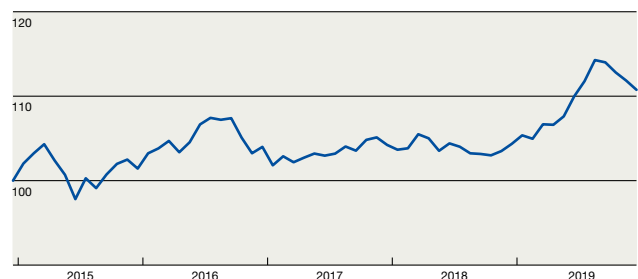
On 28 February 2019, the fund changed index from Barclays Euro Government Bond Index to Solactive Eurozone Government Bond Index as a result of a change in the index provider. The fund's investment focus has not been affected by the change.

The fund's historical performance prior to the launch date is attributed to the merger between Placeringsfonden Handelsbanken Euro-obligation (Finland) and Handelsbanken Euro Obligation (Sweden) that occurred on September 26, 2014.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Fund Performance*



* Performance is shown in the fund's base currency. The fund may have several share classes, which are referred to in the Fund Facts.

Handelsbanken Euro Obligation, cont.

Fund Facts - History

	2019	2018	2017	2016	2015	26/9-31/12 2014	2013	2012	2011	2010
Net asset value										
Euro Obligation A1 - SEK	4,348.80	3,952.19	3,829.20	3,723.65	3,471.03	3,539.65	-	-	-	-
Euro Obligation A1 - EUR	413.86	389.95	389.48	388.61	379.01	373.67	-	-	-	-
Euro Obligation A10 - EUR	416.95	391.29	-	-	-	-	-	-	-	-
The fund's total net flow, mEUR	-20	63	-1	-5	-55	28	-	-	-	-
Fund capital total, mEUR	121	132	69	70	73	126	-	-	-	-
Euro Obligation A1 - SEK	512	413	425	361	332	754	-	-	-	-
Euro Obligation A1 - EUR	60	73	26	32	37	46	-	-	-	-
Euro Obligation A10 - EUR	12	18	-	-	-	-	-	-	-	-
Number of units, 1000's	293	339	177	179	192	337	-	-	-	-
Euro Obligation A1 - SEK	118	104	111	97	96	213	-	-	-	-
Euro Obligation A1 - EUR	145	188	66	82	96	124	-	-	-	-
Euro Obligation A10 - EUR	30	46	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Euro Obligation A1 - SEK	+10.0	+3.2	+2.8	+7.3	-1.9	+22.0	+6.8	+5.9	+1.6	-11.7
Euro Obligation A1 - EUR	+6.1	+0.1	+0.2	+2.5	+1.4	+13.9	+3.5	+9.9	+3.0	+0.3
Euro Obligation A10 - EUR	+6.6	+0.5	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Euro Obligation A1 - SEK	+10.7	+4.1	+2.8	+8.0	-1.7	+21.1	+5.5	+6.9	+2.0	-11.1
Euro Obligation A1 - EUR	+6.8	+1.0	+0.2	+3.2	+1.6	+13.1	+2.2	+10.9	+3.4	+1.0
Euro Obligation A10 - EUR	+6.8	+1.0	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Euro Obligation A1 - SEK	0.4	0.4	0.6	0.8	0.7	0.6	-	-	-	-
Euro Obligation A1 - EUR	0.4	0.4	0.6	0.8	0.7	0.6	0.7	0.8	1.0	0.8
Euro Obligation A10 - EUR	0.4	0.4	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Euro Obligation A1 - SEK	+6.6	+3.0	+5.0	+2.6	+9.4	+14.1	+6.3	+3.7	-5.2	-7.1
Euro Obligation A1 - EUR	+3.1	+0.2	+1.4	+2.0	+7.5	+8.6	+6.6	+6.4	+1.7	+2.6
Euro Obligation A10 - EUR	+3.5	+0.6	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+7.4	+3.4	+5.4	+3.0	+9.1	+13.0	+6.2	+4.5	-4.7	-7.0
EUR	+3.9	+0.6	+1.7	+2.4	+7.2	+7.6	+6.5	+7.1	+2.2	+2.6
Average yearly return, 5 yrs. %										
Euro Obligation A1 - SEK	+4.2	+6.4	+7.1	+7.7	+6.6	+4.4	-0.2	+3.2	+3.0	-
Euro Obligation A1 - EUR	+2.1	+3.5	+4.2	+6.1	+6.2	+6.0	+4.3	+5.2	+3.4	+2.5
Euro Obligation A10 - EUR	+2.5	+3.9	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+4.7	+6.6	+6.9	+7.7	+6.5	+4.4	-0.1	+3.7	+3.6	-
EUR	+2.5	+3.7	+4.0	+6.1	+6.2	+6.0	+4.3	+5.7	+3.9	+3.2
Average yearly return, 10 yrs. %										
Euro Obligation A1 - SEK	+4.3	+3.1	+5.1	+5.3	-	-	-	-	-	-
Euro Obligation A1 - EUR	+4.0	+3.9	+4.7	+4.7	+4.4	+4.7	+4.1	+4.1	+4.0	+4.2
Euro Obligation A10 - EUR	+4.4	+4.3	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+4.5	+3.2	+5.3	+5.7	-	-	-	-	-	-
EUR	+4.3	+4.0	+4.9	+5.0	+4.7	+5.0	+4.5	+4.7	+4.6	+4.8
Exchange rate EUR/SEK	10.51	10.13	9.83	9.58	9.16	9.47	-	-	-	-

Benchmark: Solactive Eurozone Government Bond Index

Up to 28/02/2019: Barclays Euro Government Bond 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.

Detailed information for the share classes' designation (nomenclature) is provided in the information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Euro Obligation A1	0.60
Euro Obligation A10	0.20
Collected mgmt. costs in % of average fund capital	
Euro Obligation A1	0.60
Euro Obligation A10	0.20
Annual fees in %	
Euro Obligation A1	0.60
Euro Obligation A10	0.20
Transaction costs, EURt	1
Transaction costs in % of turnover	0.00
Costs in EUR for a one-time subscription, 1 000 EUR	
Euro Obligation A1	6.29
Euro Obligation A10	2.10
Costs in EUR for monthly savings, 10 EUR	
Euro Obligation A1	0.40
Euro Obligation A10	0.13

Risk and Return Measurements*

Total risk % - A1 SEK	7.6	Information ratio - A1 EUR	Negative
Total risk % - A1 EUR	3.7	Information ratio - A10 EUR	Negative
Total risk % - A10 EUR	3.7	Sharpe ratio - A1 SEK	0.9
Total risk in index % - A1 SEK	7.7	Sharpe ratio - A1 EUR	0.9
Total risk in index % - A1 EUR	3.8	Sharpe ratio - A10 EUR	1.1
Total risk in index % - A10 EUR	3.8	Sharpe ratio in index - A1 SEK	1.0
Benchmark	Solactive Eurozone Government Bond Index	Sharpe ratio in index - A1 EUR	1.1
Active return % - A1 SEK	-0.8	Sharpe ratio in index - A10 EUR	1.1
Active return % - A1 EUR	-0.8	Duration, years ¹⁾	7.4
Active return % - A10 EUR	-0.4		
Information ratio - A1 SEK	Negative		

¹⁾ As of the balance sheet date.

* 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.

Fund Facts - Other Key Figures

Turnover rate	0.9
Share of turnover conducted via closely-related securities companies in %	0.0
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Handelsbanken Euro Obligation, cont.

Income Statement, EURt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	5,885	-1,341
Changes in value for other derivative instruments **	118	-112
Interest income	3,756	2,029
Dividends	73	0
Currency exchange profits and losses, net	14	-7
Other income	0	-
Total income and changes in value	9,846	569
EXPENSES		
Management costs:		
- Remuneration to the Management Company	772	427
Interest expense	2	2
Other expenses	16	0
Total expenses	790	429
Net income	9,056	140
* Details of changes in value		
Capital gains	4,749	518
Capital losses	-853	-2,220
Unrealised gains/losses	1,989	363
Sum	5,885	-1,341
** Details of changes in value		
Capital gains	819	278
Capital losses	-839	-390
Unrealised gains/losses	138	-
Sum	118	-112

Balance Sheet, EURt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	110,409	91.0	119,697	90.5
Total financial instruments with positive market value ^{Note 2)}	110,409	91.0	119,697	90.5
Bank assets and other liquid assets	9,707	8.0	13,677	10.3
Prepaid expenses and accrued income	1,291	1.1	1,594	1.2
Other assets	-	-	15	0.1
Total assets	121,407	100.1	134,983	102.1
LIABILITIES				
OTC derivative instruments with negative market value	-	-	11	0.0
Total financial instruments with negative market value ^{Note 2)}	-	-	11	0.0
Accrued expenses and prepaid income	58	0.1	46	0.0
Other liabilities	-	-	2,693	2.1
Total liabilities	58	0.1	2,750	2.1
Fund capital ^{Note 1)}	121,349	100.0	132,233	100.0
Other derivative instruments with negative market value ¹⁾	4,048	3.3	964	0.7

Note 1) for Balance Sheet

Changes in fund capital, EURt

	2019	2018
Fund capital at beginning of year	132,233	68,844
Units issued	87,021	120,876
Units redeemed	-106,961	-57,627
Profit according to Income Statement	9,056	140
Dividends to unit holders	-	-
Fund capital at the close of the period	121,349	132,233

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, STATE			
Belgiska staten 1,25% 2033-04-22	2,300	2,579	2.1
Belgiska staten 1,45 % 2037-06-22	850	974	0.8
Belgiska staten 1,6% 2047-06-22	1,500	1,775	1.5
Belgiska staten 2,60% 2024-06-22	2,150	2,438	2.0
Belgiska staten 5,50% 2028-03-28	2,070	3,021	2.5
Bonos y Obligaciones del Estado 4,00% 2020-04-30	20	20	0.0
Bonos y Obligaciones del Estado 4,40% 2023-10-31	7,050	8,286	6.8
Bonos y Obligaciones del Estado 4,90% 2040-07-30	1,480	2,536	2.1
Bonos y Obligaciones del Estado 5,5% 2021-04-30	900	971	0.8
Bonos y Obligaciones del Estado 6,00% 2029-01-31	2,080	3,122	2.6
Bundesobligation 2,25% 2021-09-04	350	367	0.3
Bundesobligation 4,75% 2034-07-04	1,600	2,712	2.2
Buono del Tesoro Poliennale 3,75% 2021-03-01	4,430	4,637	3.8
Buono del Tesoro Poliennale 4,75% 2023-08-01	4,560	5,279	4.4
Buono del Tesoro Poliennale 5,00% 2040-09-01	700	1,018	0.8
Buono del Tesoro Poliennale 6,00% 2031-05-01	6,450	9,461	7.8
Buono del Tesoro Poliennale 7,25% 2026-11-01	4,870	6,889	5.7
Finland 0,875% 2025-09-15	2,150	2,290	1.9
Franska staten 0,75% 2028-05-25	2,900	3,089	2.5
Franska staten 1,75% 2039-06-25	7,200	8,706	7.2
Franska staten 2,5% OAT 30	3,900	4,854	4.0
Franska staten 3,75% 2021-04-25	800	846	0.7
Franska staten 4,00% 2055-04-25	1,250	2,381	2.0
Franska staten 4,25% 2023-10-25	990	1,171	1.0
Franska staten 4,75% 2035-04-25	1,770	2,910	2.4
Irlandska staten 1,35% 2031-03-18	2,050	2,295	1.9
Irlandska staten TSY 1,0% 2026-05-15	100	107	0.1
Italienska staten 3,45% 2048-03-01	2,700	3,285	2.7
Nederländska staten 0,5% 2026-07-15	2,500	2,631	2.2
Nederländska staten 1,75% 2023-07-15	900	974	0.8
Nederländska staten 4% 2037-01-15	1,700	2,788	2.3
Österrikiska staten 0,75% 2026-10-20	1,250	1,330	1.1
Österrikiska staten 1,5% 2047-02-20	1,600	1,945	1.6
Portugisiska staten 2,875% 2025-10-15	3,600	4,181	3.4
Portugisiska staten 4,1% 2037-04-15	2,100	3,125	2.6
Portugisiska staten 4,95% 2023-10-25	1,300	1,556	1.3
Tyska staten 1,25% 2048-08-15	1,650	2,069	1.7
Tyska staten 1,5% 2024-05-15	250	272	0.2
Tyska staten 5,625% 2028-01-04	1,025	1,517	1.3
		110,409	91.0
Total listed fixed-income securities		110,409	91.0
Total transferable securities		110,409	91.0

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
INTEREST RATE FUTURES			
Euro-BTP Future Mar20 ¹⁾	-66	0	0.0
EURO-BUND Future Mar20 ²⁾	-61	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0
Total holdings in financial instruments		110,409	91.0
Net, other assets and liabilities		10,940	9.0
Total fund capital		121,349	100.0

1) Interest rate futures with underlying exposure of -9 453 tEUR, which is equivalent to 7.8% of fund capital.
2) Interest rate futures with underlying exposure of -10 401 tEUR, which is equivalent to 8.6% of fund capital.

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 91.0

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Italienska staten	25.2	Portugisiska staten	7.3
Franska staten	19.8	Tyska staten	5.7
Spanska staten	12.3	Nederländska staten	5.3
Belgiska staten	8.9	Österrikiska staten	2.7
		Irlandska staten	2.0

* 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.

Handelsbanken Euro Obligation

Sustainability dimensions taken into consideration in the management of the fund

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

The fund invests in interest-bearing instruments that are issued or guaranteed by a state, municipality, or a state or municipal authority, or some other intergovernmental agency in which one or several states are members in the EEA, as well as in covered bonds.

Exclusion

Due to the fund's investment focus, the fund may not invest in bonds issued by companies, with the result that the fund does not have any investments with exposure to:

- companies/issuers involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons.
- companies/issuers involved in the production or distribution of nuclear weapons.
- companies/issuers with business operations within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels.
- companies/issuers that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

Follow-up of sustainability work

Inclusion

The fund continued to increase its holdings in green bonds through investments in bonds issued by the Belgian, Irish and French states. The investments financed a number of green projects in these countries, including a project that aims to reduce carbon emissions in Belgium, a more sustainable use of water in Ireland and increased biodiversity in France. The framework for these programmes are considered to be credible and effective by independent institutions such as Sustainalytics. Approximately 10 percent of the fund's total bond holdings were in green bonds at year-end.



Handelsbanken Euro Ränta

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in interest-bearing securities issued by states and companies in EUR. Investments are made to ensure that the fund's average residual fixed interest duration is a maximum of one year. Fund assets may be invested in interest-bearing financial instruments with a minimum credit rating of BBB- from S&P or corresponding rating of Baa3 from Moody's. The fund may also invest in securities that lack an official credit rating that we consider have an equivalent credit quality. 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, war materials, tobacco, cannabis, alcohol, commercial gambling and pornography segments/sectors. The fund may invest in sustainable, social and green bonds issued by companies involved in power generation from fossil fuels. Refer to the fund's information brochure for additional information.

Portfolio

The fund rose 3.9% in 2019*. Returns were driven primarily by a weaker SEK against the EUR, as well as by positive contributions from credit spreads and interest rates. Short and long-term global rates fell during H1, to then rise again in H2. The outset of the year was dominated by high political uncertainty related to the trade conflict between the US and China, as well as uncertainty about Brexit. This uncertainty contributed to weaker growth, primarily through decreased investments and weaker global trade. Given this, the US central bank (FED) shifted from hiking rates to cutting rates three times during the year. Many other central banks followed suit, including the ECB with one rate cut. The global financial climate is now more expansive, partly due to lower key rates worldwide, but also due to further quantitative easing from the FED and ECB. A high share of the outstanding global bonds traded with negative rates during the year, which contributed to the continued search for yields during the year and also drove the positive risk sentiment. European credit spreads fell sharply in the year and contributed positively to returns, at the same time as short-term European rates have returned to almost the same level as at the start of the year, but with significant fluctuations throughout the year. The fund's strongest positions in the year included fixed rate bonds in Nordic property developers, which benefited from narrowing credit spreads, as well as lower swap rates than at the outset of the year. In addition, short positions in German 2-year yields compensated for rising rates in H2 and contributed positively to returns by approximately 8 bp. The short FRN bonds that traded at negative interest rates were the weakest contributors to returns during the year.

*) 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

An investment in an equity fund is characterised by moderately high risk. An investment in fixed income securities or in a fixed income fund is associated with interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments

with a shorter residual maturity. The average duration over time for holdings in the fund shall be less than 1 year. Fund investments are concentrated to securities listed in Europe and can result in exposure to a limited number of companies or issuers. As a result, the risk in the fund is higher than an investment in a diversified global fund that distributes its investments across several regions or issuers. Given that the fund consists of different share classes, the changes in exchange rates can result in a differentiation in risk classifications between different share classes depending on the type of currency in which the share class is traded. An investment in an interest-bearing 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 interest-bearing securities issued by companies or states with a low credit quality increases. The fund only invests in interest-bearing investments with high credit worthiness, so-called investment grade. The fund may invest in derivatives as part of its investment focus to increase returns in the fund or to create leverage. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

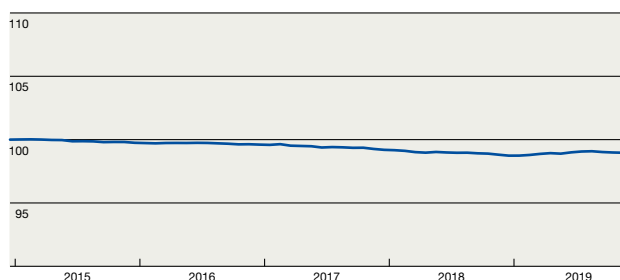
On 28 February 2019, the fund changed index from Bloomberg Barclays Euro Treasury 0-12 months Index to Solactive 3 Month EURIBOR Index as a result of a change in the index provider. The fund's investment focus has not been affected by the change. The fund changed its fund rules on 16 April 2019.

The fund's historical performance prior to the launch date is attributed to the merger between Placeringsfonden Handelsbanken Euro Ränta (Finland) and Handelsbanken Euro Ränta (Sweden) that occurred on September 26, 2014.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Fund Performance*



* Performance is shown in the fund's base currency. The fund may have several share classes, which are referred to in the Fund Facts.

Handelsbanken Euro Ranta, cont.

Fund Facts - History

	2019	2018	2017	2016	2015	26/9-31/12 2014	2013	2012	2011	2010
Net asset value										
Euro Ranta A1 - SEK	2,052.87	1,975.26	1,925.03	1,883.98	1,803.23	1,869.82	-	-	-	-
Euro Ranta A1 - EUR	195.37	194.90	195.80	196.62	196.90	197.39	-	-	-	-
Euro Ranta A7 - EUR	202.30	201.82	202.53	202.77	202.45	202.35	-	-	-	-
Euro Ranta A10 - EUR	195.98	195.21	-	-	-	-	-	-	-	-
The fund's total net flow, mEUR	70	74	-61	-6	39	-14	-	-	-	-
Fund capital total, mEUR	204	133	59	121	127	88	-	-	-	-
Euro Ranta A1 - SEK	170	145	265	39	39	30	-	-	-	-
Euro Ranta A1 - EUR	138	86	16	95	103	73	-	-	-	-
Euro Ranta A7 - EUR	9	9	16	22	20	12	-	-	-	-
Euro Ranta A10 - EUR	41	23	-	-	-	-	-	-	-	-
Number of units, 1000's	1,044	683	301	613	643	446	-	-	-	-
Euro Ranta A1 - SEK	83	73	138	21	21	16	-	-	-	-
Euro Ranta A1 - EUR	706	443	84	482	523	369	-	-	-	-
Euro Ranta A7 - EUR	46	47	79	110	99	61	-	-	-	-
Euro Ranta A10 - EUR	209	120	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Euro Ranta A1 - SEK	+3.9	+2.6	+2.2	+4.5	-3.6	+7.0	+3.3	-2.3	-0.2	-10.8
Euro Ranta A1 - EUR	+0.2	-0.5	-0.4	-0.1	-0.3	-0.1	+0.1	+1.4	+1.2	+1.4
Euro Ranta A7 - EUR	+0.2	-0.4	-0.1	+0.2	0.0	+0.2	+0.3	+1.6	+1.4	+1.7
Euro Ranta A10 - EUR	+0.4	-0.3	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Euro Ranta A1 - SEK	+3.3	+2.9	+2.2	+4.4	-3.3	+7.3	+3.3	-3.0	0.0	-11.3
Euro Ranta A1 - EUR	-0.4	-0.2	-0.4	-0.3	0.0	+0.2	+0.1	+0.6	+1.3	+0.7
Euro Ranta A7 - EUR	-0.4	-0.2	-0.4	-0.3	0.0	+0.2	+0.1	+0.6	+1.3	+0.7
Euro Ranta A10 - EUR	-0.4	-0.2	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Euro Ranta A1 - SEK	0.2	0.2	0.1	0.1	0.1	0.2	-	-	-	-
Euro Ranta A1 - EUR	0.2	0.2	0.1	0.1	0.1	0.2	0.3	0.3	0.3	1.2
Euro Ranta A7 - EUR	0.2	0.2	0.1	0.1	0.1	0.2	-	-	-	-
Euro Ranta A10 - EUR	0.2	0.2	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Euro Ranta A1 - SEK	+3.3	+2.4	+3.3	+0.4	+1.6	+5.1	+0.5	-1.2	-5.6	-7.0
Euro Ranta A1 - EUR	-0.1	-0.4	-0.3	-0.2	-0.2	0.0	+0.7	+1.3	+1.3	+2.7
Euro Ranta A7 - EUR	-0.1	-0.2	0.0	+0.1	+0.1	+0.3	+1.0	+1.5	+1.5	+3.0
Euro Ranta A10 - EUR	+0.1	-0.2	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+3.1	+2.6	+3.3	+0.4	+1.8	+5.3	+0.1	-1.5	-5.8	-8.4
EUR	-0.3	-0.3	-0.3	-0.1	+0.1	+0.2	+0.4	+1.0	+1.0	+1.1
Average yearly return, 5 yrs. %										
Euro Ranta A1 - SEK	+1.9	+2.5	+2.6	+1.7	+0.8	-0.8	-2.7	-3.6	-	-
Euro Ranta A1 - EUR	-0.2	-0.3	-0.2	+0.2	+0.5	+0.8	+1.6	-1.7	-1.6	-1.4
Euro Ranta A7 - EUR	0.0	0.0	+0.1	+0.5	+0.7	+1.0	+1.9	-1.5	-1.3	-1.1
Euro Ranta A10 - EUR	0.0	0.0	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+1.8	+2.6	+2.7	+1.6	+0.8	-1.0	-3.4	-0.1	-	-
EUR	-0.2	-0.1	-0.1	+0.1	+0.5	+0.6	+0.9	+1.8	+2.6	+2.9
Average yearly return, 10 yrs. %										
Euro Ranta A1 - SEK	+0.5	-0.2	-0.5	-	-	-	-	-	-	-
Euro Ranta A1 - EUR	+0.3	+0.7	-0.9	-0.7	-0.5	-0.3	-0.1	+0.1	+0.3	+0.5
Euro Ranta A7 - EUR	+0.5	+0.9	-0.7	-0.4	-0.2	-	-	-	-	-
Euro Ranta A10 - EUR	+0.6	+1.0	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+0.4	-0.4	+1.3	-	-	-	-	-	-	-
EUR	+0.2	+0.4	+0.9	+1.3	+1.7	+1.9	+2.1	+2.3	+2.6	+2.9
Exchange rate EUR/SEK	10.51	10.13	9.83	9.58	9.16	9.47	-	-	-	-

Benchmark: Solactive 3 Month EURIBOR Index

Up to 31/05/2018: EUR Libor 3 month index

Up to 28/02/2019: Bloomberg Barclays Euro Treasury 0-12 Months

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 information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Euro Ranta A1	0.50
Euro Ranta A7	0.20
Euro Ranta A10	0.05
Collected mgmt. costs in % of average fund capital	
Euro Ranta A1	0.20
Euro Ranta A7	0.20
Euro Ranta A10	0.05
Annual fees in %	
Euro Ranta A1	0.20
Euro Ranta A7	0.20
Euro Ranta A10	0.05
Transaction costs, EURT	3
Transaction costs in % of turnover	0.00
Costs in EUR for a one-time subscription, 1 000 EUR	
Euro Ranta A1	2.00
Euro Ranta A7	2.00
Euro Ranta A10	0.50
Costs in EUR for monthly savings, 10 EUR	
Euro Ranta A1	0.13
Euro Ranta A7	0.13
Euro Ranta A10	0.03

Fund Facts - Other Key Figures

Turnover rate	1.2
Share of turnover conducted via closely-related securities companies in %	6.6
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	6.1	Information ratio - A1 EUR	0.8
Total risk % - A1 EUR	0.2	Information ratio - A7 EUR	1.0
Total risk % - A7 EUR	0.2	Information ratio - A10 EUR	1.6
Total risk % - A10 EUR	0.2	Sharpe ratio - A1 SEK	0.6
Total risk in index % - A1 SEK	6.1	Sharpe ratio - A1 EUR	1.4
Total risk in index % - A1 EUR	0.1	Sharpe ratio - A7 EUR	1.7
Total risk in index % - A7 EUR	0.1	Sharpe ratio - A10 EUR	2.3
Total risk in index % - A10 EUR	0.1	Sharpe ratio in index - A1 SEK	0.6
Benchmark	Solactive 3 Month EURIBOR Index	Sharpe ratio in index - A1 EUR	0.8
Active return % - A1 SEK	0.2	Sharpe ratio in index - A7 EUR	0.8
Active return % - A1 EUR	0.2	Sharpe ratio in index - A10 EUR	0.8
Active return % - A7 EUR	0.2	Duration, months ¹⁾	8.1
Active return % - A10 EUR	0.4		
Information ratio - A1 SEK	0.8		

¹⁾ As of the balance sheet date.

* 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.

Handelsbanken Euro Ranta, cont.

Income Statement, EURt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	-716	-809
Changes in value for other derivative instruments **	125	-67
Interest income	1,217	774
Dividends	20	-
Currency exchange profits and losses, net	-1	-15
Other income	0	0
Total income and changes in value	645	-117
EXPENSES		
Management costs:		
- Remuneration to the Management Company	265	180
Interest expense	0	1
Other expenses	24	1
Total expenses	289	182
Net income	356	-299
* Details of changes in value		
Capital gains	84	106
Capital losses	-1,050	-485
Unrealised gains/losses	249	-429
Sum	-716	-809
** Details of changes in value		
Capital gains	183	126
Capital losses	-58	-194
Sum	125	-67

Balance Sheet, EURt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	124,953	61.2	78,577	58.9
Money market instruments	45,039	22.0	32,506	24.3
Total financial instruments with positive market value ^{Note 2)}	169,992	83.2	111,083	83.2
Bank assets and other liquid assets	33,694	16.5	21,979	16.5
Prepaid expenses and accrued income	664	0.3	429	0.3
Other assets	497	0.3	0	0.0
Total assets	204,847	100.3	133,491	100.0
LIABILITIES				
Accrued expenses and prepaid income	29	0.0	16	0.0
Other liabilities	500	0.3	0	0.0
Total liabilities	529	0.3	16	0.0
Fund capital ^{Note 1)}	204,318	100.0	133,475	100.0

Note 1) for Balance Sheet

Changes in fund capital, EURt

	2019	2018
Fund capital at beginning of year	133,475	59,424
Units issued	132,083	140,873
Units redeemed	-61,596	-66,523
Profit according to Income Statement	356	-299
Dividends to unit holders	-	-
Fund capital at the close of the period	204,318	133,475

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, OTHERS			
ABB Financial FRN 2020-10-12	2,900	2,906	1.4
Ålandsbanken FRN 2020-03-24	5,200	5,197	2.5
BMW 0% 2023-03-24	2,000	1,997	1.0
BMW Finance FRN 2021-08-16	4,000	4,011	2.0
BMW Finance NV 0,125% 2021-11-29	500	502	0.2
Citigroup 0,5% 2022-01-29	1,875	1,896	0.9
Danfoss 1,375% 2022-02-23	6,000	6,143	3.0
DnB NOR Bank FRN 2020-01-13	3,000	3,000	1.5
ISS Global 1,125% 2021-01-07	2,700	2,724	1.3
Jab Holdings 2,125% 2022-09-16	500	527	0.3
Jyske Bank FRN 2020-06-02	6,300	6,306	3.1
LeasePlan 1,% 2022-02-25	2,500	2,547	1.2
Nasdaq 3,875% 2021-06-07	2,314	2,444	1.2
Nordea 2% 2021-02-17	2,500	2,563	1.3
OP Yrityspankki FRN 2020-03-11	1,900	1,901	0.9
Sampo 1,50% 2021-09-16	2,000	2,053	1.0
SATO 2,25% 2020-09-10	4,432	4,475	2.2
SATO 2,375 2021-03-24	4,453	4,555	2.2
VVO-Yhtymä 3,25% 2020-05-29	4,000	4,052	2.0
		59,801	29.3

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
OTHER			
Akelius 1,5% 2023-01-23	4,400	4,527	2.2
Akelius 3,375% 2020-09-23	3,900	3,997	2.0
Alfa Laval 1,375% 2022-09-12	3,450	3,557	1.7
Balder 1,125% 2022-03-14	3,550	3,615	1.8
Heimstaden Bostad 1,75% 2021-12-07	8,000	8,222	4.0
Hemsö FRN 2021-03-19	5,000	4,989	2.4
Länsförsäkringar 0,50% 2022-09-19	4,000	4,048	2.0
Mölnlycke Holding 1,50% 2022-02-28	4,082	4,204	2.1
SCA 0,50% 2021-05-26 CALL	3,880	3,910	1.9
Scania FRN 2020-04-20	1,500	1,501	0.7
Scania FRN 2021-03-17	8,000	8,011	3.9
Scania FRN 2021-08-27	2,000	2,007	1.0
Swedbank 0,625% 2021-04-04	2,000	2,016	1.0
Volvo Treasury 0,1% 2022-05-24	2,000	2,002	1.0
Volvo Treasury FRN 2020-08-10	1,500	1,502	0.7
Volvo Treasury FRN 2021-11-01	7,000	7,045	3.4
		65,152	31.9
Total listed fixed-income securities		124,953	61.2
Total transferable securities		124,953	61.2

MONEY MARKET INSTRUMENTS**

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
CERTIFICATE			
Bonava FC 2020-03-16	12,000	12,025	5.9
Hexagon DI FC 2020-01-23	8,000	8,001	3.9
Sagax DI FC 2020-01-27	10,000	10,002	4.9
Total certificate		30,028	14.7

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
TREASURY BILLS			
Rep of Italy Tbill 2020-03-13	15,000	15,011	7.3
Total Treasury bills		15,011	7.3
Total money market instruments		45,039	22.0
Total holdings in financial instruments		169,992	83.2
Net, other assets and liabilities		34,326	16.8
Total fund capital		204,318	100.0

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Scania	5.6	Sato	4.4
Volvo	5.1	Akelius	4.2
		BMW	3.2

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

Handelsbanken Euro Ränta

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes in its entirety companies/issuers involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies/issuers involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies/issuers with key activities within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies/issuers that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We

conduct dialogues for the purpose of encouraging companies to improve their sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
- B. Dialogues together with other investors/capital owners
- C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP

A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.

B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.

C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.*

Follow-up of sustainability work

Inclusion

One example of a holding that has clear guidelines for sustainability and contributes to increased energy efficiency worldwide is the Danish company, Danfoss A/S. The company pursues business operations within the air conditioning and cooling industry, heating and district heating, as well as high pressure pumps and energy recovery. The company clearly links its business operations with the UN's Sustainable Development Goals and over the past ten years has significantly reduced its energy and carbon intensity as well as increased energy productivity.

The Management Company's engagement activities

- A. The fund engaged in one targeted dialogue directly with a company during the year.
A dialogue was held with Hexagon which was primarily due to the company's decentralised organisational structure with many units. Based on a sustainability perspective, there are potential risks as a result given that this places high demands on coordination to maintain a balanced sustainability performance. Hexagon offers products and services that result in efficiency and resource improvements in various ways in the application at the customer. This is something that the company could highlight even earlier in the sustainability report, as we believe there are many positive effects from this. We had personal meetings with the company concerning the company's appointment of a function at the group level to coordinate the sustainability activities.
- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund held holdings in one of these companies during the year.
- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.



Handelsbanken Flexibel Ränta

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in fixed income funds, in interest-bearing securities such as government bonds or corporate bonds, as well as in other financial instruments. The fund invests primarily in Swedish and global fixed income funds, partly in funds within Handelsbanken, and partly in funds that are managed by other fund management companies. In turn, the fund may invest in fixed income securities in which the issuer has a credit rating below BBB (investment grade) according to Standard & Poor's or Baa3 according to Moody's rating scale. We compare fund performance with an index consisting of OMRX Treasury Bill Index 37,0%, HMNI Swe All Gov DurConst 6Y 19,0%, NOMX Credit SEK Total Return Index 14,0%, JP Morgan EM GBI Diversified Index 10,0%, Solactive Eurozone Government Bond Index 9,0%, Solactive 3 Month Money Market Index 6,0% och OMRX Real 5,0%. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 4.0% in 2019*. A weaker global economy led many central banks to pursue a more expansive monetary policy. Market rates in the US, Europe and Sweden fell, which caused bonds to outperform fixed income investments with shorter duration. We had an overweight in corporate bonds, which contributed positively. Our holdings in emerging market bonds posted strength during the year. A weaker SEK contributed to returns in foreign holdings. We extended the duration on our holdings during the year and also purchased holdings in the Aktia Emerging Market Frontier Debt Fund. We continue to have a shorter duration in our Swedish holdings and an overweight in emerging market bonds.

*) 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

An investment in the fund is characterised by low risk. An investment in fixed income securities or in a fixed income fund is associated with interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The duration in the holdings can vary significantly over time. The fund may concentrate its investments by region and sector. This means that the risk in the fund can be higher than an investment in a diversified global fund that allocates its investments across several regions or sectors. Given that the fund's investments are made in foreign equities denominated in another currency other than the fund's base currency, an investment in the fund is associated with currency risk. An investment in an interest-bearing 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 interest-bearing securities issued by companies or states with a low credit quality increases. 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. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

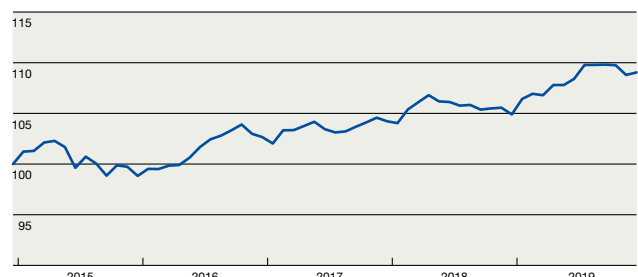
Information

On 28 February 2019, the fund changed index from OMRX Treasury Bill Index 37.0%, HMNI Swe All Gov Dur Const 6Y 19.0%, NOMX Credit SEK Total Return Index 14.0%, JP Morgan EM GBI Diversified Index 10.0%, Barclays Euro Government Bond Index 9.0%, Bloomberg Barclays Euro Treasury 0-12 Months 6.0% and OMRX Real Return Bond Index 5.0% to OMRX Treasury Bill Index 37.0%, HMNI Swe All Gov DurConst 6Y 19.0%, NOMX Credit SEK Total Return Index 14.0%, JP Morgan EM GBI Diversified Index 10.0%, Solactive Eurozone Government Bond Index 9.0%, Solactive 3 Month Money Market Index 6.0% and OMRX Real 5.0%. The reason for the change of index was a sustainability adjustment of the fund to exclude more controversial activities than before. The fund's investment policy has not been affected.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Fund Performance*



* Performance is shown in the fund's base currency. The fund may have several share classes, which are referred to in the Fund Facts.

Handelsbanken Flexibel Ranta, cont.

Fund Facts - History

	2019	2018	2017	2016	2015	15/1-31/12 2014	2013	2012	2011	2010
Net asset value, SEK										
Flexibel Ranta A1	115.16	110.78	110.07	108.42	104.38	105.61	-	-	-	-
Flexibel Ranta A8	116.20	111.61	110.73	108.90	104.68	105.76	-	-	-	-
Flexibel Ranta A10	116.00	111.15	-	-	-	-	-	-	-	-
Flexibel Ranta B1	102.20	99.29	-	-	-	-	-	-	-	-
Flexibel Ranta B8	102.49	99.42	99.62	101.04	99.25	102.97	-	-	-	-
Flexibel Ranta B10	102.95	99.62	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	-101	-784	-144	-1,333	1,367	5,976	-	-	-	-
Fund capital total, mSEK	5,613	5,489	6,222	6,273	7,344	6,108	-	-	-	-
Flexibel Ranta A1	3,224	2,896	3,032	3,339	3,893	3,510	-	-	-	-
Flexibel Ranta A8	1,206	1,120	2,705	2,541	3,063	2,401	-	-	-	-
Flexibel Ranta A10	640	951	-	-	-	-	-	-	-	-
Flexibel Ranta B1	174	166	-	-	-	-	-	-	-	-
Flexibel Ranta B8	272	258	486	393	388	197	-	-	-	-
Flexibel Ranta B10	97	98	-	-	-	-	-	-	-	-
Number of units, 1000's	49,187	49,985	56,849	58,023	70,465	57,854	-	-	-	-
Flexibel Ranta A1	27,996	26,140	27,543	30,802	37,300	33,237	-	-	-	-
Flexibel Ranta A8	10,376	10,034	24,428	23,336	29,256	22,702	-	-	-	-
Flexibel Ranta A10	5,517	8,557	-	-	-	-	-	-	-	-
Flexibel Ranta B1	1,704	1,669	-	-	-	-	-	-	-	-
Flexibel Ranta B8	2,649	2,596	4,878	3,885	3,909	1,915	-	-	-	-
Flexibel Ranta B10	945	989	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Flexibel Ranta A1	+4.0	+0.6	+1.5	+3.9	-1.2	+5.6	-	-	-	-
Flexibel Ranta A8	+4.1	+0.8	+1.7	+4.0	-1.0	+5.8	-	-	-	-
Flexibel Ranta A10	+4.4	+1.1	-	-	-	-	-	-	-	-
Flexibel Ranta B1	+4.0	+0.6	-	-	-	-	-	-	-	-
Flexibel Ranta B8	+4.1	+0.8	+1.6	+3.9	-1.2	+5.6	-	-	-	-
Flexibel Ranta B10	+4.4	+1.1	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Flexibel Ranta A1	+3.3	+0.6	+0.8	+4.0	-0.8	+6.7	-	-	-	-
Flexibel Ranta A8	+3.3	+0.6	+0.8	+4.0	-0.8	+6.7	-	-	-	-
Flexibel Ranta A10	+3.3	+0.6	-	-	-	-	-	-	-	-
Flexibel Ranta B1	+3.3	+0.6	-	-	-	-	-	-	-	-
Flexibel Ranta B8	+3.3	+0.6	+0.8	+4.0	-0.8	+6.7	-	-	-	-
Flexibel Ranta B10	+3.3	+0.6	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Flexibel Ranta A1	0.8	0.5	0.9	1.2	-	-	-	-	-	-
Flexibel Ranta A7	0.8	0.5	1.1	1.3	-	-	-	-	-	-
Flexibel Ranta B1	0.8	0.5	1.1	1.3	-	-	-	-	-	-
Flexibel Ranta A10	0.8	0.5	-	-	-	-	-	-	-	-
Flexibel Ranta B1	0.8	0.5	-	-	-	-	-	-	-	-
Flexibel Ranta B10	0.8	0.5	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Flexibel Ranta A1	+2.3	+1.1	+2.7	+1.3	-	-	-	-	-	-
Flexibel Ranta A8	+2.4	+1.2	+2.8	+1.5	-	-	-	-	-	-
Flexibel Ranta A10	+2.7	+1.5	-	-	-	-	-	-	-	-
Flexibel Ranta B1	+2.3	+1.1	-	-	-	-	-	-	-	-
Flexibel Ranta B8	+2.4	+1.2	+2.7	+1.3	-	-	-	-	-	-
Flexibel Ranta B10	+2.7	+1.5	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+2.0	+0.7	+2.4	+1.6	-	-	-	-	-	-
Average yearly return, 5 yrs. %										
Flexibel Ranta A1	+1.7	-	-	-	-	-	-	-	-	-
Flexibel Ranta A8	+1.9	-	-	-	-	-	-	-	-	-
Flexibel Ranta A10	+2.2	-	-	-	-	-	-	-	-	-
Flexibel Ranta B1	+1.7	-	-	-	-	-	-	-	-	-
Flexibel Ranta B8	+1.8	-	-	-	-	-	-	-	-	-
Flexibel Ranta B10	+2.2	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+1.6	-	-	-	-	-	-	-	-	-
Dividends per unit, SEK										
Flexibel Ranta B1	0.99	1.00	-	-	-	-	-	-	-	-
Flexibel Ranta B8	0.99	1.00	3.03	1.99	2.57	2.64	-	-	-	-
Flexibel Ranta B10	1.00	1.00	-	-	-	-	-	-	-	-

Benchmark: OMRX Treasury Bill Index 37.0%, HMNI Swe All Gov Dur Const 6Y 19.0%, NOMX Credit SEK Total Return Index 14.0%, JP Morgan EM GBI Diversified Index 10.0%, Solactive Eurozone Government Bond Index 9.0%, Solactive 3 Month Money Market Index 6.0% and OMRX Real 5.0%

Up to 31/05/2018: OMRX Treasury Bill Index 37.0%, HMNI Swe All Gov Dur Const 6Y 19.0%, NOMX Credit SEK Total Return Index 14.0%, JP Morgan EM Diversified Index 10.0%, BARX Euro Government Bond Index 9.0%, EURIBOR 6.0%, HMNI Real 5.0%

Up to 28/02/2019: OMRX Treasury Bill Index 37.0%, HMNI Swe All Gov Dur Const 6Y 19.0%, NOMX Credit SEK Total Return Index 14.0%, JP Morgan EM Diversified Index 10.0%, Barclays Euro Government Bond Index 9.0%, Bloomberg Barclays Euro Treasury 0-12 Months 6.0%, OMRX Real Return Bond Index 5.0%

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 information provided by the Management Company.

Refer to the last page for definitions.

Handelsbanken Flexibel Ränta, cont.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Flexibel Ränta A1	0.60
Flexibel Ränta A8	0.45
Flexibel Ränta A10	0.20
Flexibel Ränta B1	0.60
Flexibel Ränta B8	0.45
Flexibel Ränta B10	0.20
Collected mgmt. costs in % of average fund capital	
Flexibel Ränta A1	0.60
Flexibel Ränta A8	0.45
Flexibel Ränta A10	0.20
Flexibel Ränta B1	0.60
Flexibel Ränta B8	0.45
Flexibel Ränta B10	0.20
Annual fees in %	
Flexibel Ränta A1	0.76
Flexibel Ränta A8	0.61
Flexibel Ränta A10	0.36
Flexibel Ränta B1	0.76
Flexibel Ränta B8	0.61
Flexibel Ränta B10	0.36
Transaction costs, SEKt	28
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Flexibel Ränta A1	61.77
Flexibel Ränta A8	46.36
Flexibel Ränta A10	20.63
Flexibel Ränta B1	61.77
Flexibel Ränta B8	46.36
Flexibel Ränta B10	20.63
Costs in SEK for monthly savings, 100 SEK	
Flexibel Ränta A1	3.96
Flexibel Ränta A8	2.97
Flexibel Ränta A10	1.32
Flexibel Ränta B1	3.96
Flexibel Ränta B8	2.97
Flexibel Ränta B10	1.32

A maximum fixed fee of 3% may be deducted annually for the management of the underlying funds in which the fund invests assets. During each measurement period, any potential performance-based management fees in the underlying funds may total a maximum of 30% of the excess returns in relation to each of the fund's comparison norms (index or equivalent).

Fund Facts - Other Key Figures

Turnover rate	0.5
Share of turnover conducted via closely-related securities companies in %	0.1
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	2.1	Information ratio - A8 SEK	0.6
Total risk % - A8 SEK	2.1	Information ratio - A10 SEK	0.9
Total risk % - A10 SEK	2.1	Information ratio - B1 SEK	0.4
Total risk % - B1 SEK	2.1	Information ratio - B8 SEK	0.6
Total risk % - B8 SEK	2.1	Information ratio - B10 SEK	0.9
Total risk % - B10 SEK	2.1	Sharpe ratio - A1 SEK	1.4
Total risk in index % - A1 SEK	2.0	Sharpe ratio - A8 SEK	1.5
Total risk in index % - A8 SEK	2.0	Sharpe ratio - A10 SEK	1.6
Total risk in index % - A10 SEK	2.0	Sharpe ratio - B1 SEK	1.4
Total risk in index % - B1 SEK	2.0	Sharpe ratio - B8 SEK	1.5
Total risk in index % - B8 SEK	2.0	Sharpe ratio - B10 SEK	1.6
Total risk in index % - B10 SEK	2.0	Sharpe ratio in index - A1 SEK	1.3
Benchmark	OMRX Treasury Bill Index	Sharpe ratio in index - A8 SEK	1.3
	37,0%, HMNI Swe All Gov	Sharpe ratio in index - A10 SEK	1.3
	DurConst 6Y 19,0%,	Sharpe ratio in index - B1 SEK	1.3
	NOMX Credit SEK Total	Sharpe ratio in index - B8 SEK	1.3
	Return Index 14,0%, JP	Sharpe ratio in index - B10 SEK	1.3
	Morgan EM GBI Diversified	Duration, years ¹⁾	2.1
	Index 10,0%, Solactive		
	Eurozone Government		
	Bond Index 9,0%,		
	Solactive 3 Month Money		
	Market Index 6,0% och		
	OMRX Real 5,0%		
Active return % - A1 SEK	0.3		
Active return % - A8 SEK	0.5		
Active return % - A10 SEK	0.7		
Active return % - B1 SEK	0.3		
Active return % - B8 SEK	0.5		
Active return % - B10 SEK	0.7		
Information ratio - A1 SEK	0.4		

¹⁾ As of the balance sheet date.
* 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.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities [*]	-	1,636
Changes in value for other derivative instruments ^{**}	-17,038	-5,371
Changes in value for fund units ^{***}	238,517	15,774
Interest income	-208	1,796
Dividends	31,838	33,704
Currency exchange profits and losses, net	-21,456	6,310
Other financial income ¹⁾	20,793	25,411
Other income	1	3
Total income and changes in value	252,447	79,263
EXPENSES		
Management costs:		
- Remuneration to the Management Company	28,140	28,460
Interest expense	28	69
Other expenses	28	52
Total expenses	28,196	28,581
Net income	224,251	50,682
* Details of changes in value		
Capital gains	-	7,942
Unrealised gains/losses	-	-6,306
Sum	-	1,636
** Details of changes in value		
Capital gains	25,889	9,705
Capital losses	-53,404	-15,076
Unrealised gains/losses	10,477	-
Sum	-17,038	-5,371
*** Details of changes in value		
Capital gains	121,647	45,925
Capital losses	-18,479	-8,416
Unrealised gains/losses	135,350	-21,735
Sum	238,517	15,774

¹⁾ The item consists primarily of discounts for management costs in underlying funds.

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	1,163	0.0	25,444	0.5
Fund units	5,565,224	99.3	5,446,671	99.2
Total financial instruments with positive market value ^{Note 2)}	5,566,387	99.3	5,472,115	99.7
Bank assets and other liquid assets	61,339	1.1	50,824	0.9
Prepaid expenses and accrued income	1,888	0.0	1,795	0.0
Other assets	2,399	0.1	3,300	0.1
Total assets	5,632,013	100.5	5,528,034	100.7
LIABILITIES				
OTC derivative instruments with negative market value	11,677	0.3	-	-
Total financial instruments with negative market value ^{Note 2)}	11,677	0.3	-	-
Accrued expenses and prepaid income	2,454	0.0	2,280	0.0
Other liabilities	5,270	0.2	36,543	0.7
Total liabilities	19,401	0.5	38,823	0.7
Fund capital ^{Note 1)}	5,612,612	100.0	5,489,211	100.0
Secured collateral for OTC derivative instruments ¹⁾	5,359	0.1	21,802	0.4
Other derivative instruments with negative market value ²⁾	1,848	0.0	3,848	0.1

¹⁾ Liquid assets SEK 5 359 t

²⁾ Liquid assets 3 761 tSEK

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	5,489,211	6,222,417
Units issued	1,636,063	2,909,010
Units redeemed	-1,731,538	-3,687,972
Profit according to Income Statement	224,251	50,682
Dividends to unit holders	-5,375	-4,926
Fund capital at the close of the period	5,612,612	5,489,211

Handelsbanken Flexibel Ränta, cont.

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
EURO-BUND Future Mar20 ¹⁾	-71	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FUND UNITS			
EXCHANGE-TRADED FIXED INCOME FUNDS**			
iShares Emerging Markets Local Gov Bond	1,003,800	584,752	10.4
		584,752	10.4
FIXED INCOME FUNDS			
BlueOrchard Ucits EM Sdg Impact Bond Fu	288,522	293,952	5.2
Handelsinvest Virksomhedsobligationer	1,085,989	165,005	2.9
SHB Euro Corporate Bond Fund (B7 EUR)	554	607	0.0
SHB Euro Obligation (A1 SEK)	25,837	112,361	2.0
SHB Företagsobligation (A1 SEK)	3,038,599	402,293	7.2
SHB Företagsobligation IG (A1 SEK)	6,596,726	668,242	11.9
SHB Hållbar Global Obligation (A1 SEK)	2,742,139	278,689	5.0
SHB Institutionell Kortränta (A1 SEK)	1,168,170	117,166	2.1
SHB Kredit (A1 NOK)	5,427,966	583,554	10.4
SHB Långränta (A1 SEK)	3,205,603	378,479	6.7
SHB Råntevkastning (A1 SEK)	154,129	295,467	5.3
SHB Råntestrategi (A1 SEK)	9,568,497	979,260	17.4
SHB Realränta (A1 SEK)	131,761	15,940	0.3
UI - Aktia EM Frontier Bond+	2,811,014	287,061	5.1
UI - Aktia EM Local Currency Bond+ - s1	3,632,727	402,397	7.2
		4,980,472	88.9
Total fund units		5,565,224	99.3

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
EUR/NOK ²⁾		-8,853	-0.2
EUR/SEK ³⁾		1,163	0.0
SEK/NOK ⁴⁾		-2,824	-0.1
		-10,514	-0.3
Total OTC derivative instruments		-10,514	-0.3
Total other financial instruments		5,554,710	99.0
Total holdings in financial instruments		5,554,710	99.0
Net, other assets and liabilities		57,902	1.0
Total fund capital		5,612,612	100.0

1) Interest rate futures with underlying exposure of -127 207 tSEK, which is equivalent to 2.3% of fund capital.

2) EUR 26 550/tNOK -270 883, counterpart Skandinaviska Enskilda Banken AB (publ).

3) EUR 27 000/tSEK -282 888, counterpart J.P. Morgan Securities Plc.

4) SEK 273 054/tNOK -259 500, counterpart Nordea Bank Abp.

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

Compilation, Company and Group exposure*

Company/Group	% of fund capital
UI Aktia	12.3

* 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.

Handelsbanken Flexibel Ränta

Sustainability dimensions taken into consideration in the management of the fund

The fund takes environmental, social and corporate governance criteria (ESG) into consideration in its selection of investments, i.e., in the selection of the underlying funds. As a result, the fund is placing greater focus on making investments that are in line with the UN's Sustainable Development Goals. Fund managers in the underlying funds are also encouraged to increase investments in green bonds, for example.

Methods used for sustainability efforts

Inclusion

Sustainability is a separate area of assessment in the evaluation of the underlying funds and investments. When striking a balance between returns and risk for equivalent investments, we select the investment we consider to be most sustainable. An important assessment factor is how well sustainability is integrated in the underlying fund. We also work actively to increase the quantitative measurability in our assessments to clarify sustainability dimensions in the portfolio.

Exclusion

In accordance with the Management Company's comprehensive policy for responsible investments, the following are excluded from all of the

Management Company's funds:

- companies/issuers involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies/issuers with substantial business operations within mining of coal or in power companies that have coal as a major source of energy.

The Management Company's engagement activities

We require service providers to use their ownership influence in the underlying companies within the fund. In addition, we work actively to influence service providers to change their policies in a direction we believe is more sustainable in general, as well as within specific funds. This could include the exclusion of certain types of sectors or specific companies. The engagement activities also focus on contributing to the development of new products with a higher standard of sustainability.

The fund is a fund of funds, which means that we do not have a direct impact on the underlying companies, but rather work to have an impact on the fund providers.

Follow-up of sustainability work

Measures were taken during the year to adjust fund holdings to new enhanced sustainability criteria that take effect on 1 March 2020. As a result, we will exclude* companies with key activities within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. The fund will also exclude companies/issuers that are regarded as contravening international norms and conventions for the human rights, labour law, the environment and anti-corruption.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.*



Handelsbanken Företagsobligation

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The objective is to exceed the returns in the underlying market (defined as the benchmark index) over the long term. The fund invests in fixed income securities and corporate bonds issued in Swedish crowns and euro. At least 50% of the fund's value should be invested in corporate bonds. A maximum of 2% of the fund's value may have exposure to currency risk in EUR. The average residual maturity for the fund's investments may be a maximum of seven years. The fund invests in fixed income securities denominated in SEK and EUR that are issued by companies, mortgage institutions and states. These shall have a minimum of an Investment Grade credit rating, i.e., BBB- from Standard & Poor's or Baa3 from Moody's. However, the fund may invest a total of 30% in companies below Investment Grade (to a minimum of BB- from S&P or the equivalent of Ba3 from Moody's) and in companies lacking a credit rating. An internal assessment will be conducted on those companies lacking a credit rating. A maximum of 30% of the fund's value may be invested in interest-bearing financial instruments in which the rating is within the BB segment (BB+/BB/BB-) according to S&P or the Ba segment (Ba1/Ba2/Ba3) according to Moody's. The remaining may be invested within the investment grade segment. International norms and guidelines with regard to 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 in companies active within the fossil fuels, war materials, tobacco, cannabis, alcohol, commercial gambling and pornography areas/sectors. The fund may invest in sustainable, social and green bonds issued by companies involved in power generation from fossil fuels. Refer to the fund's information brochure for further information. The fund may invest a maximum of 10% of the fund capital in fund units. We compare the fund's performance with NOMX Credit SEK Total Return. The index reflects a portfolio of corporate and municipal bonds issued in SEK. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 2.9% in 2019*. Returns were driven by credit spreads that narrowed and interest rates that fell. Market rates and swap rates fell in H1, as the period was dominated by high political uncertainty and the trade conflict between the US and China. The market then rose relatively sharply during the autumn. The upturn in rates was driven primarily by a slowdown in the central banks' stimulus, at the same time as Brexit negotiations and the trade conflict showed positive progress. Yields on the Swedish 10-year government bond fell at most to -0.4%, which is extremely low, before rebounding and closing the year at 0.15%. The performance of Nordic credit spreads was in line with the European and narrowed almost every month during the year with just a few exceptions. The central banks' stimulus in recent years has pulled down interest rates as well as credit spreads. Despite a higher supply of issues, the demand for credits has been very high as these offer an attractive expected return relative to the negative yields of government bonds. The fund began the year with slightly longer interest rate risk, at the same time as we have been slightly more tentative with adding longer credit risk and have preferred a duration of 3 years. During the autumn we shortened the interest rate risk prior to the central bank's statement as we felt the market had priced in an excess amount of additional stimulus, which also proved to be true. The fund's strongest active positions included the slightly longer sustainable fixed interest bonds and subordinated bank bonds. The weaker positions were holdings in certain Nordic banks that widened on the back of negative news, as well as shorter FRN bonds. We

continued to increase the fund's share of sustainable investments in conjunction with new share issues and participated in many issues of green bonds (environmental improvements), as well as in companies that actively work with sustainability in some other manner. Sustainable investments (environmental and social economic improvements) in companies and banks that have good order, as well as leading positions within their sector's sustainability work, result in additional and more satisfied customers, at the same time as corporate risks are reduced.

*) 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

An investment in the fund is characterised by low risk. An investment in fixed income securities or in a fixed income fund is associated with interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The average duration over time for holdings in the fund is a maximum of 7 years. Fund investments are concentrated to securities issued by states or companies in Sweden and the rest of Europe. As a result, the risk in the fund is higher than an investment in a diversified global fund that distributes its investments across several regions. An investment in an interest-bearing 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 interest-bearing securities issued by companies or states with a low credit quality increases. Fund investments can include assets with higher credit risk, so-called high yield. The fund's liquidity risk is deemed to be moderately high due to the fund's size in relation to the size or turnover of the markets and securities in which the fund invests. This can impact the fund's ability to complete the purchase and sale of securities under stressful market conditions. The fund may invest in derivatives as part of its investment focus to increase returns in the fund or to create leverage. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

As of April 16, 2019 the fund changed its fund rules.

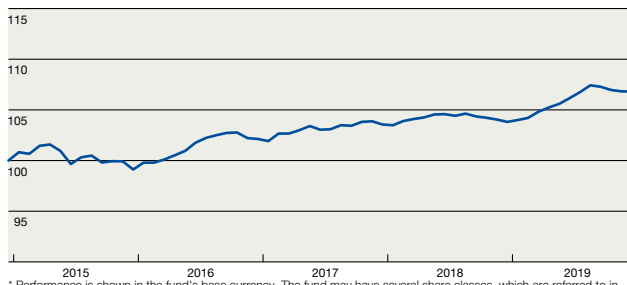
The fund's historical performance prior to the launch date is attributed to the merger between Placeringsfonden Handelsbanken Företagsobligationsfond (SEK) (Finland) and Handelsbanken Företagsobligationsfond (Sweden) that occurred on October 10, 2014.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Handelsbanken Företagsobligation, cont.

Fund Performance*



Fund Facts - History

	2019	2018	2017	2016	2015	10/10-31/12 2014	2013	2012	2011	2010
Net asset value, SEK										
Företagsobligation A1	132.39	128.68	128.36	126.60	122.86	123.95	-	-	-	-
Företagsobligation A10	134.21	129.48	-	-	-	-	-	-	-	-
Företagsobligation B1	110.13	108.12	-	-	-	-	-	-	-	-
Företagsobligation B5	111.06	108.55	109.42	111.32	109.72	113.59	-	-	-	-
Företagsobligation B10	111.65	108.79	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	-598	-5,016	1,879	-2,620	385	2,700	-	-	-	-
Fund capital total, mSEK	7,526	7,925	12,887	10,844	13,133	12,883	-	-	-	-
Företagsobligation A1	5,699	5,198	9,651	8,017	8,700	7,408	-	-	-	-
Företagsobligation A10	135	164	-	-	-	-	-	-	-	-
Företagsobligation B1	642	1,180	-	-	-	-	-	-	-	-
Företagsobligation B5	499	628	3,236	2,827	4,432	5,475	-	-	-	-
Företagsobligation B10	551	755	-	-	-	-	-	-	-	-
Number of units, 1000's	59,308	65,299	104,762	88,722	111,214	107,964	-	-	-	-
Företagsobligation A1	43,048	40,399	75,187	63,322	70,816	59,761	-	-	-	-
Företagsobligation A10	1,007	1,264	-	-	-	-	-	-	-	-
Företagsobligation B1	5,829	10,910	-	-	-	-	-	-	-	-
Företagsobligation B5	4,491	5,787	29,575	25,400	40,399	48,203	-	-	-	-
Företagsobligation B10	4,933	6,939	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Företagsobligation A1	+2.9	+0.2	+1.4	+3.0	-0.9	+5.0	+3.5	+7.0	+6.2	-
Företagsobligation A10	+3.7	+1.0	-	-	-	-	-	-	-	-
Företagsobligation B1	+2.9	+0.2	-	-	-	-	-	-	-	-
Företagsobligation B5	+3.3	+0.7	+1.9	+3.5	-0.4	+5.4	+3.8	+7.3	+6.6	-
Företagsobligation B10	+3.7	+1.0	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Företagsobligation A1	+1.4	-0.1	+1.3	+3.0	+0.4	+6.2	+2.8	+6.2	+8.1	-
Företagsobligation A10	+1.4	-0.1	-	-	-	-	-	-	-	-
Företagsobligation B1	+1.4	-0.1	-	-	-	-	-	-	-	-
Företagsobligation B5	+1.4	-0.1	+1.3	+3.0	+0.4	+6.2	+2.8	+6.2	+8.1	-
Företagsobligation B10	+1.4	-0.1	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Företagsobligation A1	0.4	0.2	0.5	0.7	0.6	0.5	0.6	0.7	-	-
Företagsobligation B5	0.4	0.2	0.5	0.7	0.6	-	-	-	-	-
Företagsobligation A10	0.4	0.2	-	-	-	-	-	-	-	-
Företagsobligation B1	0.4	0.2	-	-	-	-	-	-	-	-
Företagsobligation B10	0.4	0.2	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Företagsobligation A1	+1.6	+0.8	+2.2	+1.1	+2.0	+4.2	+5.2	+6.6	-	-
Företagsobligation A10	+2.3	+1.6	-	-	-	-	-	-	-	-
Företagsobligation B1	+1.6	+0.8	-	-	-	-	-	-	-	-
Företagsobligation B5	+2.0	+1.3	+2.7	+1.5	+2.5	+4.6	+5.6	+7.0	-	-
Företagsobligation B10	+2.3	+1.6	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+0.7	+0.6	+2.2	+1.7	+3.3	+4.5	+4.5	+7.1	-	-
Average yearly return, 5 yrs. %										
Företagsobligation A1	+1.3	+1.7	+2.4	+3.5	+4.1	-	-	-	-	-
Företagsobligation A10	+2.1	+2.5	-	-	-	-	-	-	-	-
Företagsobligation B1	+1.3	+1.7	-	-	-	-	-	-	-	-
Företagsobligation B5	+1.8	+2.2	+2.8	+3.9	+4.5	-	-	-	-	-
Företagsobligation B10	+2.1	+2.5	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+1.2	+2.2	+2.7	+3.7	+4.7	-	-	-	-	-
Dividends per unit, SEK										
Företagsobligation B1	1.08	1.64	-	-	-	-	-	-	-	-
Företagsobligation B5	1.09	1.64	3.90	2.19	3.41	-	-	-	-	-
Företagsobligation B10	1.09	1.64	-	-	-	-	-	-	-	-

Benchmark: NOMX Credit SEK Total Return

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 information provided by the Management Company.

Refer to the last page for definitions.

Handelsbanken Företagsobligation, cont.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Företagsobligation A1	0.95
Företagsobligation A10	0.20
Företagsobligation B1	0.95
Företagsobligation B5	0.50
Företagsobligation B10	0.20
Collected mgmt. costs in % of average fund capital	
Företagsobligation A1	0.95
Företagsobligation A10	0.20
Företagsobligation B1	0.95
Företagsobligation B5	0.50
Företagsobligation B10	0.20
Annual fees in %	
Företagsobligation A1	0.95
Företagsobligation A10	0.20
Företagsobligation B1	0.95
Företagsobligation B5	0.50
Företagsobligation B10	0.20
Transaction costs, SEKT	363
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Företagsobligation A1	96.90
Företagsobligation A10	20.48
Företagsobligation B1	96.90
Företagsobligation B5	51.11
Företagsobligation B10	20.48
Costs in SEK for monthly savings, 100 SEK	
Företagsobligation A1	6.27
Företagsobligation A10	1.32
Företagsobligation B1	6.27
Företagsobligation B5	3.30
Företagsobligation B10	1.32

Fund Facts - Other Key Figures

Turnover rate	0.7
Share of turnover conducted via closely-related securities companies in %	11.2
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	1.0	Information ratio - A10 SEK	4.6
Total risk % - A10 SEK	1.0	Information ratio - B1 SEK	2.5
Total risk % - B1 SEK	1.0	Information ratio - B5 SEK	3.8
Total risk % - B5 SEK	1.0	Information ratio - B10 SEK	4.6
Total risk % - B10 SEK	1.0	Sharpe ratio - A1 SEK	2.2
Total risk in index % - A1 SEK	0.9	Sharpe ratio - A10 SEK	3.0
Total risk in index % - A10 SEK	0.9	Sharpe ratio - B1 SEK	2.2
Total risk in index % - B1 SEK	0.9	Sharpe ratio - B5 SEK	2.7
Total risk in index % - B5 SEK	0.9	Sharpe ratio - B10 SEK	3.0
Total risk in index % - B10 SEK	0.9	Sharpe ratio in index - A1 SEK	1.5
Benchmark	NOMX Credit SEK Total Return	Sharpe ratio in index - A10 SEK	1.5
Active return % - A1 SEK	0.9	Sharpe ratio in index - B1 SEK	1.5
Active return % - A10 SEK	1.6	Sharpe ratio in index - B5 SEK	1.5
Active return % - B1 SEK	0.9	Sharpe ratio in index - B10 SEK	1.5
Active return % - B5 SEK	1.3	Duration, years ¹⁾	1.2
Active return % - B10 SEK	1.6		
Information ratio - A1 SEK	2.5		

1) As of the balance sheet date.

* 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.

Income Statement, SEKT

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	93,723	-59,476
Changes in value for other derivative instruments **	59,632	71,452
Interest income	101,286	137,926
Currency exchange profits and losses, net	1,331	2
Other income	3	2
Total income and changes in value	255,975	149,906
EXPENSES		
Management costs:		
- Remuneration to the Management Company	54,845	92,648
Interest expense	64	10
Other expenses	743	440
Total expenses	55,652	93,098
Net income	200,323	56,808
* Details of changes in value		
Capital gains	28,358	54,799
Capital losses	-4,413	-33,538
Unrealised gains/losses	69,777	-80,737
Sum	93,723	-59,476
** Details of changes in value		
Capital gains	146,971	316,542
Capital losses	-77,497	-245,090
Unrealised gains/losses	-9,842	0
Sum	59,632	71,452

Balance Sheet, SEKT

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	7,132,659	94.8	7,016,678	88.5
Money market instruments	-	-	99,996	1.3
OTC derivative instruments with positive market value	109	0.0	-	-
Total financial instruments with positive market value ^{Note 2)}	7,132,768	94.8	7,116,674	89.8
Bank assets and other liquid assets	368,997	4.9	792,036	10.0
Prepaid expenses and accrued income	29,491	0.4	22,949	0.3
Total assets	7,531,256	100.1	7,931,659	100.1
LIABILITIES				
Accrued expenses and prepaid income	5,299	0.1	5,924	0.1
Other liabilities	-	-	719	0.0
Total liabilities	5,299	0.1	6,643	0.1
Fund capital ^{Note 1)}	7,525,957	100.0	7,925,016	100.0
Other derivative instruments with negative market value ¹⁾	1,978	0.0	24,199	0.3

1) Liquid assets 28 271 TSEK

Note 1) for Balance Sheet

Changes in fund capital, SEKT

	2019	2018
Fund capital at beginning of year	7,925,016	12,887,299
Units issued	3,084,728	2,995,424
Units redeemed	-3,659,465	-7,968,929
Profit according to Income Statement	200,323	56,808
Dividends to unit holders	-24,645	-45,586
Fund capital at the close of the period	7,525,957	7,925,016

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, MORTGAGE			
DNB Boligkreditt 0,75% 2024-01-31	50,000	50,403	0.7
		50,403	0.7
FOREIGN ISSUER, OTHERS			
BMW Finance FRN 2023-06-19	50,000	50,030	0.7
BNP Paribas 0,5% 2025-06-04	2,000	21,069	0.3
Danske Bank FRN 2023-01-25	140,000	139,157	1.8
DNB Bank FRN 2022-11-01	100,000	100,973	1.3
Jyske Bank A/S FRN 2023-09-07	61,000	61,452	0.8
LeasePlan 0,7275% 2021-05-03	30,000	29,988	0.4
LeasePlan 1,792% 2020-09-10	25,000	25,203	0.3
Millicom FRN 2024-05-15	130,000	131,317	1.7
Nordea Bank 1,125% 2023-06-27	150,000	150,636	2.0
Nordea CB 1,935% 2020-09-17	100,000	100,624	1.3
Nordea CB FRN 2020-03-12	50,000	50,192	0.7
Olav Thon Eiendomsselskap FRN 2022-05-10	50,000	50,103	0.7
Pohjola Bank FRN 2020-08-25	35,000	35,197	0.5

Handelsbanken Företagsobligation, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Santander Consumer Bank 2021-10-18	50,000	50,085	0.7
Santander Consumer Bank FRN 2022-09-19	80,000	80,053	1.1
Stora Enso 1,875% 2024-02-20	75,000	76,886	1.0
TVO FRN 2022-02-15	50,000	50,295	0.7
TVO FRN 2024-10-29	150,000	149,729	2.0
		1,352,986	18.0
MORTGAGE			
SBAB 0,75% 2024-03-28	90,000	90,949	1.2
Stadshypotek 1586 4,50% 2022-09-21	300,000	333,906	4.4
Stadshypotek 1588 1,50% 2024-03-01	300,000	312,702	4.2
		737,557	9.8
OTHER			
Akelius 1,125% 2021-10-04	50,000	50,290	0.7
Akelius FRN 2024-11	73,000	72,902	1.0
Atrium Ljungberg 114 0,58% 2020-10-26	25,000	24,989	0.3
Balder FRN 2023-02-06	50,000	49,892	0.7
Balder FRN 2024-06-05	172,000	175,695	2.3
BLUESTEP FRN 2022-09-12	72,000	72,436	1.0
Castellum 1,875% RB 118 2021-10-04	130,000	132,600	1.8
Castellum FRN 2021-04-12	50,000	50,204	0.7
Electrolux 1,103% 2024-03-27	18,000	18,133	0.2
Fabege FRN 2021-08-30	75,000	75,695	1.0
Fabege FRN 2022-09-26	51,000	51,777	0.7
Fabege FRN 2024-09-10	44,000	44,194	0.6
Fastighetspart FRN 2021-09-15	98,000	100,125	1.3
Fortum Värme 1,75% 2022-05-18	149,000	153,005	2.0
Handelsbanken 1,41% 2027-11-15	194,000	194,083	2.6
Heimstaden Bostad 2,125% 2023-04-05	9,000	99,437	1.3
Hexagon FRN 2024-11-26	42,000	41,927	0.6
Hufvudstaden 1,2% 2021-12-08	25,000	25,272	0.3
Humlegården Fastigheter 1,035% 2021-05-28	60,000	60,341	0.8
Humlegården Fastigheter FRN 2022-06-22	125,000	127,393	1.7
Humlegården Fastigheter FRN 2024-10-07	66,000	66,189	0.9
Ikano Bank FRN 2021-10-15	50,000	50,059	0.7
Indutrade 102 1,75% 2023-02-23	42,000	42,694	0.6
Intea Fastigheter FRN 2022-07-05	120,000	122,069	1.6
Intrum FRN 2023-07-03	100,000	102,339	1.4
Investment AB Latour FRN 2025-03-27	78,000	77,900	1.0
Klarna Bank AB FRN 2021-06-23	50,000	49,967	0.7
Klarna Bank AB FRN 2022-08-15	100,000	99,923	1.3
Klöver FRN 2021-02-26	200,000	203,228	2.7
Kungsleden 2,06% 2021-10-11	100,000	102,154	1.4
Kungsleden 2,375% 2022-03-21	86,000	88,681	1.2
Landshypotek FRN 2024-10-16	36,000	36,262	0.5
Länsförsäkringar FRN 2024-09-13	42,000	42,050	0.6
Länsförsäkringar FRN Perp	100,000	105,227	1.4
Länsförsäkringar FRN Perpetual	159,000	159,685	2.1
LKAB FRN 2025-03-10	32,000	31,920	0.4
Lundbergs 1,337% 2023-10-24	100,000	102,066	1.4
NCC Treasury FRN 2022-09-30	50,000	50,008	0.7
NCC Treasury FRN 2024-09-30	90,000	90,060	1.2
NIBE Industrier FRN 2022-04-11	60,000	60,970	0.8
NIBE Industrier FRN 2023-09-04	60,000	60,365	0.8
NIBE Industrier FRN 2024-06-03	60,000	60,335	0.8
Nya SFF 1,42% 2020-04-20	20,000	20,047	0.3
Nya SFF FRN 2021-09-01	78,000	78,484	1.0
Rikshem 1,25% 2022-02-22	80,000	81,131	1.1
Rodamco 0,85% 2021-10-20	25,000	25,079	0.3
Sagax 2,25% 2025-03-13	7,000	77,359	1.0
Sagax FRN 2023-06-16	24,000	23,972	0.3
SBAB FRN 2024-06-20	81,000	81,454	1.1
SBAB FRN Perp Call 24	154,000	157,311	2.1
Scania 0,635 % 2022-02-21	50,000	49,790	0.7
Sinch AB FRN 2024-11-27	28,750	29,064	0.4
Sparbanken Skåne FRN 2024-10-21	30,000	30,024	0.4
SSAB FRN 2024-06-26	130,000	131,061	1.7
Stockholm Exergi FRN 2023-09-11	18,000	18,079	0.2
Sveaskog 1,10% 2022-09-26	95,000	96,089	1.3
Sveaskog 1,125% 2024-10-16	40,000	40,264	0.5
Swedbank 0,305% 2021-05-09	50,000	49,802	0.7
Vacse FRN 2022-06-07	44,000	44,440	0.6
Vacse FRN 2024-06-03	18,000	18,121	0.2
Volvo Car FRN 1,741% 2022-03-07	200,000	204,102	2.7
Volvo Treasury FRN 2022-11-04	100,000	99,858	1.3
Volvofinans Bank FRN 2022-05-16	65,000	65,753	0.9
Wallenstam 0,875% 2020-11-23	25,000	25,033	0.3
Wallenstam FRN 2021-05-24	50,000	50,128	0.7
Wihlborg FRN 2021-09-29	70,000	70,729	0.9
		4,991,713	66.3
Total listed fixed-income securities		7,132,659	94.8
Total transferable securities		7,132,659	94.8

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
SGB 10YH0 FUT ¹⁾	50	0	0.0
SGB 5YH0 FUT ²⁾	50	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
SEK/EUR ³⁾		109	0.0
		109	0.0
Total OTC derivative instruments		109	0.0
Total other financial instruments		109	0.0
Total holdings in financial instruments		7,132,768	94.8
Net, other assets and liabilities		393,189	5.2
Total fund capital		7,525,957	100.0

1) Interest rate futures with underlying exposure of 79 010 tSEK, which is equivalent to 1.0% of fund capital.

2) Interest rate futures with underlying exposure of 65 474 tSEK, which is equivalent to 0.9% of fund capital.

3) tSEK 168 384/tEUR -16 000 counterpart, Skandinaviska Enskilda Banken AB (publ).

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Handelsbanken	11.2	Fabege	2.3
Volvo	4.9	DNB	2.0
SBAB	4.4	Klarna Holding AB	2.0
Länsförsäkringar	4.1	NCC AB	1.9
Nordea	4.0	Santander Group	1.8
Humlegården Fastigheter	3.4	Sveaskog	1.8
Balder	3.0	Akelius	1.7
Teollisuusden Voima	2.7	Nya Svensk Fastighets Finansiering	1.3
Kungsleden	2.6	Sagax	1.3
Castellum	2.5	Wallenstam AB	1.0
NIBE Industrier	2.4	Vacse	0.8
		LeasePlan	0.7

* 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.

Handelsbanken Företagsobligation

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes in its entirety companies/issuers involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies/issuers involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies/issuers with key activities within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies/issuers that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We conduct dialogues for the purpose of encouraging companies to improve their

sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
 - B. Dialogues together with other investors/capital owners
 - C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP
- A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.
- B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.
- C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.*

Follow-up of sustainability work

Inclusion

During the year we invested in several sustainable bonds, of which one that has an entirely new green framework, Stora Enso. The fund participated in the new share issue of a five-year bond at an attractive valuation.

Stora Enso is a leading forestry industry company with a global presence and 26,000 employees. The company produces packaging materials, pulp, wood products and paper. The company is listed in the Dow Jones Sustainability Index and FTSE4Good. In comparison to 2010, the company's target is to reduce its greenhouse gas emissions by 31 percent per tonne of pulp, paper or packaging material produced. This reduction in emissions is higher than the 2°C target of the Paris Agreement. In addition, Stora Enso is the first forest industry that has implemented external research-based emissions targets. At the close of Q4 2018, the company has attained a 17 percent reduction in emissions. The emissions report is completely transparent and available to the public. Ninety-six percent of the water usage for production is returned to nature after being treated in accordance with applicable environmental legislation. The proportion of waste products is extremely low in Stora Enso's production, where 98 percent of the input materials are used in their entirety.

The Sustainable Development Goals that the company has identified as most relevant for the business operations are: Goal 12: *Sustainable consumption and production*, Goal 13: *Climate action* and Goal 15: *Ecosystem and biological diversity*.

Demand for the company's product mix with raw materials that are renewable and fossil free is steadily rising as awareness of the climate crisis increases. Urbanisation and the world's growing population is also becoming more present within politics and the economy at the global level. Stora Enso is also at the forefront for new materials that are renewable, and lignin is one such material. Between 20 to 30 percent of a tree consists of lignin which was previously processed as a waste product in paper mills but with new technology can now replace petroleum-based products for the production of plywood and laminates. Together with carbon fibre, lignin builds a very durable material that is free from

toxins. Several examples of biomaterials that can replace old raw materials include dissolved pulp that is used to produce textiles instead of water intensive cotton or plastic materials. Stora Enso's division for biomaterials is a market leader in Europe.

We are very positive that an increasing number of companies from different branches and sectors are beginning to create green bond frameworks. As a result of this development, our opportunities increase for creating a diversified portfolio with sustainable investments that have clear and quantifiable objectives.

The Management Company's engagement activities

- A. The fund engaged in one targeted dialogue directly with a company during the year. A dialogue was held with Hexagon which was primarily due to the company's decentralised organisational structure with many units. Based on a sustainability perspective, there are potential risks as a result given that this places high demands on coordination to maintain a balanced sustainability performance. Hexagon offers products and services that result in efficiency and resource improvements in various ways in the application at the customer. This is something that the company could highlight even earlier in the sustainability report, as we believe there are many positive effects from this. We had personal meetings with the company concerning the company's appointment of a function at the group level to coordinate the sustainability activities.
- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund held holdings in two of these companies.
- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.



Handelsbanken Företagsobligation Investment Grade

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in interest-bearing financial instruments denominated in Swedish crowns and euro and issued by companies, mortgage institutions and states. At least 50% of the fund's value should be invested in corporate bonds. A maximum of 2% of the fund's value may have exposure to currency risk in EUR. The average residual duration of the fund may total a maximum of five years. Fund assets may be invested in interest-bearing financial instruments with a minimum rating of BBB- from S&P or Baa3 from Moody's, i.e., Investment Grade. The fund may also invest in securities that lack an official credit rating in which the Management Company has determined an equivalent credit quality. International norms and guidelines with regard to 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 in companies active within the fossil fuels, war materials, tobacco, cannabis, alcohol, commercial gambling and pornography areas/sectors. The fund may invest in sustainable, social and green bonds issued by companies involved in power generation from fossil fuels. Refer to the fund's information brochure for further information. The fund may invest a maximum of 10% of the fund capital in fund units. We compare the fund's performance to 55% of the OMRX Treasury Bill Index and 45% to the NOMX Credit SEK Total Return Index. The index reflects a portfolio of corporate and municipal bonds issued in SEK. Given that the fund is actively managed, returns will deviate from these indexes over time.

Portfolio

The fund rose 0.7% in 2019*. Returns were driven by credit spreads that narrowed and interest rates that fell. Market rates and swap rates fell in H1, as the period was dominated by high political uncertainty and the trade conflict between the US and China. The market then rose relatively sharply during the autumn. The upturn in rates was driven primarily by a slowdown in the central banks' stimulus, at the same time as Brexit negotiations and the trade conflict showed positive progress. Yields on the 10-year government bond fell at most to -0.4%, which is extremely low, before rebounding and closing the year at 0.15%. The performance of Nordic credit spreads was in line with the European and narrowed almost every month during the year with just a few exceptions. The central banks' stimulus in recent years has pulled down interest rates as well as credit spreads. Despite a higher supply of issues, the demand for credits has been very high as these offer an attractive expected return relative to the negative yields of government bonds. The fund began the year with slightly longer interest rate risk, at the same time as we have been slightly more tentative with adding longer credit risk and have preferred a duration of 3 years. During the autumn we shortened the interest rate risk prior to the central bank's statement as we felt the market had priced in an excess amount of additional stimulus, which also proved to be true. The fund's strongest active positions included the slightly longer sustainable fixed interest bonds and subordinated bank bonds. The weaker positions were holdings in certain Nordic banks that widened on the back of negative news, as well as shorter FRN bonds. We continued to increase the fund's share of sustainable investments in conjunction with new share issues and participated in many issues of green bonds (environmental improvements), as well as in companies that actively work with sustainability in some other manner. Sustainable investments (environmental and social economic improvements) in companies and banks that have good order, as well as leading positions within their sector's sustainability work, result in additional and more satisfied customers, at the same time as corporate risks are reduced.

*) 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

An investment in the fund is characterised by low risk. An investment in fixed income securities or in a fixed income fund is associated with interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The average duration over time for holdings in the fund is a maximum of 5 years. Fund investments are concentrated to securities issued by states or companies in Sweden and the rest of Europe. As a result, the risk in the fund is higher than an investment in a diversified global fund that distributes its investments across several regions. An investment in an interest-bearing 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 interest-bearing securities issued by companies or states with a low credit quality increases. The fund only invests in interest-bearing investments with high credit worthiness, so-called investment grade. The fund's liquidity risk is deemed to be moderately high due to the fund's size in relation to the size or turnover of the markets and securities in which the fund invests. This can impact the fund's ability to complete the purchase and sale of securities under stressful market conditions. The fund may invest in derivatives as part of its investment focus to increase returns in the fund or to create leverage. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

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 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

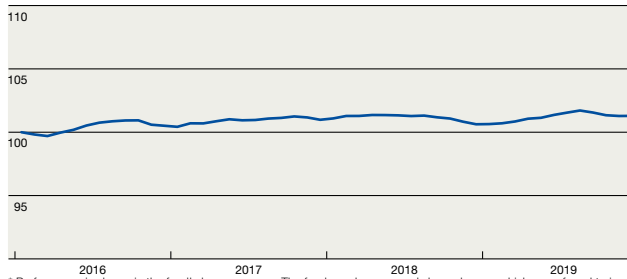
As of April 16, 2019 the fund changed its fund rules. The fund changed its name from Handelsbanken Företagsobligation Investment Grade Criteria to Handelsbanken Företagsobligation Investment Grade.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Handelsbanken Företagsobligation Investment Grade, cont.

Fund Performance*



* Performance is shown in the fund's base currency. The fund may have several share classes, which are referred to in the Fund Facts.

Fund Facts - History

	2019	2018	2017	12/1-31/12 2016	2015	2014	2013	2012	2011	2010
Net asset value, SEK										
Företagsobligation Investment Grade A1	101.30	100.64	100.99	100.52	-	-	-	-	-	-
Företagsobligation Investment Grade A10	102.04	100.97	-	-	-	-	-	-	-	-
Företagsobligation Investment Grade B1	99.31	99.66	-	-	-	-	-	-	-	-
Företagsobligation Investment Grade B5	99.78	99.87	100.47	100.76	-	-	-	-	-	-
Företagsobligation Investment Grade B10	100.04	99.99	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	4,527	4,536	9,127	8,478	-	-	-	-	-	-
Fund capital total, mSEK	26,818	22,141	17,686	8,502	-	-	-	-	-	-
Företagsobligation Investment Grade A1	21,766	17,348	14,782	6,389	-	-	-	-	-	-
Företagsobligation Investment Grade A10	3,458	2,321	-	-	-	-	-	-	-	-
Företagsobligation Investment Grade B1	800	632	-	-	-	-	-	-	-	-
Företagsobligation Investment Grade B5	91	134	2,904	2,113	-	-	-	-	-	-
Företagsobligation Investment Grade B10	703	1,706	-	-	-	-	-	-	-	-
Number of units, 1000's	264,755	220,114	175,269	84,529	-	-	-	-	-	-
Företagsobligation Investment Grade A1	214,863	172,385	146,366	63,556	-	-	-	-	-	-
Företagsobligation Investment Grade A10	33,890	22,984	-	-	-	-	-	-	-	-
Företagsobligation Investment Grade B1	8,059	6,343	-	-	-	-	-	-	-	-
Företagsobligation Investment Grade B5	911	1,337	28,903	20,973	-	-	-	-	-	-
Företagsobligation Investment Grade B10	7,032	17,065	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Företagsobligation Investment Grade A1	+0.7	-0.4	+0.5	+0.5	-	-	-	-	-	-
Företagsobligation Investment Grade A10	+1.1	0.0	-	-	-	-	-	-	-	-
Företagsobligation Investment Grade B1	+0.7	-0.4	-	-	-	-	-	-	-	-
Företagsobligation Investment Grade B5	+0.9	-0.1	+0.7	+0.8	-	-	-	-	-	-
Företagsobligation Investment Grade B10	+1.1	0.0	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Företagsobligation Investment Grade A1	+0.3	-0.5	+0.2	+0.8	-	-	-	-	-	-
Företagsobligation Investment Grade A10	+0.3	-0.5	-	-	-	-	-	-	-	-
Företagsobligation Investment Grade B1	+0.3	-0.5	-	-	-	-	-	-	-	-
Företagsobligation Investment Grade B5	+0.3	-0.5	+0.2	+0.8	-	-	-	-	-	-
Företagsobligation Investment Grade B10	+0.3	-0.5	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Företagsobligation Investment Grade A1	0.2	0.3	-	-	-	-	-	-	-	-
Företagsobligation Investment Grade A10	0.2	0.3	-	-	-	-	-	-	-	-
Företagsobligation Investment Grade B1	0.2	0.3	-	-	-	-	-	-	-	-
Företagsobligation Investment Grade B5	0.2	0.3	-	-	-	-	-	-	-	-
Företagsobligation Investment Grade B10	0.2	0.3	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Företagsobligation Investment Grade A1	+0.2	+0.1	-	-	-	-	-	-	-	-
Företagsobligation Investment Grade A10	+0.6	+0.5	-	-	-	-	-	-	-	-
Företagsobligation Investment Grade B1	+0.2	+0.1	-	-	-	-	-	-	-	-
Företagsobligation Investment Grade B5	+0.4	+0.3	-	-	-	-	-	-	-	-
Företagsobligation Investment Grade B10	+0.6	+0.5	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	-0.1	-0.2	-	-	-	-	-	-	-	-
Dividends per unit, SEK										
Företagsobligation Investment Grade B1	1.00	0.50	-	-	-	-	-	-	-	-
Företagsobligation Investment Grade B5	1.00	0.50	1.01	-	-	-	-	-	-	-
Företagsobligation Investment Grade B10	1.00	0.50	-	-	-	-	-	-	-	-

Benchmark: 55% OMX Treasury Bill Index and 45% NOMX Credit SEK Total Return 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. Detailed information for the share classes' designation (nomenclature) is provided in the information provided by the Management Company.

Refer to the last page for definitions.

Handelsbanken Företagsobligation Investment Grade, cont.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Företagsobligation Investment Grade A1	0.60
Företagsobligation Investment Grade A10	0.20
Företagsobligation Investment Grade B1	0.60
Företagsobligation Investment Grade B5	0.35
Företagsobligation Investment Grade B10	0.20
Collected mgmt. costs in % of average fund capital	
Företagsobligation Investment Grade A1	0.60
Företagsobligation Investment Grade A10	0.20
Företagsobligation Investment Grade B1	0.60
Företagsobligation Investment Grade B5	0.35
Företagsobligation Investment Grade B10	0.20
Annual fees in %	
Företagsobligation Investment Grade A1	0.60
Företagsobligation Investment Grade A10	0.20
Företagsobligation Investment Grade B1	0.60
Företagsobligation Investment Grade B5	0.35
Företagsobligation Investment Grade B10	0.20
Transaction costs, SEKt	201
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Företagsobligation Investment Grade A1	60.33
Företagsobligation Investment Grade A10	20.15
Företagsobligation Investment Grade B1	60.33
Företagsobligation Investment Grade B5	35.24
Företagsobligation Investment Grade B10	20.15
Costs in SEK for monthly savings, 100 SEK	
Företagsobligation Investment Grade A1	3.92
Företagsobligation Investment Grade A10	1.31
Företagsobligation Investment Grade B1	3.92
Företagsobligation Investment Grade B5	2.29
Företagsobligation Investment Grade B10	1.31

Fund Facts - Other Key Figures

Turnover rate	0.4
Share of turnover conducted via closely-related securities companies in %	13.5
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	0.5	Information ratio - A10 SEK	2.6
Total risk % - A10 SEK	0.5	Information ratio - B1 SEK	0.9
Total risk % - B1 SEK	0.5	Information ratio - B5 SEK	1.9
Total risk % - B5 SEK	0.5	Information ratio - B10 SEK	2.6
Total risk % - B10 SEK	0.5	Sharpe ratio - A1 SEK	1.7
Total risk in index % - A1 SEK	0.4	Sharpe ratio - A10 SEK	2.6
Total risk in index % - A10 SEK	0.4	Sharpe ratio - B1 SEK	1.7
Total risk in index % - B1 SEK	0.4	Sharpe ratio - B5 SEK	2.3
Total risk in index % - B5 SEK	0.4	Sharpe ratio - B10 SEK	2.6
Total risk in index % - B10 SEK	0.4	Sharpe ratio in index - A1 SEK	1.4
Benchmark	55% OMRX Treasury Bill Index och 45% NOMX Credit SEK Total Return Index.	Sharpe ratio in index - A10 SEK	1.4
		Sharpe ratio in index - B1 SEK	1.4
		Sharpe ratio in index - B5 SEK	1.4
		Sharpe ratio in index - B10 SEK	1.4
Active return % - A1 SEK	0.2	Duration, years ¹⁾	0.9
Active return % - A10 SEK	0.6		
Active return % - B1 SEK	0.2		
Active return % - B5 SEK	0.5		
Active return % - B10 SEK	0.6		
Information ratio - A1 SEK	0.9		

¹⁾ As of the balance sheet date.* 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.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	66,257	-136,002
Changes in value for other derivative instruments **	-18,146	-30,911
Interest income	-228,952	197,951
Currency exchange profits and losses, net	-196	-
Other income	2	0
Total income and changes in value	276,869	31,038
EXPENSES		
Management costs:		
- Remuneration to the Management Company	122,967	110,903
Interest expense	422	48
Other expenses	1,029	325
Total expenses	124,418	111,276
Net income	152,451	-80,238
* Details of changes in value		
Capital gains	17,074	14,080
Capital losses	-73,560	-29,834
Unrealised gains/losses	122,743	-120,248
Sum	66,257	-136,002
** Details of changes in value		
Capital gains	45,819	167,924
Capital losses	-62,112	-198,835
Unrealised gains/losses	-1,853	-
Sum	-18,146	-30,911

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	25,329,407	94.5	20,309,610	91.7
Money market instruments	539,056	2.0	104,948	0.5
Total financial instruments with positive market value ^{Note 2)}	25,868,463	96.5	20,414,558	92.2
Bank assets and other liquid assets	884,696	3.3	1,671,583	7.6
Prepaid expenses and accrued income	77,109	0.3	64,129	0.3
Other assets	-	-	957	0.0
Total assets	26,830,268	100.1	22,151,228	100.1
LIABILITIES				
Accrued expenses and prepaid income	12,088	0.1	9,917	0.0
Other liabilities	-	-	508	0.1
Total liabilities	12,088	0.1	10,425	0.1
Fund capital ^{Note 1)}	26,818,180	100.0	22,140,803	100.0
Other derivative instruments with negative market value ¹⁾	157	0.0	16,894	0.1

¹⁾ Liquid assets 9 017 tSEK

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	22,140,803	17,685,566
Units issued	9,799,393	11,721,040
Units redeemed	-5,253,932	-7,170,889
Profit according to Income Statement	152,451	-80,238
Dividends to unit holders	-20,535	-14,676
Fund capital at the close of the period	26,818,180	22,140,803

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, MORTGAGE			
DNB Boligkredit 0,75% 2024-01-31	80,000	80,644	0.3
		80,644	0.3
FOREIGN ISSUER, OTHERS			
Arla FRN 2021-05-31	156,000	158,679	0.6
BMW Finance FRN 2023-06-19	150,000	150,090	0.6
BNP Paribas 0,5% 2025-06-04	5,900	62,155	0.2
BNP Paribas 1,00% 2020-05-12	71,000	71,072	0.3
Danske Bank FRN 2023-01-25	230,000	228,615	0.9
DNB Bank FRN 2022-07-18	300,000	302,667	1.1
DNB Bank FRN 2022-11-01	200,000	201,946	0.8
DNB NOR FRN 2025-05-28	50,000	50,144	0.2
Jyske Bank A/S FRN 2023-09-07	57,000	57,422	0.2
LeasePlan 0,7275% 2021-05-03	50,000	49,980	0.2
LeasePlan 0,79% 2021-01-28	300,000	300,261	1.1
LeasePlan FRN 2021-01-05	300,000	302,097	1.1
LeasePlan FRN 2022-07-05	220,000	220,409	0.8
Nordea Bank 0,36% 2021-06-14	500,000	498,920	1.9
Nordea Bank 1,125% 2023-06-27	200,000	200,848	0.7

Handelsbanken Företagsobligation Investment Grade, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Nordea CB 1,935% 2020-09-17	100,000	100,624	0.4
Nordea CB FRN 2020-03-12	122,000	122,468	0.5
Olav Thon Eiendomsselskap 0,757% 2020-09-07	157,000	157,064	0.6
Olav Thon Eiendomsselskap FRN 2021-09-03	100,000	99,962	0.4
Olav Thon Eiendomsselskap FRN 2022-05-10	100,000	100,205	0.4
OP Yrityspankki FRN 2022-05-18	300,000	302,505	1.1
Pohjola Bank FRN 2020-08-25	255,000	256,436	1.0
Sampo 1,25% 2020-05-28	300,000	300,906	1.1
Santander Consumer Bank 2021-10-18	270,000	270,456	1.0
Santander Consumer Bank FRN 2022-09-19	100,000	100,066	0.4
Stora Enso 1,875% 2024-02-20	178,000	182,477	0.7
Telenor FRN 2021-09-20	250,000	250,508	0.9
		5,098,982	19.0
GOVERNMENT			
Borås Stad FRN 111 2023-11-01	50,000	51,219	0.2
Göteborgs kommun 0,214% 2025-09-24	43,000	41,902	0.2
		93,121	0.4
MORTGAGE			
SBAB 0,75% 2024-03-28	260,000	262,740	1.0
Stadshypotek 1586 4,50% 2022-09-21	50,000	55,651	0.2
Stadshypotek 1588 1,50% 2024-03-01	1,000,000	1,042,340	3.9
		1,360,731	5.1
OTHER			
Akademiska Hus FRN 2024-06-20	131,000	134,033	0.5
Akeliu 1,125% 2021-10-04	380,000	382,200	1.4
Akeliu FRN 2024-11	73,000	72,902	0.3
Atrium Ljungberg 114 0,58% 2020-10-26	75,000	74,966	0.3
Atrium Ljungberg FRN 2022-03-21	110,000	111,221	0.4
Atrium Ljungberg FRN 2023-07-07	250,000	251,420	0.9
Balder 0,50% 2020-11-20	200,000	199,804	0.7
Balder 0,743% 2021-07-02	200,000	200,090	0.7
Balder FRN 2023-01-19	48,000	48,294	0.2
Balder FRN 2023-02-06	200,000	199,568	0.7
Balder FRN 2024-03-06	68,000	69,540	0.3
Balder FRN 2024-06-05	252,000	257,413	1.0
BillerudKorsnäs 0,7% 2021-01-04	150,000	149,960	0.6
BillerudKorsnäs FRN 2022-02-21	300,000	303,978	1.1
BLUESTEP FRN 2022-09-12	80,000	80,484	0.3
Castellum 0,81% 2021-07-09	192,000	192,346	0.7
Castellum 0,98% 2020-03-03	30,000	30,031	0.1
Castellum 1,58% 2020-06-17	80,000	80,382	0.3
Castellum FRN 2021-04-12	200,000	200,814	0.7
Castellum FRN 2021-10-04	170,000	174,367	0.7
Castellum FRN 2022-07-05	90,000	90,441	0.3
Electrolux 1,103% 2024-03-27	35,000	35,259	0.1
Electrolux FRN 2022-06-17	195,000	196,669	0.7
Ellevio FRN 2020-02-28	130,000	130,099	0.5
Ellevio FRN 2023-12-09	97,000	99,921	0.4
Fabege FRN 2020-04-20	70,000	70,172	0.3
Fabege FRN 2021-08-30	100,000	100,926	0.4
Fabege FRN 2022-09-26	185,000	187,819	0.7
Fabege FRN 2023-10-03	30,000	30,609	0.1
Fabege FRN 2024-06-22	36,000	36,931	0.1
Fabege FRN 2024-09-10	74,000	74,326	0.3
Handelsbanken 1,41% 2027-11-15	386,000	386,166	1.4
Heimstaden Bostad FRN 2020-12-07	271,000	273,680	1.0
Hemsö 0,42% 2021-05-04	150,000	149,927	0.6
Hemsö 1,375% 2021-06-03	26,000	26,334	0.1
Hemsö FRN 2021-06-03	170,000	172,191	0.6
Hemsö FRN 2023-02-13	100,000	100,862	0.4
Hemsö FRN 2023-04-04	350,000	353,175	1.3
Hexagon 0,66% 2020-11-16	170,000	170,066	0.6
Hexagon 1,125% 2021-05-24	145,000	145,880	0.5
Hexagon FRN 2021-05-24	163,000	164,332	0.6
Hexagon FRN 2024-11-26	98,000	97,830	0.4
Hufvudstaden 1,2% 2021-12-08	200,000	202,174	0.8
Hufvudstaden 1,31% 2023-06-28	50,000	50,713	0.2
Humlegården Fastigheter 1,035% 2021-05-28	76,000	76,432	0.3
Humlegården Fastigheter FRN 2022-06-22	125,000	127,393	0.5
Humlegården Fastigheter FRN 2024-10-07	198,000	198,568	0.7
Husqvarna FRN 2023-02-14	80,000	80,265	0.3
ICA Gruppen 0,465% 2021-01-15	37,000	36,975	0.1
Ikano Bank AB FRN 2022-10-17	130,000	129,958	0.5
Ikano Bank AB FRN 2022-11-28	100,000	99,874	0.4
Ikano Bank FRN 2020-06-16	79,000	79,250	0.3
Ikano Bank FRN 2021-10-15	124,000	124,145	0.5
Industrivärden FRN 2022-02-28	96,000	96,366	0.4
Intea Fastigheter FRN 2022-07-05	170,000	172,931	0.6
Investment AB Latour FRN 2023-03-27	226,000	225,699	0.8
Jernhusen 0,938% 2024-04-18	54,000	54,315	0.2
Jernhusen FRN 2021-10-18	52,000	52,476	0.2
Kinnevik 0,39% 2020-08-25	150,000	149,883	0.6
Kinnevik 0,635% 2020-05-29	150,000	150,092	0.6
Kungsleden 2,06% 2021-10-11	50,000	51,077	0.2
Kungsleden FRN 2022-03-21	148,000	152,384	0.6
Landskypotek FRN 2024-10-16	110,000	110,800	0.4
Länsförsäkringar 0,554% 2021-11-30	150,000	149,940	0.6
Länsförsäkringar 0,7275% 2022-03-07	90,000	90,215	0.3
Länsförsäkringar 0,73% 2021-10-13	250,000	250,730	0.9
Länsförsäkringar FRN 2024-09-13	143,000	143,170	0.5
Länsförsäkringar FRN Perp	74,000	77,868	0.3
Latour 0,24% 2020-03-16	94,000	93,956	0.4
Latour 0,36% 2020-11-16	154,000	153,740	0.6
LKAB 0,875% 2025-03-10	60,000	59,314	0.2
LKAB FRN 2025-03-10	50,000	49,875	0.2
Lundbergs 1,337% 2023-10-24	50,000	51,033	0.2
NCC Treasury FRN 2022-09-30	122,000	122,020	0.5

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
NCC Treasury FRN 2024-09-30	30,000	30,020	0.1
NIBE Industrier 1,00% 2021-06-21	271,000	272,041	1.0
NIBE Industrier FRN 2022-04-11	160,000	162,586	0.6
NIBE Industrier FRN 2024-06-03	160,000	160,894	0.6
Nya SFF 1,42% 2020-04-20	250,000	250,588	0.9
Nya SFF FRN 2020-05-29	150,000	150,320	0.6
Nya SFF FRN 2021-09-01	58,000	58,360	0.2
Postnord FRN 2022-03-14	54,000	54,134	0.2
Rikshem 1,16% 2022-10-19	200,000	202,654	0.8
Rikshem FRN 2022-02-22	95,000	96,393	0.4
Rikshem FRN 2023-03-13	370,000	369,819	1.4
Rikshem FRN 2023-05-08	150,000	149,600	0.6
Rodamco 0,85% 2021-10-20	75,000	75,237	0.3
Sagax FRN 2023-06-16	38,000	37,956	0.1
SBAB FRN 2021-06-23	30,000	30,281	0.1
SBAB FRN 2024-06-20	242,000	243,358	0.9
SCA 0,375% 2021-05-24	90,000	89,737	0.3
Scania 0,455% 210504	80,000	79,778	0.3
Scania 0,635 % 2022-02-21	100,000	99,579	0.4
Scania Cert 1,125% 2021-09-06	135,000	135,871	0.5
Scania FRN 2021-09-06	129,000	130,592	0.5
Scania FRN 2022-08-22	500,000	499,935	1.9
Skandiabanken 0,35% 2020-05-26	210,000	209,941	0.8
Södra Skogsägarna FRN 2021-06-07	100,000	101,392	0.4
Sparbanken Skåne 0,50% 2021-02-15	245,000	244,851	0.9
Sparbanken Skåne FRN 2024-10-21	104,000	104,084	0.4
Specialfastigheter 0,31% 2023-07-24	50,000	49,709	0.2
Stockholm Exergi 0,893% 2026-09-11	50,000	48,353	0.2
Stockholm Exergi FRN 2023-09-11	36,000	36,158	0.1
Sveaskog 1,10% 2022-09-26	71,000	71,814	0.3
Swedavia 0,7125% 2021-05-17	100,000	100,359	0.4
Swedbank 0,305% 2021-05-09	800,000	796,824	3.0
Tele2 FRN 2021-05-11	225,000	229,070	0.9
Tele2 FRN 2022-03-16	350,000	358,530	1.3
Vacse FRN 2022-06-07	22,000	22,220	0.1
Vacse FRN 2024-06-03	18,000	18,121	0.1
Vasakronan 1,083% 2022-05-24	250,000	252,800	0.9
Vasakronan FRN 2022-11-29	300,000	302,988	1.1
Vasakronan FRN 2024-09-11	145,000	145,558	0.5
Volvo Treasury 0,467% 2021-08-24	450,000	448,862	1.7
Volvo Treasury FRN 2022-11-04	300,000	299,574	1.1
Volvofinans Bank FRN 2020-09-08	60,000	60,269	0.2
Volvofinans Bank FRN 2021-01-27	135,000	135,788	0.5
Volvofinans Bank FRN 2022-05-16	65,000	65,753	0.2
Wallenstam 0,875% 2020-11-23	265,000	265,347	1.0
Wallenstam FRN 2021-05-24	50,000	50,128	0.2
Wilhelm 0,48% 2020-06-26	324,000	324,104	1.2
Wilhelm 0,69% 2022-01-11	300,000	300,621	1.1
Wilhelm FRN 2022-06-08	50,000	50,857	0.2
Wilhelm FRN 2022-08-26	150,000	150,017	0.6
		18,594,877	69.3
Total listed fixed-income securities		25,228,355	94.1

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
UNLISTED FIXED-INCOME SECURITIES			
OTHER			
SKB FRN 2022-11-28	100,000	101,052	0.4
		101,052	0.4
Total unlisted fixed-income securities		101,052	0.4
Total transferable securities		25,329,407	94.5

MONEY MARKET INSTRUMENTS**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
CERTIFICATE			
Ikano Bank DI BAC 2020-11-16	50,000	49,913	0.2
Intea Fastigheter DI FC 2020-02-28	40,000	39,973	0.1
Volksbanken Finans Sverige 2020-05-14	200,000	199,641	0.7
Volksbanken Finans Sverige 2020-05-14	100,000	99,822	0.4
Wallenstam DI FC 2020-05-25	150,000	149,706	0.6
Total certificate		539,056	2.0
Total money market instruments		539,056	2.0

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
SGB 5YH0 FUT ¹⁾	10	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0
Total holdings in financial instruments		25,868,463	96.5
Net, other assets and liabilities		949,717	3.5
Total fund capital		26,818,180	100.0

¹⁾ Interest rate futures with underlying exposure of 13 095 tSEK, which is equivalent to 0.0% of fund capital.

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

Handelsbanken Företagsobligation Investment Grade, cont.

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Handelsbanken	5.5	BillerudKorsnäs	1.7
Volvo	3.7	Nya Svensk Fastighets Finansiering	1.7
Balder	3.6	Atrium Ljungberg	1.6
Scania	3.6	Humlegården Fastigheter	1.5
Nordea	3.5	Olav Thon Eiendomsselskap	1.4
LeasePlan	3.2	Santander Group	1.4
Rikshem	3.2	Sparbanken Skåne	1.3
Willhem	3.1	Kinnevik	1.2
Hemsö	3.0	Volkswagen	1.1
Castellum	2.8	Hufvudstaden	1.0
Länsförsäkringar	2.6	Latour	1.0
Vasakronan	2.5	Ellevio	0.9
DNB	2.4	Svenska staten	0.9
NIBE Industrier	2.2	Electrolux	0.8
Tele2	2.2	Kungsleden	0.8
Hexagon	2.1	Intea Fastigheter AB	0.7
SBAB	2.0	NCC AB	0.6
Fabege	1.9	BNP Paribas	0.5
Ikano SA	1.9	Jernhusen	0.4
Wallenstam AB	1.8	Stockholm Exergi	0.3
Akelius	1.7	Vacse	0.2

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

Handelsbanken Företagsobligation Investment Grade

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes in its entirety companies/issuers involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies/issuers involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies/issuers with key activities within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies/issuers that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities

are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We conduct dialogues for the purpose of encouraging companies to improve their sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
 - B. Dialogues together with other investors/capital owners
 - C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP
- A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.
- B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.
- C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.*

Follow-up of sustainability work

Inclusion

During the year we invested in several sustainable bonds, of which one that has an entirely new green framework, Stora Enso. The fund participated in the new share issue of a five-year bond at an attractive valuation.

Stora Enso is a leading forest industry company with a global presence and 26,000 employees. The company produces packaging materials, pulp, wood products and paper. The company is listed in the Dow Jones Sustainability Index and FTSE4Good. In comparison to 2010, the company's target is to reduce its greenhouse gas emissions by 31 percent per tonne of pulp, paper or packaging material produced. This reduction in emissions is higher than the 2°C target of the Paris Agreement. In addition, Stora Enso is the first forest industry that has implemented external research-based emissions targets. At the close of Q4 2018, the company has attained a 17 percent reduction in emissions. The emissions report is completely transparent and available to the public. Ninety-six percent of the water usage for production is returned to nature after being treated in accordance with applicable environmental legislation. The proportion of waste products is extremely low in Stora Enso's production, where 98 percent of the input materials are used in their entirety.

The Sustainable Development Goals that the company has identified as most relevant for the business operations are: Goal 12: *Sustainable consumption and production*, Goal 13: *Climate action* and Goal 15: *Ecosystem and biological diversity*.

Demand for the company's product mix with raw materials that are renewable and fossil free is steadily rising as awareness of the climate crisis increases. Urbanisation and the world's growing population is also becoming more present within politics and the economy at the global level. Stora Enso is also at the forefront for new materials that are renewable, and Lignin is one such material. Between 20 to 30 percent of a tree consists of lignin which was previously processed as a waste product in paper mills but with new technology can now replace petroleum-based products for the production of plywood and laminates. Together with carbon fibre, lignin builds a very durable material that is free from toxins. Several examples of biomaterials that can replace old raw materials include dissolved pulp that is used to produce textiles instead of water intensive

cotton or plastic materials. Stora Enso's division for biomaterials is a market leader in Europe.

We are very positive that an increasing number of companies from different branches and sectors are beginning to create green bond frameworks. As a result of this development, our opportunities increase for creating a diversified portfolio with sustainable investments that have clear and quantifiable objectives.

The Management Company's engagement activities

- A. The fund engaged in one targeted dialogue directly with a company during the year.
A dialogue was held with Hexagon which was primarily due to the company's decentralised organisational structure with many units. Based on a sustainability perspective, there are potential risks as a result given that this places high demands on coordination to maintain a balanced sustainability performance. Hexagon offers products and services that result in efficiency and resource improvements in various ways in the application at the customer. This is something that the company could highlight even earlier in the sustainability report, as we believe there are many positive effects from this. We had personal meetings with the company concerning the company's appointment of a function at the group level to coordinate the sustainability activities.
- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund held holdings in two of these companies.
- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.



Handelsbanken Företagsobligation Investment Grade (NOK)

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund may invest in interest-bearing financial instruments denominated in SEK and EUR that are issued by companies, mortgage institutions and states. A minimum of 50% of the fund's value shall be invested in corporate bonds. A maximum of 2% of the fund's value may have exposure to currency risk in EUR. The average residual duration of the fund's investments may amount to a maximum of five years. Fund assets may be invested in interest-bearing financial instruments with a minimum rating of BBB- from S&P or a corresponding rating of Baa3 from Moody's, so-called Investment Grade. The fund may also be invested in securities that lack an official rating that we consider have an equivalent credit quality. A maximum of 30% of the fund's value may be invested in interest-bearing financial instruments with a rating within the BB segment (BB+/BB/BB-) according to S&P or within the Ba segment (Ba1/Ba2/Ba3) according to Moody's. The remaining shall be within the so-called Investment Grade segment. 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, war materials, tobacco, cannabis, alcohol, commercial gambling and pornography segments/sectors. The fund may invest in sustainable, social and green bonds issued by companies involved in power generation from fossil fuels. Refer to the fund's information brochure for additional information.

Portfolio

The fund rose 2.9% in 2019*. Returns were driven by credit spreads that narrowed and interest rates that fell. Market rates and swap rates fell in H1, as the period was dominated by high political uncertainty and the trade conflict between the US and China. The market then rose relatively sharply during the autumn. The upturn in rates was driven primarily by a slowdown in the central banks' stimulus, at the same time as Brexit negotiations and the trade conflict showed positive progress. Yields on the Swedish 10-year government bond fell at most to -0.4%, which is extremely low, before rebounding and closing the year at 0.15%. The performance of Nordic credit spreads was in line with the European and narrowed almost every month during the year with just a few exceptions. The central banks' stimulus in recent years has pulled down interest rates as well as credit spreads. Despite a higher supply of issues, the demand for credits has been very high as these offer an attractive expected return relative to the negative yields of government bonds. The fund began the year with slightly longer interest rate risk, at the same time as we have been slightly more tentative with adding longer credit risk and have preferred a duration of 3 years. During the autumn we shortened the interest rate risk prior to the central bank's statement as we felt the market had priced in an excess amount of additional stimulus, which also proved to be true. The fund's strongest active positions included the slightly longer sustainable fixed interest bonds and subordinated bank bonds. The weaker positions were holdings in certain Nordic banks that widened on the back of negative news, as well as shorter FRN bonds. We continued to increase the fund's share of sustainable investments in conjunction with new share issues and participated in many issues of green bonds (environmental improvements), as well as in companies that actively work with sustainability in some other manner. Sustainable investments (environmental and social economic improvements) in companies and banks that have good order, as well as leading positions within their sector's sustainability work, result in additional and more satisfied customers, at the same time as corporate risks are reduced.

*) Refer to fund statistics for comparable index.

Significant risks

An investment in the fund is characterised by low risk. An investment in fixed income securities or in a fixed income fund is associated with interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The average duration over time for holdings in the fund is a maximum of 5 years. Fund investments are concentrated to securities issued by states or companies in Sweden and the rest of Europe. As a result, the risk in the fund is higher than an investment in a diversified global fund that distributes its investments across several regions. An investment in an interest-bearing 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 interest-bearing securities issued by companies or states with a low credit quality increases. The fund only invests in interest-bearing investments with high credit worthiness, so-called investment grade. The fund's liquidity risk is deemed to be moderately high due to the fund's size in relation to the size or turnover of the markets and securities in which the fund invests. This can impact the fund's ability to complete the purchase and sale of securities under stressful market conditions. The fund may invest in derivatives as part of its investment focus to increase returns in the fund or to create leverage. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

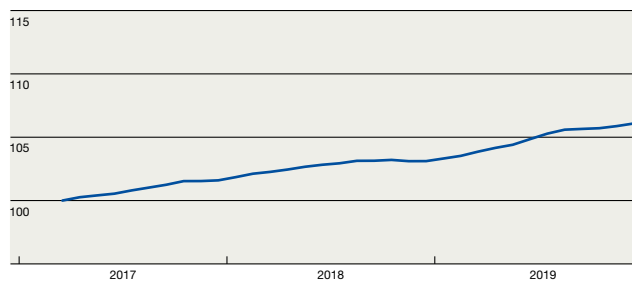
As of April 16, 2019 the fund changed its fund rules. The fund changed its name from Handelsbanken Företagsobligation Investment Grade Criteria (NOK) to Handelsbanken Företagsobligation Investment Grade (NOK).

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Handelsbanken Företagsobligation Investment Grade (NOK), cont.

Fund Performance*



Fund Facts - History

	2019	2018	29/3-31/12 2017	2016	2015	2014	2013	2012	2011	2010
Net asset value, NOK	105.88	102.91	101.40	-	-	-	-	-	-	-
The fund's total net flow, mNOK	-57	325	1,421	-	-	-	-	-	-	-
Fund capital, NOKm	1,783	1,787	1,439	-	-	-	-	-	-	-
Number of units, 1000's	16,837	17,364	14,192	-	-	-	-	-	-	-
Total returns in %, NOK	+2.9	+1.5	+1.4	-	-	-	-	-	-	-
Index including dividends in %, NOK	-3.6	-2.7	+4.2	-	-	-	-	-	-	-
Tracking error, 2 yrs. %	6.9	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. % in NOK	+2.2	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, % in NOK	-3.1	-	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.07	1.02	1.00	-	-	-	-	-	-	-

Benchmark: 55% OMRX Treasury Bill Index and 45% NOMX Credit SEK Total Return 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 page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	0.20
Collected mgmt. costs in % of average fund capital	0.20
Annual fees in %	0.20
Transaction costs, NOKt	21
Transaction costs in % of turnover	0.00
Costs in NOK for a one-time subscription, 10 000 NOK	20.32
Costs in NOK for monthly savings, 100 NOK	1.32

Fund Facts - Other Key Figures

Turnover rate	0.8
Share of turnover conducted via closely-related securities companies in %	11.2
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk %	0.4	Sharpe ratio	3.1
Total risk in index %	6.8	Sharpe ratio in index	-0.6
Benchmark	55% OMRX Treasury Bill Index och 45% NOMX Credit SEK Total Return Index	Duration, months ¹⁾	0.8
Active return %	5.3		
Information ratio	0.8		

¹⁾ As of the balance sheet date.

* 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.

Income Statement, NOKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	-57,058	-23,559
Changes in value for other derivative instruments **	2,818	-461
Interest income	18,639	13,449
Currency exchange profits and losses, net	92,337	36,290
Other income	21	0
Total income and changes in value	56,757	25,719
EXPENSES		
Management costs:		
- Remuneration to the Management Company	3,661	3,202
Interest expense	55	25
Other expenses	21	18
Total expenses	3,737	3,245
Net income	53,020	22,474
* Details of changes in value		
Capital gains	8,220	2,042
Capital losses	-57,418	-6,590
Unrealised gains/losses	-7,860	-19,011
Sum	-57,058	-23,559
** Details of changes in value		
Capital gains	60,101	7,416
Capital losses	-57,052	-7,877
Unrealised gains/losses	-231	-
Sum	2,818	-461

Handelsbanken Företagsobligation Investment Grade (NOK), cont.

Balance Sheet, NOKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	1,708,263	95.9	1,752,783	98.1
Money market instruments	-	-	19,527	1.1
OTC derivative instruments with positive market value	23,530	1.3	-	-
Total financial instruments with positive market value ^{Note 2)}	1,731,793	97.2	1,772,310	99.2
Bank assets and other liquid assets	47,043	2.6	91,716	5.1
Prepaid expenses and accrued income	4,183	0.2	6,496	0.4
Other assets	-	-	41	0.0
Total assets	1,783,019	100.0	1,870,563	104.7
LIABILITIES				
OTC derivative instruments with negative market value	-	-	83,224	4.7
Total financial instruments with negative market value ^{Note 2)}	-	-	83,224	4.7
Accrued expenses and prepaid income	306	0.0	301	0.0
Other liabilities	-	-	22	0.0
Total liabilities	306	0.0	83,547	4.7
Fund capital ^{Note 1)}	1,782,713	100.0	1,787,016	100.0
Collateral received for OTC derivative instruments ¹⁾	5,721	0.3	78,928	4.4
Other derivative instruments with negative market value ²⁾	708	0.0	1,874	0.1

1) Liquid assets NOK 5 721 t

2) Liquid assets 1 989 tNOK

Note 1) for Balance Sheet

Changes in fund capital, NOKt

	2019	2018
Fund capital at beginning of year	1,787,016	1,439,091
Units issued	665,682	525,451
Units redeemed	-723,005	-200,000
Profit according to Income Statement	53,020	22,474
Dividends to unit holders	-	-
Fund capital at the close of the period	1,782,713	1,787,016

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, MORTGAGE			
DNB Boligkreditt 0,75% 2024-01-31	10,000	9,463	0.5
		9,463	0.5
FOREIGN ISSUER, OTHERS			
DNB Bank Green FRN 2020-02-17	30,000	30,021	1.7
DNB FRN Perp Call 2024-06-27	20,000	20,393	1.1
LeasePlan 0,7275% 2021-05-03	20,000	18,766	1.1
LeasePlan FRN 2022-07-05	30,000	28,214	1.6
Nordea Bank 1,125% 2023-06-27	17,000	16,026	0.9
Nordea Bank FRN 2023-09-18	20,000	20,122	1.1
Olav Thon Eiendomsselskap FRN 2022-05-10	50,000	47,032	2.6
Santander Consumer Bank 2021-10-18	30,000	28,209	1.6
Stora Enso 1,875% 2024-02-20	18,000	17,322	1.0
Tine SA FRN 2023-02-28	25,000	25,136	1.4
Tomra FRN 2024-11-14	17,000	17,015	1.0
		268,255	15.1
FOREIGN ISSUER, STATE			
IBRD 1,75 2024-11-06	30,000	29,722	1.7
		29,722	1.7
MORTGAGE			
Stadshypotek 1588 1,50% 2024-03-01	20,000	19,569	1.1
		19,569	1.1
OTHER			
Akelius 1,125% 2021-10-04	37,000	34,933	2.0
Akelius FRN 2024-11	19,000	17,812	1.0
Atrium Ljungberg FRN 2022-03-21	40,000	37,965	2.1
Balder FRN 2023-02-06	50,000	46,834	2.6
Balder FRN 2024-06-05	4,000	3,835	0.2
BillerudKorsnäs FRN 2022-02-21	20,000	19,023	1.1
BLUESTEP FRN 2022-09-12	24,000	22,665	1.3
Castellum RB 110 2022-04-14	35,000	33,487	1.9
Electrolux 1,103% 2024-03-27	21,000	19,859	1.1
Fabege FRN 2023-08-30	30,000	28,460	1.6
Fabege FRN 2023-10-03	20,000	19,155	1.1
Fabege FRN 2024-06-22	30,000	28,890	1.6
Handelsbanken 1,41% 2027-11-15	18,000	16,904	0.9
Heimstaden Bostad FRN 2020-12-07	27,000	25,596	1.4
Hexagon 0,66% 2020-11-16	10,000	9,391	0.5
Hexagon FRN 2021-05-24	20,000	18,928	1.1
Hexagon FRN 2024-11-26	24,000	22,490	1.3
Humlegården Fastigheter 1,035% 2021-05-28	26,000	24,545	1.4

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
Humlegården Fastigheter FRN 2022-06-22	30,000	28,700	1.6
Humlegården Fastigheter FRN 2024-10-07	32,000	30,125	1.7
Husqvarna FRN 2023-02-14	20,000	18,836	1.1
Ikano Bank AB FRN 2022-10-17	20,000	18,768	1.1
Ikano Bank FRN 2021-10-15	26,000	24,435	1.4
Ikano Bank FRN 2022-05-16	14,000	13,161	0.7
Indutrade 102 1,75% 2023-02-23	36,000	34,352	1.9
Intea Fastigheter FRN 2022-07-05	43,000	41,060	2.3
Investment AB Latour FRN 2025-03-27	20,000	18,750	1.1
Jernhusen FRN 2021-10-18	28,000	26,524	1.5
Landshypotek FRN 2024-10-16	22,000	20,802	1.2
Länsförsäkringar 0,7275% 2022-03-07	10,000	9,410	0.5
Länsförsäkringar 3,268% 2021-01-27	10,000	9,664	0.5
Länsförsäkringar FRN 2024-09-13	25,000	23,496	1.3
Latour 0,36% 2020-11-16	20,000	18,742	1.1
LKAB FRN 2025-03-10	18,000	16,854	0.9
NCC Treasury FRN 2022-09-30	46,000	43,188	2.4
NIBE Industrier FRN 2024-06-03	30,000	28,319	1.6
Nya SFF 1,295% 2021-09-01	16,000	15,094	0.8
Nya SFF FRN 2021-09-01	20,000	18,891	1.1
Postnord FRN 2022-03-14	12,000	11,292	0.6
Riksbank FRN 2023-03-13	30,000	28,147	1.6
Sagax FRN 2023-06-16	25,000	23,441	1.3
SBAB FRN 2021-06-23	30,000	28,425	1.6
SBAB FRN 2024-06-20	24,000	22,655	1.3
SCA 0,375% 2021-05-24	30,000	28,079	1.6
Scania 0,25% 2020-09-15	25,000	23,418	1.3
Scania 0,455% 210504	40,000	37,444	2.1
Södra Skogsägarna FRN 2021-06-07	40,000	38,071	2.1
Sparbanken Skåne 0,50% 2021-02-15	30,000	28,144	1.6
Sparbanken Skåne FRN 2024-10-21	12,000	11,274	0.6
Stockholm Exergi FRN 2023-09-11	12,000	11,314	0.6
Sveaskog 1,125% 2024-10-16	10,000	9,449	0.5
Swedavia FRN Perpetual	10,000	9,412	0.5
Swedbank 0,305% 2021-05-09	40,000	37,399	2.1
Vacse FRN 2022-06-07	18,000	17,066	1.0
Vacse FRN 2024-06-03	16,000	15,120	0.8
Volvo Treasury FRN 2022-02-11	40,000	40,176	2.3
Volvofinans Bank FRN 2022-05-16	15,000	14,244	0.8
Wallenstam FRN 2021-05-24	40,000	37,644	2.1
Willhem FRN 2022-06-08	20,000	19,096	1.1
		1,381,254	77.5
Total listed fixed-income securities		1,708,263	95.9
Total transferable securities		1,708,263	95.9

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
INTEREST RATE FUTURES			
STH 5YH0 FUT ¹⁾	50	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
NOK/SEK ²⁾		23,530	1.3
		23,530	1.3
Total OTC derivative instruments		23,530	1.3
Total other financial instruments		23,530	1.3
Total holdings in financial instruments		1,731,793	97.2
Net, other assets and liabilities		50,920	2.8
Total fund capital		1,782,713	100.0

1) Interest rate futures with underlying exposure of 59 458 tNOK, which is equivalent to 3.3% of fund capital.

2) tNOK 1 210 000/tSEK -1 266 011, counterpart Nordea Bank Abp. tNOK 350 000/tSEK -367 341, counterpart Skandinaviska Enskilda AB (publ).

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

95.9

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

1.3

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Humlegården Fastigheter	4.7	Balder	2.8
Fabege	4.3	LeasePlan	2.7
Scania	3.4	Länsförsäkringar	2.3
DNB	3.3	Sparbanken Skåne	2.2
Ikano SA	3.2	Handelsbanken	2.0
Volvo	3.1	Nordea	2.0
Akelius	3.0	Nya Svensk Fastighets Finansiering	1.9
Hexagon	2.9	Vacse	1.8
SBAB	2.9	Svenska staten	1.4

* 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.

Handelsbanken Företagsobligation Investment Grade (NOK)

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes in its entirety companies/issuers involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies/issuers involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies/issuers with key activities within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies/issuers that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

Follow-up of sustainability work

Inclusion

During the year we invested in several sustainable bonds, of which one that has an entirely new green framework, Stora Enso. The fund participated in the new share issue of a five-year bond at an attractive valuation.

Stora Enso is a leading forest industry company with a global presence and 26,000 employees. The company produces packaging materials, pulp, wood products and paper. The company is listed in the Dow Jones Sustainability Index and FTSE4Good. In comparison to 2010, the company's target is to reduce its greenhouse gas emissions by 31 percent per tonne of pulp, paper or packaging material produced. This reduction in emissions is higher than the 2°C target of the Paris Agreement. In addition, Stora Enso is the first forest industry that has implemented external research-based emissions targets. At the close of Q4 2018, the company has attained a 17 percent reduction in emissions. The emissions report is completely transparent and available to the public. Ninety-six percent of the water usage for production is returned to nature after being treated in accordance with applicable environmental legislation. The proportion of waste products is extremely low in Stora Enso's production, where 98 percent of the input materials are used in their entirety.

The Sustainable Development Goals that the company has identified as most relevant for the business operations are: Goal 12: *Sustainable consumption and production*, Goal 13: *Climate action* and Goal 15: *Ecosystem and biological diversity*.

Demand for the company's product mix with raw materials that are renewable and fossil free is steadily rising as awareness of the climate crisis increases. Urbanisation and the world's growing population is also becoming more present within politics and the economy at the global level. Stora Enso is also at the forefront for new materials that are renewable, and lignin is one such material. Between 20 to 30 percent of a tree consists of lignin which was previously processed as a waste product in paper mills but with new technology can now replace petroleum-based products for the production of plywood and laminates. Together with carbon fibre, lignin builds a very durable material that is free from toxins. Several examples of biomaterials that can replace old raw materials include dissolved pulp that is used to produce textiles instead of water intensive cotton or plastic materials. Stora Enso's division for biomaterials is a market leader in Europe.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We conduct dialogues for the purpose of encouraging companies to improve their sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- Targeted dialogues with direct contact between our fund managers and the company
- Dialogues together with other investors/capital owners
- Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP

A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.

B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.

C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

* In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.

We are very positive that an increasing number of companies from different branches and sectors are beginning to create green bond frameworks. As a result of this development, our opportunities increase for creating a diversified portfolio with sustainable investments that have clear and quantifiable objectives.

The Management Company's engagement activities

- The fund engaged in one targeted dialogue directly with a company during the year.
A dialogue was held with Hexagon which was primarily due to the company's decentralised organisational structure with many units. Based on a sustainability perspective, there are potential risks as a result given that this places high demands on coordination to maintain a balanced sustainability performance. Hexagon offers products and services that result in efficiency and resource improvements in various ways in the application at the customer. This is something that the company could highlight even earlier in the sustainability report, as we believe there are many positive effects from this. We had personal meetings with the company concerning the company's appointment of a function at the group level to coordinate the sustainability activities.
- In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund held holdings in one of these companies.
- In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.



Handelsbanken Hållbar Global Obligation

Management Report

Investment Focus

The fund is a fixed income fund that invests primarily in sustainable bonds for the purpose of financing projects and activities with regard to sustainability and the environment. The fund invests in bonds worldwide and currency hedges these in SEK. A maximum of 2% of the fund's value may have exposure to currency risk. The fund does not invest in companies that violate international norms and conventions with regard to human rights, working conditions, anti-corruption and the environment, for example. The fund also does not invest in bonds that finance banned weapons, nuclear weapons, other munitions, tobacco products, alcohol, pornography, gaming operations or fossil fuels. The average residual fixed interest duration for the fund's investments shall total a minimum of 0 years and a maximum of 7 years. Fund assets may be invested in interest-bearing financial instruments with a minimum rating of BBB- from Standard & Poor's or a comparable rating of Baa3 from Moody's. We compare fund performance with an index consisting of 60% Solactive Global Green and Social Bond Investment Grade TR SEK Hedged Index, 40% OMRX T-Bill. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 1.6% in 2019*. Returns were driven by credit spreads that narrowed and interest rates that fell. Market rates and swap rates fell in H1, as the period was dominated by high political uncertainty and the trade conflict between the US and China. The market then rose relatively sharply during the autumn. The upturn in rates was driven primarily by a slowdown in the central banks' stimulus, at the same time as Brexit negotiations and the trade conflict showed positive progress. Yields on the German 10-year government bond fell at most to -0.7% which is extremely low, before rebounding and closing the year at -0.18%. The performance of Nordic credit spreads was in line with the European and narrowed almost every month during the year with just a few exceptions. The central banks' stimulus in recent years has pulled down interest rates as well as credit spreads. Despite a higher supply of issues, the demand for credits has been very high as these offer an attractive expected return relative to the negative yields of government bonds. The fund began the year with slightly longer interest rate risk, at the same time as we have been slightly more tentative about adding longer credit risk and have preferred a duration of 5-7 years. During the autumn we shortened the interest rate risk prior to the central bank's statement as we felt the market had priced in an excess amount of additional stimulus, which also proved to be true. The growth in Green (improvements to the environment) and Sustainable (environmental and social economic improvements) bonds is moving forward. Initially, we saw primarily green bonds, but during the spring we started to see a significantly higher number of sustainable bonds, most notably international. The EU published a more detailed regulation at the end of the year that should provide even greater clarity on how and what will be considered as a Green bond and provides greater transparency on the reporting of the impact obtained for our investments. The fund focused on identifying interesting investments for various sectors and geographic exposures. We invested in bonds where the assets are placed in categories such as renewable energy, energy effectiveness, sustainable transport (for example, electric vehicles and sustainable public transportation) and the

creation of employment for clearly-defined populations in developing countries. The projects are distributed among countries in all parts of the world and several examples of companies include: the telecom company Telefónica's green bond, the food company Ahold Delhaize's sustainable bond and LKAB's green bond that finances the joint venture company HYBRIT (fossil-free steel production). The fund is positioned for low rates ahead. The portfolio's strongest contributors included the long duration as well as investments in the Danish energy company Ørsted.

*) 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

An investment in the fund is characterised by low risk. An investment in fixed income securities or in a fixed income fund is associated with interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The average duration over time for holdings in the fund may total a maximum of 7 years. Investments in the fund are normally made globally and are distributed across several markets and sectors to maintain a good diversification that contributes to lowering the risk in the fund. An investment in an interest-bearing 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 interest-bearing securities issued by companies or states with a low credit quality increases. The fund only invests in interest-bearing investments with high credit worthiness, so-called investment grade. The fund may invest in derivatives as part of its investment focus to increase returns in the fund. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

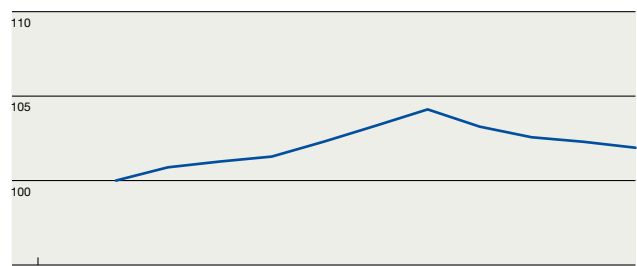
Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Fund Performance*



* Performance is shown in the fund's base currency. The fund may have several share classes, which are referred to in the Fund Facts.

Handelsbanken Hållbar Global Obligation, cont.

Fund Facts - History

	20/2-31/12 2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net asset value, SEK										
Hållbar Global Obligation A1	101.63	-	-	-	-	-	-	-	-	-
Hållbar Global Obligation B1	101.63	-	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	2,347	-	-	-	-	-	-	-	-	-
Fund capital total, mSEK	2,328	-	-	-	-	-	-	-	-	-
Hållbar Global Obligation A1	2,325	-	-	-	-	-	-	-	-	-
Hållbar Global Obligation B1	3	-	-	-	-	-	-	-	-	-
Number of units, 1000's	22,909	-	-	-	-	-	-	-	-	-
Hållbar Global Obligation A1	22,879	-	-	-	-	-	-	-	-	-
Hållbar Global Obligation B1	30	-	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Hållbar Global Obligation A1	+1.6	-	-	-	-	-	-	-	-	-
Hållbar Global Obligation B1	+1.6	-	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Hållbar Global Obligation A1	+2.8	-	-	-	-	-	-	-	-	-
Hållbar Global Obligation B1	+2.8	-	-	-	-	-	-	-	-	-

Benchmark: Solactive Global Green and Social Bond Investment Grade TR SEK Hedged Index 60%, OMRX T-Bill 40%

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 information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Hållbar Global Obligation A1	0.50
Hållbar Global Obligation B1	0.50
Collected mgmt. costs in % of average fund capital	
Hållbar Global Obligation A1	0.50
Hållbar Global Obligation B1	0.50
Annual fees in %	
Hållbar Global Obligation A1	0.50
Hållbar Global Obligation B1	0.50
Transaction costs, SEKt	25
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Hållbar Global Obligation A1	-
Hållbar Global Obligation B1	-
Costs in SEK for monthly savings, 100 SEK	
Hållbar Global Obligation A1	-
Hållbar Global Obligation B1	-

Fund Facts - Other Key Figures

Turnover rate	0.3
Share of turnover conducted via closely-related securities companies in %	8.9
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Forecasted total risk	1.6	Duration, years ¹⁾	3.6
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¹⁾ As of the balance sheet date.

* The fund has been in existence for less than two years; consequently, the calculation of historical risk is not applicable.

Refer to the last page for definitions.

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

Income Statement, SEKt

	20/2-31/12 2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	-37,439	-
Changes in value for other derivative instruments **	2,135	-
Changes in value for fund units ***	-291	-
Interest income	6,527	-
Dividends	6	-
Currency exchange profits and losses, net	14,599	-
Other income	38	-
Total income and changes in value	-14,425	-
EXPENSES		
Management costs:		
- Remuneration to the Management Company	3,793	-
Interest expense	11	-
Other expenses	25	-
Total expenses	3,829	-
Net income	-18,254	-
* Details of changes in value		
Capital gains	1,101	-
Capital losses	-929	-
Unrealised gains/losses	-37,611	-
Sum	-37,439	-
** Details of changes in value		
Capital gains	5,092	-
Capital losses	-4,860	-
Unrealised gains/losses	1,903	-
Sum	2,135	-
*** Details of changes in value		
Unrealised gains/losses	-291	-
Sum	-291	-

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	2,154,662	92.5	-	-
OTC derivative instruments with positive market value	14,685	0.6	-	-
Fund units	11,144	0.5	-	-
Total financial instruments with positive market value ^{Note 2)}	2,180,491	93.6	-	-
Bank assets and other liquid assets	140,769	6.1	-	-
Prepaid expenses and accrued income	8,210	0.4	-	-
Total assets	2,329,470	100.1	-	-
LIABILITIES				
OTC derivative instruments with negative market value	222	0.0	-	-
Total financial instruments with negative market value ^{Note 2)}	222	0.0	-	-
Accrued expenses and prepaid income	976	0.0	-	-
Total liabilities	1,198	0.1	-	-
Fund capital ^{Note 1)}	2,328,272	100.0	-	-
Collateral received for OTC derivative instruments ¹⁾	20,070	0.9	-	-
Other derivative instruments with negative market value ²⁾	6,241	0.3	-	-

¹⁾ Liquid assets SEK 20 070 t²⁾ Liquid assets 694 tSEK

Handelsbanken Hållbar Global Obligation, cont.

Note 1) for Balance Sheet

Changes in fund capital, SEKT

	2019	2018
Fund capital at beginning of year	-	-
Units issued	2,407,475	-
Units redeemed	-60,949	-
Profit according to Income Statement	-18,254	-
Dividends to unit holders	-	-
Fund capital at the close of the period	2,328,272	-

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, MORTGAGE			
DNB Boligkreditt 0,75% 2024-01-31	8,000	8,064	0.3
		8,064	0.3
FOREIGN ISSUER, OTHERS			
Ahold 0,25% 2025-06-26	4,000	41,989	1.8
Apple 0,5% 2031-11-15	2,500	26,109	1.1
BNP Paribas 0,5% 2025-06-04	1,000	10,535	0.5
Credit Agro 0,75% 2023-12-05	1,300	14,016	0.6
Kemira 1,75% 2024-05-30	750	8,098	0.3
KfW 1,375% 2028-02-02	50,000	52,723	2.3
Koninklijke Philips 0,50% 2026-05-22	3,650	38,886	1.7
La Banque Postale S.A 1,375% 2029-04-24	5,000	55,402	2.4
LeasePlan 1,375% 2024-03-07	4,650	50,596	2.2
Nordea Bank 0,375% 2026-05-28	2,200	23,197	1.0
Oesterreichische Kontrollbank 0% 2026-10-08	2,500	26,367	1.1
OP Corporate Bank 0,375% 2024-02-26	2,200	23,392	1.0
Orsted 1,50% 2029-11-26	4,650	53,238	2.3
PostNL 0,625% 2026-09-23	2,250	23,510	1.0
Rabobank Nederland 0,25% 2026-10-30	3,600	37,435	1.6
Santander Consumer Bank 0,3% 2026-10-04	500	5,201	0.2
Stand Chart Plc 0,9% 2027-07-02	2,750	29,233	1.3
Stora Enso 1,875% 2024-02-20	9,000	9,226	0.4
Telefonica 1,069% 2024-02-05	4,800	52,235	2.2
Tennet Holding 0,875% 2030-06-03	2,000	21,496	0.9
Tennet Holding 1,375 2029-06-26	2,500	28,303	1.2
TERNA 1,0% 2026-04-10	3,900	42,213	1.8
Tomra FRN 2024-11-14	17,000	18,126	0.8
Verizon Communications 3,875% 2029-02-0	750	7,744	0.3
		699,268	29.9
FOREIGN ISSUER, STATE			
AFDB 0,375% 2024-04-11	24,000	23,986	1.0
Belgiska staten 1,25% 2033-04-22	3,000	35,347	1.5
EBRD 0,00% 2026-09-10	25,000	24,080	1.0
EIB 1,125% 2032-11-15	1,500	17,500	0.8
Franska staten 1,75% 2039-06-25	5,750	73,055	3.1
IBRD 0,4325 2026-11-12	50,000	49,428	2.1
IBRD 0,5% 2023-10-10	75,000	75,387	3.2
Irlandska staten 1,35% 2031-03-18	2,500	29,411	1.3
		328,195	14.1
GOVERNMENT			
Göteborgs kommun 0,214% 2025-09-24	87,000	84,779	3.6
Kommuninvest 0,375% 2024-03-27	50,000	49,982	2.1
Östersunds Kommun FRN 2024-09-18	51,000	52,998	2.3
Vellinge 0,8075% 2023-11-24	25,000	25,325	1.1
		213,083	9.2
MORTGAGE			
SBAB 0,75% 2024-03-28	10,000	10,105	0.4
Stadshypotek 1588 1,50% 2024-03-01	80,000	83,387	3.6
		93,493	4.0
OTHER			
Balder FRN 2024-06-05	50,000	51,074	2.2
Castellum 2,125 2022-01-18	14,000	14,376	0.6
Castellum FRN 2021-10-04	22,000	22,565	1.0
Castellum FRN 2022-07-05	10,000	10,049	0.4
Electrolux 1,103% 2024-03-27	8,000	8,059	0.3
Fabege FRN 2022-09-26	9,000	9,137	0.4
Fabege FRN 2024-09-10	18,000	18,079	0.8
Fortum Värme 1,75% 2022-05-18	9,000	9,242	0.4
Handelsbanken 0,375 % 2023-07-03	1,250	13,291	0.6
Humlegården Fastigheter 1,035% 2021-05-28	16,000	16,091	0.7
Humlegården Fastigheter FRN 2024-10-07	46,000	46,132	2.0
Jernhusen 0,938% 2024-04-18	6,000	6,035	0.3
Jernhusen FRN 2023-04-17	6,000	6,074	0.3
Landshypotek 0,75% 2023-05-25	60,000	60,580	2.6
LKAB 0,875% 2025-03-10	40,000	39,543	1.7
NCC Treasury FRN 2024-09-30	66,000	66,044	2.8
NOBINA FRN 2024-02-13	10,000	10,191	0.4
Sagax FRN 2023-06-16	13,000	12,985	0.6
SBAB FRN 2024-06-20	13,000	13,073	0.6
Specialfastigheter 1,125% 2024-11-28	30,000	30,653	1.3
Stockholm Exergi 0,893% 2026-09-11	44,000	42,550	1.8
Sveaskog 1,10% 2022-09-26	20,000	20,229	0.9
Sveaskog 1,125% 2024-10-16	20,000	20,132	0.9
Svenska Kullagerfabriken 0,875% 2029-11-15	3,000	31,447	1.4
Vacse FRN 2022-06-07	6,000	6,060	0.3

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Vacse FRN 2024-06-03	22,000	22,148	1.0
Vasakronan 0,41% 2021-03-05	30,000	29,992	1.3
Vasakronan 0,64% 2025-09-02	40,000	38,915	1.7
Vasakronan 1,083% 2022-05-24	9,000	9,101	0.4
Wallenstam FRN 2021-05-24	6,000	6,015	0.3
Wallenstam FRN 2021-09-02	22,000	21,993	0.9
		711,857	30.6
Total listed fixed-income securities		2,053,960	88.1

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
UNLISTED FIXED-INCOME SECURITIES			
OTHER			
SKB FRN 2023-09-29	50,000	50,542	2.2
Uppsalahem FRN 2020-09-10	50,000	50,160	2.2
		100,702	4.4
Total unlisted fixed-income securities		100,702	4.4
Total transferable securities		2,154,662	92.5

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
SGB 10YH0 FUT ¹⁾	-100	0	0.0
SGB 5YH0 FUT ²⁾	-150	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FUND UNITS			
FIXED INCOME FUNDS			
Lyxor Green Bond (DR) UCITS ETF Monthly			
Hdg EUR-A	20,000	11,144	0.5
		11,144	0.5
Total fund units		11,144	0.5

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
SEK/EUR ³⁾		14,472	0.6
SEK/NOK ⁴⁾		-222	0.0
SEK/USD ⁵⁾		213	0.0
		14,463	0.6
Total OTC derivative instruments		14,463	0.6
Total other financial instruments		25,607	1.1
Total holdings in financial instruments		2,180,269	93.6
Net, other assets and liabilities		148,003	6.4
Total fund capital		2,328,272	100.0

1) Interest rate futures with underlying exposure of -158 020 tSEK, which is equivalent to 6.8% of fund capital.

2) Interest rate futures with underlying exposure of -196 423 tSEK, which is equivalent to 8.4% of fund capital.

3) tSEK 813 226/EUR -76 000, counterpart Nordea Bank Abp. tSEK 37 190/EUR 3 500, counterpart Skandinaviska Enskilda Banken (publ).

4) tSEK 17 849/NOK -17 000, counterpart Nordea Bank Abp.

5) tSEK 7 217/USD -750, counterpart Nordea Bank Abp.

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 92.5

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments. 1.1

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
International Bank for Reconstruction & Development	5.3	Castellum	2.0
Handelsbanken	4.2	Sveaskog	1.8
Vasakronan	3.4	Vacse	1.3
Svenska staten	3.0	Fabege	1.2
Humlegården Fastigheter	2.7	Wallenstam AB	1.2
Tennet Holding	2.1	SBAB	1.0
		Jernhusen	0.6

* 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.

Handelsbanken Hållbar Global Obligation

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors. The fund has been awarded the Nordic Swan Ecolabel and thereby fulfils the Nordic Swan Ecolabel's 25 mandatory criteria. Read more at svanen.se/spararen.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis in an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes companies/issuers involved in the production or distribution of weapons banned under international law, such as cluster bombs, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies/issuers with principal business operations within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, uranium, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies/issuers that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We

conduct dialogues for the purpose of encouraging companies to improve their sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
- B. Dialogues together with other investors/capital owners
- C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP

A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.

B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.

C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.*

Follow-up of sustainability work

Inclusion

During the year we had a substantial number of investments in sustainable bonds, one of which with an entirely new green framework, Electrolux. The fund participated in a new share issue of a 5-year bond at an attractive level of approximately 1.1%, with a total loan of SEK 1 billion.

Electrolux is the world's largest appliance manufacturer with a global presence and the first company within the sector to develop a sustainable framework for bond loans. The company is classified as an Industry leader in the Dow Jones Sustainability World Index and has aligned the framework with the UN's Sustainable Development Goals. The framework places particular focus on Goal 2 *Zero Hunger*, Goal 8 *Decent Work and Economic Growth*, Goal 12 *Responsible Consumption and Production* and Goal 13 *Climate Action*. Electrolux has a global presence and production with 55,000 employees. This makes the company extremely interesting since their products are used by a significant share of the world's population, which results in a major impact within the company's sector. The food industry accounts for 30 percent of global greenhouse gas emissions. Refrigeration and freezing technology is dramatically reducing food waste. Laundry and dishwashing machines are reducing water usage as well as energy consumption. Electrolux is positioned in all of these subgroups within the sector. The capital in bonds will be used for research and development, as well as new production facilities. The new production facilities will reduce greenhouse gas emissions from production by 80 percent and by 25 percent from the use of the products by consumers. The reductions in energy and water consumption have the greatest impact, but a significantly higher usage of recycled raw materials in the products also has an impact. The company will be presenting several interesting and important sustainable investments from the bond programme, in which we hope to participate. We continue to be very positive that an increasing number of companies from various branches and sectors are beginning to develop green bond frameworks. As a result of this growth, we are increasing our potential to create a diversified portfolio with sustainable investments that have clear, measurable objectives.

The Management Company's engagement activities

- A. The fund did not have any targeted dialogues directly with companies during the year.
- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund did not invest in any of these companies during the year.
- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.

Portfolio Manager: KEVIN LIANG

BASE CURRENCY



Handelsbanken Høyrente

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in corporate bonds and subordinated loans in solid Nordic banks and financial institutions, as well as in senior loans in companies with high credit quality, corporate bonds and subordinated loans. A maximum of 50% of the fund's value may be invested in interest-bearing securities issued by issuers that are not domiciled in Norway. The aforementioned assets may be denominated in different currencies. A maximum of 2% of the fund's value may have exposure to a currency other than NOK. The fund has a maximum interest duration of one year but may have a credit duration of a maximum of 3 years. A maximum of 50 % of the fund's value may be invested in interest-bearing financial instruments with a rating within the BB segment (BB+/BB-/BB-) according to S&P or within the Ba segment (Ba1/Ba2/Ba3) according to Moody's. The remaining shall be within the so-called Investment grade segment. The fund may invest a maximum of 10% of fund capital in fund units. We compare fund performance with ST1X, a government bond index with a fixed duration of 0.25 years. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 4.7% in 2019*. The Nordic credit market began the year on a very positive tone and shook off the disappointment of Q4 2018. The rally took a break after four months of strong returns. The market levelled out slightly during the summer. Investors became more selective and returned to a focus on the offshore sector with significant needs for refinancing. Swedish real estate players have collected significant sums on the bond market and have received much attention. An active and enthusiastic credit market led to strong returns in 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

An investment in the fund is characterised by low risk. An investment in fixed income securities or in a fixed income fund is associated with interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The average duration over time for holdings in the fund shall be less than 1 year. The fund's investments are concentrated to

securities listed in Norway and the Nordics. This means that the risk in the fund can be higher than an investment in a diversified global fund that allocates its investments across several regions or sectors. An investment in an interest-bearing 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 interest-bearing securities issued by companies or states with a low credit quality increases. 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. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

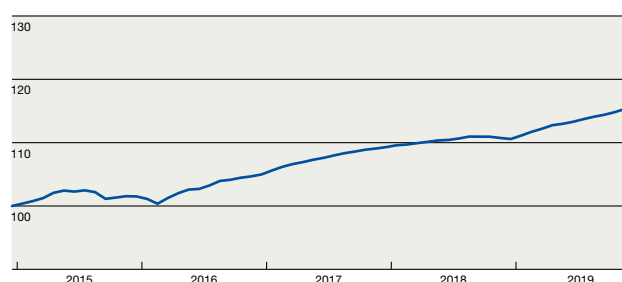
Information

The fund's historical performance prior to the launch date is attributed to the merger between Handelsbanken Høyrente (Norway) and Handelsbanken Høyrente (Sweden) that occurred on August 24, 2017.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Fund Performance*



* Performance is shown in the fund's base currency. The fund may have several share classes, which are referred to in the Fund Facts.

Fund Facts - History

	2019	2018	24/8-31/12 2017	2016	2015	2014	2013	2012	2011	2010
Net asset value										
Høyrente A1 - NOK	116.45	111.19	109.90	-	-	-	-	-	-	-
Høyrente A1 - SEK	124.05	113.84	-	-	-	-	-	-	-	-
Høyrente A10 - NOK	117.08	111.46	-	-	-	-	-	-	-	-
The fund's total net flow, mNOK	-1,894	563	501	-	-	-	-	-	-	-
Fund capital total, mNOK	6,652	8,156	7,494	-	-	-	-	-	-	-
Høyrente A1 - NOK	5,660	7,074	7,494	-	-	-	-	-	-	-
Høyrente A1 - SEK	14	14	-	-	-	-	-	-	-	-
Høyrente A10 - NOK	978	1,068	-	-	-	-	-	-	-	-
Number of units, 1000's	57,078	73,330	68,196	-	-	-	-	-	-	-
Høyrente A1 - NOK	48,609	63,628	68,196	-	-	-	-	-	-	-
Høyrente A1 - SEK	116	120	-	-	-	-	-	-	-	-
Høyrente A10 - NOK	8,353	9,582	-	-	-	-	-	-	-	-
Total returns in %, NOK										
Høyrente A1 - NOK	+4.7	+1.2	+4.1	+3.4	+1.5	+2.6	+5.6	+6.7	-	-
Høyrente A1 - SEK	+9.0	+3.5	-	-	-	-	-	-	-	-
Høyrente A10 - NOK	+5.0	+1.5	-	-	-	-	-	-	-	-

Handelsbanken Høyrente, cont.

	2019	2018	24/8-31/12 2017	2016	2015	2014	2013	2012	2011	2010
Index including dividends in %, NOK										
Høyrente A1 - NOK	+1.2	+0.5	+0.5	+0.5	+0.9	+1.3	+1.6	+1.5	-	-
Høyrente A1 - SEK	+5.2	+2.8	-	-	-	-	-	-	-	-
Høyrente A10 - NOK	+1.2	+0.5	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Høyrente A1 - NOK	0.6	0.7	1.2	-	-	-	-	-	-	-
Høyrente A1 - SEK	0.6	0.7	-	-	-	-	-	-	-	-
Høyrente A10 - NOK	0.6	0.7	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Høyrente A1 - NOK	+2.9	+2.6	+3.8	+2.5	+2.1	+4.1	+6.1	-	-	-
Høyrente A1 - SEK	+6.2	+1.1	-	-	-	-	-	-	-	-
Høyrente A10 - NOK	+3.2	+2.9	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
NOK	+0.8	+0.5	+0.5	+0.7	+1.1	+1.5	+1.6	-	-	-
SEK	+4.0	-1.0	-	-	-	-	-	-	-	-
Average yearly return, 5 yrs. %										
Høyrente A1 - NOK	+3.0	+2.6	+3.4	+3.9	-	-	-	-	-	-
Høyrente A1 - SEK	+3.4	+1.9	-	-	-	-	-	-	-	-
Høyrente A10 - NOK	+3.3	+2.9	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
NOK	+0.7	+0.8	+1.0	+1.2	-	-	-	-	-	-
SEK	+1.1	+0.1	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.07	1.02	1.00	-	-	-	-	-	-	-

Benchmark: ST1X

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 information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Høyrente A1	0.50
Høyrente A10	0.20
Collected mgmt. costs in % of average fund capital	
Høyrente A1	0.50
Høyrente A10	0.20
Annual fees in %	
Høyrente A1	0.50
Høyrente A10	0.20
Transaction costs, NOKt	
Transaction costs in % of turnover	-
Costs in NOK for a one-time subscription, 10 000 NOK	
Høyrente A1	51.25
Høyrente A10	20.53
Costs in NOK for monthly savings, 100 NOK	
Høyrente A1	3.31
Høyrente A10	1.32

Fund Facts - Other Key Figures

Turnover rate	0.8
Share of turnover conducted via closely-related securities companies in %	4.3
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 NOK	0.7	Information ratio - A1 SEK	3.4
Total risk % - A1 SEK	7.2	Information ratio - A10 NOK	3.8
Total risk % - A10 NOK	0.7	Sharpe ratio - A1 NOK	3.1
Total risk in index % - A1 NOK	0.1	Sharpe ratio - A1 SEK	0.9
Total risk in index % - A1 SEK	6.9	Sharpe ratio - A10 NOK	3.6
Total risk in index % - A10 NOK	0.1	Sharpe ratio in index - A1 NOK	0.0
Benchmark	ST1X	Sharpe ratio in index - A1 SEK	0.7
Active return % - A1 NOK	2.1	Sharpe ratio in index - A10 NOK	0.0
Active return % - A1 SEK	2.2	Duration, months ¹⁾	8.6
Active return % - A10 NOK	2.4	Duration, years ²⁾	0.7
Information ratio - A1 NOK	3.3		

1) As of the balance sheet date.

2) As of the balance sheet date.

* 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.

Income Statement, NOKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	106,025	-146,798
Interest income	277,698	251,774
Dividends	-	-9
Currency exchange profits and losses, net	44,570	32,452
Other income	473	0
Total income and changes in value	428,766	137,419
EXPENSES		
Management costs:		
- Remuneration to the Management Company	38,553	39,255
Interest expense	152	60
Other expenses	324	1
Total expenses	39,029	39,316
Net income	389,737	98,103
* Details of changes in value		
Capital gains	98,315	41,198
Capital losses	-50,504	-49,510
Unrealised gains/losses	58,213	-138,486
Sum	106,025	-146,798

Balance Sheet, NOKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	6,404,551	96.3	7,808,365	95.7
OTC derivative instruments with positive market value	53,470	0.8	-	-
Total financial instruments with positive market value ^{Note 2)}	6,458,021	97.1	7,808,365	95.7
Bank assets and other liquid assets	153,946	2.3	384,786	4.7
Prepaid expenses and accrued income	42,638	0.6	43,377	0.5
Other assets	1	0.0	-	-
Total assets	6,654,606	100.0	8,236,528	100.9
LIABILITIES				
OTC derivative instruments with negative market value	-	-	31,456	0.4
Total financial instruments with negative market value ^{Note 2)}	-	-	31,456	0.4
Accrued expenses and prepaid income	2,565	0.0	3,178	0.0
Other liabilities	-	-	45,874	0.5
Total liabilities	2,565	0.0	80,508	0.9
Fund capital ^{Note 1)}	6,652,041	100.0	8,156,020	100.0
Collateral received for OTC derivative instruments ¹⁾				
	19,136	0.3	47,938	0.6

1) Liquid assets 21 137 tNOK

Handelsbanken Heyrente, cont.

Note 1) for Balance Sheet

Changes in fund capital, NOKT

	2019	2018
Fund capital at beginning of year	8,156,020	7,494,472
Units issued	2,341,706	2,810,434
Units redeemed	-4,235,422	-2,246,989
Profit according to Income Statement	389,737	98,103
Dividends to unit holders	-	-
Fund capital at the close of the period	6,652,041	8,156,020

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
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LISTED FIXED-INCOME SECURITIES

FOREIGN ISSUER, MORTGAGE

Eika Boligkred FRN Perp	18,000	18,330	0.3
OBOS FRN 2024-08-29	18,000	18,113	0.3
Oslo Bolig FRN 2023-09-13	55,000	55,239	0.8
		91,682	1.4

FOREIGN ISSUER, OTHERS

Aker ASA FRN 2022-09-07	40,000	43,609	0.7
Aker Solutions FRN 2022-07-25	100,000	102,083	1.5
Aria Finance FRN 2023-07-23	35,000	32,951	0.5
Aurskog Sparebank FRN 2021-10-25	40,000	40,260	0.6
Austevoll FRN 2021-05-04	22,500	22,949	0.3
Austevoll FRN 2023-06-21	19,000	19,205	0.3
B2Holding FRN 2021-10-04	6,200	63,534	1.0
B2Holding FRN 2022-11-14	7,000	64,769	1.0
B2Holding FRN 2023-05-23	6,700	61,148	0.9
B2Holding FRN 2024-05-28	2,000	19,056	0.3
Bank Norwegian FRN 2022-03-29	42,000	42,036	0.6
Bank Norwegian FRN 2023-12-12	116,000	116,443	1.8
Bank Norwegian FRN Perpetual	5,000	5,020	0.1
Barclays FRN 2023-09-14	50,000	46,798	0.7
Benchmark Hold FRN 2023-06-21	85,000	80,878	1.2
Bergenh.Ko.Kr FRN 2022-05-30	50,000	50,398	0.8
BKK AS FRN 2021-10-06	5,000	5,027	0.1
BN Bank 2,15% 2023-06-29	10,000	9,927	0.1
BN Bank FRN 2022-03-15	20,000	20,151	0.3
BN Bank FRN 2023-08-30	38,000	38,194	0.6
Bonheur FRN 2022-05-24	119,000	122,719	1.8
Danske Bank FRN 2023-01-25	46,000	42,921	0.6
Danske Bank FRN 2023-11-28	25,000	24,922	0.4
DNB Bank 4,875% Perpetual	5,000	44,065	0.7
DNB Bank 5,75% 2020-03-26	10,300	90,973	1.4
DNB Bank FRN 2020-02-26	22,000	22,061	0.3
DNB Bank FRN 2022-11-01	76,000	75,958	1.1
DNB Bank FRN 2023-04-05	50,000	50,024	0.8
DNB FRN Perp Call 2024-06-27	57,000	58,121	0.9
Entra ASA FRN 2021-06-02	15,000	15,153	0.2
Entra ASA FRN 2022-10-14	12,000	12,073	0.2
Fana Sparebank FRN 2021-10-20	25,000	25,139	0.4
Gjensidige Bank FRN 2022-09-22	20,000	20,106	0.3
Gjensidige Fors FRN Perpetual	85,000	86,951	1.3
GLX Holding FRN 2023-12-08	100,000	102,875	1.5
Hexagon FRN 2023-03-15	80,000	80,700	1.2
Huhtamäki 1,125% 2026-11-20	2,300	22,506	0.3
Infineon 2,875% Perpetual Call 2025-01-01	6,000	61,025	0.9
Islandsbanki FRN 2022-02-21	30,000	30,273	0.5
Kreditforeningen for Sparebanker FRN 2024-04-12	20,000	20,078	0.3
Kreditforeningen FRN 2021-09-17	40,000	40,200	0.6
LeasePlan FRN 2021-06-07	75,000	75,101	1.1
LeasePlan FRN 2023-08-07	50,000	51,121	0.8
Mandatum Life Insurance 1,875% 2024-10-04	7,400	74,627	1.1
Millicom FRN 2024-05-15	30,000	28,447	0.4
Mowi ASA FRN 2023-06-12	1,500	15,092	0.2
Nordea Bank 5,25% Perp Call 2021-09-13	5,950	53,594	0.8
Nordea Bank FRN 2028-09-26	10,000	9,369	0.1
Nordea Bank FRN 2021-06-15	40,000	40,070	0.6
Nordea Bank FRN 2022-08-12	40,000	39,941	0.6
Nordea Bank FRN Perpetual	136,000	136,182	2.0
Norgesgruppen FRN 2024-02-12	9,000	9,112	0.1
NORLED FRN 2024-11-27	27,000	27,007	0.4
Norwegian Property FRN 2020-07-05	5,000	5,029	0.1
Norwegian Property FRN 2020-11-09	27,000	27,141	0.4
Nykredit FRN 2023-01-20	50,000	47,054	0.7
OBOS Banken FRN 2023-08-31	50,000	50,114	0.8
OBOS FRN 2027-05-18	11,000	11,120	0.2
Ocean Yield FRN 2020-04-29	5,000	5,002	0.1
Olav Thon Eiendomsselskap FRN 2020-06-23	17,000	17,057	0.3
Olav Thon Eiendomsselskap FRN 2022-09-26	25,000	25,089	0.4
Posten Norge FRN 2020-09-21	5,000	5,020	0.1
Posten Norge FRN 2021-09-28	25,000	25,152	0.4
Saprbank Sogn o Fj FRN 2022-10-20	40,000	39,920	0.6
Schibsted FRN 2021-05-06	15,000	15,116	0.2
Schibsted FRN 2023-06-22	20,000	20,415	0.3
Skandiabanken FRN 2020-10-12 Perp Call	32,000	32,451	0.5
Skandiabanken FRN 2021-03-01	20,000	20,089	0.3
Skandiabanken FRN 2025-10-13	51,000	51,590	0.8
Sparbanken Telemark FRN 2021-09-09	18,000	18,172	0.3
Sparebank 1 Nord-Norge 2,37% 2024-05-06	20,000	19,951	0.3

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
Sparebank 1 Nord-Norge FRN 2023-08-24	75,000	75,266	1.1
Sparebank 1 Nord-Norge FRN Perp	10,000	10,095	0.2
Sparebank 1 SMN 2023-02-16	50,000	50,221	0.8
Sparebank 1 SMN 5,0% 2025-01-26	44,000	43,623	0.7
Sparebank 1 SMN 8,25% 2020-04-03	3,500	3,541	0.1
Sparebank 1 SMN FRN 2028-09-04	65,000	65,594	1.0
Sparebank 1 SMN FRN Perpetual1	42,500	42,712	0.6
Sparebank 1 SMN FRN Perpetual2	4,000	4,044	0.1
Sparebank Hedmark 2,40% 2021-06-28	30,000	30,128	0.5
Sparebank Hedmark FRN 2021-04-16	20,000	20,197	0.3
Sparebank More 1,26% 2021-02-25	20,000	20,068	0.3
Sparebank More FRN 2023-12-12	10,000	9,997	0.2
Sparebank More FRN perp	39,000	39,459	0.6
Sparebank More FRN Perp	26,000	26,333	0.4
Sparebank Ost 2,0% 2020-11-27	10,000	9,998	0.2
Sparebank Ost FRN 2023-08-24	30,000	30,107	0.5
Sparebank Ost FRN Perpetual1	41,000	41,659	0.6
Sparebank Ost1	21,000	21,390	0.3
Sparebank Ostlandet FRN 2021-09-27	4,500	44,488	0.7
Sparebank Ostlandet FRN 2024-08-23	50,000	50,122	0.8
Sparebank Sogn og Fjordane FRN 2021-10-20	55,000	55,061	0.8
Sparebank Sor 2025-08-25	35,000	35,241	0.5
Sparebank Sor FRN 2022-09-28	3,000	3,029	0.0
Sparebank Sor FRN 2025-01-30	10,500	10,511	0.2
Sparebank Sor FRN Perpetual Call 2021	10,000	10,443	0.2
Sparebank Telemark FRN 2023-03-21	50,000	50,195	0.8
Sparebank Telemark FRN 2026-11-10	20,000	20,494	0.3
Sparebank Vest FRN 2023-09-12 Perp	38,000	38,479	0.6
Sparebank Vest FRN Perpetual CoCo	26,000	26,500	0.4
SpareBank1 2,35% 2020-11-30	15,000	15,043	0.2
SpareBank1 SR 2,04% 2022-02-11	7,000	6,978	0.1
SpareBank1 SR FRN Perp	45,000	45,474	0.7
SpareBank1 SR FRN Perpetual 2019	50,000	50,706	0.8
Sparebanken Ost 3,13% 2025-10-13	40,000	41,227	0.6
Sparebanken Sør FRN 2023-12-22	20,000	20,009	0.3
Sparebanken Sør FRN Perpetual Call2020	40,000	40,660	0.6
Sparebanken Vest 2022-06-30	15,000	15,104	0.2
Storebrand Bank FRN 2022-01-18	15,000	15,075	0.2
Storebrand Bank FRN Perpetual	8,000	8,002	0.1
Storebrand FRN 2020-05-11	7,000	7,028	0.1
Storebrand FRN 2022-05-23	41,000	41,799	0.6
Storebrand FRN 2047-11-21	20,000	18,735	0.3
Storebrand FRN Perpetual	100,000	102,118	1.5
Storebrand FRN Perpetual	24,000	24,084	0.4
Thon Holding FRN 2021-04-22	70,000	70,443	1.1
Tryg Forsikring FRN 2023-03-20	95,000	100,338	1.5
Veidekke FRN 2023-06-05	124,000	123,541	1.9
Wallenius Wilhelmsen FRN 2020-03-30	2,000	1,993	0.0
Yara 2,55 2021-12-17	10,000	10,041	0.2
		4,575,819	68.8

FOREIGN ISSUER, STATE

Asker Kommune 1,83% 2022-02-18	20,000	19,899	0.3
Oslo Kommune 3,60% 2022-12-06	8,000	8,346	0.1
Rogaland Fylke 1,845% 2022-05-23	30,000	29,831	0.4
Tromsø Kommune 1,73% 2022-09-29	45,000	44,566	0.7
Vestre Toten 1,675% 2021-02-26	30,000	29,879	0.4
		132,520	2.0

OTHER

BEWI Group FRN 2022-04-19	10,000	102,991	1.5
Dometic Group 3% 2026-05-08	7,400	75,974	1.1
Handelsbanken 5,25% Perpetual	19,289	172,355	2.6
Hexagon FRN 2024-11-26	40,000	37,483	0.6
Humlegården Fastigheter FRN 2024-10-07	18,000	16,945	0.3
IF Skadeforsikring FRN 2046-12-01	44,000	41,913	0.6
Indutrade 101 FRN 2023-02-23	64,000	60,387	0.9
Indutrade FRN 2024-09-26	50,000	47,126	0.7
Kinnevik FRN 2022-03-15	22,000	20,938	0.3
Länsförsäkringar FRN 2024-11-06	20,000	18,776	0.3
Länsförsäkringar FRN 2028-03-01	50,000	46,824	0.7
Länsförsäkringar FRN Perp	40,000	39,511	0.6
Loomis FRN 2023-09-18	64,000	60,172	0.9
Nordic Entertainment FRN 4 2024-05-23	34,000	32,148	0.5
SBAB FRN 2024-06-20	37,000	34,927	0.5
SBAB FRN Perp Call 24	110,000	105,478	1.6
SEB 5,125% Perpetual	17,000	149,457	2.2
Sinch AB FRN 2024-11-27	28,750	27,283	0.4
Stockholm Exergi 0,893% 2026-09-11	20,000	18,156	0.3
Swedavia FRN Perpetual	15,000	14,118	0.2
Swedbank 5,5% perp 2020	8,800	77,677	1.2
Trelleborg Treasury FRN 2024-10-17	66,000	61,980	0.9
		1,262,621	19.0
Total listed fixed-income securities		6,062,643	91.2

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
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UNLISTED FIXED-INCOME SECURITIES

FOREIGN ISSUER, OTHERS

Aker BP ASA 5,875% 2025-03-31	2,500	23,329	0.4
Aker BP ASA 6,00% 2022-07-01	11,750	106,190	1.6
Digiplex No 2 FRN 2024-04-30	100,000	103,417	1.6
Haugaland Kraft FRN 2022-09-02	20,000	20,004	0.3
NCL Corporation LTD 3,625% 2024-12-15	10,000	88,968	1.3
		341,909	5.1

Total unlisted fixed-income securities		341,909	5.1
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Total transferable securities		6,404,551	96.3
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Handelsbanken Fonder, cont.

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
NOK/EUR ¹⁾		10,187	0.2
NOK/SEK ²⁾		22,061	0.3
NOK/USD ³⁾		21,221	0.3
		53,470	0.8
Total OTC derivative instruments		53,470	0.8
Total other financial instruments		53,470	0.8
Total holdings in financial instruments		6,458,021	97.1
Net, other assets and liabilities		194,020	2.9
Total fund capital		6,652,041	100.0

1) tNOK 599 705/EUR -59 500, counterpart Skandinaviska Enskilda Banken AB (publ).

2) tNOK 927 294/SEK -961 000, counterpart Nordea Bank Abp.

3) tNOK 91 966 /USD -10 000, counterpart Citibank Plc. tNOK 746 551/USD -83.030, counterpart Skandinaviska Enskilda Banken AB (publ).

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

96.3

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

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*** Refers to other financial instruments.

0.8

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
DNB	4.9	SpareBank1 SR	1.6
Nordea	4.1	Sparebank More	1.5
Sparebank 1 SMN	3.3	Obos Banken	1.3
B2Holding	3.2	Sparebanken Vest	1.2
Storebrand	3.2	Sparebank 1 Telemark	1.1
Bank Norwegian	2.5	BN Banken	1.0
Sparebank Hedmark	2.3	Danske Bank	1.0
Aker	2.2	BKK AS	0.9
Sparebanken Ost	2.2	Sparebanken Sor	0.9
SBAB	2.1	Sparebankstiftelsen Sparebanken Sor	0.9
Det Norske	2.0	Olav Thon Eiendomsselskap	0.7
LeasePlan	1.9	Austevoll	0.6
Hexagon	1.8	Norwegian Property	0.5
Gjensidige	1.6	Posten Norge	0.5
Indutrade	1.6	Schibsted	0.5
Länsförsäkringar	1.6	Sparebank 1 Nord Norge	0.5
Skandiabanken	1.6	Entra	0.4

* 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.

Handelsbanken Høyrente

Sustainability dimensions taken into consideration in the management of the fund

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

In accordance with the Management Company's comprehensive policy for responsible investments, the following are excluded in all of the Management Company's funds:

- companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within mining of coal or in power companies that have coal as a major source of energy.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities

are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We conduct dialogues for the purpose of encouraging companies to improve their sustainability efforts and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
 - B. Dialogues together with other investors/capital owners
 - C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP
- A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.
- B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.
- C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

Follow-up of sustainability work

Inclusion

The fund invested in a green bond in BKK. The framework has been verified by CICERO. BKK's loan with green bonds is designated to finance new hydropower production, rehabilitation of existing facilities and the reinforcement of a dam in western Norway. Eidsiva produced 7.6 TWh hydropower in 2018. BKK's hydropower plant produces renewable electricity equivalent to consumption for 417,000 households, which corresponds to fossil fuel emissions of 4 million tonnes of carbon.

The Management Company's engagement activities

- A. The fund did not have any targeted dialogues directly with companies during the year.
- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund held holdings in four of these companies during the year.
- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.

Portfolio Manager: KLAS WENNERSTEIN

BASE CURRENCY



Handelsbanken Institutionell Kortsränta

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund's base currency is Swedish kronor (SEK). Fund investments may occur in financial instruments denominated in SEK, EUR, USD, GBP, CHF and JPY. However, a maximum of two percent of the fund's value may be exposed to currency risk. Fund assets may be invested in interest-bearing financial instruments with a rating from S&P or Moody's, as well as in instruments in which the Management Company has determined credit worthiness. The minimum external rating is BBB- from S&P or Baa3 from Moody's or an equivalent internal rating. International norms and guidelines with regard to 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 in companies active within the fossil fuels, war materials, tobacco, cannabis, alcohol, commercial gambling and pornography areas/sectors. The fund may invest in sustainable, social and green bonds issued by companies involved in power generation from fossil fuels. Refer to the fund's information brochure for further information. The fund may invest a maximum of 10% of the fund capital in fund units. We compare the fund's performance to the OMRX Treasury Bill Index. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 0.3% in 2019*. Both short- and long-term rates fell during H1, to then rise during the latter part of the year. The beginning of the year was dominated by high political uncertainty, with the trade conflict between the US and China at the forefront. The uncertainty has led to declining forward-looking indicators and the central banks have taken action in line with this. The FED cut the key rate three times during the year, while the ECB lowered interest rates and reinstated quantitative measures. The Riksbank concluded that the negative effects of negative interest rates outweighed the positive and raised the key rate to zero percent. Demand for credit remained high during the year and despite new record levels of issuing volume, credit spreads were the narrowest in years. Fund returns during the year benefited primarily from fixed rate bonds issued by Nordic real estate companies. We lowered the portion of fixed rate bonds in the fund during the year in favour of commercial paper as the short-term rates rose slightly in the autumn, which also made commercial paper more attractive. We continue to invest in green bonds and we invested in NCC AB's green bond issue during the year. The fund remains positioned for low interest rates and our outlook is positive to high demand on corporate bonds with high-quality credit.

*) 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

An investment in the fund is characterised by low risk. An investment in fixed income securities or in a fixed income fund is associated with interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. The fund invests in interest-bearing instruments with a short residual maturity and thereby has a lower interest rate risk than a fund that invests in interest-bearing instruments with a longer residual maturity. The average duration over time for holdings in the fund shall be less than 1 year. An investment in an interest-bearing 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 interest-bearing securities issued by companies or states with a low credit quality increases. The fund only invests in interest-bearing investments with high credit worthiness, so-called investment grade. The fund may invest in derivatives as part of its investment focus to increase returns in the fund or to create leverage. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

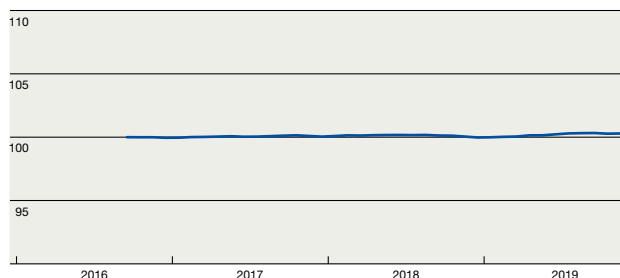
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

The fund changed its fund rules on 16 April 2019. The fund changed its name from Handelsbanken Institutionell Kortsränta Criteria to Handelsbanken Institutionell Kortsränta.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Fund Performance*



* Performance is shown in the fund's base currency. The fund may have several share classes, which are referred to in the Fund Facts.

Fund Facts - History

	2019	2018	2017	14/9-31/12 2016	2015	2014	2013	2012	2011	2010
Net asset value, SEK										
Institutionell Kortsränta A1	100.30	99.98	100.05	99.96	-	-	-	-	-	-
Institutionell Kortsränta A4	-	-	100.05	99.96	-	-	-	-	-	-
Institutionell Kortsränta A10	100.46	100.05	-	-	-	-	-	-	-	-
Institutionell Kortsränta B1	99.80	99.98	100.05	99.96	-	-	-	-	-	-
Institutionell Kortsränta B10	99.96	100.05	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	7,899	6,113	4,096	1,281	-	-	-	-	-	-
Fund capital total, mSEK	19,420	11,477	5,377	1,280	-	-	-	-	-	-
Institutionell Kortsränta A1	13,353	9,374	761	87	-	-	-	-	-	-
Institutionell Kortsränta A4	-	-	3,912	1,048	-	-	-	-	-	-
Institutionell Kortsränta A10	3,845	535	-	-	-	-	-	-	-	-
Institutionell Kortsränta B1	2,213	1,558	704	145	-	-	-	-	-	-
Institutionell Kortsränta B10	9	10	-	-	-	-	-	-	-	-

Handelsbanken Institutionell Kortränta, cont.

	2019	2018	2017	14/9-31/12 2016	2015	2014	2013	2012	2011	2010
Number of units, 1000's	193,673	114,790	53,744	12,810	-	-	-	-	-	-
Institutionell Kortränta A1	133,135	93,756	7,605	880	-	-	-	-	-	-
Institutionell Kortränta A4	-	-	39,099	10,480	-	-	-	-	-	-
Institutionell Kortränta A10	38,271	5,350	-	-	-	-	-	-	-	-
Institutionell Kortränta B1	22,173	15,586	7,040	1,450	-	-	-	-	-	-
Institutionell Kortränta B10	94	98	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Institutionell Kortränta A1	+0.3	-0.1	+0.1	0.0	-	-	-	-	-	-
Institutionell Kortränta A4	-	-	+0.1	0.0	-	-	-	-	-	-
Institutionell Kortränta A10	+0.4	0.0	-	-	-	-	-	-	-	-
Institutionell Kortränta B1	+0.3	-0.1	+0.1	0.0	-	-	-	-	-	-
Institutionell Kortränta B10	+0.4	0.0	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Institutionell Kortränta A1	-0.5	-0.8	-0.8	-0.2	-	-	-	-	-	-
Institutionell Kortränta A4	-	-	-0.8	-0.2	-	-	-	-	-	-
Institutionell Kortränta A10	-0.5	-0.8	-	-	-	-	-	-	-	-
Institutionell Kortränta B1	-0.5	-0.8	-0.8	-0.2	-	-	-	-	-	-
Institutionell Kortränta B10	-0.5	-0.8	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Institutionell Kortränta A1	0.1	0.1	-	-	-	-	-	-	-	-
Institutionell Kortränta A10	0.1	0.1	-	-	-	-	-	-	-	-
Institutionell Kortränta B1	0.1	0.1	-	-	-	-	-	-	-	-
Institutionell Kortränta B10	0.1	0.1	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Institutionell Kortränta A1	+0.1	0.0	-	-	-	-	-	-	-	-
Institutionell Kortränta A10	+0.2	+0.1	-	-	-	-	-	-	-	-
Institutionell Kortränta B1	+0.1	0.0	-	-	-	-	-	-	-	-
Institutionell Kortränta B10	+0.2	+0.1	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	-0.7	-0.8	-	-	-	-	-	-	-	-
Dividends per unit, SEK										
Institutionell Kortränta B1	0.50	0.00	0.00	-	-	-	-	-	-	-
Institutionell Kortränta B10	0.50	0.00	-	-	-	-	-	-	-	-

Benchmark: OMRX Treasury Bill 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.

Detailed information for the share classes' designation (nomenclature) is provided in the information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Institutionell Kortränta A1	0.14
Institutionell Kortränta A10	0.05
Institutionell Kortränta B1	0.14
Institutionell Kortränta B10	0.05
Collected mgmt. costs in % of average fund capital	
Institutionell Kortränta A1	0.14
Institutionell Kortränta A10	0.05
Institutionell Kortränta B1	0.14
Institutionell Kortränta B10	0.05
Annual fees in %	
Institutionell Kortränta A1	0.14
Institutionell Kortränta A10	0.05
Institutionell Kortränta B1	0.14
Institutionell Kortränta B10	0.05
Transaction costs, SEKt	54
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Institutionell Kortränta A1	14.03
Institutionell Kortränta A10	5.01
Institutionell Kortränta B1	14.03
Institutionell Kortränta B10	5.01
Costs in SEK for monthly savings, 100 SEK	
Institutionell Kortränta A1	0.91
Institutionell Kortränta A10	0.33
Institutionell Kortränta B1	0.91
Institutionell Kortränta B10	0.33

Fund Facts - Other Key Figures

Turnover rate	0.9
Share of turnover conducted via closely-related securities companies in %	20.1
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	0.1	Information ratio - A10 SEK	6.8
Total risk % - A10 SEK	0.1	Information ratio - B1 SEK	6.1
Total risk % - B1 SEK	0.1	Information ratio - B10 SEK	6.8
Total risk % - B10 SEK	0.1	Sharpe ratio - A1 SEK	5.5
Total risk in index % - A1 SEK	0.1	Sharpe ratio - A10 SEK	6.1
Total risk in index % - A10 SEK	0.1	Sharpe ratio - B1 SEK	5.5
Total risk in index % - B1 SEK	0.1	Sharpe ratio - B10 SEK	6.1
Total risk in index % - B10 SEK	0.1	Sharpe ratio in index - A1 SEK	0.1
Benchmark OMRX Treasury Bill Index		Sharpe ratio in index - A10 SEK	0.1
Active return % - A1 SEK	0.8	Sharpe ratio in index - B1 SEK	0.1
Active return % - A10 SEK	0.9	Sharpe ratio in index - B10 SEK	0.1
Active return % - B1 SEK	0.8	Duration, months ¹⁾	4.6
Active return % - B10 SEK	0.9		
Information ratio - A1 SEK	6.1		

¹⁾ As of the balance sheet date.

* 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.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	-12,301	-40,332
Changes in value for other derivative instruments **	-5,530	-153
Interest income	81,261	41,073
Currency exchange profits and losses, net	181	-664
Other income	1	0
Total income and changes in value	63,612	-76
EXPENSES		
Management costs:		
- Remuneration to the Management Company	18,889	13,086
Interest expense	11	39
Other expenses	871	6
Total expenses	19,771	13,131
Net income	43,841	-13,207
* Details of changes in value		
Capital gains	2,125	5,811
Capital losses	-36,865	-15,648
Unrealised gains/losses	22,440	-30,495
Sum	-12,301	-40,332
** Details of changes in value		
Capital gains	8,296	719
Capital losses	-13,827	-872
Sum	-5,530	-153

Handelsbanken Institutionell Kortränta, cont.

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	13,372,983	68.9	7,939,680	69.2
Money market instruments	4,297,624	22.1	1,879,014	16.4
OTC derivative instruments with positive market value	7,099	0.0	-	-
Total financial instruments with positive market value ^{Note 2)}	17,677,706	91.0	9,818,694	85.6
Bank assets and other liquid assets	1,712,402	8.8	1,639,352	14.3
Prepaid expenses and accrued income	32,546	0.2	20,267	0.1
Other assets	-	-	107	0.0
Total assets	19,422,654	100.0	11,478,420	100.0
LIABILITIES				
OTC derivative instruments with negative market value	383	0.0	-	-
Total financial instruments with negative market value ^{Note 2)}	383	0.0	-	-
Accrued expenses and prepaid income	1,988	0.0	1,289	0.0
Other liabilities	-	-	62	0.0
Total liabilities	2,371	0.0	1,351	0.0
Fund capital ^{Note 1)}	19,420,283	100.0	11,477,069	100.0
Collateral received for OTC derivative instruments ¹⁾	6,935	0.0	-	-
Other derivative instruments with negative market value	-	-	3,781	0.0

1) Liquid assets SEK 6 935 t

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	11,477,069	5,377,040
Units issued	11,580,412	13,348,581
Units redeemed	-3,669,978	-7,235,345
Profit according to Income Statement	43,841	-13,207
Dividends to unit holders	-11,061	-
Fund capital at the close of the period	19,420,283	11,477,069

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, OTHERS			
ABB Financial FRN 2020-10-12	15,000	157,933	0.8
LeasePlan 0,93% 2020-10-05	280,000	280,605	1.4
LeasePlan 1, % 2022-02-25	1,700	18,197	0.1
LeasePlan 1,792% 2020-09-10	130,000	131,053	0.7
LeasePlan FRN 2020-06-05	75,000	75,197	0.4
Nordea Bank 0,097% 2020-06-17	41,000	40,942	0.2
Nordea Bank 0,36% 2021-06-14	140,000	139,698	0.7
Nordea Bank FRN 2020-06-16	114,000	114,266	0.6
Nordea Bank FRN 2021-02-19	100,000	100,530	0.5
Olav Thon Eiendomsselskap FRN 2021-09-03	150,000	149,943	0.8
Olav Thon Eiendomsselskap FRN 2022-05-10	150,000	150,308	0.8
OP Yrityspankki FRN 2022-05-18	200,000	201,670	1.0
Santander Consumer Bank FRN 2020-03-30	130,000	130,131	0.7
Stora Enso FRN 2021-08-20	189,000	190,215	1.0
Telenor FRN 2021-09-20	200,000	200,406	1.0
		2,081,094	10.7
MORTGAGE			
Länsförsäkringar Hypotek 514 1,75% 2021-06-15	300,000	307,773	1.6
Nordea Hypotek 5521 3,25% 2020-06-17	200,000	202,858	1.0
Stadshypotek 1584 1,50% 2021-03-17	300,000	304,743	1.6
Swedbank Hypotek 189 1,00% 2020-12-16	200,000	201,576	1.0
		1,016,950	5.2
OTHER			
Atrium Ljungberg 0,365% 2020-01-29	50,000	50,003	0.3
Atrium Ljungberg 114 0,58% 2020-10-26	57,000	56,974	0.3
Balder 0,375% 2020-01-22	24,000	24,002	0.1
Balder 0,743% 2021-07-02	186,000	186,084	1.0
Balder FRN 2021-11-05	200,000	199,782	1.0
BillerudKorsnäs 0,18% 2020-06-04	150,000	149,745	0.8
BillerudKorsnäs 0,7% 2021-01-04	150,000	149,960	0.8
BLUESTEP FRN 2021-12-13	50,000	50,850	0.3
BLUESTEP FRN 2022-09-12	80,000	80,484	0.4
Castellum 0,85% 2021-09-06	66,000	66,149	0.3
Castellum FRN 2020-03-13	30,000	30,051	0.2
Castellum FRN 2021-08-30	150,000	150,659	0.8
Castellum FRN 2021-10-04	40,000	41,028	0.2
Fabege 0,385% 2020-04-09	110,000	109,973	0.6
Fabege FRN 2020-04-20	55,000	55,135	0.3
Fabege FRN 2020-06-09	30,000	30,080	0.2
Heimstaden Bostad FRN 2020-12-07	226,000	228,235	1.2

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Hemsö 0,147% 2020-06-29	100,000	99,866	0.5
Humlegården Fastigheter 1,035% 2021-05-28	90,000	90,512	0.5
Humlegården Fastigheter FRN 2020-11-27	26,000	26,096	0.1
Humlegården Fastigheter FRN 2021-05-28	132,000	132,958	0.7
Humlegården Fastigheter FRN 2022-01-11	248,000	247,839	1.3
Humlegården Fastigheter FRN 2022-12-12	100,000	99,890	0.5
Husqvarna FRN 2021-05-03	50,000	50,750	0.3
Ikano Bank AB FRN 2022-10-17	200,000	199,936	1.0
Ikano Bank FRN 2021-05-14	36,000	36,115	0.2
Ikano Bank FRN 2021-08-17	182,000	182,131	0.9
Intea Fastigheter 0,7% 2020-02-21	40,000	40,014	0.2
Intea Fastigheter FRN 2021-09-30	180,000	179,447	0.9
Investment AB Latour FRN 2023-03-27	76,000	75,899	0.4
Kinnevik 0,39% 2020-08-25	200,000	199,844	1.0
Kungsleden 2,06% 2021-10-11	30,000	30,646	0.2
Kungsleden FRN 2021-10-11	71,000	72,483	0.4
Landshypotek FRN 2020-12-14	76,000	76,511	0.4
Landshypotek FRN 2021-09-20	170,000	171,984	0.9
Landshypotek FRN 2021-12-06	200,000	202,580	1.0
Länsförsäkringar 0,3825% 2021-03-08	34,000	33,950	0.2
Länsförsäkringar 0,554% 2021-11-30	150,000	149,940	0.8
Länsförsäkringar 3,268% 2021-01-27	180,000	185,306	1.0
Länsförsäkringar FRN RB 788 2021-07-12	50,000	50,508	0.3
Lantmännen FRN 2020-12-07	59,000	59,651	0.3
Latour 0,24% 2020-03-16	62,000	61,971	0.3
Lifco 0,405% 2020-04-03	110,000	109,966	0.6
NCC Treasury FRN 2022-09-30	152,000	152,024	0.8
NIBE Industrier 1,00% 2021-06-21	71,000	71,273	0.4
NIBE Industrier FRN 2021-06-03	82,000	82,096	0.4
NIBE Industrier RB 102 2020-05-28	69,000	69,249	0.4
Nya SFF 0,49% 2020-02-28	70,000	69,994	0.4
Nya SFF 0,53% 2020-09-07	100,000	99,855	0.5
Nya SFF FRN 2020-03-09	30,000	30,029	0.2
Nya SFF FRN 2021-09-01	250,000	251,550	1.3
Postnord FRN 2022-03-14	54,000	54,134	0.3
Rikshem 0,485% 2020-08-25	50,000	50,022	0.3
Rikshem FRN 2021-04-22	270,000	273,931	1.4
Sagax FRN 2023-06-16	37,000	36,957	0.2
SBAB 0,0775% 2020-08-27	50,000	49,891	0.3
SBAB FRN 2021-03-29	60,000	60,341	0.3
SBAB FRN 2021-06-23	75,000	75,704	0.4
SCA 0,375% 2021-05-24	42,000	41,877	0.2
SCA FRN 2020-11-26	60,000	60,226	0.3
Scania 0,25% 2020-09-15	260,000	259,454	1.3
Scania FRN 2020-07-15	277,000	277,382	1.4
Scania FRN 2021-02-11	50,000	50,127	0.3
Scania FRN 2021-09-06	100,000	101,234	0.5
Scania FRN 2021-12-03	150,000	149,714	0.8
SEB Bolån 574 1,50% 2021-12-15	300,000	307,350	1.6
Skandiabanken 0,35% 2020-05-26	150,000	149,958	0.8
Skandiabanken FRN 2021-09-20	100,000	100,703	0.5
Sparbanken Skåne FRN 2021-02-15	50,000	50,224	0.3
Swedbank 0,305% 2021-05-09	200,000	199,206	1.0
Swedbank Sjuhärads 0,55% 2020-05-12	100,000	100,023	0.5
Tele2 FRN 2020-11-30	150,000	150,615	0.8
Trelleborg Treasury FRN 2021-07-12	150,000	150,354	0.8
Vacse FRN 2022-06-07	22,000	22,220	0.1
Vasakronan 0,095% 2020-03-02	40,000	39,992	0.2
Vasakronan 1,4825% 2020-11-10	50,000	50,449	0.3
Volvo Treasury 0,625% 2021-09-20	150,000	149,954	0.8
Volvo Treasury FRN 2021-02-12	200,000	200,628	1.0
Volvo Treasury FRN 2021-06-28	100,000	100,180	0.5
Volvo Treasury FRN 2021-09-20	58,000	58,069	0.3
Volvo Treasury FRN 2022-05-23	350,000	350,021	1.8
Wallenstam	46,000	46,216	0.2
Wallenstam 0,48% 2020-06-05	88,000	87,925	0.5
Wallenstam 0,68% 2020-01-22	50,000	50,008	0.3
Wallenstam FRN 2021-05-24	26,000	26,066	0.1
Wallenstam FRN 2021-09-02	50,000	49,985	0.3
Wilhelm 0,109% 2020-05-27	250,000	249,720	1.3
Wilhelm FRN 2020-06-26	256,000	256,681	1.3
Wilhelm FRN 2021-11-01	120,000	121,448	0.6
		9,961,042	51.4
Total listed fixed-income securities		13,059,086	67.3

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
UNLISTED FIXED-INCOME SECURITIES			
OTHER			
Fastighets AB Förvaltaren FRN 2020-07-10	25,000	25,062	0.1
SKB FRN 2020-06-02	52,000	52,053	0.3
SKB FRN 2022-11-28	50,000	50,526	0.3
Stangastaden FRN 2021-10-07	75,000	75,728	0.4
Uppsala FRN 110 2021-09-29	50,000	50,336	0.3
Uppsala FRN 2020-09-10	60,000	60,192	0.3
		313,897	1.6
Total unlisted fixed-income securities		313,897	1.6
Total transferable securities		13,372,983	68.9

Handelsbanken Institutionell Kortränta, cont.

MONEY MARKET INSTRUMENTS**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
CERTIFICATE			
Akelius 2020-03-18	75,000	74,928	0.4
Arla 2020-01-15	75,000	74,991	0.4
Arla 2020-02-24	100,000	99,937	0.5
Arla 2020-04-14	75,000	74,898	0.4
Balder DI FC 2020-03-12	50,000	49,957	0.3
Bonava FC 2020-02-05	150,000	149,943	0.8
Bonava FC 2020-03-16	6,000	63,178	0.3
Castellum 2020-02-17	200,000	199,894	1.0
Castellum DI FC 2020-05-27	100,000	99,801	0.5
Fabege FC 2020-01-10	225,000	224,984	1.2
FastAB Stenvalvet DI FC 200210	85,000	84,962	0.4
Fastighets AB Stenvalvet 2020-04-14	50,000	49,932	0.3
H & M DI FC 200127	75,000	74,980	0.4
H & M DI FC 200228	100,000	99,932	0.5
H & M DI FC 2020-03-26	50,000	49,946	0.3
H & M DI FC 2020-04-27	50,000	49,923	0.3
H & M DI FC 2020-05-11	100,000	99,825	0.5
Hexagon DI FC 2020-02-20	50,000	49,971	0.3
Hexagon DI FC 2020-04-03	100,000	99,880	0.5
Holmen DI FC 2020-02-27	150,000	149,937	0.8
Humlegården Fastigheter DI FC 2020-01-20	185,000	184,968	1.0
Humlegården Fastigheter DI FC 2020-01-23	70,000	69,985	0.4
Ikano Bank DI BAC 2020-02-24	60,000	60,003	0.3
Ikano Bank DI BAC 2020-06-10	100,000	99,951	0.5
Indutrade DI FC 2020-02-10	100,000	99,956	0.5
Intea Fastigheter DI FC 2020-02-11	35,000	34,984	0.2
Intea Fastigheter DI FC 2020-02-28	100,000	99,932	0.5
Loomis DI FC 2020-01-30	100,000	99,969	0.5
Loomis DI FC 2020-04-08	75,000	74,905	0.4
Loomis DI FC 2020-04-20	50,000	49,928	0.3
Nordic Entertainment Gr DI FC 2020-04-06	200,000	199,751	1.0
Olav Thon Eiendomsselskap FC 2020-02-24	50,000	49,969	0.3
Sagax DI FC 2020-01-27	5,000	52,548	0.3
Trophé Fastighets DI FC 2020-01-10	150,000	149,990	0.8
Volkswagen Finans Sverige 2020-01-17	200,000	199,972	1.0
Volkswagen Finans Sverige 2020-04-23	200,000	199,703	1.0
Volkswagen Finans Sverige 2020-05-13	50,000	49,911	0.3
Volkswagen Finans Sverige 2020-05-20	100,000	99,813	0.5
Volkswagen Finans Sverige 2020-06-18	100,000	99,767	0.5
Volkswagen Finans Sverige ECP 2020-01-24	100,000	99,977	0.5
Wallenstam DI FC 2020-01-15	90,000	89,989	0.5
Wallenstam DI FC 2020-02-10	80,000	79,965	0.4
Wallenstam DI FC 2020-03-09	50,000	49,959	0.3
Wallenstam DI FC 2020-03-13	80,000	79,929	0.4
Total certificate		4,297,624	22.1
Total money market instruments		4,297,624	22.1

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
SEK/EUR ¹⁾		6,716	0.0
		6,716	0.0
Total OTC derivative instruments		6,716	0.0
Total other financial instruments		6,716	0.0
Total holdings in financial instruments		17,677,323	91.0
Net, other assets and liabilities		1,742,960	9.0
Total fund capital		19,420,283	100.0

¹⁾ tSEK 53 758/EUR -5 000 counterpart Citibank Plc. tSEK 244 141/EUR -22 700 counterpart Nordea Bank Abp.

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

68.9

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

22.1

*** Refers to other financial instruments.

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Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Humlegården Fastigheter	4.5	Olav Thon Eiendomsselskap	1.9
Volvo	4.4	Intea Fastigheter AB	1.8
Scania	4.3	Rikshem	1.7
Länsförsäkringar	3.9	BillerudKorsnäs	1.6
Volkswagen	3.8	Arla	1.3
Willhem	3.2	Skandiabanken	1.3
Castellum	3.0	Loomis AB	1.2
Nordea	3.0	NIBE Industrier	1.2
Wallenstam AB	3.0	Bonava AB	1.1
Ikano SA	2.9	SBAB	1.0
LeasePlan	2.6	Hexagon	0.8
Swedbank	2.5	EQT Holdings Cooperatief WA	0.7
Balder	2.4	Atrium Ljungberg	0.6
Nya Svensk Fastighets Finansiering	2.4	Kungsleden	0.6
Fabege	2.3	SKB	0.6
Landshypotek	2.3	Sagax	0.5
Hennes & Mauritz	2.0	SCA	0.5
		Vasakronan	0.5

* 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.

Handelsbanken Institutionell Korränta

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes companies/issuers involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies/issuers involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies/issuers with principal business operations within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies/issuers that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We

conduct dialogues for the purpose of encouraging companies to improve their sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
- B. Dialogues together with other investors/capital owners
- C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP

A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.

B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.

C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.*

Follow-up of sustainability work

Inclusion

The fund invested in Wallenstam AB, one of Sweden's largest property management companies with focus on housing. Wallenstam has established a green framework for its financing of bonds that was reviewed by the independent research institution, Cicero. Cicero gave the framework the highest rating, Dark Green. Investments within the framework will be financing clean transport, energy efficiency and renewable energy. Wallenstam has been focusing on renewable energy for some time through its investments in 66 wind farms.

The Management Company's engagement activities

- A. The fund engaged in one targeted dialogue directly with a company during the year.
A dialogue was held with Hexagon which was primarily due to the company's decentralised organisational structure with many units. Based on a sustainability perspective, there are potential risks as a result given that this places high demands on coordination to maintain a balanced sustainability performance. Hexagon offers products and services that result in efficiency and resource improvements in various ways in the application at the customer. This is something that the company could highlight even earlier in the sustainability report, as we believe there are many positive effects from this. We had personal meetings with the company concerning the company's appointment of a function at the group level to coordinate the sustainability activities.
- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund held holdings in one of these companies during the year.
- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.

Portfolio Manager: KEVIN LIANG

BASE CURRENCY



Handelsbanken Kort Rente Norge

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in Nordic liquid and high-quality interest-bearing securities issued by the Norwegian state, municipalities, counties, banks, credit institutions and covered bonds (equivalent to OMF in Norway). These shall have a minimum of Investment Grade (i.e., a minimum of BBB- by Standard & Poor's or a minimum of Baa3 by Moody's), or alternatively an equivalent internal credit worthiness with a short residual maturity. The fund's modified duration has an interval of 0-1 years and individual securities can have a fixed duration of up to 1 year. The fund may invest in derivative instruments as part of the fund's investment focus. We compare the fund's performance to ST1X, a government bond index with a fixed duration of 0.25 years. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 1.6% in 2019*. Norges Bank raised key rates three times during 2019, from 0.75% to 1.50%. This was due to an acceleration of the trade conflict between the US and China, as well as a downward adjustment to the global growth outlooks. The rate hikes were in sharp contrast to global monetary policies, where all other central banks either kept the key rates on hold or cut interest rates in the period. Despite the rate hikes and wider interest rate spreads with trading partners, the NOK weakened significantly. Rising short-term rates contributed to positive returns in 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

An investment in the fund is characterised by low risk. An investment in fixed income securities or in a fixed income fund is associated with interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The average duration over time for holdings in the fund shall be less than 1 year. The fund's investments are concentrated to securities listed in Norway and to securities issued by companies within the financial sector. This means that the risk in the fund can be higher than an investment in a diversified global fund that allocates its investments across several regions or sectors. An investment in an interest-bearing 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 interest-bearing securities issued by companies or states with a low credit quality increases. The fund invests only in interest-bearing investments of high-quality credit worthiness, i.e., Investment grade. The fund may invest in derivatives as part of its investment focus to increase returns in the fund. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

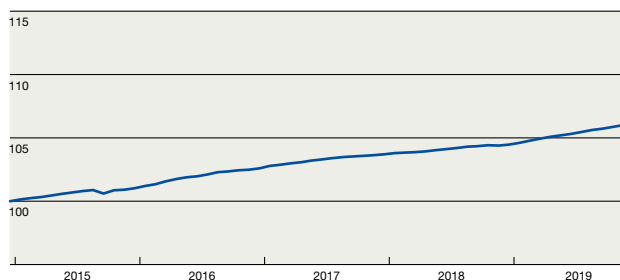
As of February 6, 2019 the fund changed its fund Rules. The fund changed its name from Handelsbanken Likviditet to Handelsbanken Kort Rente Norge.

The fund's historical performance prior to the launch date is attributed to the merger between Handelsbanken Likviditet (Norway) and Handelsbanken Likviditet (Sweden) that occurred on August 24, 2017.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Fund Performance*



* Performance is shown in the fund's base currency. The fund may have several share classes, which are referred to in the Fund Facts.

Fund Facts - History

	2019	2018	24/8-31/12 2017	2016	2015	2014	2013	2012	2011	2010
Net asset value										
Kort Rente Norge A1 - NOK	101.39	99.78	99.05	-	-	-	-	-	-	-
Kort Rente Norge A1 - SEK	108.01	102.17	-	-	-	-	-	-	-	-
Kort Rente Norge A10 - NOK	101.73	99.82	-	-	-	-	-	-	-	-
The fund's total net flow, mNOK	-701	680	-422	-	-	-	-	-	-	-
Fund capital total, mNOK	485	1,173	489	-	-	-	-	-	-	-
Kort Rente Norge A1 - NOK	322	680	489	-	-	-	-	-	-	-
Kort Rente Norge A1 - SEK	27	27	-	-	-	-	-	-	-	-
Kort Rente Norge A10 - NOK	136	467	-	-	-	-	-	-	-	-
Number of units, 1000's	4,777	11,754	4,933	-	-	-	-	-	-	-
Kort Rente Norge A1 - NOK	3,188	6,814	4,933	-	-	-	-	-	-	-
Kort Rente Norge A1 - SEK	252	264	-	-	-	-	-	-	-	-
Kort Rente Norge A10 - NOK	1,337	4,676	-	-	-	-	-	-	-	-

Handelsbanken Kort Rente Norge, cont.

	2019	2018	24/8-31/12 2017	2016	2015	2014	2013	2012	2011	2010
Total returns in %, NOK										
Kort Rente Norge A1 - NOK	+1.6	+0.7	+1.1	+1.6	+1.0	+1.8	+2.1	+3.0	+2.8	+2.3
Kort Rente Norge A1 - SEK	+5.7	+3.0	-	-	-	-	-	-	-	-
Kort Rente Norge A10 - NOK	+1.9	+0.1	-	-	-	-	-	-	-	-
Index including dividends in %, NOK										
Kort Rente Norge A1 - NOK	+1.2	+0.5	+0.5	+0.5	+0.9	+1.3	+1.6	+1.5	+2.4	+2.3
Kort Rente Norge A1 - SEK	+5.2	+2.8	-	-	-	-	-	-	-	-
Kort Rente Norge A10 - NOK	+1.2	+0.1	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Kort Rente Norge A1 - NOK	0.1	0.1	0.2	0.4	0.3	0.1	0.2	0.3	0.2	0.2
Kort Rente Norge A1 - SEK	0.1	0.1	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Kort Rente Norge A1 - NOK	+1.2	+0.9	+1.3	+1.3	+1.4	+2.0	+2.5	+2.9	+2.5	+2.6
Kort Rente Norge A1 - SEK	+4.4	-0.6	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
NOK	+0.8	+0.5	+0.5	+0.7	+1.1	+1.5	+1.6	+2.0	+2.4	+2.2
SEK	+4.0	-1.0	-	-	-	-	-	-	-	-
Average yearly return, 5 yrs. %										
Kort Rente Norge A1 - NOK	+1.2	+1.2	+1.5	+1.9	+2.1	+2.4	+2.6	+3.4	+3.6	+3.5
Kort Rente Norge A1 - SEK	+1.6	+0.6	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
NOK	+0.7	+0.8	+1.0	+1.2	+1.6	+1.8	+2.0	+2.8	+3.4	+3.5
SEK	+1.1	+0.1	-	-	-	-	-	-	-	-
Average yearly return, 10 yrs. %										
Kort Rente Norge A1 - NOK	+1.8	+1.9	+2.4	+2.8	+2.8	+2.9	+2.9	+3.1	-	-
Kort Rente Norge A1 - SEK	+0.3	+0.9	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
NOK	+1.3	+1.4	+1.9	+2.3	+2.5	+2.6	+2.7	+3.0	-	-
SEK	-0.2	+0.4	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.07	1.02	1.00	-	-	-	-	-	-	-

Benchmark: ST1X

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 information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Kort Rente Norge A1	0.35
Kort Rente Norge A10	0.05
Collected mgmt. costs in % of average fund capital	
Kort Rente Norge A1	0.35
Kort Rente Norge A10	0.05
Annual fees in %	
Kort Rente Norge A1	0.35
Kort Rente Norge A10	0.05
Transaction costs, NOKt	-
Transaction costs in % of turnover	-
Costs in NOK for a one-time subscription, 10 000 NOK	
Kort Rente Norge A1	35.30
Kort Rente Norge A10	5.05
Costs in NOK for monthly savings, 100 NOK	
Kort Rente Norge A1	2.29
Kort Rente Norge A10	0.33

Fund Facts - Other Key Figures

Turnover rate	1.0
Share of turnover conducted via closely-related securities companies in %	13.4
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 NOK	0.2	Information ratio - A1 SEK	2.4
Total risk % - A1 SEK	7.0	Sharpe ratio - A1 NOK	2.0
Total risk in index % - A1 NOK	0.1	Sharpe ratio - A1 SEK	0.7
Total risk in index % - A1 SEK	6.9	Sharpe ratio in index - A1 NOK	0.0
Benchmark	ST1X	Sharpe ratio in index - A1 SEK	0.7
Active return % - A1 NOK	0.3	Duration, months ¹⁾	2.3
Active return % - A1 SEK	0.3		
Information ratio - A1 NOK	2.3		

¹⁾ As of the balance sheet date.

* 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.

Income Statement, NOKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	-896	-4,004
Interest income	15,629	10,539
Dividends	-	-2
Currency exchange profits and losses, net	-58	-80
Other income	0	0
Total income and changes in value	14,675	6,453
EXPENSES		
Management costs:		
- Remuneration to the Management Company	1,725	1,987
Interest expense	29	8
Other expenses	74	0
Total expenses	1,828	1,995
Net income	12,847	4,458
* Details of changes in value		
Capital gains	308	83
Capital losses	-2,882	-2,422
Unrealised gains/losses	1,678	-1,665
Sum	-896	-4,004

Balance Sheet, NOKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	474,268	97.8	1,094,375	93.3
Total financial instruments with positive market value ^{Note 2)}	474,268	97.8	1,094,375	93.3
Bank assets and other liquid assets	9,397	1.9	75,457	6.4
Prepaid expenses and accrued income	1,211	0.3	3,404	0.3
Other assets	-	-	2	0.0
Total assets	484,876	100.0	1,173,238	100.0
LIABILITIES				
Accrued expenses and prepaid income	111	0.0	224	0.0
Other liabilities	-	-	3	0.0
Total liabilities	111	0.0	227	0.0
Fund capital ^{Note 1)}	484,765	100.0	1,173,011	100.0

Handelsbanken Kort Rente Norge, cont.

Note 1) for Balance Sheet

Changes in fund capital, NOKt

	2019	2018
Fund capital at beginning of year	1,173,011	488,643
Units issued	406,889	1,009,370
Units redeemed	-1,107,982	-329,460
Profit according to Income Statement	12,847	4,458
Dividends to unit holders	-	-
Fund capital at the close of the period	484,765	1,173,011

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, OTHERS			
Aurskog Sparebank FRN 2021-02-22	14,000	14,087	2.9
Bank Norwegian FRN 2022-03-29	20,000	20,017	4.1
BN Bank 1,46% 2020-03-16	15,000	15,012	3.1
DNB Bank FRN 2022-11-01	10,000	9,994	2.1
DNB Bank Green FRN 2020-02-17	10,000	10,007	2.1
Fana Sparebank 1,28% 2020-11-20	10,000	10,029	2.1
Fana Sparebank FRN 2020-04-15	10,000	10,027	2.1
Islandsbanki FRN 2022-02-21	5,000	5,046	1.0
KLP Banken FRN 2021-09-20	10,000	9,991	2.1
Kredittforeningen FRN 2020-02-10	20,000	20,013	4.1
Landsbankinn FRN 2020-11-27	15,000	15,025	3.1
LeasePlan FRN 2021-06-07	25,000	25,034	5.2
Modum Sparebank FRN 2020-09-21	10,000	10,031	2.1
Nordea Bank FRN 2021-06-15	25,000	25,044	5.2
Nordea Bank FRN 2022-03-19	4,000	4,001	0.8
OBS Banken FRN 15/20 FRN 2020-10-19	20,000	20,187	4.2
Santander Consumer Bank FRN 2022-02-07	10,000	10,084	2.1
Skandiabanken FRN 2020-01-17	15,000	15,003	3.1
Skandiabanken FRN 2021-03-01	7,000	7,031	1.5
Sparebank 1 Nord-Norge FRN 2020-02-13	10,000	10,004	2.1
Sparebank 1 Nord-Norge FRN 2020-06-22	10,000	10,021	2.1
Sparebank 1 SMN FRN 2020-05-04	13,000	13,018	2.7
Sparebank 1 SMN FRN 2021-10-12	5,000	5,024	1.0
Sparebank 1 Telemark FRN 2020-06-19	21,000	21,048	4.3
Sparebank FRN 2020-03-26	20,000	20,023	4.1
Sparebank Hedmark 15/20 FRN	5,000	5,038	1.0
Sparebank More FRN 2020-03-16	16,000	16,013	3.3
Sparebank More FRN 2023-12-12	10,000	9,997	2.1
Sparebank Ost 2,0% 2020-11-27	18,000	17,996	3.7
Sparebank Sogn og Fjordane 15/20	17,000	17,011	3.5
Sparebank Sogn og Fjordane FRN 2020-10-15	9,000	9,039	1.9
Sparebank Sor FRN 2020-03-19	20,000	20,024	4.1
Sparebank1 2,35% 2020-11-30	10,000	10,029	2.1
Storebrand Bank FRN 2022-01-18	10,000	10,050	2.1
Storebrand FRN 2020-05-11	10,000	10,041	2.1
Storebrand FRN 2022-05-23	10,000	10,195	2.1
Totens Sparebank FRN 2020-09-28	4,000	4,033	0.8
		474,268	97.8
Total listed fixed-income securities		474,268	97.8
Total transferable securities		474,268	97.8
Total holdings in financial instruments		474,268	97.8
Net, other assets and liabilities		10,497	2.2
Total fund capital		484,765	100.0

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 97.8

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46). -

*** Refers to other financial instruments. -

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Storebrand	6.3	DNB	4.2
Nordea	6.0	Fana Sparebank	4.2
Sparebank More	5.4	Sparebank 1 Nor	4.2
Sparebank Sogn og Fjordane	5.4	Landsbankinn	4.1
Skandiabanken	4.6	Sparebank 1 SMN	3.7

* 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.

Handelsbanken Kort Rente

Sustainability dimensions taken into consideration in the management of the fund

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

In accordance with the Management Company's comprehensive policy for responsible investments, the following are excluded in all of the Management Company's funds:

- companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. We also do not invest in companies involved in the production or distribution of nuclear weapons.
- companies with substantial business operations within mining of coal or in power companies that have coal as a major source of energy.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the

companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We conduct dialogues for the purpose of encouraging companies to improve their sustainability efforts and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
- B. Dialogues together with other investors/capital owners
- C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP

A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.

B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.

C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

Follow-up of sustainability work

Inclusion

The fund invested in a green bond (NO0010730872) in DNB ASA. The bond finances wind power projects on land and offshore that are located in Sweden, Ireland and Great Britain. The bond finances an installed capacity of 984 Megawatt, which has contributed to a CO₂ reduction of 2,107,307 tonnes since the bond issue in 2015 (a CO₂ reduction of 263,542 tonnes in 2017). The fund's total bond holdings were approximately two percent green bonds at year-end.

The Management Company's engagement activities

- A. The fund did not have any targeted dialogues directly with companies during the year.
- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund did not invest in any of these companies during the year.
- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.



Handelsbanken Kortsränta

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in interest-bearing securities issued by issuers that are denominated in currencies within the OECD. The average residual fixed interest duration for the fund's investments may be a maximum of one year. Fund assets may be invested in interest-bearing financial instruments with a minimum rating of BBB- from S&P or Baa3 from Moody's, i.e., Investment Grade. The fund may also invest in securities that lack an official credit rating that we deem have a comparable credit quality. International norms and guidelines with regard to 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 in companies active within the fossil fuels, war materials, tobacco, cannabis, alcohol, commercial gambling and pornography areas/sectors. The fund may invest in sustainable, social and green bonds issued by companies involved in power generation from fossil fuels. Refer to the fund's information brochure for further information. The fund may invest a maximum of 10% of the fund capital in fund units. We compare the fund's performance to the OMRX Treasury Bill Index. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 0.2% in 2019*. Short and long-term global rates fell in H1 and then rose slightly during the latter part of the year. The outset of the year was dominated by high political uncertainty, with the trade conflict between the US and China at the forefront. The uncertainty has led to declining forward-looking indicators and the central banks have taken action in line with this. The FED cut the key rate three times during the year, while the ECB lowered interest rates and reinstated quantitative measures. The Riksbank concluded that the negative effects of negative interest rates outweighed the positive and raised the key rate to 0%. Demand for credit remained high during the year and despite new record levels of issuing volume, credit spreads were the narrowest in years. Fund returns during the year benefited primarily from fixed rate bonds issued by Nordic real estate companies. We lowered the portion of fixed rate bonds in the fund during the year in favour of commercial paper as the short-term rates rose slightly in the autumn, which also made commercial paper more attractive. We continue to invest in green bonds and we invested in Balder AB's green bond issue during the year. The fund remains positioned for low interest rates and our outlook is positive to high demand on corporate bonds with high-quality credit.

*) 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

An investment in the fund is characterised by low risk. An investment in fixed income securities or in a fixed income fund is associated with interest rate risk, which means that when the general interest rate rises,

the value of the fixed income securities declines and can have a negative impact on the fund's returns. The fund invests in interest-bearing instruments with a short residual maturity and thereby has a lower interest rate risk than a fund that invests in interest-bearing instruments with a longer residual maturity. The average duration over time for holdings in the fund shall be less than 1 year. The fund's investments are concentrated to securities issued by states and companies listed in SEK. As a result, the risk in the fund is higher than an investment in a diversified global fund that distributes its investments across several regions. An investment in an interest-bearing 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 interest-bearing securities issued by companies or states with a low credit quality increases. The fund only invests in interest-bearing investments with high credit worthiness, so-called investment grade. The fund may invest in derivatives as part of its investment focus to increase returns in the fund or to create leverage. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

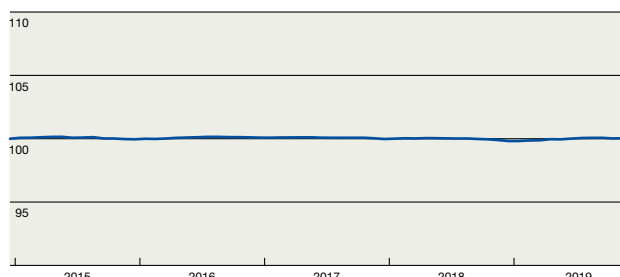
Information

As of April 16, 2019 the fund changed its fund rules.

The fund's historical performance prior to the launch date is attributed to the merger between Handelsbanken Funds Swedish Short Term Assets (Luxemburg) and Handelsbanken Kortsränta (Sweden) that occurred on November 9, 2018.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Fund Performance*



* Performance is shown in the fund's base currency. The fund may have several share classes, which are referred to in the Fund Facts.

Fund Facts - History

	2019	9/11-31/12 2018	2017	2016	2015	2014	2013	2012	2011	2010
Net asset value, SEK										
Kortsränta A1	144.55	144.22	-	-	-	-	-	-	-	-
Kortsränta A9	145.93	145.50	-	-	-	-	-	-	-	-
Kortsränta A10	144.81	144.34	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	-2,262	123	-	-	-	-	-	-	-	-
Fund capital total, mSEK	12,069	14,299	-	-	-	-	-	-	-	-
Kortsränta A1	11,324	13,340	-	-	-	-	-	-	-	-
Kortsränta A9	710	900	-	-	-	-	-	-	-	-
Kortsränta A10	35	60	-	-	-	-	-	-	-	-

Handelsbanken Kortrränta, cont.

	2019	9/11-31/12 2018	2017	2016	2015	2014	2013	2012	2011	2010
Number of units, 1000's	83,448	99,094	-	-	-	-	-	-	-	-
Kortränta A1	78,341	92,496	-	-	-	-	-	-	-	-
Kortränta A9	4,868	6,184	-	-	-	-	-	-	-	-
Kortränta A10	239	414	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Kortränta A1	+0.2	-0.2	-0.1	+0.1	0.0	+0.9	+1.3	+2.6	+2.4	+0.4
Kortränta A9	+0.3	-0.1	-0.1	+0.2	0.0	+1.1	+1.4	+2.8	-	-
Kortränta A10	+0.3	-0.1	0.0	+0.2	0.0	+1.2	+1.6	+3.0	+2.7	+0.8
Index including dividends in %, SEK										
Kortränta A1	-0.5	-0.8	-0.8	-0.7	-0.3	+0.5	+0.9	+1.2	+1.6	+0.3
Kortränta A9	-0.5	-0.8	-0.8	-0.7	-0.3	+0.5	+0.9	+1.2	-	-
Kortränta A10	-0.5	-0.8	-0.8	-0.7	-0.3	+0.5	+0.9	+1.2	+1.6	+0.3
Tracking error, 2 yrs. %										
Kortränta A1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.3
Kortränta A9	0.1	0.1	-	-	-	-	-	-	-	-
Kortränta A10	0.1	0.1	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Kortränta A1	0.0	-0.1	0.0	0.0	+0.4	+1.1	+2.0	+2.5	+1.4	+1.0
Kortränta A9	+0.1	-0.1	+0.1	+0.1	+0.6	+1.3	+2.1	-	-	-
Kortränta A10	+0.1	-0.1	+0.1	+0.1	+0.6	+1.4	+2.3	+2.8	+1.7	+1.5
Comparison to index including dividends, %	-0.7	-0.8	-0.7	-0.5	+0.1	+0.7	+1.0	+1.4	+1.0	+0.4
Average yearly return, 5 yrs. %										
Kortränta A1	0.0	+0.1	+0.4	+1.0	+1.4	+1.5	+1.7	+1.9	+1.9	+1.8
Kortränta A9	+0.1	+0.2	+0.5	+1.1	-	-	-	-	-	-
Kortränta A10	+0.1	+0.3	+0.6	+1.2	+1.7	+1.8	+2.0	+2.3	+2.3	+2.2
Comparison to index including dividends, %	-0.6	-0.4	-0.1	+0.3	+0.8	+0.9	+0.9	+1.6	+2.1	+2.2
Average yearly return, 10 yrs. %										
Kortränta A1	+0.8	+0.9	+1.2	+1.4	+1.6	+1.8	+1.9	+2.0	+2.2	+2.3
Kortränta A10	+1.0	+1.1	+1.4	+1.7	+2.0	+2.2	+2.3	+2.5	+2.6	+2.8
Comparison to index including dividends, %	+0.1	+0.2	+0.8	+1.2	+1.5	+1.7	+1.9	+2.2	+2.5	+2.8

Benchmark: OMRXTBILL

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 information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Kortränta A1	0.15
Kortränta A9	0.08
Kortränta A10	0.05
Collected mgmt. costs in % of average fund capital	
Kortränta A1	0.15
Kortränta A9	0.08
Kortränta A10	0.05
Annual fees in %	
Kortränta A1	0.15
Kortränta A9	0.08
Kortränta A10	0.05
Transaction costs, SEKt	39
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Kortränta A1	15.02
Kortränta A9	8.02
Kortränta A10	5.01
Costs in SEK for monthly savings, 100 SEK	
Kortränta A1	0.98
Kortränta A9	0.52
Kortränta A10	0.33

Fund Facts - Other Key Figures

Turnover rate	1.0
Share of turnover conducted via closely-related securities companies in %	19.7
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	0.1	Information ratio - A9 SEK	6.8
Total risk % - A9 SEK	0.1	Information ratio - A10 SEK	7.1
Total risk % - A10 SEK	0.1	Sharpe ratio - A1 SEK	5.5
Total risk in index % - A1 SEK	0.1	Sharpe ratio - A9 SEK	6.0
Total risk in index % - A9 SEK	0.1	Sharpe ratio - A10 SEK	6.2
Total risk in index % - A10 SEK	0.1	Sharpe ratio in index - A1 SEK	0.1
Benchmark	OMRXTBILL	Sharpe ratio in index - A9 SEK	0.1
Active return % - A1 SEK	0.7	Sharpe ratio in index - A10 SEK	0.1
Active return % - A9 SEK	0.8	Duration, months ¹⁾	3.6
Active return % - A10 SEK	0.8		
Information ratio - A1 SEK	6.2		

¹⁾ As of the balance sheet date.

* 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.

Income Statement, SEKt

	2019	9/11-31/12 2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	-16,839	-52,422
Changes in value for other derivative instruments ^{**}	-7,237	-192
Interest income	76,740	38,247
Currency exchange profits and losses, net	-464	0
Other income	8	-
Total income and changes in value	52,208	-14,367
EXPENSES		
Management costs:		
- Remuneration to the Management Company	19,109	2,926
Interest expense	66	0
Other expenses	1,128	7
Total expenses	20,303	2,933
Net income	31,905	-17,300
* Details of changes in value		
Capital gains	641	224
Capital losses	-55,525	-10,693
Unrealised gains/losses	38,047	-41,953
Sum	-16,839	-52,422
** Details of changes in value		
Capital gains	10,046	899
Capital losses	-17,283	-1,090
Sum	-7,237	-192

Handelsbanken Kortranta, cont.

Balance Sheet, SEKT

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	8,116,695	67.3	10,162,632	71.1
Money market instruments	3,259,735	27.0	1,919,440	13.4
OTC derivative instruments with positive market value	6,212	0.0	-	-
Total financial instruments with positive market value ^{Note 2)}	11,382,642	94.3	12,082,072	84.5
Bank assets and other liquid assets	673,445	5.6	2,181,810	15.3
Prepaid expenses and accrued income	15,134	0.1	37,228	0.3
Other assets	-	-	136	-0.1
Total assets	12,071,221	100.0	14,301,246	100.0
LIABILITIES				
OTC derivative instruments with negative market value	448	0.0	-	-
Total financial instruments with negative market value ^{Note 2)}	448	0.0	-	-
Accrued expenses and prepaid income	1,502	0.0	1,749	0.0
Other liabilities	-	-	77	0.0
Total liabilities	1,950	0.0	1,826	0.0
Fund capital ^{Note 1)}	12,069,271	100.0	14,299,420	100.0
Collateral received for OTC derivative instruments ¹⁾	6,725	0.1	-	-
Other derivative instruments with negative market value	-	-	4,726	0.0

1) Liquid assets SEK 6 725 t.

Note 1) for Balance Sheet

Changes in fund capital, SEKT

	2019	2018
Fund capital at beginning of year	14,299,420	-
Units issued	1,589,625	14,770,825
Units redeemed ¹⁾	-3,851,679	-454,105
Profit according to Income Statement	31,905	-17,300
Dividends to unit holders	-	-
Fund capital at the close of the period	12,069,271	14,299,420

1) SEK 14 193 290 t refers to the total capital of the Luxembourg-registered Handelsbanken Funds Swedish Short Term Assets which was merged on 9 November 2018.

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, OTHERS			
ABB Financial FRN 2020-10-12	15,000	157,933	1.3
LeasePlan 0,60% 2021-01-11	50,000	49,947	0.4
LeasePlan 0,705% 2020-01-24	100,000	100,022	0.8
LeasePlan 0,93% 2020-10-05	250,000	250,540	2.1
LeasePlan FRN 2021-01-05	50,000	50,350	0.4
Nordea Bank 0,04% 2020-05-15	100,000	99,864	0.8
Nordea Bank 0,36% 2021-06-14	100,000	99,784	0.8
Nordea Bank FRN 2021-02-19	200,000	201,060	1.7
Olav Thon Eiendomsselskap 0,757% 2020-09-07	83,000	83,034	0.7
		1,092,534	9.1
MORTGAGE			
Stadshypotek 1584 1,50% 2021-03-17	400,000	406,324	3.4
Swedbank Hypotek 189 1,00% 2020-12-16	300,000	302,364	2.5
		708,688	5.9
OTHER			
Atrium Ljungberg 0,365% 2020-01-29	50,000	50,003	0.4
Balder FRN 2021-11-05	200,000	199,782	1.7
Castellum FRN 2021-08-30	150,000	150,659	1.2
Fabege 0,385% 2020-04-09	100,000	99,975	0.8
Fabege FRN 2020-04-09	100,000	100,111	0.8
Heimstaden Bostad FRN 2020-12-07	225,000	227,225	1.9
Hemsö 0,147% 2020-06-29	200,000	199,732	1.7
Hemsö 0,25% 2021-01-31	120,000	119,771	1.0
Humlegården Fastigheter FRN 2020-11-27	88,000	88,326	0.7
Ikano Bank 0,72% 2020-06-12	50,000	50,046	0.4
Ikano Bank AB FRN 2021-09-17	100,000	99,945	0.8
Intea Fastigheter 0,7% 2020-02-21	40,000	40,014	0.3
Intea Fastigheter FRN 2021-09-30	180,000	179,447	1.5
Kinnevik 0,39% 2020-08-25	200,000	199,844	1.7
Landshypotek FRN 2021-09-20	180,000	182,101	1.5
Landshypotek FRN 2021-12-06	200,000	202,580	1.7
Länsförsäkringar FRN 2020-12-29	143,000	144,150	1.2
Länsförsäkringar FRN 785 2021-05-18	120,000	121,207	1.0
Latour 0,24% 2020-03-16	116,000	115,945	1.0
Lifco 0,405% 2020-04-03	50,000	49,985	0.4
Lifco FRN 2020-04-03	40,000	40,037	0.3
NIBE Industrier FRN 2021-06-03	80,000	80,094	0.7
NIBE Industrier RB 102 2020-05-28	99,000	99,357	0.8
Nya SFF 0,465% 2020-05-31	58,000	57,939	0.5
Nya SFF FRN 2021-02-05	50,000	50,176	0.4

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Nya SFF FRN 2020-12-03	150,000	150,191	1.2
Rikshem 0,485% 2020-08-25	50,000	50,022	0.4
SBAB 0,0775% 2020-08-27	150,000	149,672	1.2
SBAB FRN 2020-04-22	72,000	72,066	0.6
SCA FRN 2020-11-26	60,000	60,226	0.5
Scania FRN 2020-07-15	150,000	150,207	1.2
Scania FRN 2021-02-11	150,000	150,380	1.2
Scania FRN 2021-09-06	110,000	111,357	0.9
Skandiabanken 0,35% 2020-05-26	210,000	209,941	1.7
Swedavia 0,075% 2020-03-06	150,000	149,960	1.2
Tele2 FRN 2020-11-30	250,000	251,025	2.1
Trelleborg Treasury FRN 2021-07-12	76,000	76,179	0.6
Vasakronan 0,095% 2020-03-02	200,000	199,960	1.7
Vasakronan 0,41% 2021-03-05	200,000	199,946	1.7
Volvo Treasury 0,18% 2020-08-24	200,000	199,636	1.7
Volvo Treasury FRN 2021-02-12	300,000	300,942	2.5
Volvo Treasury FRN 2021-06-28	200,000	200,360	1.7
Wallenstam 0,48% 2020-06-05	100,000	99,915	0.8
Wallenstam 0,68% 2020-01-22	175,000	175,026	1.5
Wallenstam FRN 2021-05-24	24,000	24,061	0.2
Wallenstam FRN 2021-09-02	50,000	49,985	0.4
Wilhelm 0,109% 2020-05-27	150,000	149,832	1.2
Wilhelm FRN 2021-01-18	150,000	151,049	1.3
		6,280,386	52.0
Total listed fixed-income securities		8,081,608	67.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
UNLISTED FIXED-INCOME SECURITIES			
OTHER			
Fastighets AB Förvaltaren FRN 2020-07-10	35,000	35,087	0.3
		35,087	0.3
Total unlisted fixed-income securities		35,087	0.3
Total transferable securities		8,116,695	67.3

MONEY MARKET INSTRUMENTS**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
CERTIFICATE			
Arla 2020-01-15	150,000	149,982	1.2
Arla 2020-02-24	100,000	99,937	0.8
Balder DI FC 2020-04-07	25,000	24,969	0.2
Bonava FC 2020-01-13	50,000	49,995	0.4
Bonava FC 2020-03-16	7,000	73,707	0.6
Castellum DI FC 2020-01-27	100,000	99,973	0.8
Fabege FC 2020-01-10	245,000	244,983	2.0
Fastighets AB Stenvalvet 2020-02-20	42,000	41,976	0.3
Fastighets AB Stenvalvet 2020-04-14	70,000	69,905	0.6
H & M DI FC 200127	75,000	74,980	0.6
H & M DI FC 200228	100,000	99,932	0.8
H & M DI FC 2020-03-26	50,000	49,946	0.4
Hexagon DI FC 2020-04-03	75,000	74,910	0.6
Hexagon DI FC 2020-04-20	150,000	149,784	1.2
Hufvudstaden DI FC 2020-02-24	150,000	149,906	1.2
Humlegården Fastigheter DI FC 2020-01-20	185,000	184,968	1.5
Ikano Bank DI BAC 2020-01-24	100,000	100,007	0.8
Ikano Bank DI BAC 2020-02-24	70,000	70,004	0.6
Indutrade DI FC 2020-02-07	50,000	49,980	0.4
Indutrade DI FC 2020-02-10	50,000	49,978	0.4
Intea Fastigheter DI FC 2020-04-30	130,000	129,794	1.1
Kinnevik DI FC 2020-02-28	50,000	49,966	0.4
Loomis DI FC 2020-04-20	125,000	124,820	1.0
Nordic Entertainment Gr DI FC 2020-02-26	50,000	49,967	0.4
Nordic Entertainment Gr DI FC 2020-03-27	50,000	49,945	0.4
Olav Thon Eiendomsselskap CP 2020-02-18	115,000	114,937	1.0
Sagax DI FC 2020-01-27	3,000	31,529	0.3
Trophis Fastighets DI FC 2020-01-10	50,000	49,997	0.4
Trophis Fastighets DI FC 2020-01-13	50,000	49,995	0.4
Volksvagen Finans Sverige 2020-03-27	50,000	49,945	0.4
Volksvagen Finans Sverige 2020-04-23	200,000	199,703	1.7
Volksvagen Finans Sverige 2020-05-13	100,000	99,822	0.8
Volksvagen Finans Sverige 2020-06-18	100,000	99,767	0.8
Wallenstam DI FC 2020-02-10	50,000	49,978	0.4
Wallenstam DI FC 2020-03-09	50,000	49,959	0.4
Wallenstam DI FC 2020-04-17	150,000	149,790	1.2
Total certificate		3,259,735	27.0
Total money market instruments		3,259,735	27.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
SEK/EUR ¹⁾		5,764	0.0
		5,764	0.0
Total OTC derivative instruments		5,764	0.0
Total other financial instruments		5,764	0.0
Total holdings in financial instruments		11,382,194	94.3
Net, other assets and liabilities		687,077	5.7
Total fund capital		12,069,271	100.0

1) tSEK 32 255/EUR -3 000, counterpart Citibank Plc. tSEK 236 317/EUR -22 000, counterpart Nordea Bank Abp.

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

67.3

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

27.0

*** Refers to other financial instruments.

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Handelsbanken Kortränta, cont.

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Volvo	5.9	Kinnevik	2.1
Wallenstam AB	4.9	Nya Svensk Fastighets Finansiering	2.1
LeasePlan	3.7	Arla	2.0
Volkswagen	3.7	Castellum	2.0
Fabege	3.6	Balder	1.9
Vasakronan	3.4	Hennes & Mauritz	1.8
Nordea	3.3	Hexagon	1.8
Scania	3.3	SBAB	1.8
Landshypotek	3.2	Olav Thon Eiendomsselskap	1.7
Intea Fastigheter AB	2.9	NIBE Industrier	1.5
Hemsö	2.7	Bonava AB	1.0
Ikano SA	2.6	Fastighets AB Stenvalvet	0.9
Willhem	2.5	Indutrade	0.8
Humlegården Fastigheter	2.2	Nordic Entertainment Group AB	0.8
Länsförsäkringar	2.2	Trophé Fastigheter	0.8
		Lifco	0.7

* 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.

Handelsbanken Kortränta

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes companies/issuers involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies/issuers involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies/issuers with principal business operations within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies/issuers that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We

conduct dialogues for the purpose of encouraging companies to improve their sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
- B. Dialogues together with other investors/capital owners
- C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP

A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.

B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.

C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.*

Follow-up of sustainability work

Inclusion

The fund invested in Wallenstam AB, one of Sweden's largest property management companies with focus on housing. Wallenstam has established a green framework for its financing of bonds that was reviewed by the independent research institution, Cicero. Cicero gave the framework the highest rating, Dark Green. Investments within the framework will be financing clean transport, energy efficiency and renewable energy. Wallenstam has been focusing on renewable energy for some time through its investments in 66 wind farms.

The Management Company's engagement activities

- A. The fund engaged in one targeted dialogue directly with a company during the year.
A dialogue was held with Hexagon which was primarily due to the company's decentralised organisational structure with many units. Based on a sustainability perspective, there are potential risks as a result given that this places high demands on coordination to maintain a balanced sustainability performance. Hexagon offers products and services that result in efficiency and resource improvements in various ways in the application at the customer. This is something that the company could highlight even earlier in the sustainability report, as we believe there are many positive effects from this. We had personal meetings with the company concerning the company's appointment of a function at the group level to coordinate the sustainability activities.
- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund did not invest in any of these companies during the year.
- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.



Handelsbanken Kortsränta SEK

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in interest-bearing securities in SEK issued by states and companies. These shall have a minimum credit rating of BBB- (Investment Grade) according to Standard & Poor's or Baa3 according to Moody's. The fund may also invest in securities that lack an official credit rating if we consider it as having an equivalent credit quality. Depending on the state of the market, the fund invests in a larger or smaller proportion of interest-bearing securities issued by companies. 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, war materials, tobacco, cannabis, alcohol, commercial gambling and pornography segments/sectors. The fund may invest in sustainable, social and green bonds issued by companies involved in power generation from fossil fuels. Refer to the fund's information brochure for additional information. The average residual fixed interest period for the fund's investments is a maximum of one year. If we believe market rates will be falling, we may choose a longer fixed interest period and conversely, we may choose a shorter fixed interest period if we believe market rates are rising. The fund can invest in derivative instruments as part of the fund's investment focus. We compare fund performance with OMRX Treasury Bill Index. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 0.2% in 2019*. Short and long-term global rates fell in H1 and then rose slightly during the latter part of the year. The outset of the year was dominated by high political uncertainty, with the trade conflict between the US and China at the forefront. The uncertainty has led to declining forward-looking indicators and the central banks have taken action in line with this. The FED cut the key rate three times during the year, while the ECB lowered interest rates and reinstated quantitative measures. The Riksbank concluded that the negative effects of negative interest rates outweighed the positive and raised the key rate to 0%. Demand for credit remained high during the year and despite new record levels of issuing volume, credit spreads were the narrowest in years. Fund returns during the year benefited primarily from fixed rate bonds issued by Nordic real estate companies. We lowered the portion of fixed rate bonds in the fund during the year in favour of commercial paper as the short-term rates rose slightly in the autumn, which also made commercial paper more attractive. We continue to invest in green bonds and we invested in SBAB's green bond issue during the year. The fund remains positioned for low interest rates and our outlook is positive to high demand on corporate bonds with high-quality credit.

*) 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

An investment in the fund is characterised by low risk. An investment in fixed income securities or in a fixed income fund is associated with interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. The fund invests in interest-bearing instruments with a short residual maturity and thereby has a lower interest rate risk than a fund that invests in interest-bearing instruments with a longer residual maturity. The average duration over time for holdings in the fund shall be less than 1 year. The fund's investments are concentrated to securities issued by states and companies listed in SEK. As a result, the risk in the fund is higher than an investment in a diversified global fund that distributes its investments across several regions. An investment in an interest-bearing 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 interest-bearing securities issued by companies or states with a low credit quality increases. The fund only invests in interest-bearing investments with high credit worthiness, so-called investment grade. The fund may invest in derivatives as part of its investment focus to increase returns in the fund or to create leverage. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

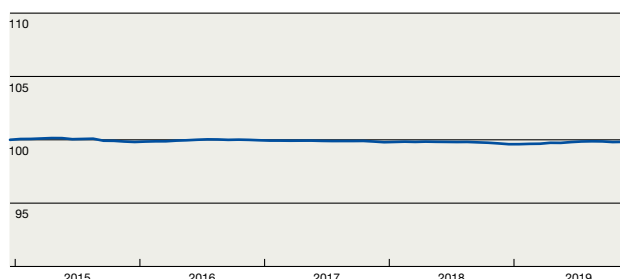
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

As of April 16, 2019 the fund changed its fund rules. The fund changed its name from Handelsbanken Kortsränta Criteria to Handelsbanken Kortsränta SEK.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Fund Performance*



* Performance is shown in the fund's base currency. The fund may have several share classes, which are referred to in the Fund Facts.

Fund Facts - History

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net asset value, SEK										
Kortsränta SEK A1	104.35	104.16	104.32	104.48	104.34	104.52	103.59	102.32	99.92	99.24
Kortsränta SEK A10	104.54	104.24	-	-	-	-	-	-	-	-
Kortsränta SEK B1	95.46	95.77	95.92	97.03	97.88	99.54	100.15	100.68	-	-
Kortsränta SEK B10	95.64	95.84	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	-4,344	817	-9,007	-1,224	9,550	4,102	5,056	1,129	-	-

Handelsbanken Kortrränta SEK, cont.

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Fund capital total, mSEK	18,727	23,057	22,272	31,428	32,649	23,181	18,878	13,636	12,189	8,069
Kortränta SEK A1	12,319	14,936	13,798	18,755	29,290	21,393	17,748	12,923	12,189	8,069
Kortränta SEK A10	439	398	-	-	-	-	-	-	-	-
Kortränta SEK B1	5,665	7,369	8,474	12,673	3,359	1,788	1,130	713	-	-
Kortränta SEK B10	303	354	-	-	-	-	-	-	-	-
Number of units, 1000's	184,769	227,855	220,607	310,103	315,026	222,633	182,603	133,382	121,996	81,300
Kortränta SEK A1	118,055	143,393	132,264	179,499	280,711	204,671	171,325	126,298	121,996	81,300
Kortränta SEK A10	4,200	3,821	-	-	-	-	-	-	-	-
Kortränta SEK B1	59,343	76,951	88,343	130,604	34,315	17,962	11,278	7,084	-	-
Kortränta SEK B10	3,170	3,690	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Kortränta SEK A1	+0.2	-0.2	-0.2	+0.1	-0.2	+0.9	+1.2	+2.7	+2.3	+0.5
Kortränta SEK A10	+0.3	-0.1	-	-	-	-	-	-	-	-
Kortränta SEK B1	+0.2	-0.2	-0.2	+0.1	-0.2	+0.9	+1.2	+0.2	-	-
Kortränta SEK B10	+0.3	-0.1	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Kortränta SEK A1	-0.5	-0.8	-0.8	-0.7	-0.3	+0.5	+0.9	+1.2	+1.6	+0.3
Kortränta SEK A10	-0.5	-0.8	-	-	-	-	-	-	-	-
Kortränta SEK B1	-0.5	-0.8	-0.8	-0.7	-0.3	+0.5	+0.9	+0.1	-	-
Kortränta SEK B10	-0.5	-0.8	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Kortränta SEK A1	0.1	0.1	0.1	0.2	0.1	0.1	0.2	0.2	0.1	0.3
Kortränta SEK B1	0.1	0.1	0.1	0.2	0.1	-	-	-	-	-
Kortränta SEK A10	0.1	0.1	-	-	-	-	-	-	-	-
Kortränta SEK B10	0.1	0.1	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Kortränta SEK A1	0.0	-0.2	0.0	0.0	+0.4	+1.1	+1.9	+2.5	+1.4	+1.2
Kortränta SEK A10	+0.1	-0.1	-	-	-	-	-	-	-	-
Kortränta SEK B1	0.0	-0.2	0.0	0.0	+0.4	+1.1	-	-	-	-
Kortränta SEK B10	+0.1	-0.1	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	-0.7	-0.8	-0.7	-0.5	+0.1	+0.7	+1.0	+1.4	+1.0	+0.4
Average yearly return, 5 yrs. %										
Kortränta SEK A1	0.0	+0.1	+0.4	+0.9	+1.4	+1.5	+1.7	+2.0	+2.0	+1.9
Kortränta SEK A10	+0.1	+0.3	-	-	-	-	-	-	-	-
Kortränta SEK B1	0.0	+0.1	+0.4	-	-	-	-	-	-	-
Kortränta SEK B10	+0.1	+0.3	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	-0.6	-0.4	-0.1	+0.3	+0.8	+0.9	+0.9	+1.6	+2.1	+2.2
Average yearly return, 10 yrs. %										
Kortränta SEK A1	+0.7	+0.9	+1.2	+1.5	+1.6	+1.8	+1.9	+2.1	+2.2	+2.4
Kortränta SEK A10	+1.0	+1.2	-	-	-	-	-	-	-	-
Kortränta SEK B10	+1.0	+1.2	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+0.1	+0.2	+0.8	+1.2	+1.5	+1.7	+1.9	+2.2	+2.5	+2.8
Dividends per unit, SEK										
Kortränta SEK A1	-	-	-	-	-	-	-	0.25	1.59	0.56
Kortränta SEK B1	0.48	0.00	0.97	0.98	1.49	1.50	1.76	1.64	-	-
Kortränta SEK B10	0.48	0.00	-	-	-	-	-	-	-	-

Benchmark: OMRX Treasury Bill 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.

Detailed information for the share classes' designation (nomenclature) is provided in the information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Kortränta SEK A1	0.15
Kortränta SEK A10	0.05
Kortränta SEK B1	0.15
Kortränta SEK B10	0.05
Collected mgmt. costs in % of average fund capital	
Kortränta SEK A1	0.15
Kortränta SEK A10	0.05
Kortränta SEK B1	0.15
Kortränta SEK B10	0.05
Annual fees in %	
Kortränta SEK A1	0.15
Kortränta SEK A10	0.05
Kortränta SEK B1	0.15
Kortränta SEK B10	0.05
Transaction costs, SEKt	56
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Kortränta SEK A1	15.02
Kortränta SEK A10	5.01
Kortränta SEK B1	15.02
Kortränta SEK B10	5.01
Costs in SEK for monthly savings, 100 SEK	
Kortränta SEK A1	0.98
Kortränta SEK A10	0.33
Kortränta SEK B1	0.98
Kortränta SEK B10	0.33

Fund Facts - Other Key Figures

Turnover rate	1.0
Share of turnover conducted via closely-related securities companies in %	21.3
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	0.1	Information ratio - A10 SEK	7.6
Total risk % - A10 SEK	0.1	Information ratio - B1 SEK	6.6
Total risk % - B1 SEK	0.1	Information ratio - B10 SEK	7.6
Total risk % - B10 SEK	0.1	Sharpe ratio - A1 SEK	5.9
Total risk in index % - A1 SEK	0.1	Sharpe ratio - A10 SEK	6.7
Total risk in index % - A10 SEK	0.1	Sharpe ratio - B1 SEK	5.9
Total risk in index % - B1 SEK	0.1	Sharpe ratio - B10 SEK	6.7
Total risk in index % - B10 SEK	0.1	Sharpe ratio in index - A1 SEK	0.1
Benchmark OMRX Treasury Bill Index		Sharpe ratio in index - A10 SEK	0.1
Active return % - A1 SEK	0.7	Sharpe ratio in index - B1 SEK	0.1
Active return % - A10 SEK	0.8	Sharpe ratio in index - B10 SEK	0.1
Active return % - B1 SEK	0.7	Duration, months ¹⁾	4.7
Active return % - B10 SEK	0.8		
Information ratio - A1 SEK	6.6		

¹⁾ As of the balance sheet date.

* 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.

Handelsbanken Kortränta SEK, cont.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	-49,238	-104,841
Changes in value for other derivative instruments **	-8,437	-230
Interest income	128,847	103,185
Other income	153	0
Total income and changes in value	71,325	-1,886
EXPENSES		
Management costs:		
- Remuneration to the Management Company	30,076	30,405
Interest expense	3	6
Other expenses	2,021	8
Total expenses	32,100	30,419
Net income	39,225	-32,305
* Details of changes in value		
Capital gains	1,209	1,894
Capital losses	-73,110	-208,359
Unrealised gains/losses	23,263	101,624
Sum	-49,238	-104,841
** Details of changes in value		
Capital gains	12,303	1,078
Capital losses	-20,740	-1,308
Sum	-8,437	-230

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	12,999,751	69.4	16,392,447	71.1
Money market instruments	4,206,336	22.5	2,669,004	11.6
Total financial instruments with positive market value ^{Note 2)}	17,206,086	91.9	19,061,451	82.7
Bank assets and other liquid assets	1,483,864	7.9	4,017,879	17.4
Prepaid expenses and accrued income	31,168	0.2	61,681	0.3
Other assets	7,809	0.0	-	-
Total assets	18,728,927	100.0	23,141,011	100.4
LIABILITIES				
Accrued expenses and prepaid income	2,335	0.0	2,767	0.0
Other liabilities	-	-	81,279	0.4
Total liabilities	2,335	0.0	84,046	0.4
Fund capital ^{Note 1)}	18,726,593	100.0	23,056,965	100.0
Other derivative instruments with negative market value	-	-	5,672	0.0

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	23,056,965	22,271,880
Units issued	8,422,736	12,902,011
Units redeemed	-12,755,907	-12,084,621
Profit according to Income Statement	39,225	-32,305
Dividends to unit holders	-36,426	-
Fund capital at the close of the period	18,726,593	23,056,965

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, OTHERS			
LeasePlan 0,705% 2020-01-24	50,000	50,011	0.3
LeasePlan 0,93% 2020-10-05	50,000	50,108	0.3
LeasePlan 1,792% 2020-09-10	50,000	50,405	0.3
LeasePlan FRN 2020-04-05	160,000	160,275	0.9
LeasePlan FRN 2021-01-05	50,000	50,350	0.3
LeasePlan FRN 2021-10-05	100,000	100,104	0.5
Nordea Bank 0,04% 2020-05-15	650,000	649,116	3.5
Nordea Bank 0,36% 2021-06-14	200,000	199,568	1.1
Nordea FRN 2021-02-19	200,000	201,060	1.1
Olav Thon Eiendomsselskap FRN 2021-09-03	150,000	149,943	0.8
		1,660,940	8.9
MORTGAGE			
Länsförsäkringar Hypotek 513 3,25% 2020-09-16	300,000	306,549	1.6
Länsförsäkringar Hypotek 514 1,75% 2021-06-15	300,000	307,773	1.6
Nordea Hypotek 5521 3,25% 2020-06-17	100,000	101,429	0.5
Stadshypotek 1584 1,50% 2021-03-17	300,000	304,743	1.6
Swedbank Hypotek 189 1,00% 2020-12-16	200,000	201,576	1.1

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Swedbank Hypotek 190 1,00% 2021-09-15	250,000	253,300	1.4
		1,475,370	7.9
OTHER			
Atrium Ljungberg 0,365% 2020-01-29	50,000	50,003	0.3
Atrium Ljungberg 0,743% 2021-04-19	160,000	160,056	0.9
Balder 0,375% 2020-01-22	91,000	91,007	0.5
Balder 0,50% 2020-11-20	350,000	349,657	1.9
Balder FRN 2021-11-05	100,000	99,891	0.5
BillrudKorsnäs 0,7% 2021-01-04	50,000	49,987	0.3
Castellum 0,81% 2021-07-09	50,000	50,090	0.3
Castellum 0,873% 2021-03-29	200,000	200,572	1.1
Castellum 0,98% 2020-03-03	94,000	94,097	0.5
Castellum FRN 2021-08-30	200,000	200,878	1.1
Fabege 0,385% 2020-04-09	90,000	89,978	0.5
Fabege FRN 2020-04-09	100,000	100,111	0.5
Fabege FRN 2020-06-09	90,000	90,239	0.5
Heimstaden Bostad FRN 2020-12-07	236,000	238,334	1.3
Hemssö 0,147% 2020-06-29	100,000	99,866	0.5
Hexagon 0,66% 2020-11-16	150,000	150,059	0.8
Humlegården Fastigheter FRN 2020-11-27	86,000	86,319	0.5
Ikano Bank 0,72% 2020-06-12	50,000	50,046	0.3
Ikano Bank AB FRN 2021-09-17	100,000	99,945	0.5
Ikano Bank FRN 2021-08-17	176,000	176,127	0.9
Intea Fastigheter 0,7% 2020-02-21	40,000	40,014	0.2
Intea Fastigheter FRN 2021-09-30	180,000	179,447	1.0
Kinnevik 0,39% 2020-08-25	350,000	349,727	1.9
Landshypotek FRN 2020-12-14	100,000	100,673	0.5
Landshypotek FRN 2021-09-20	300,000	303,501	1.6
Landshypotek FRN 2022-09-15 COV	350,000	357,826	1.9
Länsförsäkringar 0,3055% 2020-12-14	40,000	39,934	0.2
Länsförsäkringar 0,3825% 2021-03-08	200,000	199,708	1.1
Länsförsäkringar 1,00% 2020-02-03	410,000	410,303	2.2
Länsförsäkringar FRN 785 2021-05-18	214,000	216,153	1.2
Lantmännen FRN 2020-12-07	48,000	48,529	0.3
Latour 0,24% 2020-03-16	94,000	93,956	0.5
Lifco 0,405% 2020-04-03	26,000	25,992	0.1
Lifco FRN 2020-04-03	40,000	40,037	0.2
NIBE Industrier FRN 2021-06-03	80,000	80,094	0.4
NIBE Industrier RB 102 2020-05-28	50,000	50,181	0.3
Nya SFF 0,465% 2020-05-31	60,000	59,936	0.3
Nya SFF 0,49% 2020-02-28	34,000	33,997	0.2
Nya SFF 0,53% 2020-09-07	100,000	99,855	0.5
Nya SFF FRN 2021-02-05	50,000	50,176	0.3
Nya SFF FRN 2020-12-03	150,000	150,191	0.8
Nya SFF FRN 2021-09-01	250,000	251,550	1.3
Rikshem 0,27% RB 146 2020-12-01	74,000	73,884	0.4
Rikshem 0,485% 2020-08-25	50,000	50,022	0.3
Rikshem 1,525% 2020-11-18	250,000	252,403	1.3
SBAB FRN 2021-03-29	75,000	75,426	0.4
SBAB FRN 2021-06-23	85,000	85,797	0.5
SCA FRN 2020-11-26	60,000	60,226	0.3
Scania FRN 2020-07-15	250,000	250,345	1.3
Scania FRN 2021-02-11	400,000	401,012	2.1
Scania FRN 2021-09-06	256,000	259,159	1.4
Swedavia 0,075% 2020-03-06	150,000	149,960	0.8
Tele2 FRN 2020-11-30	350,000	351,435	1.9
Trelleborg Treasury FRN 2021-01-18	108,000	108,766	0.6
Vasakronan 0,41% 2021-03-05	50,000	49,987	0.3
Vasakronan 0,546% 2020-03-16	250,000	250,115	1.3
Volvo Treasury 0,18% 2020-08-24	200,000	199,636	1.1
Volvo Treasury 0,27% 2020-12-11	141,000	140,712	0.8
Volvo Treasury 0,39% 2020-12-21	150,000	149,843	0.8
Volvo Treasury 0,467% 2021-08-24	300,000	299,241	1.6
Volvo Treasury FRN 2021-06-28	200,000	200,360	1.1
Wallenstam 0,48% 2020-06-05	100,000	99,915	0.5
Wallenstam 0,68% 2020-01-22	175,000	175,026	0.9
Wallenstam FRN 2021-05-24	24,000	24,061	0.1
Wallenstam FRN 2021-09-02	50,000	49,985	0.3
Wilhelm 0,109% 2020-05-27	150,000	149,832	0.8
Wilhelm 0,48% 2020-06-26	46,000	46,015	0.2
Wilhelm FRN 2021-01-18	165,000	166,153	0.9
		9,828,354	52.4
Total listed fixed-income securities		12,964,664	69.2

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
UNLISTED FIXED-INCOME SECURITIES			
OTHER			
Fastighets AB Förvaltaren FRN 2020-07-10	35,000	35,087	0.2
		35,087	0.2
Total unlisted fixed-income securities		35,087	0.2
Total transferable securities		12,999,751	69.4

MONEY MARKET INSTRUMENTS**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
CERTIFICATE			
Akelius 2020-03-18	75,000	74,928	0.4
Aria 2020-01-15	50,000	49,994	0.3
Aria 2020-02-24	100,000	99,937	0.5
Aria 2020-06-08	100,000	99,783	0.5
Balder DI FC 2020-03-12	50,000	49,957	0.3
Balder DI FC 2020-04-07	25,000	24,969	0.1
Bonava FC 2020-02-05	150,000	149,943	0.8
Castellum DI FC 2020-01-27	100,000	99,973	0.5
Castellum DI FC 2020-05-27	100,000	99,801	0.5
Fabege FC 2020-01-10	100,000	99,993	0.5
Fastighets AB Stenvalvet 2020-04-27	50,000	49,923	0.3
H & M DI FC 200228	100,000	99,932	0.5

Handelsbanken Kontrånta SEK, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
H & M DI FC 2020-03-26	100,000	99,892	0.5
H & M DI FC 2020-04-27	100,000	99,846	0.5
H & M DI FC 2020-05-11	100,000	99,825	0.5
HEBA Fastigheter DI FC 2020-03-13	150,000	149,868	0.8
Hexagon DI FC 2020-02-20	100,000	99,943	0.5
Hexagon DI FC 2020-02-26	160,000	159,896	0.9
Hexagon DI FC 2020-04-03	75,000	74,910	0.4
Hexagon DI FC 2020-04-20	155,000	154,776	0.8
Hufvudstaden DI FC 2020-02-24	100,000	99,937	0.5
Humlegården Fastigheter DI FC 2020-01-20	185,000	184,968	1.0
Humlegården Fastigheter DI FC 2020-02-19	50,000	49,972	0.3
Ikano Bank DI BAC 2020-01-24	100,000	100,007	0.5
Ikano Bank DI BAC 2020-02-24	70,000	70,004	0.4
Indutrade DI FC 2020-02-10	100,000	99,956	0.5
Intea Fastigheter DI FC 2020-05-18	50,000	49,907	0.3
Intea Fastigheter DI FC 2020-06-05	50,000	49,894	0.3
Kinnevik DI FC 2020-02-28	100,000	99,932	0.5
Kungsleden AB DI FC 2020-01-28	150,000	149,957	0.8
Loomis DI FC 2020-01-30	50,000	49,984	0.3
Loomis DI FC 2020-04-20	175,000	174,748	0.9
Nordic Entertainment Gr DI FC 2020-02-26	50,000	49,967	0.3
Nordic Entertainment Gr DI FC 2020-03-24	100,000	99,895	0.5
Nordic Entertainment Gr DI FC 2020-03-27	50,000	49,945	0.3
Olav Thon Eiendomsselskap FC 2020-02-24	50,000	49,969	0.3
Trophé Fastighets DI FC 2020-01-20	50,000	49,991	0.3
Trophé Fastighets DI FC 2020-02-05	100,000	99,962	0.5
Volkswagen Finans Sverige 2020-03-27	50,000	49,945	0.3
Volkswagen Finans Sverige 2020-05-20	50,000	49,907	0.3
Volkswagen Finans Sverige 2020-06-18	100,000	99,767	0.5
Volkswagen Finans Sverige DI ECP 2020-02-19	150,000	149,916	0.8
Volkswagen Finans Sverige ECP 2020-01-24	100,000	99,977	0.5
Wallenstam DI FC 2020-02-10	70,000	69,969	0.4
Wallenstam DI FC 2020-03-13	20,000	19,982	0.1
Wallenstam DI FC 2020-04-17	150,000	149,790	0.8
Total certificate		4,206,336	22.5
Total money market instruments		4,206,336	22.5
Total holdings in financial instruments		17,206,086	91.9
Net, other assets and liabilities		1,520,506	8.1
Total fund capital		18,726,593	100.0

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 69.4

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46). 22.5

*** Refers to other financial instruments. -

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Länsförsäkringar	7.9	Fabege	2.0
Nordea	6.2	Hennes & Mauritz	2.0
Volvo	5.4	Rikshem	2.0
Scania	4.8	Wilhem	1.9
Castellum	4.0	Humlegården Fastigheter	1.8
Landshypotek	4.0	Intea Fastigheter AB	1.8
Hexagon	3.4	Vasakronan	1.6
Nya Svensk Fastighets Finansiering	3.4	Arla	1.3
Balder	3.3	Atrium Ljungberg	1.2
Wallenstam AB	3.1	Loomis AB	1.2
Ikano SA	2.6	Nordic Entertainment Group AB	1.1
LeasePlan	2.6	Olav Thon Eiendomsselskap	1.1
Swedbank	2.5	SBAB	0.9
Kinnevik	2.4	Trophé Fastigheter	0.8
Volkswagen	2.4	NIBE Industrier	0.7
		Lifco	0.3

* 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.

Handelsbanken Kortränta SEK

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes in its entirety companies/issuers involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies/issuers involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies/issuers with principal business operations within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies/issuers that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our

commitments and the international norms and conventions we respect. We conduct dialogues for the purpose of encouraging companies to improve their sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
- B. Dialogues together with other investors/capital owners
- C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP

A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.

B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.

C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.*

Follow-up of sustainability work

Inclusion

The fund invested in Wallenstam AB, one of Sweden's largest property management companies with focus on housing. Wallenstam has established a green framework for its financing of bonds which was reviewed by the independent research institution, Cicero. Cicero gave the framework the highest rating, Dark Green. Investments within the framework will be financing clean transport, energy efficiency and renewable energy. Wallenstam has been focusing on renewable energy for some time through its investments in 66 wind farms.

The Management Company's engagement activities

- A. The fund engaged in one targeted dialogue directly with a company during the year.
A dialogue was held with Hexagon which was primarily due to the company's decentralised organisational structure with many units. Based on a sustainability perspective, there are potential risks as a result given that this places high demands on coordination to maintain a balanced sustainability performance. Hexagon offers products and services that result in efficiency and resource improvements in various ways in the application at the customer. This is something that the company could highlight even earlier in the sustainability report, as we believe there are many positive effects from this. We had personal meetings with the company concerning the company's appointment of a function at the group level to coordinate the sustainability activities.
- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund did not invest in any of these companies during the year.
- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.

Handelsbanken Kreditt, cont.

	18/9-31/12 2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Fund capital total, mNOK	3,388	-	-	-	-	-	-	-	-	-
Kreditt A1	3,015	-	-	-	-	-	-	-	-	-
Kreditt A10	373	-	-	-	-	-	-	-	-	-
Number of units, 1000's	33,567	-	-	-	-	-	-	-	-	-
Kreditt A1	29,876	-	-	-	-	-	-	-	-	-
Kreditt A10	3,691	-	-	-	-	-	-	-	-	-
Total returns in %, NOK										
Kreditt A1	+0.9	-	-	-	-	-	-	-	-	-
Kreditt A10	+1.1	-	-	-	-	-	-	-	-	-
Index including dividends in %, NOK										
Kreditt A1	+0.8	-	-	-	-	-	-	-	-	-
Kreditt A10	+0.8	-	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.07	-	-	-	-	-	-	-	-	-

Relevant benchmark is not available.

Detailed information for the share classes' designation (nomenclature) is provided in the information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Kreditt A1	0.75
Kreditt A10	0.20
Collected mgmt. costs in % of average fund capital	
Kreditt A1	0.75
Kreditt A10	0.20
Annual fees in %	
Kreditt A1	0.75
Kreditt A10	0.20
Transaction costs, NOKt	-
Transaction costs in % of turnover	-
Costs in NOK for a one-time subscription, 10 000 NOK	
Kreditt A1	-
Kreditt A10	-
Costs in NOK for monthly savings, 100 NOK	
Kreditt A1	-
Kreditt A10	-

Fund Facts - Other Key Figures

Turnover rate	0.7
Share of turnover conducted via closely-related securities companies in %	5.3
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Forecasted total risk	6.2	Duration, years ¹⁾	2.0
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1) As of the balance sheet date.

* The fund has been in existence for less than two years; consequently, the calculation of historical risk is not applicable. Refer to the last page for definitions.

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

Income Statement, NOKt

	18/9-31/12 2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	-27,218	-
Interest income	18,105	-
Currency exchange profits and losses, net	41,402	-
Other income	177	-
Total income and changes in value	32,466	-
EXPENSES		
Management costs:		
- Remuneration to the Management Company	3,588	-
Interest expense	29	-
Total expenses	3,617	-
Net income	28,849	-
* Details of changes in value		
Capital gains	1,435	-
Capital losses	-337	-
Unrealised gains/losses	-28,316	-
Sum	-27,218	-

Balance Sheet, NOKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	3,221,471	95.1	-	-
OTC derivative instruments with positive market value	42,536	1.3	-	-
Total financial instruments with positive market value ^{Note 2)}	3,264,007	96.4	-	-
Bank assets and other liquid assets	105,479	3.1	-	-
Prepaid expenses and accrued income	20,596	0.6	-	-
Total assets	3,390,082	100.1	-	-
LIABILITIES				
Accrued expenses and prepaid income	1,947	0.1	-	-
Total liabilities	1,947	0.1	-	-
Fund capital ^{Note 1)}	3,388,135	100.0	-	-
Collateral received for OTC derivative instruments ¹⁾	26,632	0.8	-	-

1) Liquid assets NOK 26 632 t

Note 1) for Balance Sheet

Changes in fund capital, NOKt

	2019	2018
Fund capital at beginning of year	-	-
Units issued	3,391,952	-
Units redeemed	-32,666	-
Profit according to Income Statement	28,849	-
Dividends to unit holders	-	-
Fund capital at the close of the period	3,388,135	-

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, MORTGAGE			
Eika Boligkred FRN Perp	13,000	13,239	0.4
OBOS FRN 2021-04-28	84,000	85,053	2.5
		98,291	2.9
FOREIGN ISSUER, OTHERS			
Ageas Finance NV 3,875% Perpetual	4,000	40,705	1.2
Austevoll FRN 2021-05-04	1,000	1,020	0.0
B2Holding FRN 2021-10-04	1,500	15,371	0.5
B2Holding FRN 2022-11-14	4,000	37,011	1.1
B2Holding FRN 2023-05-23	5,000	45,633	1.3
Bank Norwegian FRN 2023-10-02	21,000	20,930	0.6
Bank Norwegian FRN 2023-12-12	64,000	64,245	1.9
Bank Norwegian FRN 2026-09-21	12,000	11,988	0.4
Bank Norwegian FRN C Hybrid	40,000	40,012	1.2
Benchmark Hold FRN 2023-06-21	30,000	28,545	0.8
Bonheur FRN 2022-05-24	29,000	29,906	0.9
Deutsche Bahn Finance BV 0,95% Perpetual	5,200	51,837	1.5
DNB Bank 4,875% Perpetual	7,000	61,691	1.8
DNB Bank 5,75% 2020-03-26	2,000	17,665	0.5
DNB Bank FRN 2020-02-26	23,000	23,063	0.7
DNB Bank FRN 2022-11-01	30,000	29,983	0.9
DNB FRN Perp Call 2021-06-27	7,000	7,303	0.2
DNB FRN Perp Call 2024-06-27	15,000	15,295	0.5
Eidsiva Energi FRN 2023-10-05	10,000	10,123	0.3
Fidelity National Information Services 0,625 % 2025	2,500	24,825	0.7
Gjensidige Fors FRN Perpetual	31,000	31,711	0.9
GLX Holding FRN 2023-12-08	83,500	85,901	2.5
Huhtamäki 1,125% 2026-11-20	2,400	23,485	0.7
Infineon 3,625% Perpetual	7,500	77,357	2.3
ING Groep NV 1% 2030-11-13	4,000	39,317	1.2
La Banque Postale S.A 3,875% Perpetual	10,000	100,248	3.0
Landesbank Baden-Wuerttemberg 4% Perpetual	10,000	98,756	2.9

Handelsbanken Kreditt, cont.

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
LeasePlan FRN 2020-08-07	35,000	35,168	1.0
Legal & General Group 3,75% 2029-11-26	3,000	35,381	1.0
Mandatum Life Insurance 1,875% 2024-10-04	13,100	132,111	3.9
Moody's Corp 0,95% 2030-02-25	3,500	34,739	1.0
Mowi ASA FRN 2023-06-12	8,700	87,531	2.6
Nordea Bank FRN Perpetual	76,000	76,102	2.2
NORLED FRN 2024-11-27	32,500	32,508	1.0
OBOS Banken FRN 2024-06-20 Perp	11,000	11,148	0.3
Orsted 1,75% 2027-09-09 perp call	4,500	44,795	1.3
Royal Mail PLC 1,25% 2026-10-08	2,000	19,856	0.6
Sbanken ASA FRN 2024-03-21 Perp	3,000	3,033	0.1
Schibsted FRN 2020-06-22	96,000	96,266	2.8
Skandiabanken FRN 2020-10-12 Perp Call	48,000	48,676	1.4
Spar Nord Bank FRN 2023-12-05	24,000	22,545	0.7
Sparbanken Vest FRN Perp Call 2021-09-08	30,000	30,972	0.9
Sparebank 1 Nord-Norge FRN Perp	7,000	7,066	0.2
Sparebank 1 Nord-Norge FRN Perpetual	9,000	9,075	0.3
Sparebank 1 Nord-Norge FRN Perpetual	6,000	6,079	0.2
Sparebank 1 Ostlandet FRN 2021-02-17	15,000	15,069	0.4
Sparebank 1 SMN FRN Perpetual	20,000	20,114	0.6
Sparebank 1 SMN FRN Perpetual2	5,000	5,055	0.1
Sparebank More FRN Perp	9,000	9,115	0.3
Sparebank Ost FRN Perpetual1	2,000	2,032	0.1
Sparebank Sor FRN 2022-09-28	5,000	5,049	0.1
Sparebank Vest FRN Perpetual CoCo	5,000	5,096	0.2
Sparebanken Sor FRN Perpetual Call2020	31,500	32,019	0.9
Statkraft FRN 2020-01-21	40,000	40,008	1.2
Storebrand 4,95% 2020-10-22	25,000	25,507	0.8
Storebrand FRN Perpetual	82,000	83,737	2.5
Storebrand FRN Perpetual	1,000	1,003	0.0
Tryg Forsikring FRN 2023-03-20	31,000	32,742	1.0
Tryg Forsikring FRN Perpetual	42,000	38,931	1.1
Veidekke FRN 2023-06-05	6,000	5,978	0.2
Virgin Media Secured Finance 4,25% 2030-01-15	2,500	29,640	0.9
Yara 2,55 2021-12-17	18,000	18,073	0.5
		2,136,146	63.1
OTHER			
BEWI Group FRN 2022-04-19	3,300	33,987	1.0
Dometic Group 3% 2026-05-08	2,759	28,326	0.8
Electrolux FRN 2024-11-19	30,000	28,319	0.8
Ellevio 2,875% 2025-02-12	25,000	24,105	0.7
Handelsbanken 5,25% Perpetual	13,760	122,951	3.6
Hexagon FRN 2024-11-26	82,000	76,841	2.3
Investment AB Latour FRN 2025-03-27	78,000	73,126	2.2
Länsförsäkringar FRN Perp	4,000	3,951	0.1
Loomis FRN 2023-09-18	76,000	71,455	2.1
SBAB FRN Perp Call 24	6,000	5,753	0.2
SBAB FRN Perp Fix to Float Call 2025-03-05	88,000	83,267	2.5
Scania FRN 2021-03-02	55,000	55,261	1.6
SEB 5,125% Perpetual	9,400	82,641	2.4
Sinch AB FRN 2024-11-27	43,750	41,517	1.2
Swedavia FRN Perpetual	85,000	80,004	2.4
Swedbank 5,5% perp 2020	7,600	67,085	2.0
		878,589	25.9
Total listed fixed-income securities		3,113,026	91.9
	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
UNLISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, OTHERS			
Digiplex No 2 FRN 2024-04-30	59,000	61,016	1.8
		61,016	1.8
OTHER			
SKB FRN 2022-11-28	50,000	47,429	1.4
		47,429	1.4
Total unlisted fixed-income securities		108,445	3.2
Total transferable securities		3,221,471	95.1
OTHER FINANCIAL INSTRUMENTS***			
	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
NOK/EUR ¹⁾		17,386	0.5
NOK/GBP ²⁾		2,122	0.1
NOK/SEK ³⁾		14,692	0.4
NOK/USD ⁴⁾		8,336	0.2
		42,536	1.3
Total OTC derivative instruments		42,536	1.3
Total other financial instruments		42,536	1.3
Total holdings in financial instruments		3,264,007	96.4
Net, other assets and liabilities		124,128	3.6
Total fund capital		3,388,135	100.0

1) tNOK 41 009/EUR -4 000, counterpart Nordea Bank Abp. tNOK 937 440/EUR -93 000, counterpart Skandinaviska Enskilda Banken AB (publ).

2) tNOK 66 264/GBP -5 500, counterpart Skandinaviska Enskilda Banken AB (publ).

3) tNOK 617 553/SEK -640 000, counterpart Nordea Bank Abp.

4) tNOK 364 140/USD -40 500, counterpart Skandinaviska Enskilda Banken AB (publ).

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

95.1

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*** Refers to other financial instruments.

1.3

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Bank Norwegian	4.1	Obos Banken	2.8
DNB	3.9	SBAB	2.7
Storebrand	3.3	Tryg Forsikring	2.1
B2Holding	2.9	Sparebanken Vest	1.1
		Sparebank 1 Nord Norge	0.5

* 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.

Handelsbanken Kreditt

Sustainability dimensions taken into consideration in the management of the fund

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Methods for sustainability efforts

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Exclusion

The fund excludes companies/issuers involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies/issuers involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies/issuers with principal business operations within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies/issuers that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We

conduct dialogues for the purpose of encouraging companies to improve their sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
- B. Dialogues together with other investors/capital owners
- C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP

A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.

B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.

C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.*

Follow-up of sustainability work

Inclusion

The fund invested in a green bond in Eidsiva Energi. The framework has been developed in accordance with the Green Bond Principles 2018. The bond finances "qualified projects" that promote the transition to low carbon and climate-stable growth. The projects financed by the bond are energy efficiency and renewable energy, including district heating, renewable energy connections, hydropower, wind power and associated infrastructure. The Norwegian Ministry of Finance selects, evaluates and approves the projects. It is Eidsiva's ambition to report the expected volume of restored energy capacity, as well as the annual reduction to the volume of greenhouse emissions.

The Management Company's engagement activities

- A. The fund did not have any targeted dialogues directly with companies during the year.
- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund held holdings in three of these companies during the year.
- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.



Handelsbanken Långränta

Management Report

Investment Focus

The fund is actively managed, which means that the fund manager is responsible for taking the active investment decisions. The fund's objective is to outperform the returns of the underlying market, defined as the benchmark index, over the long term. The fund invests in fixed income securities issued in SEK by states and companies. These shall have a credit rating of no less than BBB- (investment grade) according to Standard & Poor's or Baa3 according to Moody's rating scale. The fund may also invest in securities that lack an official credit rating if we consider it as having an equivalent credit quality. The average residual fixed interest period for the fund's investments is between two and seven years. If we believe market rates will be falling, we may choose a longer fixed interest period and conversely, we may choose a shorter fixed interest period if we believe market rates are rising. International norms and guidelines with regard to 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 in companies active within the fossil fuels, war materials, tobacco, cannabis, alcohol, commercial gambling and pornography areas/sectors. The fund may invest in sustainable, social and green bonds issued by companies involved in power generation from fossil fuels. Refer to the fund's information brochure for further information. A restrictive position to fossil fuels is applied and criteria for companies with operations within the weapons, tobacco, alcohol, gaming and pornography segments/sectors is taken into consideration. Further information is available in the fund's information brochure. We compare the fund's performance with an index that consists of HMNI Swe All Government Dur Const 6Y (HMSD6) 70% och HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 30%. As the fund is actively managed the performance will over time deviate from this index.

Portfolio

The fund rose 1.2% in 2019*. The mood on the financial markets in 2019 was dominated by concerns about a weaker economy in the wake of the trade conflict between the US and China and the uncertainty related to Brexit, although the negative effects on risk sentiment was more than offset by the positive effects of additional monetary stimulus from the major central banks. The Swedish and German long-term rates traded at the lowest levels on record (-0.5% and -0.75%, respectively) at the end of the summer. However, we believe that the underlying interest rate levels discounted an outlook that was too pessimistic, which contributed to the funds lower interest rate risk relative to its benchmark index throughout most of the year. Higher budget deficits in many of the major economies, a sharply increasing supply of bonds, weaker liquidity on the bond markets overall and signs of stress on the US money market also called for caution. However, in terms of relative returns, our strategy finally paid off in the autumn when interest rates rose from record lows. This movement was even stronger in Sweden after the Riksbank announced an increase in key rates of 25 bp to 0%, despite continuing dovish undertones from the ECB and FED. We also believed during the year that there was a risk that more risky bonds, unlike underlying risk-free rates, would discount an outlook that was too pessimistic. As a result, we gradually reduced the moderate underlying risk in the fund. Instead, we took a position for a flatter yield curve, which contributed to a more defensive position and a notable positive contribution to the fund's relative returns. We also increased the fund's proportion of green bonds issued by Swedish municipalities. These holdings totalled almost 14% of the fund at year-end (compared to 3% at the outset of the year). In addition to contributing positively to relative returns, we believe these holdings also

contributed to improved liquidity in 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

An investment in the fund is characterised by low risk. An investment in fixed income securities or in a fixed income fund is associated with interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The average duration over time for holdings in the fund is 2-7 years. The fund's investments are concentrated to securities issued by states and companies listed in SEK. This means that the risk in the fund can be higher than an investment in a diversified global fund that allocates its investments across several regions or sectors. An investment in an interest-bearing 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 interest-bearing securities issued by companies or states with a low credit quality increases. The fund only invests in interest-bearing investments with high credit worthiness, so-called investment grade. The fund may invest in derivatives as part of its investment focus to increase returns in the fund or to create leverage. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

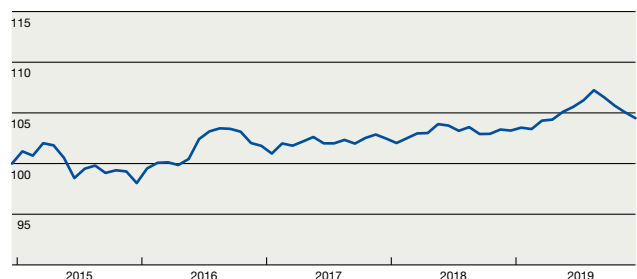
Information

The fund changed its fund rules on 16 April 2019. The fund changed its name from Handelsbanken Långränta Criteria to Handelsbanken Långränta.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Fund Performance*



* Performance is shown in the fund's base currency. The fund may have several share classes, which are referred to in the Fund Facts.

Handelsbanken Långränta, cont.

Fund Facts - History

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net asset value, SEK										
Långränta A1	118.07	116.69	115.80	114.98	110.83	113.01	106.30	106.29	103.19	98.24
Långränta A10	119.25	117.21	-	-	-	-	-	-	-	-
Långränta B1	101.31	101.13	100.36	102.75	101.02	105.63	101.88	104.79	-	-
Långränta B10	102.32	101.58	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	5,207	611	671	-2,401	-760	4,811	900	566	-	-
Fund capital total, mSEK	15,851	10,496	9,795	9,068	9,658	10,646	5,340	4,430	3,673	3,240
Långränta A1	10,275	7,430	8,462	8,394	8,355	8,989	5,081	4,054	3,673	3,240
Långränta A10	3,919	1,691	-	-	-	-	-	-	-	-
Långränta B1	1,486	1,275	1,333	674	1,303	1,657	259	376	-	-
Långränta B10	171	100	-	-	-	-	-	-	-	-
Number of units, 1000's	136,227	91,693	86,358	79,566	88,284	95,232	50,340	41,732	35,593	32,974
Långränta A1	87,017	63,675	73,076	73,004	75,390	79,545	47,803	38,140	35,593	32,974
Långränta A10	32,866	14,425	-	-	-	-	-	-	-	-
Långränta B1	14,669	12,606	13,282	6,562	12,894	15,687	2,537	3,592	-	-
Långränta B10	1,675	987	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Långränta A1	+1.2	+0.8	+0.7	+3.7	-1.9	+6.3	0.0	+5.3	+9.4	+1.5
Långränta A10	+1.7	+1.3	-	-	-	-	-	-	-	-
Långränta B1	+1.2	+0.8	+0.7	+3.7	-1.9	+6.3	0.0	+0.1	-	-
Långränta B10	+1.7	+1.3	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Långränta A1	+1.7	+1.2	+0.2	+3.2	+0.2	+9.3	-1.1	+2.4	+11.2	+2.4
Långränta A10	+1.7	+1.2	-	-	-	-	-	-	-	-
Långränta B1	+1.7	+1.2	+0.2	+3.2	+0.2	+9.3	-1.1	-0.3	-	-
Långränta B10	+1.7	+1.2	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Långränta A1	0.2	0.3	0.4	0.8	0.8	1.0	1.1	1.1	0.4	0.3
Långränta B1	0.2	0.3	0.4	0.8	0.8	-	-	-	-	-
Långränta A10	0.2	0.3	-	-	-	-	-	-	-	-
Långränta B10	0.2	0.3	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Långränta A1	+1.0	+0.7	+2.2	+0.9	+2.1	+3.1	+2.6	+7.3	+5.4	+1.1
Långränta A10	+1.5	+1.3	-	-	-	-	-	-	-	-
Långränta B1	+1.0	+0.7	+2.2	+0.9	+2.1	+3.1	-	-	-	-
Långränta B10	+1.5	+1.3	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+1.4	+0.7	+1.7	+1.7	+4.7	+4.0	+0.6	+6.7	+6.7	+1.7
Average yearly return, 5 yrs. %										
Långränta A1	+0.9	+1.9	+1.7	+2.6	+3.7	+4.5	+3.3	+5.9	+4.9	+3.1
Långränta A10	+1.4	+2.4	-	-	-	-	-	-	-	-
Långränta B1	+0.9	+1.9	+1.7	-	-	-	-	-	-	-
Långränta B10	+1.4	+2.4	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+1.3	+2.8	+2.3	+2.7	+4.3	+4.7	+3.1	+6.2	+6.0	+4.0
Average yearly return, 10 yrs. %										
Långränta A1	+2.6	+2.6	+3.8	+3.8	+3.4	+4.1	+4.1	+4.5	+4.8	+4.1
Långränta A10	+3.2	+3.2	-	-	-	-	-	-	-	-
Långränta B10	+3.2	+3.2	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+3.0	+2.9	+4.2	+4.4	+4.1	+4.7	+4.6	+5.2	+5.8	+5.0
Dividends per unit, SEK										
Långränta A1	-	-	-	-	-	-	-	2.28	4.28	3.76
Långränta B1	1.01	0.00	3.08	2.02	2.64	2.55	2.88	1.50	-	-
Långränta B10	1.02	0.00	-	-	-	-	-	-	-	-

Benchmark: HMNI Swe All Government Dur Const 6Y (HMSD6) 70%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 30%

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 information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Långränta A1	0.75
Långränta A10	0.20
Långränta B1	0.75
Långränta B10	0.20
Collected mgmt. costs in % of average fund capital	
Långränta A1	0.75
Långränta A10	0.20
Långränta B1	0.75
Långränta B10	0.20
Annual fees in %	
Långränta A1	0.75
Långränta A10	0.20
Långränta B1	0.75
Långränta B10	0.20
Transaction costs, SEKt	1,437
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Långränta A1	76.28
Långränta A10	20.40
Långränta B1	76.28
Långränta B10	20.40
Costs in SEK for monthly savings, 100 SEK	
Långränta A1	4.93
Långränta A10	1.32
Långränta B1	4.93
Långränta B10	1.32

Fund Facts - Other Key Figures

Turnover rate	0.3
Share of turnover conducted via closely-related securities companies in %	5.8
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	1.9	Information ratio - A10 SEK	0.5
Total risk % - A10 SEK	1.9	Information ratio - B1 SEK	Negative
Total risk % - B1 SEK	1.9	Information ratio - B10 SEK	0.5
Total risk % - B10 SEK	1.9	Sharpe ratio - A1 SEK	0.9
Total risk in index % - A1 SEK	1.8	Sharpe ratio - A10 SEK	1.2
Total risk in index % - A10 SEK	1.8	Sharpe ratio - B1 SEK	0.9
Total risk in index % - B1 SEK	1.8	Sharpe ratio - B10 SEK	1.2
Total risk in index % - B10 SEK	1.8	Sharpe ratio in index - A1 SEK	1.1
Benchmark	HMNI Swe All Government Dur Const 6Y (HMSD6) 70%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 30%	Sharpe ratio in index - A10 SEK	1.1
		Sharpe ratio in index - B1 SEK	1.1
		Sharpe ratio in index - B10 SEK	1.1
		Duration, years ¹⁾	4.3
Active return % - A1 SEK	-0.5		
Active return % - A10 SEK	0.1		
Active return % - B1 SEK	-0.5		
Active return % - B10 SEK	0.1		
Information ratio - A1 SEK	Negative		

¹⁾ As of the balance sheet date.

* 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.

Handelsbanken Långränta, cont.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	41,806	6,441
Changes in value for other derivative instruments **	31,889	9,789
Interest income	179,258	146,484
Other financial income	-	50
Other income	0	0
Total income and changes in value	252,953	162,764
EXPENSES		
Management costs:		
- Remuneration to the Management Company	91,469	71,115
Interest expense	7	19
Other expenses	1,446	1,332
Total expenses	92,922	72,466
Net income	160,031	90,298
* Details of changes in value		
Capital gains	72,087	11,525
Capital losses	-6,724	-44,195
Unrealised gains/losses	-23,557	39,111
Sum	41,806	6,441
** Details of changes in value		
Capital gains	804,414	1,573,956
Capital losses	-763,183	-1,564,167
Unrealised gains/losses	-9,342	-
Sum	31,889	9,789

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	14,245,712	90.0	9,936,107	94.7
Total financial instruments with positive market value ^{Note 2)}	14,245,712	90.0	9,936,107	94.7
Bank assets and other liquid assets	1,527,793	9.6	502,962	4.8
Prepaid expenses and accrued income	85,383	0.5	62,476	0.6
Other assets	-	-	576	0.0
Total assets	15,858,888	100.1	10,502,121	100.1
LIABILITIES				
Accrued expenses and prepaid income	8,271	0.1	5,838	0.1
Other liabilities	-	-	272	0.0
Total liabilities	8,271	0.1	6,109	0.1
Fund capital ^{Note 1)}	15,850,617	100.0	10,496,011	100.0
Other derivative instruments with negative market value ¹⁾	35,219	0.2	108,837	1.0

1) Liquid assets 67 039 tSEK

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	10,496,011	9,794,902
Units issued	8,788,451	4,122,296
Units redeemed	-3,577,859	-3,511,485
Profit according to Income Statement	160,031	90,298
Dividends to unit holders	-16,017	-
Fund capital at the close of the period	15,850,617	10,496,011

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, OTHERS			
BNP Paribas 1,00% 2020-05-12	164,000	164,167	1.0
Nykredit FRN 2022-10-01	110,000	111,733	0.7
Sampo 1,25% 2020-05-28	127,000	127,384	0.8
		403,283	2.5
FOREIGN ISSUER, STATE			
EBRD 0,00% 2026-09-10	300,000	288,960	1.8
EBRD 0,477% 2024-01-18	100,000	100,619	0.6
EIB 1,25% 2029-11-12	80,000	83,816	0.5
IBRD 0,4325 2026-11-12	100,000	98,856	0.6
IFC 0,0225% 2026-09-03	150,000	144,477	0.9
IFC 1,13% 2029-11-12	300,000	308,853	1.9
		1,025,581	6.5

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
GOVERNMENT			
Kommuninvest 0,375% 2024-03-27	230,000	229,915	1.5
Kommuninvest 0,625% 2023-06-01	423,700	428,340	2.7
Kommuninvest 1,0% 2025-05-12	453,000	465,186	2.9
Kommuninvest 1,00% 2021-09-15	100,000	101,552	0.6
Kommuninvest K2611 1,00% 2026-11-12	453,000	462,984	2.9
Statsobligation 1053 3,50% 2039-03-30	872,100	1,338,752	8.4
Statsobligation 1054 3,50% 2022-06-01	100	109	0.0
Statsobligation 1056 2,25% 2032-06-01	371,900	457,976	2.9
Statsobligation 1057 1,50% 2023-11-13	100	107	0.0
Statsobligation 1058 2,50% 2025-05-12	100	114	0.0
Statsobligation 1059 1,00% 2026-11-12	100	107	0.0
Statsobligation 1060 0,75% 2028-05-12	100	106	0.0
Statsobligation RB 1061 0,75% 2029-11-12	4,000	4,233	0.0
		3,489,482	22.1

MORTGAGE

Länsförsäkringar 1,25 % 2025-09-17	273,000	281,987	1.8
Länsförsäkringar 1,5% RB519 2026-09-16	395,000	413,628	2.6
Länsförsäkringar Hypotek 515 2,25% 2022-09-21	371,000	390,385	2.5
Nordea Hypotek 5531 1,00% 2022-04-08	611,000	621,124	3.9
Nordea Hypotek 5532 1,25% 2021-05-19	372,800	378,206	2.4
Nordea Hypotek 5533 1,25% 2023-09-20	409,000	421,634	2.7
Nordea Hypotek 5534 1,0% 2024-09-18	330,000	336,881	2.1
SBAB 1,0% 2023-06-21	220,000	224,627	1.4
SCBC 143 1,25% 2022-06-15	254,000	259,974	1.6
SCBC 147 2,0% 2026-06-17	434,000	468,312	3.0
Stadshypotek 1,50% 2023-06-01	824,000	855,073	5.4
Stadshypotek 1584 1,50% 2021-03-17	63,000	63,996	0.4
Stadshypotek 1586 4,50% 2022-09-21	343,000	381,766	2.4
Stadshypotek RB 1594 2% 2028-09-01	427,000	465,772	2.9
Swedbank Hypotek 189 1,00% 2020-12-16	319,000	321,514	2.0
Swedbank Hypotek 190 1,00% 2021-09-15	145,000	146,914	0.9
Swedbank Hypotek 192 1,00% 2023-03-15	534,000	544,680	3.4
		6,576,471	41.6

OTHER

Akademiska Hus FRN 2024-06-20	180,000	184,167	1.2
Castellum 1,875% RB 118 2021-10-04	92,000	93,840	0.6
Hexagon 1,625% 108 2020-09-17	177,000	178,335	1.1
Humlegården Fastigheter FRN 2024-10-07	66,000	66,189	0.4
Länsförsäkringar 1,00% 2020-02-03	136,000	136,101	0.9
Lundbergs 0,91% 2025-11-13	74,000	73,415	0.5
Lundbergs 1,337% 2023-10-24	119,000	121,459	0.8
Nya SFF 1,42% 2020-04-20	82,000	82,193	0.5
SBAB FRN 2024-10-23	127,000	127,058	0.8
SEB Bolån 574 1,50% 2021-12-15	237,000	242,807	1.5
SEB RB 576 1,0% 2023-12-20	486,000	496,420	3.1
Södra Skogsägarna FRN 2021-06-07	100,000	101,392	0.6
Specialfastigheter 0,31% 2023-07-24	120,000	119,302	0.8
Specialfastigheter 1,125% 2024-11-28	30,000	30,653	0.2
Swedbank 0,875% 2020-05-11	199,000	199,390	1.3
Vasakronan 0,875% 2021-10-11	183,000	184,146	1.2
Vasakronan FRN 2025-09-02	120,000	120,361	0.8
Willhem 0,93% 2021-11-01	92,000	92,617	0.6
		2,649,843	16.7

Total listed fixed-income securities 14,144,660 89.4

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
UNLISTED FIXED-INCOME SECURITIES			
OTHER			
SKB FRN 2022-11-28	100,000	101,052	0.6
		101,052	0.6
Total unlisted fixed-income securities		101,052	0.6
Total transferable securities		14,245,712	90.0

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
SGB 10YH0 FUT ¹⁾	389	0	0.0
SGB 5YH0 FUT ²⁾	100	0	0.0
STH 2YH0 FUT ³⁾	-650	0	0.0
STH 5YH0 FUT ⁴⁾	-1,160	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0
Total holdings in financial instruments		14,245,712	90.0
Net, other assets and liabilities		1,604,905	10.0
Total fund capital		15,850,617	100.0

1) Interest rate futures with underlying exposure of 614 699 tSEK, which is equivalent to 3.9% of fund capital.
2) Interest rate futures with underlying exposure of 130 948 tSEK, which is equivalent to 0.8% of fund capital.
3) Interest rate futures with underlying exposure of -724 597 tSEK, which is equivalent to 4.6% of fund capital.
4) Interest rate futures with underlying exposure of -1 469 493 tSEK, which is equivalent to 9.3% of fund capital.

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 90.0

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

Handelsbanken Långränta, cont.

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Svenska staten	12.7	SCBC	4.6
Handelsbanken	11.1	SEB	4.6
Nordea	11.1	IFC	2.8
Kommuninvest	10.6	EBRD	2.4
Länsförsäkringar	7.8	SBAB	2.2
Swedbank	7.6	Vasakronan	2.0
		Lundbergs	1.3

* 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.

Handelsbanken Långränta

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes in its entirety companies/issuers involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies/issuers involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies/issuers with key activities within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies/issuers that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We

conduct dialogues for the purpose of encouraging companies to improve their sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
- B. Dialogues together with other investors/capital owners
- C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP

A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.

B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.

C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.*

Methods for sustainability efforts

Inclusion

The fund invested in Kommuninvest's green bonds. The project being financed is in Sweden, a country with the ambition of being one of the world's first fossil-free developed countries. This development must be led by the municipalities and county councils, which represent the majority of the country's public investments. Kommuninvest's framework for green bonds meets six of the UN's Sustainable Development Goals and adheres to The Green Bond Principles, Green Bonds Harmonized Framework for Impact Reporting and Nordic Public Sector Issus: Position Paper on Green Bonds Impact Reporting. The documentation for Kommuninvest's green bonds includes an independent opinion from the climate and environmental research institution, Cicero. Kommuninvest also publishes an annual report, Green Bonds Impact Report, which reveals the impact of the green investments financed through this programme.

The fund also invested in a number of other green bonds issued by public authorities such as Region Skåne, the City of Gothenburg, the city of Stockholm, as well as in a number of property management companies such as Specialfastigheter, state-owned Akademiska Hus, Humlegården, Castellum, Lundbergs and Vasakronan. The fund also invested in green bonds issued in SEK by international organisations such as the World Bank and the European Bank for Reconstruction and Development (EBRD). Approximately 12 percent of the fund's total bond holdings were in green bonds at year-end.

The Management Company's engagement activities

- A. The fund engaged in one targeted dialogue directly with a company during the year.
A dialogue was held with Hexagon which was primarily due to the company's decentralised organisational structure with many units. Based on a sustainability perspective, there are potential risks as a result given that this places high demands on coordination to maintain a balanced sustainability performance. Hexagon offers products and services that result in efficiency and resource improvements in various ways in the application at the customer. This is something that the company could highlight even earlier in the sustainability report, as we believe there are many positive effects from this. We had personal meetings with the company concerning the company's appointment of a function at the group level to coordinate the sustainability activities.
- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund held holdings in one of these companies.
- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.



Handelsbanken Obligasjon

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in Norwegian interest-bearing securities issued by the Norwegian state, municipalities, insurance companies, banks, financial institutions, credit institutions and covered bonds (equivalent to OMF in Norway). Fund assets may be invested in interest-bearing financial instruments with a minimum rating of BBB- from S&P or a corresponding rating of Baa3 from Moody's, so-called Investment Grade. The fund may also invest in securities that lack an official credit rating that we consider have an equivalent credit quality. The fund satisfies the requirements of VFF's industry standards for bond funds with duration 5 and credit risk category 2. The fund's modified duration is between the interval of 4-6 years. The fund may invest a maximum of 10% of fund capital in fund units. We compare fund performance with ST5X, a government bond index with a fixed duration of 5 years. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 1.5% in 2019*. The long rates were in a declining trend at the beginning of the year. A total reversal to the US monetary policy, where the Fed changed its interest rate forecast in 2019 from rate hikes to rate cuts, led to a rapid revival to the yield curve. Lower outlooks for global economic growth and president Trump's expressed pressure on the Fed to cut rates contributed to a significant decline in interest rates worldwide. Long-term rates surfaced again in September after increased optimism for a solution to the US-China trade conflict as well as a proper agreement for Brexit. Despite rising interest rates over the past four months, the fund closed the year with positive returns.

* 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

An investment in the fund is characterised by low risk. An investment in fixed income securities or in a fixed income fund is associated with interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The average duration over time for holdings in the fund shall be 5 years over time. The fund's investments are concentrated to securities listed in Norway and to securities issued by companies within

the financial sector. This means that the risk in the fund can be higher than an investment in a diversified global fund that allocates its investments across several regions or sectors. An investment in an interest-bearing 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 interest-bearing securities issued by companies or states with a low credit quality increases. The fund invests only in interest-bearing investments of high-quality credit worthiness, i.e., Investment grade. The fund may invest in derivatives as part of its investment focus to increase returns in the fund. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

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 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

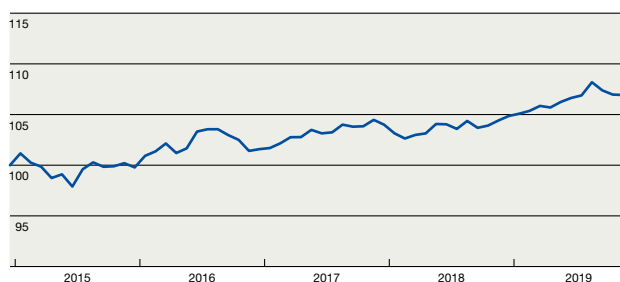
Information

The fund's historical performance prior to the launch date is attributed to the merger between Handelsbanken Obligasjon (Norway) and Handelsbanken Obligasjon (Sweden) that occurred on August 24, 2017.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Fund Performance*



* Performance is shown in the fund's base currency. The fund may have several share classes, which are referred to in the Fund Facts.

Fund Facts - History

	2019	2018	24/8-31/12 2017	2016	2015	2014	2013	2012	2011	2010
Net asset value										
Obligasjon A1 - NOK	129.05	127.17	126.13	-	-	-	-	-	-	-
Obligasjon A1 - SEK	137.48	130.21	-	-	-	-	-	-	-	-
Obligasjon A10 - NOK	129.63	127.42	-	-	-	-	-	-	-	-
The fund's total net flow, mNOK	356	-308	45	-	-	-	-	-	-	-
Fund capital total, mNOK	1,843	1,462	1,753	-	-	-	-	-	-	-
Obligasjon A1 - NOK	634	609	1,753	-	-	-	-	-	-	-
Obligasjon A1 - SEK	11	10	-	-	-	-	-	-	-	-
Obligasjon A10 - NOK	1,198	843	-	-	-	-	-	-	-	-
Number of units, 1000's	14,241	11,483	13,897	-	-	-	-	-	-	-
Obligasjon A1 - NOK	4,910	4,787	13,897	-	-	-	-	-	-	-
Obligasjon A1 - SEK	81	79	-	-	-	-	-	-	-	-
Obligasjon A10 - NOK	9,250	6,617	-	-	-	-	-	-	-	-

Handelsbanken Obligasjon, cont.

	2019	2018	24/8-31/12 2017	2016	2015	2014	2013	2012	2011	2010
Total returns in %, NOK										
Obligasjon A1 - NOK	+1.5	+0.8	+2.4	+1.8	-0.2	+9.6	+2.5	+6.8	+7.1	+5.7
Obligasjon A1 - SEK	+5.6	+3.1	-	-	-	-	-	-	-	-
Obligasjon A10 - NOK	+1.7	+1.1	-	-	-	-	-	-	-	-
Index including dividends in %, NOK										
Obligasjon A1 - NOK	+1.9	+0.6	+2.1	+0.3	+2.2	+9.3	-0.9	+4.0	+9.5	+6.5
Obligasjon A1 - SEK	+6.0	+2.9	-	-	-	-	-	-	-	-
Obligasjon A10 - NOK	+1.9	+0.6	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Obligasjon A1 - NOK	0.7	0.5	0.8	1.4	1.4	1.6	1.8	1.9	1.4	0.8
Obligasjon A1 - SEK	0.7	0.5	-	-	-	-	-	-	-	-
Obligasjon A10 - NOK	0.7	0.5	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Obligasjon A1 - NOK	+1.2	+1.6	+2.1	+0.8	+4.6	+6.0	+4.6	+7.0	+6.4	+4.7
Obligasjon A1 - SEK	+4.4	+0.1	-	-	-	-	-	-	-	-
Obligasjon A10 - NOK	+1.4	+1.9	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
NOK	+1.2	+1.3	+1.2	+1.2	+5.7	+4.1	+1.5	+6.7	+8.0	+4.7
SEK	+4.4	-0.2	-	-	-	-	-	-	-	-
Average yearly return, 5 yrs. %										
Obligasjon A1 - NOK	+1.3	+2.8	+3.2	+4.0	+5.1	+6.3	+5.2	+6.5	+5.6	+4.1
Obligasjon A1 - SEK	+1.7	+2.1	-	-	-	-	-	-	-	-
Obligasjon A10 - NOK	+1.5	+3.1	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
NOK	+1.4	+2.8	+2.5	+2.9	+4.7	+5.6	+4.3	+6.6	+6.5	+4.6
SEK	+1.8	+2.2	-	-	-	-	-	-	-	-
Average yearly return, 10 yrs. %										
Obligasjon A1 - NOK	+3.8	+4.0	+4.8	+4.8	+4.6	+5.0	+4.7	+5.7	-	-
Obligasjon A1 - SEK	+2.2	+3.0	-	-	-	-	-	-	-	-
Obligasjon A10 - NOK	+4.0	+4.2	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
NOK	+3.5	+3.6	+4.6	+4.7	+4.7	+4.8	+4.7	+6.1	-	-
SEK	+2.0	+2.6	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.07	1.02	1.00	-	-	-	-	-	-	-

Benchmark: ST5X

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 information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Obligasjon A1	0.45
Obligasjon A10	0.20
Collected mgmt. costs in % of average fund capital	
Obligasjon A1	0.45
Obligasjon A10	0.20
Annual fees in %	
Obligasjon A1	0.45
Obligasjon A10	0.20
Transaction costs, NOKt	-
Transaction costs in % of turnover	-
Costs in NOK for a one-time subscription, 10 000 NOK	
Obligasjon A1	45.68
Obligasjon A10	20.33
Costs in NOK for monthly savings, 100 NOK	
Obligasjon A1	2.95
Obligasjon A10	1.31

Fund Facts - Other Key Figures

Turnover rate	0.8
Share of turnover conducted via closely-related securities companies in %	3.8
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 NOK	1.8	Information ratio - A1 SEK	Negative
Total risk % - A1 SEK	6.7	Information ratio - A10 NOK	0.2
Total risk % - A10 NOK	1.8	Sharpe ratio - A1 NOK	0.2
Total risk in index % - A1 NOK	2.1	Sharpe ratio - A1 SEK	0.8
Total risk in index % - A1 SEK	6.6	Sharpe ratio - A10 NOK	0.3
Total risk in index % - A10 NOK	2.1	Sharpe ratio in index - A1 NOK	0.2
Benchmark	ST5X	Sharpe ratio in index - A1 SEK	0.8
Active return % - A1 NOK	-0.1	Sharpe ratio in index - A10 NOK	0.2
Active return % - A1 SEK	-0.1	Duration, years ¹⁾	5.2
Active return % - A10 NOK	0.2		
Information ratio - A1 NOK	Negative		

¹⁾ As of the balance sheet date.

* 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.

Income Statement, NOKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	-6,358	-13,872
Interest income	36,442	38,097
Dividends	-	-1
Currency exchange profits and losses, net	53	-59
Other income	0	0
Total income and changes in value	30,137	24,165
EXPENSES		
Management costs:		
- Remuneration to the Management Company	5,108	6,936
Interest expense	28	6
Other expenses	19	0
Total expenses	5,155	6,942
Net income	24,982	17,223
* Details of changes in value		
Capital gains	3,081	3,196
Capital losses	-7,625	-10,595
Unrealised gains/losses	-1,814	-6,473
Sum	-6,358	-13,872

Balance Sheet, NOKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	1,809,973	98.1	1,425,661	97.5
Total financial instruments with positive market value ^{Note 2)}	1,809,973	98.1	1,425,661	97.5
Bank assets and other liquid assets	15,709	0.9	19,344	1.3
Prepaid expenses and accrued income	17,933	0.9	17,429	1.2
Other assets	-	-	1	0.0
Total assets	1,843,615	100.0	1,462,435	100.0
LIABILITIES				
Accrued expenses and prepaid income	447	0.0	394	0.0
Other liabilities	-	-	0	0.0
Total liabilities	447	0.0	394	0.0
Fund capital ^{Note 1)}	1,843,168	100.0	1,462,041	100.0

Handelsbanken Obligasjon, cont.

Note 1) for Balance Sheet

Changes in fund capital, NOKt

	2019	2018
Fund capital at beginning of year	1,462,041	1,752,779
Units issued	930,221	860,340
Units redeemed	-574,076	-1,168,301
Profit according to Income Statement	24,982	17,223
Dividends to unit holders	-	-
Fund capital at the close of the period	1,843,168	1,462,041

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, MORTGAGE			
DNB Boligkredit 2,125% 2026-05-28	30,000	29,794	1.6
Gjensidige Bank Bolig 13/25 2026-05-08	19,000	20,264	1.1
Kommunalbanken 2% 2027-11-29	150,000	148,515	8.1
		198,573	10.8
FOREIGN ISSUER, OTHERS			
BN Bank 2,15% 2023-06-29	70,000	69,492	3.8
DNB Bank 2,2% 2023-04-05	40,000	39,864	2.2
Gjensidige Bank 2,02% 2023-09-13	50,000	49,396	2.7
Nordea Eiendom 2,17% 2026-05-22	170,000	169,291	9.2
OBS Banken 2,48% 2024-11-15	95,000	94,853	5.1
Sparebank 1 Boligkredit 2,1% 2026-11-25	50,000	49,487	2.7
Sparebank 1 Boligkredit 2024-10-17	96,000	97,221	5.3
Sparebank 1 Nord-Norge 2,37% 2024-05-06	40,000	39,902	2.2
Sparebank 1 Nord-Norge 2,45% 2024-02-22	110,000	110,182	6.0
Sparebank 1 SMN 2,39% 2024-04-16	40,000	39,944	2.2
Sparebank Ost 2,67% 2024-03-25	50,000	50,499	2.7
Sparebank Sogn og Fjordane Bustadkredit 2,3% 2030-06-19	90,000	89,021	4.8
Sparebank Sogn og Fjordane FRN 2025-04-28	45,000	44,846	2.4
SpareBank1 SR 1,95% 2025-08-28	90,000	87,220	4.7
SpareBank1 SR 2,44% 2024-01-16	25,000	25,041	1.4
Sparebanken Sør 2,44% 2024-12-23	35,000	34,915	1.9
Sparebanken Vest 2,42% 2025-06-23	100,000	99,459	5.4
		1,190,633	64.5
FOREIGN ISSUER, STATE			
Asker Kommune 1,83% 2022-02-18	10,000	9,949	0.5
Asker Kommune 2,16% 2024-06-21	50,000	49,870	2.7
Buskerud Fylke 2,45% 2023-06-27	40,000	40,183	2.2
Hordaland 1,989% 2023-11-21	25,000	24,827	1.3
Hordaland 2,335% 2024-03-11	40,000	40,213	2.2
Karmoy Kommune 16/23 2023-09-20	20,000	19,919	1.1
Norska staten 1,75% 2025-03-13	56,000	56,974	3.1
Norska staten 1,75% 2029-09-06	40,000	40,668	2.2
Oslo kommune 14/24 2,30%	50,000	50,309	2.7
Oslo Kommune 2,25% 2027-06-07	25,000	24,870	1.3
Oslo Kommune 2,35% 2024-09-04	3,000	3,023	0.2
Stavanger Kommune 2,67% 2027-03-23	20,000	20,413	1.1
Trondheim Kommune 2,142% 2025-01-16	20,000	19,887	1.1
		401,106	21.8
Total listed fixed-income securities		1,790,312	97.1
	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
UNLISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, STATE			
Oslo kommune 2,4% 2034-11-21	20,000	19,661	1.1
		19,661	1.1
Total unlisted fixed-income securities		19,661	1.1
Total transferable securities		1,809,973	98.2
Total holdings in financial instruments		1,809,973	98.2
Net, other assets and liabilities		33,195	1.8
Total fund capital		1,843,168	100.0

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 98.2

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46). -

*** Refers to other financial instruments. -

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Sparebank Sogn og Fjordane	7.2	DNB	3.8
Norska Staten	5.3	Gjensidige	3.8
Oslo kommune	5.3	Hordaland	3.5
		Asker kommune	3.2

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

Handelsbanken Obligasjon

Sustainability dimensions taken into consideration in the management of the fund

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

In accordance with the Management Company's comprehensive policy for responsible investments, the following are excluded in all of the Management Company's funds:

- companies involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within mining of coal or in power companies that have coal as a major source of energy.
-

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our

commitments and the international norms and conventions we respect. We conduct dialogues for the purpose of encouraging companies to improve their sustainability efforts and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
 - B. Dialogues together with other investors/capital owners
 - C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP
- A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.
- B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.
- C. In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

Follow-up of sustainability work

Inclusion

The fund invested in a green bond in Oslo's municipality. The bond finances energy efficiency and sustainable housing projects, water treatment and sewage treatment plants, public transportation and sustainable projects (a maximum of 20 percent). The objectives are 100 percent fossil-free public transportation and the reduction of energy consumption in buildings by 1.5 TWh until 2020. Motor vehicle traffic has decreased by 4 percent and 15.3 km of new biking infrastructure was built in 2018. All of the climate emissions will be phased out by 2050.

The fund also invested in a green bond in Kommunalbanken. KBN's green bond finances renewable energy, energy efficiency, green buildings, sustainable waste management, water and sewage management, climate change adaptation and land management. The estimated climate and environmental impact from KBN's green loan is an annual reduction of 16,128 tonnes of CO₂ and the avoidance of 48,641 tonnes of CO₂ annually. The green loan is being financed with 68 percent green bonds.

The Management Company's engagement activities

- A. The fund did not have any targeted dialogues directly with companies during the year.
- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund did not invest in any of these companies during the year.
- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.

Portfolio Manager: MIKAEL ROSELL

BASE CURRENCY



Handelsbanken Realränta

Management Report

Investment Focus

The fund is a fixed income fund that invests primarily in real return bonds to protect returns from future Swedish inflation. The fund invests primarily in real and nominal government bonds and treasury bills issued in SEK that are included in the OMRX REAL Index. The average residual fixed interest duration for the fund's investments total a minimum of 2 years and a maximum of 15 years. Fund assets may be invested in interest-bearing financial instruments with a minimum rating of AA- from S&P or a corresponding rating of Aa3 from Moody's. We compare the fund's performance with OMRX Real. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 0.2% in 2019*. Long-term Swedish real interest rates fell approximately 30 bp during the year, which benefited fund returns. The break even spread (a market measure of inflation expectations) varied between 1.5-1.9%. The combination of higher oil prices, a weaker SEK and the Riksbank's expansive monetary policy drove up inflation outlooks during the autumn. The end of the year was also dominated by increased risk aversion and declining oil prices, which led the market's inflation expectation to fall back to 1.7% in December. The 10-year real rate closed the year at -1.71%. Fund investments closely reflected the OMRX Real Return Index during 2019.

* 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

An investment in the fund is characterised by low risk. An investment in fixed income securities or in a fixed income fund is associated with interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The average duration over time for holdings in the fund is 2-15 years. The fund's investments are concentrated to real and nominal government bonds and treasury bills listed in SEK. This means that the risk in the fund can be higher than an investment in a diversified global fund that distributes its investments across several regions, sectors

or issuers. An investment in an interestbearing 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 interestbearing securities issued by companies or states with a low credit quality increases. The fund only invests in interest-bearing investments with high credit worthiness, so-called investment grade. The fund may invest in derivatives as part of its investment focus to increase returns in the fund or to create leverage. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

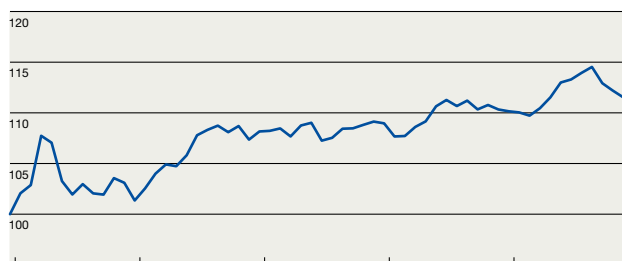
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund did not use this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

As of June 1, 2019 the fund changed its fund rules. The fund changed its name from Handelsbanken Realräntefond to Handelsbanken Realränta.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Fund Performance*



* Performance is shown in the fund's base currency. The fund may have several share classes, which are referred to in the Fund Facts.

Fund Facts - History

	2019	2018	2017	2016	2015	2014	2013	2012	2011	29/10-31/12 2010
Net asset value, SEK										
Realränta A1	120.98	120.68	119.38	118.50	111.04	109.56	102.69	108.75	110.56	98.98
Realränta A10	121.63	120.97	-	-	-	-	-	-	-	-
Realränta B1	108.57	109.95	109.32	111.30	105.85	105.99	100.84	108.75	-	-
The fund's total net flow, mSEK	81	109	-1,609	263	415	1,003	-527	-2,156	-	-
Fund capital total, mSEK	601	521	409	2,025	1,639	1,218	142	696	2,848	888
Realränta A1	551	477	341	2,025	1,639	1,218	142	696	2,848	888
Realränta A10	2	0	-	-	-	-	-	-	-	-
Realränta B1	48	44	68	0	0	0	0	0	-	-
Number of units, 1000's	5,015	4,356	3,477	17,090	14,762	11,115	1,381	6,399	25,757	8,975
Realränta A1	4,553	3,952	2,853	17,090	14,762	11,115	1,381	6,399	25,757	8,975
Realränta A10	17	4	-	-	-	-	-	-	-	-
Realränta B1	445	400	623	0	0	0	0	0	-	-
Total returns in %, SEK										
Realränta A1	+0.2	+1.1	+0.7	+6.7	+1.4	+6.7	-5.6	+0.6	+12.0	-1.0
Realränta A10	+0.5	+1.4	-	-	-	-	-	-	-	-
Realränta B1	+0.2	+1.1	+0.7	+6.7	+1.4	+6.7	-5.6	+0.8	-	-
Index including dividends in %, SEK										
Realränta A1	+0.8	+1.5	+1.0	+7.2	+1.8	+7.4	-5.2	+0.8	+12.7	-0.7
Realränta A10	+0.8	+1.5	-	-	-	-	-	-	-	-
Realränta B1	+0.8	+1.5	+1.0	+7.2	+1.8	+7.4	-5.2	+0.8	-	-
Tracking error, 2 yrs. %										
Realränta A1	0.2	0.6	0.6	0.2	0.3	0.3	0.7	0.8	-	-
Realränta B1	0.2	0.6	0.6	0.2	0.3	-	-	-	-	-
Realränta A10	0.2	0.6	-	-	-	-	-	-	-	-

Handelsbanken Realränta, cont.

	2019	2018	2017	2016	2015	2014	2013	2012	2011	29/10-31/12 2010
Average yearly return, 2 yrs. %										
Realränta A1	+0.7	+0.9	+3.7	+4.0	+4.0	+0.4	-2.5	+6.2	-	-
Realränta A10	+1.0	+1.2	-	-	-	-	-	-	-	-
Realränta B1	+0.7	+0.9	+3.7	+4.0	+4.0	+0.4	-	-	-	-
Comparison to index including dividends, %	+1.2	+1.3	+4.1	+4.5	+4.6	+0.9	-2.2	+6.6	-	-
Average yearly return, 5 yrs. %										
Realränta A1	+2.0	+3.3	+1.9	+1.9	+2.8	-	-	-	-	-
Realränta A10	+2.3	+3.6	-	-	-	-	-	-	-	-
Realränta B1	+2.0	+3.3	+1.9	-	-	-	-	-	-	-
Comparison to index including dividends, %	+2.4	+3.8	+2.3	+2.3	+3.3	-	-	-	-	-
Dividends per unit, SEK										
Realränta A1	-	-	-	-	-	-	-	2.46	0.25	-
Realränta B1	1.65	0.55	2.78	1.59	1.59	1.51	1.90	-	-	-

Benchmark: OMRX REAL

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 information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Realränta A1	0.40
Realränta A10	0.10
Realränta B1	0.40
Collected mgmt. costs in % of average fund capital	
Realränta A1	0.40
Realränta A10	0.10
Realränta B1	0.40
Annual fees in %	
Realränta A1	0.40
Realränta A10	0.10
Realränta B1	0.40
Transaction costs, SEKt	0
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Realränta A1	40.61
Realränta A10	10.17
Realränta B1	40.61
Costs in SEK for monthly savings, 100 SEK	
Realränta A1	2.63
Realränta A10	0.66
Realränta B1	2.63

Fund Facts - Other Key Figures

Turnover rate	0.6
Share of turnover conducted via closely-related securities companies in %	3.6
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	2.7	Information ratio - A10 SEK	Negative
Total risk % - A10 SEK	2.7	Information ratio - B1 SEK	Negative
Total risk % - B1 SEK	2.7	Sharpe ratio - A1 SEK	0.5
Total risk in index % - A1 SEK	2.6	Sharpe ratio - A10 SEK	0.6
Total risk in index % - A10 SEK	2.6	Sharpe ratio - B1 SEK	0.5
Total risk in index % - B1 SEK	2.6	Sharpe ratio in index - A1 SEK	0.7
Benchmark	OMRX REAL	Sharpe ratio in index - A10 SEK	0.7
Active return % - A1 SEK	-0.5	Sharpe ratio in index - B1 SEK	0.7
Active return % - A10 SEK	-0.2	Duration, years ¹⁾	6.9
Active return % - B1 SEK	-0.5		
Information ratio - A1 SEK	Negative		

¹⁾ As of the balance sheet date.

* 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.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	-6,836	-344
Interest income	8,251	6,280
Other income	0	0
Total income and changes in value	1,415	5,936
EXPENSES		
Management costs:		
- Remuneration to the Management Company	2,369	1,618
Interest expense	3	8
Other expenses	-	0
Total expenses	2,371	1,626
Net income	-957	4,310
* Details of changes in value		
Capital gains	8,635	8,992
Capital losses	-14,636	-2,653
Unrealised gains/losses	-836	-6,683
Sum	-6,836	-344

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	601,596	100.1	518,233	99.4
Total financial instruments with positive market value ^{Note 2)}	601,596	100.1	518,233	99.4
Bank assets and other liquid assets	-2,287	-0.4	15,242	2.9
Prepaid expenses and accrued income	1,135	0.2	1,086	0.2
Other assets	944	0.1	2	0.0
Total assets	601,389	100.0	534,563	102.5
LIABILITIES				
Accrued expenses and prepaid income	206	0.0	167	0.0
Other liabilities	-	-	12,980	2.5
Total liabilities	206	0.0	13,147	2.5
Fund capital ^{Note 1)}	601,182	100.0	521,416	100.0

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	521,416	408,755
Units issued	501,132	626,777
Units redeemed	-419,743	-518,083
Profit according to Income Statement	-957	4,310
Dividends to unit holders	-666	-343
Fund capital at the close of the period	601,182	521,416

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED FIXED-INCOME SECURITIES			
GOVERNMENT			
Statsobligation 3104 3,50% 2028-12-01	89,000	175,566	29.2
Statsobligation 3108 0,25% 2022-06-01	97,200	110,343	18.4
Statsobligation 3109 1,00% 2025-06-01	88,500	109,772	18.3
Statsobligation 3111 0,125% 2032-06-01	56,600	74,424	12.4
Statsobligation 3112 0,125% 2026-06-01	66,500	80,317	13.4
Statsobligation 3113 0,125% 2027-12-01	41,900	51,174	8.5
		601,596	100.1
Total listed fixed-income securities		601,596	100.1
Total transferable securities		601,596	100.1
Total holdings in financial instruments		601,596	100.1
Net, other assets and liabilities		-414	-0.1
Total fund capital		601,182	100.0

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

100.1

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

Compilation, Company and Group exposure*

Company/Group	% of fund capital
Svenska staten	100.2

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

Handelsbanken Realränta

Sustainability dimensions taken into consideration in the management of the fund

The fund invests only in real and nominal government bonds as well as Treasury bills issued by the Swedish government.

Methods for sustainability efforts

Exclusion

As a result of the fund's investment focus, the fund is not permitted to invest in bonds issued by companies; thus, the fund does not have any investments with exposure to:

- companies/issuers involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-

personnel mines, biological and chemical weapons.

- companies/issuers involved in the production or distribution of nuclear weapons.
- companies/issuers with business operations in controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels.
- companies/issuers that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.



Handelsbanken Ränteavkastning

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in interest-bearing securities in SEK issued by a state, a municipality, or by a government or municipal authority in a country within the EEA or by an intergovernmental agency in which one or several states within the EEA are members as well as in covered bonds. The average residual fixed interest duration for fund investments is between zero and seven years. Fund assets may be invested in interest-bearing financial instruments with a minimum rating of AA- from S&P or a corresponding rating of Aa3 from Moody's. The fund may also invest in securities that lack an official credit rating that we consider have an equivalent credit quality. 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, war materials, tobacco, cannabis, alcohol, commercial gambling and pornography segments/sectors. The fund may invest in sustainable, social and green bonds issued by companies involved in power generation from fossil fuels. Refer to the fund's information brochure for additional information. The fund may invest a maximum of 10% of fund capital in fund units. We compare fund performance to an index consisting of HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25): 30%, HMNI Swe Government Dur Const 1Y (HMT27): 20% and HMNI Swe All Government Dur Const 5Y (HMSD5): 50%. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 0.8% in 2019*. In 2019, the atmosphere on the financial markets was dominated by an increased concern for weaker economic growth in the wake of the trade conflict between the US and China, increased geopolitical tensions and persisting uncertainty about Brexit. However, the negative effects of this concern was more than offset by additional monetary stimulus. At the end of the summer, Swedish and German long-term rates traded at record lows (-0.5% and -0.75%, respectively). However, we believed that the underlying interest rate levels discounted an outlook that was too pessimistic, which led the fund to take a lower interest rate risk than its benchmark index throughout most of the year. Higher budget deficits in many of the major economies and a sharply increased supply of bonds has also called for caution. In terms of relative returns, our strategy finally paid off in the autumn when interest rates began to rise. In Sweden, this movement received an extra boost after the Riksbank announced a hike to key rates of 25 bp to 0%. We also believed during the year that there was a risk that more risky bonds, unlike underlying risk-free rates, would discount an outlook that was too pessimistic. As a result, we gradually reduced the moderate underlying credit risk in the fund. Instead, we took a position for a flatter yield curve, which contributed to a more defensive portfolio construction and a notable positive contribution to the fund's relative returns. We also increased the fund's proportion of green bonds issued by Swedish municipalities. These holdings totalled almost 15% of the fund at year-end (4% at the outset of the year). In addition to contributing positively to relative returns, we believe these holdings also contributed to improved liquidity in 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

An investment in the fund is characterised by low risk. An investment in fixed income securities or in a fixed income fund is associated with

interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The average duration over time for holdings in the fund may not exceed 7 years, with a target of 3.5 years. The fund's investments are concentrated to government bonds, treasury bills and covered mortgage bonds listed in SEK. This means that the risk in the fund can be higher than an investment in a diversified global fund that distributes its investments across several regions, sectors or issuers. An investment in an interest-bearing 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 proportion of the fund's assets in interest-bearing securities issued by companies or states with lower credit quality increases. The fund invests only in interest-bearing investments of high credit worthiness, which implies interest-bearing instruments issued by states, municipalities or public international body within the EEA as well as covered bonds with a credit rating of not less than AA- from S&P or Aa3 from Moody's. The fund may invest in derivatives as part of its investment focus to increase returns in the fund or to create leverage. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

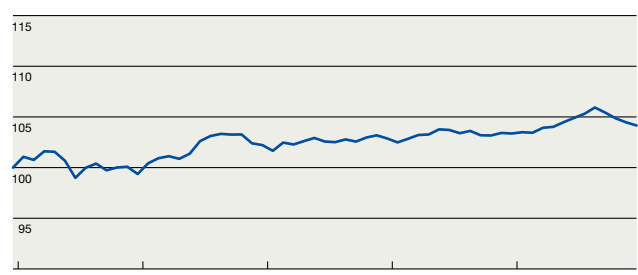
As of April 16, 2019 the fund changed its fund rules. The fund changed its name from Handelsbanken Ränteavkastning Criteria to Handelsbanken Ränteavkastning.

The fund's historical performance prior to the launch date is attributed to the merger between Placeringsfonden Handelsbanken Mega Mixränta (Finland) and Handelsbanken Ränteavkastningsfond (Sweden) that occurred on September 26, 2014.

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Fund Performance*



* Performance is shown in the fund's base currency. The fund may have several share classes, which are referred to in the Fund Facts.

Handelsbanken Rånteavkastning, cont.

Fund Facts - History

	2019	2018	2017	2016	2015	26/9-31/12 2014	2013	2012	2011	2010
Net asset value, SEK										
Rånteavkastning A1	1,917.01	1,902.48	1,893.50	1,881.43	1,828.85	1,840.57	-	-	-	-
Rånteavkastning A10	1,920.46	1,904.01	-	-	-	-	-	-	-	-
Rånteavkastning B1	1,149.46	1,146.46	1,146.00	1,170.29	1,162.74	1,202.45	-	-	-	-
Rånteavkastning B10	1,151.53	1,147.38	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	-1,329	1,918	2,956	1,069	1,612	325	-	-	-	-
Fund capital total, mSEK	13,033	14,241	12,264	9,247	7,956	6,419	-	-	-	-
Rånteavkastning A1	10,919	12,070	10,542	8,176	7,300	6,026	-	-	-	-
Rånteavkastning A10	374	395	-	-	-	-	-	-	-	-
Rånteavkastning B1	1,721	1,753	1,722	1,071	656	393	-	-	-	-
Rånteavkastning B10	19	23	-	-	-	-	-	-	-	-
Number of units, 1000's	7,404	8,101	7,070	5,261	4,556	3,601	-	-	-	-
Rånteavkastning A1	5,695	6,344	5,567	4,346	3,992	3,274	-	-	-	-
Rånteavkastning A10	195	208	-	-	-	-	-	-	-	-
Rånteavkastning B1	1,498	1,529	1,503	915	564	327	-	-	-	-
Rånteavkastning B10	16	20	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Rånteavkastning A1	+0.8	+0.5	+0.6	+2.9	-0.6	+4.7	+0.9	+3.7	+7.5	+1.4
Rånteavkastning A10	+0.9	+0.6	-	-	-	-	-	-	-	-
Rånteavkastning B1	+0.8	+0.4	+0.4	+2.7	-0.8	+4.6	+0.9	+3.7	+7.5	+1.4
Rånteavkastning B10	+0.9	+0.6	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Rånteavkastning A1	+0.7	+0.4	0.0	+1.9	+0.4	+6.2	+0.1	+2.4	+7.9	+1.6
Rånteavkastning A10	+0.7	+0.4	-	-	-	-	-	-	-	-
Rånteavkastning B1	+0.7	+0.4	0.0	+1.9	+0.4	+6.2	+0.1	+2.4	+7.9	+1.6
Rånteavkastning B10	+0.7	+0.4	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. %										
Rånteavkastning A1	0.2	0.2	0.4	1.0	1.1	-	-	-	-	-
Rånteavkastning B2	0.2	0.2	0.4	1.0	1.1	-	-	-	-	-
Rånteavkastning A10	0.2	0.2	-	-	-	-	-	-	-	-
Rånteavkastning B10	0.2	0.2	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Rånteavkastning A1	+0.6	+0.6	+1.8	+1.1	+2.0	+2.8	+2.3	+5.6	+4.4	+1.7
Rånteavkastning A10	+0.7	+0.7	-	-	-	-	-	-	-	-
Rånteavkastning B1	+0.6	+0.4	+1.5	+0.9	+1.8	+2.7	+2.3	+5.6	+4.4	+1.7
Rånteavkastning B10	+0.7	+0.7	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+0.6	+0.2	+1.0	+1.1	+3.3	+3.1	+1.2	+5.1	+4.7	+1.8
Average yearly return, 5 yrs. %										
Rånteavkastning A1	+0.8	+1.6	+1.7	+2.3	+3.2	+3.6	+3.1	+5.0	+4.5	+3.2
Rånteavkastning A10	+0.9	+1.7	-	-	-	-	-	-	-	-
Rånteavkastning B1	+0.7	+1.4	+1.5	+2.2	+3.1	+3.6	+3.1	+5.0	+4.5	+3.2
Rånteavkastning B10	+0.9	+1.7	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+0.7	+1.8	+1.7	+2.2	+3.3	+3.6	+2.8	+5.0	+4.9	+3.6
Average yearly return, 10 yrs. %										
Rånteavkastning A1	+2.2	+2.3	+3.3	+3.4	+3.2	+3.7	+3.8	+4.1	+4.4	+4.0
Rånteavkastning A10	+2.3	+2.4	-	-	-	-	-	-	-	-
Rånteavkastning B1	+2.1	+2.3	+3.2	+3.3	+3.2	+3.6	+3.8	+4.1	+4.4	+4.0
Rånteavkastning B10	+2.3	+2.4	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+2.1	+2.3	+3.3	+3.5	+3.5	+3.9	+3.9	+4.4	+4.9	+4.5
Dividends per unit, SEK										
Rånteavkastning A1	-	-	-	-	-	-	-	-	-	-
Rånteavkastning B1	5.73	4.58	29.26	23.25	30.06	-	-	-	-	-
Rånteavkastning B10	5.74	4.58	-	-	-	-	-	-	-	-

Benchmark: HMSD5 Sweden All Government Dur Const 5y 50%, HMSMD25 Sweden All Mortgage Dur Const 2.5y 30%, HMT27 Swe Government Dur Const 1Y 20%

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 information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Rånteavkastning A1	0.30
Rånteavkastning A10	0.20
Rånteavkastning B1	0.30
Rånteavkastning B10	0.20
Collected mgmt. costs in % of average fund capital	
Rånteavkastning A1	0.30
Rånteavkastning A10	0.20
Rånteavkastning B1	0.30
Rånteavkastning B10	0.20
Annual fees in %	
Rånteavkastning A1	0.30
Rånteavkastning A10	0.20
Rånteavkastning B1	0.30
Rånteavkastning B10	0.20
Transaction costs, SEKt	1,121
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Rånteavkastning A1	30.32
Rånteavkastning A10	20.23
Rånteavkastning B1	30.32
Rånteavkastning B10	20.23
Costs in SEK for monthly savings, 100 SEK	
Rånteavkastning A1	1.97
Rånteavkastning A10	1.31
Rånteavkastning B1	1.97
Rånteavkastning B10	1.31

Fund Facts - Other Key Figures

Turnover rate	0.4
Share of turnover conducted via closely-related securities companies in %	6.2
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	1.2	Information ratio - A1 SEK	0.2
Total risk % - A10 SEK	1.2	Information ratio - A10 SEK	0.7
Total risk % - B1 SEK	1.2	Information ratio - B1 SEK	0.1
Total risk % - B10 SEK	1.2	Information ratio - B10 SEK	0.7
Total risk in index % - A1 SEK	1.2	Sharpe ratio - A1 SEK	1.1
Total risk in index % - A10 SEK	1.2	Sharpe ratio - A10 SEK	1.2
Total risk in index % - B1 SEK	1.2	Sharpe ratio - B1 SEK	1.1
Total risk in index % - B10 SEK	1.2	Sharpe ratio - B10 SEK	1.2
Benchmark	HMSD5 Sweden All	Sharpe ratio in index - A1 SEK	1.1
	Government Dur Const 5y	Sharpe ratio in index - A10 SEK	1.1
	50%, HMSMD25 Sweden	Sharpe ratio in index - B1 SEK	1.1
	All Mortgage Dur Const	Sharpe ratio in index - B10 SEK	1.1
	2.5y 30%, HMT27 Swe		
	Government Dur Const 1Y		
	20%		
Active return % - A1 SEK	0.0		
Active return % - A10 SEK	0.1		
Active return % - B1 SEK	0.0		
Active return % - B10 SEK	0.1		

* 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.

Handelsbanken Rånteavkastning, cont.

Income Statement, SEKt

	2019	2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	27,640	-60,692
Changes in value for other derivative instruments **	-41,722	-36,755
Interest income	181,280	201,088
Other financial income	-	45
Other income	202	0
Total income and changes in value	167,400	103,686
EXPENSES		
Management costs:		
- Remuneration to the Management Company	41,480	39,948
Interest expense	224	4
Other expenses	1,543	1,631
Total expenses	43,247	41,583
Net income	124,153	62,103
* Details of changes in value		
Capital gains	76,533	27,680
Capital losses	-43,301	-106,168
Unrealised gains/losses	-5,591	17,796
Sum	27,640	-60,692
** Details of changes in value		
Capital gains	585,146	853,901
Capital losses	-625,262	-890,656
Unrealised gains/losses	-1,606	0
Sum	-41,722	-36,755

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	12,157,519	93.2	13,237,572	93.0
Total financial instruments with positive market value ^{Note 2)}	12,157,519	93.2	13,237,572	93.0
Bank assets and other liquid assets	815,514	6.3	922,812	6.4
Prepaid expenses and accrued income	63,159	0.5	82,987	0.6
Other assets	-	-	2,525	-0.1
Total assets	13,036,192	100.0	14,245,896	100.0
LIABILITIES				
Accrued expenses and prepaid income	3,342	0.0	3,470	0.0
Other liabilities	-	-	1,315	0.0
Total liabilities	3,342	0.0	4,785	0.0
Fund capital ^{Note 1)}	13,032,850	100.0	14,241,111	100.0
Other derivative instruments with negative market value ¹⁾	46,753	0.4	103,857	0.7

1) Liquid assets 41 339 tSEK

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2019	2018
Fund capital at beginning of year	14,241,111	12,263,775
Units issued	4,088,560	4,536,862
Units redeemed	-5,412,261	-2,614,958
Profit according to Income Statement	124,153	62,103
Dividends to unit holders	-8,713	-6,671
Fund capital at the close of the period	13,032,850	14,241,111

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, MORTGAGE			
Realkredit Danmark FRN 2020-10-01	125,000	125,510	1.0
		125,510	1.0
FOREIGN ISSUER, STATE			
EBRD 0,477% 2024-01-18	200,000	201,238	1.5
EIB 0,125 2026-09-21	150,000	145,304	1.1
IBRD 0,4325 2026-11-12	100,000	98,856	0.8
IBRD 0,5% 2023-10-10	125,000	125,645	1.0
IFC 0,0225% 2026-09-03	150,000	144,477	1.1
IFC 1,13% 2029-11-12	184,000	189,430	1.5
		904,949	6.9
GOVERNMENT			
City of Malmö FRN 2025-03-14	65,000	67,783	0.5
Göteborgs stad 0,885% 2022-06-15	100,000	101,400	0.8
Göteborgs stad 2,00% 2020-06-03	150,000	151,124	1.2
Jönköpings Kommun 0,983% 2024-06-20	100,000	101,896	0.8
Kommuninvest 0,375% 2024-03-27	190,000	189,930	1.5
Kommuninvest 0,625% 2023-06-01	121,000	122,325	0.9

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Kommuninvest 1,0% 2025-05-12	310,000	318,339	2.4
Kommuninvest 1,00% 2021-09-15	100,000	101,552	0.8
Kommuninvest K2611 1,00% 2026-11-12	294,000	300,480	2.3
Örebro kommun FRN 2023-11-20	50,000	51,234	0.4
Östersunds Kommun FRN 2024-09-18	69,000	71,703	0.6
Region Skåne 0,67% 2024-02-05	250,000	252,068	1.9
Statsobligation 1053 3,50% 2039-03-30	422,050	647,885	5.0
Statsobligation 1054 3,50% 2022-06-01	100	109	0.0
Statsobligation 1056 2,25% 2032-06-01	168,200	207,130	1.6
Statsobligation 1057 1,50% 2023-11-13	100	107	0.0
Statsobligation 1058 2,50% 2025-05-12	15,100	17,260	0.1
Statsobligation 1059 1,00% 2026-11-12	100	107	0.0
Statsobligation 1060 0,75% 2028-05-12	100	106	0.0
Statsobligation RB 1061 0,75% 2029-11-12	35,000	37,043	0.3
Stockholms stad 0,675% 2022-02-15	143,000	144,171	1.1
Stockholms stad 0,9% 2021-02-26	100,000	100,778	0.8
Stockholms stad 1,85% 2024-11-12	100,000	106,142	0.8
Sundsvalls Kommun FRN 2024-10-22	100,000	103,983	0.8
		3,194,653	24.5

MORTGAGE

Länsförsäkringar 1,25 % 2025-09-17	344,000	355,324	2.7
Länsförsäkringar 1,5% RB519 2026-09-16	200,000	209,432	1.6
Länsförsäkringar Hypotek 515 2,25% 2022-09-21	620,000	652,395	5.0
Nordea Hypotek 5531 1,00% 2022-04-08	341,000	346,650	2.7
Nordea Hypotek 5532 1,25% 2021-05-19	206,000	208,987	1.6
Nordea Hypotek 5533 1,25% 2023-09-20	436,000	449,468	3.4
Nordea Hypotek 5534 1,0% 2024-09-18	295,000	301,151	2.3
SCBC 143 1,25% 2022-06-15	152,000	155,575	1.2
Stadshypotek 1,50% 2023-06-01	627,000	650,644	5.0
Stadshypotek 1584 1,50% 2021-03-17	102,000	103,613	0.8
Stadshypotek 1586 4,50% 2022-09-21	696,000	774,662	5.9
Stadshypotek RB 1594 2% 2028-09-01	331,000	361,055	2.8
Swedbank Hypotek 190 1,00% 2021-09-15	587,000	594,748	4.6
Swedbank Hypotek 192 1,00% 2023-03-15	233,000	237,660	1.8
Swedbank Hypotek FRN 2024-01-29	300,000	310,356	2.4
		5,711,721	43.8

OTHER

Landshypotek 0,615% 2025-11-18	50,000	49,581	0.4
Landshypotek 0,625% 2020-06-17	157,000	157,256	1.2
Landshypotek 0,70% 2022-05-09	160,000	161,138	1.2
Landshypotek 0,75% 2023-05-25	91,000	91,880	0.7
Landshypotek FRN 2020-10-16	70,000	70,292	0.5
Landshypotek FRN 2021-05-19	79,000	79,649	0.6
Landshypotek FRN 2021-10-25	73,000	73,821	0.6
Landshypotek FRN 2024-08-14	230,000	237,634	1.8
SEB Bolån 574 1,50% 2021-12-15	671,500	687,952	5.3
SEB RB 576 1,0% 2023-12-20	408,000	416,748	3.2
		2,025,948	15.5
Total listed fixed-income securities		11,962,781	91.7

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
UNLISTED FIXED-INCOME SECURITIES			
GOVERNMENT			
Lindköping Stad 0,933% 2023-11-22	192,000	194,738	1.5
		194,738	1.5
Total unlisted fixed-income securities		194,738	1.5
Total transferable securities		12,157,519	93.2

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
SGB 10YH0 FUT ¹⁾	-300	0	0.0
SGB 5YH0 FUT ²⁾	-926	0	0.0
STH 2YH0 FUT ³⁾	-770	0	0.0
STH 5YH0 FUT ⁴⁾	-705	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0
Total holdings in financial instruments		12,157,519	93.2
Net, other assets and liabilities		875,331	6.8
Total fund capital		13,032,850	100.0

1) Interest rate futures with underlying exposure of -474 061 tSEK, which is equivalent to 3.6% of fund capital.
2) Interest rate futures with underlying exposure of -1 212 582 tSEK, which is equivalent to 9.3% of fund capital.
3) Interest rate futures with underlying exposure of -858 369 tSEK, which is equivalent to 6.6% of fund capital.
4) Interest rate futures with underlying exposure of -893 097 tSEK, which is equivalent to 6.9% of fund capital.

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

*** Refers to other financial instruments.

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Handelsbanken	14.5	Kommuninvest	7.9
Nordea	10.0	Landshypotek	7.0
Länsförsäkringar	9.3	Svenska staten	7.0
Swedbank	8.8	Stockholms stad	2.7
SEB	8.5	IFC	2.6

Handelsbanken Rånteavkastning, cont.

<u>Company/Group</u>	<u>% of fund capital</u>	<u>Company/Group</u>	<u>% of fund capital</u>
Göteborgs stad	2.0		
International Bank for Reconstruction & Development	1.8		

* 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.

Handelsbanken Ränteavkastning

Sustainability dimensions taken into consideration in the management of the fund

This fund is managed with enhanced sustainability criteria.

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. Sustainability issues are paramount for us to make better investment decisions that can generate good returns over the long term. We have access to external ESG analyses as a complement to our own analyses and knowledge about the companies. Fund managers analyse sustainability in part through the company's sustainability performance (HOW they conduct their operations) as well as through the company's products and services (WHAT). The sustainability analysis is an integral part of the documentation for our investments and includes both sustainability risks and opportunities.

Exclusion

The fund excludes in its entirety companies/issuers involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons. Companies/issuers involved in the production or distribution of nuclear weapons are also excluded.

The fund is managed with enhanced sustainability criteria. This means that the fund excludes* companies/issuers with key activities within controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels. However, there is the option of making investments in so-called companies in transition, i.e., companies transitioning towards fossil-free energy production. The fund also excludes companies/issuers that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

The Management Company's engagement activities

An essential part of taking responsibility as an investor is to influence the companies in which we invest. The starting point for our engagement activities are the core values of Handelsbanken and the Management Company, our commitments and the international norms and conventions we respect. We

conduct dialogues for the purpose of encouraging companies to improve their sustainability efforts, and with companies we believe are not compliant with the international norms and conventions we respect. We pursue engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
- B. Dialogues together with other investors/capital owners
- C. Collaboration and sector initiatives, often through international collaborations such as the UN, PRI and CDP

A. The targeted company dialogues are pursued by the fund manager directly with the company. The fund manager meets or has contact with the company on a regular basis. This creates good conditions to pursue dialogues that aim to make a change within the company, which we see as a major opportunity to make an impact. Objectives are identified for the direct dialogues and results are followed up regularly during the time the dialogues are ongoing.

B. Through the external service provider ISS ESG, the Management Company, together with other investors, participates in dialogues with companies in so-called Pooled Engagement. The basis for these dialogues is a norm-based analysis that targets primarily companies with suspected or verified breaches of international norms and conventions within human rights, labour law, the environment and anti-corruption. The dialogue process consists of contact between ISS ESG and the company, and in certain cases, the process also includes meetings or telephone conference calls in which we as an investor can participate.

In 2019, the Management Company participated in several international initiatives and collaborations with focus on specific sustainability issues. These initiatives are frequently thematic or target sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI-Ceres Sustainable Forests, PRI Cyber Security and FAIRR Antibiotics Engagement.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of five percent of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.*

Follow-up of sustainability work

Inclusion

The fund invested in Kommuninvest's green bonds. The project being financed is in Sweden, a country with the ambition of being one of the world's first fossil-free developed countries. This development must be led by the municipalities and county councils, which represent the majority of the country's public investments. Kommuninvest's framework for green bonds meets six of the UN's Sustainable Development Goals and adheres to The Green Bond Principles, Green Bonds Harmonized Framework for Impact Reporting and Nordic Public Sector Issus: Position Paper on Green Bonds Impact Reporting. The documentation for Kommuninvest's green bonds includes an independent opinion from the climate and environmental research institution, Cicero. Kommuninvest also publishes an annual report, Green Bonds Impact Report, which reveals the impact of the green investments financed through this programme.

The fund also invested in a number of other green bonds issued by public authorities such as Region Skåne, the City of Gothenburg, the city of Stockholm, as well as in green bonds issued in SEK by international organisations such as the World Bank and the European Bank for Reconstruction and Development (EBRD). Approximately 14 percent of the fund's total bond holdings were in green bonds at year-end.

The Management Company's engagement activities

- A. The fund did not engage in any targeted dialogues directly with companies during the year.
- B. In 2019, the Management Company participated in a total of 145 company dialogues together with other investors. The fund did not invest in any of these companies.
- C. In 2019, the Management Company participated in initiatives and collaborations that included over 300 companies.



Handelsbanken Tillväxtmarknad Obligation

Management Report

Investment Focus

The fund is actively managed, whereby the fund manager takes active, independent investment decisions. The fund's objective is to attain returns over the long-term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests mainly in interest-bearing instruments issued or guaranteed by states in emerging markets, primarily Latin America, Asia, Africa and Eastern Europe, including the Balkans and Baltics. Investments are largely made in the local currency, which results in a currency risk as well as the potential for higher returns. The average residual duration of the fund's investments is between 2 and 8 years. If we believe market rates will be falling, we may choose a longer fixed interest period and conversely, we may choose a shorter fixed interest period if we believe market rates are rising. Fund assets shall be invested in interest-bearing financial instruments with a rating from S&P or Moody's. The minimum rating permitted is B- from S&P or B3 from Moody's, with the restriction that the combined holdings in the fund may not have an average rating below BB- from S&P or Ba3 from Moody's. The fund may invest a maximum of 10% of the fund capital in fund units. We compare fund performance with JP Morgan GBI - EM diversified. Given that the fund is actively managed, returns will deviate from this index over time.

Portfolio

The fund rose 15.2% in 2019*. Returns during the year were primarily driven by emerging market rates, partly periodic coupon yields as well as declining rates on emerging market bonds. In addition, the SEK weakened during the year, which also led to positive returns from emerging market currencies. Outlooks for the global economy were very uncertain at the beginning of the year due to a lack of clarity around Brexit, the trade war between the US and China and a tighter monetary policy. However, the US central bank changed its direction in Q1 and has cut rates three times during the year, which relaxed the financial conditions globally. Other central banks followed suit, not least in the emerging markets. Given lower interest rates in the US as well as in Europe, capital has flowed into higher rates in emerging markets and central banks in emerging markets have had the opportunity to cut rates to stimulate growth given more favourable external conditions. Turkey's central bank stands out with rate cuts of 12 percentage points, but most of the countries in which we invest have cut their key rates. China's economy continues to slowdown, partly due to the shift in the economy from being export-oriented to an economy focused on domestic consumption, as well as due to a decrease in trade, in particular with the US as a result of the trade war. This is negative for emerging markets since China is a major importer of raw materials and inputs from emerging markets. However, there are signs in sentiment indicators, such as the Purchasing Managers' Index, that growth can rebound slightly in both China and worldwide during 2020, which should benefit emerging markets that are sensitive to both global growth and trade. Russia is the position in the fund that has been the strongest positive contributor to returns during the year. With a significant trade surplus, strong state finances and high real interest rates in an uncertain macro environment, investors are seeing Russia as a less vulnerable economy relative to other emerging markets and the exposure contributed approximately 4% in fund returns during the year. Other markets that delivered strong returns include Mexico, Brazil and South Africa. The fund sold its exposure to Argentina after the negative results of the primary election in August. Argentina continues to have problems with debt and has already postponed interest payments on several of the country's debts in foreign currency. The position in Argentina was small and was a slightly negative contribution (-0.30%) to fund returns. Turkey is another exposure that was slightly negative. The fund was underweight in Turkey throughout the year and currently does not have any Turkish government bonds, but only supranational bonds denominated in Turkish lira. Turkey continues to have

high debt within the private sector in foreign currency and the geopolitical risk is high. Inflation and interest rates have fallen sharply during the year, but the fund has chosen not to invest in the country's government bonds since the sustainability risks are high and the country is dependent on favourable external conditions.

*) 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

An investment in an equity fund is characterised by moderately high risk. An investment in fixed income securities or in a fixed income fund is associated with interest rate risk, which means that when the general interest rate rises, the value of the fixed income securities declines and can have a negative impact on the fund's returns. A fund that invests in interest-bearing instruments with a long residual maturity has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual maturity. The average duration over time for holdings in the fund can vary significantly over time. Fund investments are concentrated geographically to fixed income securities issued by states in Asia, the Middle East, Latin America, Africa and Eastern Europe. As a result, the risk in the fund is higher than an investment in a diversified global fund that distributes its investments across several regions. Given that the fund's investments are made in foreign equities denominated in another currency other than the fund's base currency, an investment in the fund is associated with currency risk. Given that the fund consists of different share classes, the changes in exchange rates can result in a differentiation in risk classifications between different share classes depending on the type of currency in which the share class is traded. An investment in an interest-bearing 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 interest-bearing securities issued by states with a lower credit quality increases. Fund investments can include assets with higher credit risk, so-called high yield. The fund's liquidity risk is deemed to be moderately high due to the fund's size in relation to the size or turnover of the markets and securities in which the fund invests. This can impact the fund's ability to complete the purchase and sale of securities under stressful market conditions. Investments in emerging markets may be subject to increased exposure for operational risks such as the risk for unforeseen political decisions, shortcomings in the financial infrastructure or weaknesses in the securities regulations of a country or region. The operational risks can negatively impact the fund's performance and value if the risks materialise. The fund may invest in derivatives as part of its investment focus to increase returns in the fund or to create leverage. Investments in derivatives can increase the fund's sensitivity to market fluctuations.

Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2019. The fund has the option of lending securities. The fund did not use this option during 2019. The fund may use other techniques and instruments. The fund did not use this option during 2019.

Information

As of May 20, 2019 the fund changed its fund rules. The fund's lowest rating permitted was lowered from BB- to B- according to S&P.

The fund's historical performance prior to the launch date is attributed to the merger between Handelsbanken Funds Emerging Markets Bond Fund (Luxemburg) and Handelsbanken Tillväxtmarknad Obligation (Sweden) that occurred on December 7, 2018.

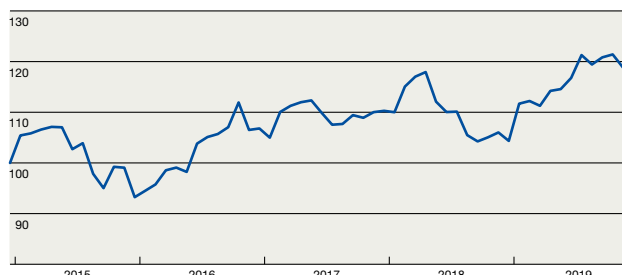
Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign

Handelsbanken Tillväxtmarknad Obligation, cont.

distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Fund Performance*



* Performance is shown in the fund's base currency. The fund may have several share classes, which are referred to in the Fund Facts.

Fund Facts - History

	2019	7/12-31/12 2018	2017	2016	2015	2014	2013	2012	2011	2010
Net asset value										
Tillväxtmarknad Obligation A1 - SEK	117.88	102.37	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A1 - EUR	11.22	10.10	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A1 - NOK	110.65	99.98	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A9 - SEK	120.20	103.81	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A9 - EUR	11.44	10.24	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A10 - SEK	119.79	103.09	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A10 - NOK	112.45	100.69	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation B9 - SEK	99.14	87.23	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	-35	-28	-	-	-	-	-	-	-	-
Fund capital total, mSEK	786	711	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A1 - SEK	356	212	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A1 - EUR	1	1	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A1 - NOK	2	1	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A9 - SEK	118	151	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A9 - EUR	0	0	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A10 - SEK	39	11	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A10 - NOK	172	279	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation B9 - SEK	73	35	-	-	-	-	-	-	-	-
Number of units, 1000's	6,734	6,961	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A1 - SEK	3,023	2,068	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A1 - EUR	102	132	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A1 - NOK	16	9	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A9 - SEK	981	1,452	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A9 - EUR	28	21	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A10 - SEK	322	109	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A10 - NOK	1,530	2,768	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation B9 - SEK	732	402	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Tillväxtmarknad Obligation A1 - SEK	+15.2	-5.4	+3.3	+14.5	-6.8	+11.0	-	-	-	-
Tillväxtmarknad Obligation A1 - EUR	+11.1	-8.2	+0.6	+9.5	-3.6	+3.7	-	-	-	-
Tillväxtmarknad Obligation A1 - NOK	+10.7	-7.5	+8.9	+3.4	+2.2	+12.5	-	-	-	-
Tillväxtmarknad Obligation A9 - SEK	+15.8	-4.9	+3.5	+14.8	-6.6	+11.2	-	-	-	-
Tillväxtmarknad Obligation A9 - EUR	+11.7	-7.8	+0.8	+9.7	-3.4	+3.9	-	-	-	-
Tillväxtmarknad Obligation A10 - SEK	+16.2	-4.5	+4.2	+15.6	-5.9	+12.0	-	-	-	-
Tillväxtmarknad Obligation A10 - NOK	+11.7	-6.7	+9.8	+4.3	+3.1	+13.5	-	-	-	-
Tillväxtmarknad Obligation B9 - SEK	+15.8	-4.9	+3.5	+14.8	-6.5	+11.2	-	-	-	-
Index including dividends in %, SEK										
Tillväxtmarknad Obligation A1 - SEK	+18.1	-0.3	+4.1	+18.3	-5.9	+11.5	-	-	-	-
Tillväxtmarknad Obligation A1 - EUR	+13.9	-3.3	+1.5	+13.1	-2.7	+4.2	-	-	-	-
Tillväxtmarknad Obligation A1 - NOK	+13.5	-2.5	+9.8	+6.8	+3.1	+13.1	-	-	-	-
Tillväxtmarknad Obligation A9 - SEK	+18.1	-0.3	+4.1	+18.3	-5.9	+11.5	-	-	-	-
Tillväxtmarknad Obligation A9 - EUR	+13.9	-3.3	+1.5	+13.1	-2.7	+4.2	-	-	-	-
Tillväxtmarknad Obligation A10 - SEK	+18.1	-0.3	+4.1	+18.3	-5.9	+11.5	-	-	-	-
Tillväxtmarknad Obligation A10 - NOK	+13.5	-2.5	+9.8	+6.8	+3.1	+13.1	-	-	-	-
Tillväxtmarknad Obligation B9 - SEK	+18.1	-0.3	+4.1	+18.3	-5.9	+11.5	-	-	-	-
Tracking error, 2 yrs. %										
Tillväxtmarknad Obligation A1 - SEK	1.7	1.6	1.2	1.5	1.5	-	-	-	-	-
Tillväxtmarknad Obligation A1 - EUR	1.7	1.6	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A1 - NOK	1.7	1.6	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A9 - SEK	1.7	1.5	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A9 - EUR	1.7	1.5	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A10 - SEK	1.7	1.6	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A10 - NOK	1.7	1.6	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation B9 - SEK	1.7	1.6	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Tillväxtmarknad Obligation A1 - SEK	+4.4	-1.2	+8.8	+3.3	+1.7	-	-	-	-	-
Tillväxtmarknad Obligation A1 - EUR	+1.0	-3.9	+5.0	+2.8	0.0	-	-	-	-	-
Tillväxtmarknad Obligation A1 - NOK	+1.2	+0.4	+6.1	+2.8	+7.2	-	-	-	-	-
Tillväxtmarknad Obligation A9 - SEK	+4.9	-0.8	+9.0	+3.6	+1.9	-	-	-	-	-
Tillväxtmarknad Obligation A9 - EUR	+1.5	-3.6	+5.2	+3.0	+0.2	-	-	-	-	-
Tillväxtmarknad Obligation A10 - SEK	+5.3	-0.3	+9.7	+4.3	+2.6	-	-	-	-	-
Tillväxtmarknad Obligation A10 - NOK	+2.1	+1.3	+7.0	+3.7	+8.2	-	-	-	-	-
Tillväxtmarknad Obligation B9 - SEK	+4.9	-0.8	+9.0	+3.6	+2.0	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+8.5	+1.9	+11.0	+5.5	+2.4	-	-	-	-	-
EUR	+4.9	-1.0	+7.1	+4.9	+0.7	-	-	-	-	-
NOK	+5.2	+3.4	+8.3	+4.9	+8.0	-	-	-	-	-

Handelsbanken Tillväxtmarknad Obligation, cont.

	2019	7/12-31/12 2018	2017	2016	2015	2014	2013	2012	2011	2010
Average yearly return, 5 yrs. %										
Tillväxtmarknad Obligation A1 - SEK	+3.7	+3.0	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A1 - EUR	+1.6	+0.2	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A1 - NOK	+3.3	+3.7	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A9 - SEK	+4.1	+3.2	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A9 - EUR	+1.9	+0.5	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A10 - SEK	+4.7	+3.9	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A10 - NOK	+4.3	+4.6	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation B9 - SEK	+4.1	+3.3	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+6.4	+5.2	-	-	-	-	-	-	-	-
EUR	+4.2	+2.4	-	-	-	-	-	-	-	-
NOK	+6.0	+5.9	-	-	-	-	-	-	-	-
Dividends per unit, SEK	1.74	-	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.51	10.13	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.07	1.02	-	-	-	-	-	-	-	-

Benchmark: JP Morgan EM GBI Diversified 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.

Detailed information for the share classes' designation (nomenclature) is provided in the information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Tillväxtmarknad Obligation A1	1.10
Tillväxtmarknad Obligation A9	0.55
Tillväxtmarknad Obligation A10	0.20
Tillväxtmarknad Obligation B9	0.55
Collected mgmt. costs in % of average fund capital	
Tillväxtmarknad Obligation A1	1.10
Tillväxtmarknad Obligation A9	0.55
Tillväxtmarknad Obligation A10	0.20
Tillväxtmarknad Obligation B9	0.55
Annual fees in %	
Tillväxtmarknad Obligation A1	1.10
Tillväxtmarknad Obligation A9	0.55
Tillväxtmarknad Obligation A10	0.20
Tillväxtmarknad Obligation B9	0.55
Transaction costs, SEKt	50
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Tillväxtmarknad Obligation A1	121.69
Tillväxtmarknad Obligation A9	61.02
Tillväxtmarknad Obligation A10	22.23
Tillväxtmarknad Obligation B9	61.02
Costs in SEK for monthly savings, 100 SEK	
Tillväxtmarknad Obligation A1	7.49
Tillväxtmarknad Obligation A9	3.75
Tillväxtmarknad Obligation A10	1.37
Tillväxtmarknad Obligation B9	3.75

Fund Facts - Other Key Figures

Turnover rate	1.5
Share of turnover conducted via closely-related securities companies in %	0.0
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	9.0	Information ratio - A1 EUR	Negative
Total risk % - A1 EUR	8.4	Information ratio - A1 NOK	Negative
Total risk % - A1 NOK	8.3	Information ratio - A9 SEK	Negative
Total risk % - A9 SEK	9.0	Information ratio - A9 EUR	Negative
Total risk % - A9 EUR	8.4	Information ratio - A10 SEK	Negative
Total risk % - A10 SEK	9.0	Information ratio - A10 NOK	Negative
Total risk % - A10 NOK	8.3	Information ratio - B9 SEK	Negative
Total risk % - B9 SEK	9.0	Sharpe ratio - A1 SEK	0.6
Total risk in index % - A1 SEK	9.3	Sharpe ratio - A1 EUR	0.2
Total risk in index % - A1 EUR	9.0	Sharpe ratio - A1 NOK	0.0
Total risk in index % - A1 NOK	8.9	Sharpe ratio - A9 SEK	0.6
Total risk in index % - A9 SEK	9.3	Sharpe ratio - A9 EUR	0.2
Total risk in index % - A9 EUR	9.0	Sharpe ratio - A10 SEK	0.7
Total risk in index % - A10 SEK	9.3	Sharpe ratio - A10 NOK	0.2
Total risk in index % - A10 NOK	8.9	Sharpe ratio - B9 SEK	0.6
Total risk in index % - B9 SEK	9.3	Sharpe ratio in index - A1 SEK	1.0
Benchmark	JP Morgan EM GBI	Sharpe ratio in index - A1 EUR	0.6
	Diversified Index	Sharpe ratio in index - A1 NOK	0.5
Active return % - A1 SEK	-4.1	Sharpe ratio in index - A9 SEK	1.0
Active return % - A1 EUR	-4.0	Sharpe ratio in index - A9 EUR	0.6
Active return % - A1 NOK	-4.0	Sharpe ratio in index - A10 SEK	1.0
Active return % - A9 SEK	-3.6	Sharpe ratio in index - A10 NOK	0.5
Active return % - A9 EUR	-3.4	Sharpe ratio in index - B9 SEK	1.0
Active return % - A10 SEK	-3.2	Duration, years ¹⁾	4.7
Active return % - A10 NOK	-3.1		
Active return % - B9 SEK	-3.5		
Information ratio - A1 SEK	Negative		

¹⁾ As of the balance sheet date.

* 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.

Income Statement, SEKt

	2019	7/12-31/12 2018
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	74,137	-29,638
Changes in value for fund units **	772	-385
Interest income	45,892	22,178
Dividends	1,041	-
Currency exchange profits and losses, net	-6,392	-100
Other income	1	0
Total income and changes in value	115,451	-7,945
EXPENSES		
Management costs:		
- Remuneration to the Management Company	4,989	270
Interest expense	14	3
Other expenses	52	8
Total expenses	5,055	281
Net income	110,396	-8,226
* Details of changes in value		
Capital gains	39,364	585
Capital losses	-16,558	-13,247
Unrealised gains/losses	51,331	-16,976
Sum	74,137	-29,638
** Details of changes in value		
Capital gains	2,063	332
Capital losses	-1,527	-241
Unrealised gains/losses	236	-476
Sum	772	-385

Balance Sheet, SEKt

	31 dec 2019	% of fund capital	31 dec 2018	% of fund capital
ASSETS				
Transferable securities	740,911	94.3	665,417	93.6
OTC derivative instruments with positive market value	604	0.1	-	-
Fund units	15,729	2.0	18,536	2.6
Total financial instruments with positive market value ^{Note 2)}	757,244	96.4	683,953	96.2
Bank assets and other liquid assets	29,924	3.8	10,702	1.5
Prepaid expenses and accrued income	15,773	2.0	16,336	2.3
Other assets	-	-	0	0.0
Total assets	802,941	102.2	710,991	100.0
LIABILITIES				
OTC derivative instruments with negative market value	877	0.1	-	-
Total financial instruments with negative market value ^{Note 2)}	877	0.1	-	-
Accrued expenses and prepaid income	465	0.1	270	0.0
Other liabilities	15,695	2.0	3	0.0
Total liabilities	17,037	2.2	273	0.0
Fund capital ^{Note 1)}	785,904	100.0	710,718	100.0

Handelsbanken Tillväxtmarknad Obligation, cont.

Note 1) for Balance Sheet

Changes in fund capital, SEK

	2019	2018
Fund capital at beginning of year	710,718	-
Units issued ¹⁾	429,575	779,868
Units redeemed	-464,085	-60,924
Profit according to Income Statement	110,396	-8,226
Dividends to unit holders	-700	-
Fund capital at the close of the period	785,904	710,718

¹⁾ SEK 746 568 t refers to the total capital of the Luxembourg-registered Handelsbanken Funds Emerging Markets Bond Fund which was merged on 7 December 2018.

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, OTHERS			
EIB Korea 7,25% 2024-12-07	6,000,000	4,125	0.5
Export-Import Bank of Korea 8% 2024-05-15	16,000,000	11,281	1.4
		15,406	2.0
FOREIGN ISSUER, STATE			
Asian Development Bank 17,5% 2025-11-02	5,000	9,669	1.2
Brazil 10,25% 2028-01-10	5,000	13,642	1.7
Brazil 12,5% 2022-01-05	1,500	3,901	0.5
Brazil 8,5% 2024-01-05	10,700	26,611	3.4
China Government Bond 2025-05-21	500	688	0.1
Czech Republic 2,4% 2025-09-17	35,900	15,485	2.0
Czech Republic 2,5% 2028-08-25	50,800	22,527	2.9
Czech Republic 3,85% 2021-09-29	32,700	14,004	1.8
EIB 12,5% 2021-03-27	5,400	8,614	1.1
EIB 7,25% 2021-06-28	1,500	3,639	0.5
Hungary 2,5% 2021-10-27	478,100	15,874	2.0
Hungary 3% 2027-10-27	584,800	20,439	2.6
Hungary 5,50% 2025-06-24	707,000	27,710	3.5
IFC 6,75% 2024-08-27	4,500	11,042	1.4
IFC 7,25% 2026-11-12	30,000	19,906	2.5
IFC 7,50% 2022-05-09	10,460	25,815	3.3
Mexico 10,00% 2024-02-05	55,300	31,135	4.0
Mexico 6,5% 2022-06-09	51,400	25,354	3.2
Mexico 6,50% 2031-05-29	52,400	27,756	3.5
NIB 14,0% 2020-01-27	1,000	152	0.0
Peru 6,95% 2031-08-12	14,800	50,459	6.4
Poland 1,75% 2021-07-25	7,400	18,368	2.3
Poland 2,5% 2024-04-25	10,800	27,497	3.5
Poland 2,75% 2028-04-25	7,000	18,149	2.3
Rumänska staten 4,75% 2025-02-24	9,350	21,207	2.7
Rumänska staten 5,95% 2021-06-11	9,300	21,086	2.7
Ryska staten 6,9% 2029-05-23	161,600	25,671	3.3
Ryska staten 7,0% 2021-12-15	138,800	21,467	2.7
Ryska staten 7,7% 2033-03-23	90,900	15,282	1.9
Ryska staten 7,75% 2026-09-16	239,700	39,390	5.0
South Africa 7,75% 2023-02-28	14,000	9,504	1.2
South Africa 8,75% 2044-01-31	55,600	32,665	4.2
South Africa 8,875% 2035-02-28	35,600	22,221	2.8
Uruguay 9,875% 2022-06-20	1,000	247	0.0
World Bank 8,25% 2022-03-04	3,500	5,201	0.7
		652,377	83.0
Total listed fixed-income securities		667,783	85.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
UNLISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, STATE			
Malaysia 4,059% 2024-09-3	6,000	14,246	1.8
Malaysia 4,16% 2021-07-15	6,000	13,969	1.8
Malaysia 4,258% 2027-07-26	11,600	28,023	3.6
Peru 8,2% 2026-08-12	4,700	16,890	2.1
		73,128	9.3
Total unlisted fixed-income securities		73,128	9.3
Total transferable securities		740,911	94.3

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FUND UNITS			
EXCHANGE-TRADED FIXED INCOME FUNDS**			
iShares Emerging Markets Local Gov Bond	27,000	15,729	2.0
		15,729	2.0
Total fund units		15,729	2.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
CZK/HUF ¹⁾		-16	0.0
PLN/HUF ²⁾		76	0.0
SEK/USD ³⁾		528	0.1
SEK/ZAR ⁴⁾		-264	0.0
USD/SEK ⁵⁾		-597	-0.1
		-273	0.0
Total OTC derivative instruments		-273	0.0
Total other financial instruments		15,456	2.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Total holdings in financial instruments		756,367	96.3
Net, other assets and liabilities		29,537	3.7
Total fund capital		785,904	100.0

1) tCZK 18 000/tHUF -233 984, counterpart Nordea Bank Abp.

2) tPLN 4 600/tHUF -354 312, counterpart Citibank Plc.

3) tSEK 35 095/tUSD -3 700, counterpart Citibank Plc.

4) tSEK 7 539/tZAR -11 800, counterpart Nordea Bank Abp.

5) tUSD 3 100/tSEK -29 599, counterpart Citibank Plc.

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

94.3

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

2.0

*** Refers to other financial instruments.

-

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Ryska staten	12.9	IFC	7.2
Mexikanska staten	10.7	Malaysiska staten	7.2
Peruanska staten	8.5	Czech Republic	6.7
Sydafrikanska staten	8.2	Brasilianska staten	5.6
Poliska staten	8.1	Rumänska staten	5.4
Ungerska staten	8.1	EIB	1.6

* 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.

Handelsbanken Tillväxtmarknad Obligation

Sustainability dimensions taken into consideration in the management of the fund

Together with financial criteria, the fund manager integrates environmental, social and corporate governance criteria (ESG) in order to provide a more complete basis for decisions in the investment process. This means that the fund manager takes into consideration both risks and opportunities related to different ESG factors.

Methods for sustainability efforts

Inclusion

Sustainability analysis is an integrated part of the portfolio managers' investment analysis. The fund manager uses an ESG model that highlights sustainability risks at a country level. Results from this analysis contributes to the positioning in the fund.

Exclusion

As a result of the fund's investment focus, the fund is not permitted to invest in bonds issued by companies; thus, the fund does not have any investments with exposure to:

- companies/issuers involved in the production or distribution of weapons banned under international law, such as cluster munitions, anti-personnel mines, biological and chemical weapons.
- companies/issuers involved in the production or distribution of nuclear weapons.
- companies/issuers with business operations in controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and military equipment, pornography and fossil fuels.
- companies/issuers that are regarded as contravening international norms and conventions.

Follow-up occurs on a daily basis by the Management Company's independent risk control function.

Information from Handelsbanken Fonder AB

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

Handelsbanken Fonder AB

Board of Directors

MICHAEL GREEN, Chairman
Executive Vice President, Head Handelsbanken Stockholm

MALIN 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

GÖRAN STILLE, Managing Director Stadshypotek

MARIA LÖNNQVIST, 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

ERNST & YOUNG AB, JESPER NILSSON

Personnel and organisation

The Management Company is a wholly-owned subsidiary of Svenska Handelsbanken AB (publ). The Management Company purchases fund management and fund administrative services from Svenska Handelsbanken AB (publ).

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

Chief Executive Officer
MAGDALENA WAHLQVIST
ALVESKOG

Elected Deputy Chief Executive Officer
HENRIK ÅHMAN

Head of Asset Management
CHRISTOFER HALLDIN

Head of Legal
STAFFAN RINGVALL

Compliance
PETER SANDER

Head of Risk Management
MARIA FORSSMAN

Head of Shareholder engagement and Sustainability
MAGDALENA WAHLQVIST ALVESKOG

Post address: 106 70 STOCKHOLM

Telephone: 08-701 10 10 **Fax:** 08-701 38 60

Corporate Governance

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

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

Handelsbanken Fonder AB participates in a number of nomination committees where we have a sufficiently large ownership to be able to influence the recommendations to the composition of the board of directors. The board shall have extensive and relevant competence and its composition shall be characterized by different perspectives. We work actively for a more equal distribution of genders in the boards. The management companies ambition is to vote at the annual general meetings where we have significant ownership and where our votes could impact the course of events, which is normally over approximately 0.5% of the votes.

We participate in a substantial number of annual meetings each year, in the Nordics, but also in other countries where we have a substantial ownership. In some cases, companies request a dialogue with shareholders prior to a proposal being presented at the annual meeting to gain support for the proposal by the major shareholders.

Handelsbanken Fonder AB participates in such discussions to the extent we have been invited and presents our views that aim at achieving a favourable result for unit holders.

The Management Company's Policy for shareholder engagement and responsible investments is available on our website at: handelsbanken.se/funds.

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. 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

Equities and standardised derivatives are valued primarily at the latest closing price, followed by the average of that day's latest bid- and selling prices. Fixed income securities are valued primarily at the bid price. Interest-bearing securities that are not listed on the interbank market are valued in accordance with generally accepted models. Some of the funds include holdings in financial instruments that are not listed on a regulated market. In general, if these types of instruments are used regularly in trading organized in another manner, the price quotations that occur in this market will be used for the valuation. Price quotations are normally obtained regularly from counterparties in the market for securities that are not maintained in a price follow-up system. These prices will be validated on a regular basis.

against a theoretically determined price. The purchase price is primarily used as the valuation price for securities purchased by the fund in connection with the issue of new shares where the current price information is unavailable prior to public trading. However, a new valuation will be made if the Management Company obtains information, e.g., at a new share issue, in reports from the company concerned or through other news in the market, that gives reason to believe that the valuation assigned to the instrument is no longer representative. Available information and established valuation methods will be utilized for this valuation, while taking into consideration the existing circumstances.

Foreign withholding taxes

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

Responsible Investments

Handelsbanken Fonder AB's Policy for Responsible Investment is based on international standards for the environment, human rights, working conditions, anti-corruption and controversial weapons. These norms are expressed in the UN's conventions and agreements and can be applied to the environmental and social responsibilities of the Company. Handelsbanken Fonder AB has, through Handelsbanken Asset Management, signed the UN's Principles of Responsible Investment (PRI) and Handelsbanken is also a signatory of the voluntary UN initiative, Global Compact. This means that we have made the commitment to incorporate environmental and social aspects into our investment decisions, to work for increased transparency within the industry and contribute to more responsible actions by conducting dialogues with companies in which invest.

The funds managed by Handelsbanken Fonder AB do not invest in securities issued by companies involved in the production or distribution of controversial weapons, e.g., cluster bombs, anti-personnel mines or nuclear weapons. Nor do the funds invest in securities issued by companies with significant business activities in coal mining or coal power generation. Funds of funds managed by Handelsbanken Fonder AB do not invest in securities issued by companies involved in the production or distribution of internationally banned weapons.

The Management Company's Policy for shareholder engagement and responsible investments is available at: www.handelsbanken.se/ansvarfullainvesteringar.

More information

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

Employee remuneration at Handelsbanken Fonder AB

Handelsbanken Fonder AB's (the Management Company) principles for employee remuneration have remained unchanged for many years. The Management Company has a low risk tolerance, which is also reflected in the view on remuneration. The Management 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 Management Company. The total remuneration enables the Management Company to attract, retain and develop competent employees, and thereby is a contributing factor to the growth in the competitiveness and profitability of the Management Company as well as that it ensures that competence development and succession planning is well-functioning.

Remuneration includes a fixed cash salary, customary fringe benefits and pension contributions. Salary is determined on a local basis in accordance with Handelsbanken Group's (the Group) decentralised work practices and is based on the following pre-determined 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 is applied within the Management Company where such remuneration is an established market practice and is deemed necessary to reach the Company's business targets. However, variable remuneration should be applied with caution to not impact the desired risk profile of the Management Company or result in the business being inconsistent with the risk profiles of the funds, fund rules, the discretionary mandate or the internal and external rules applicable to asset management. The Board of Directors for the Management Company determines the definitive amount of the variable remuneration after taking into consideration the decision made by the Central Board of Directors of Svenska Handelsbanken AB (PLC) for the total allocation of variable remuneration.

The reporting of remuneration for 2017 is based on the Management Company's Remuneration Policy for 2017 and is presented in the table below. Information about the Remuneration Policy and variable remuneration described in the sections above refer to the remuneration system and the Remuneration Policy that the Board agreed should apply for 2018, in accordance with the Financial Supervisory Authority's revised regulations pertaining thereto.

Remuneration Policy

The Management Company's principles for the remuneration system were established in a remuneration policy decided by the Board of Directors of the Management Company. This remuneration policy is based on the remuneration policy applicable to the Group, but has been adapted to the Management Company's specific business operations. Matters that concern the remuneration policy are prepared by a specially-appointed remuneration committee within the Board of Directors for a decision by the Board.

The Board's remuneration committee consists of the Board members Lars Seiz (committee chairman) and Helen Fasth Gillstedt. The composition and work of the committee is 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 can be necessary to carry out its tasks. The remuneration committee meets a minimum of three times per year.

The Management Company's remuneration policy is reviewed annually or as necessary. The low risk tolerance of the Management Company has dominated the work involved in the formulation of the remuneration policy throughout the year. The development of the proposal for the remuneration policy as well as the analysis of the risks associated with variable remuneration have followed the work within the Group and have involved Management Company representatives from the Executive management, Compliance and Risk Control as well as the Management Company's human resources function. The Management Company's current remuneration policy is based on the risk analysis prepared by the Management Company's Risk Control function. PWC has been retained as an external consultant to provide support for questions regarding remuneration.

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

The Risk Control and Compliance functions are responsible for identifying, monitoring, analysing and reporting key risks with the remuneration system. The responsibilities of the control functions and the information about 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

The Financial Supervisory Authority's regulations (FFFS 2013:9), Chapter 8a regarding remuneration systems is applicable as of November 1, 2016. The regulations include specific provisions for employees receiving variable remuneration and who can impact the risk level in a company. The regulations also include provisions for deferred remuneration, retention and downward adjustment/lapse in remuneration. As of July 22, 2013, the Alternative Investment Fund Managers Act (FFFS 2013:561) and the Financial Supervisory Authority's regulations (FFFS 2013:10) regarding alternative investment fund managers also apply and contain rules that in all material respects are equivalent to the Financial Supervisory Authority's regulations (FFFS 2013:9) regarding Swedish UCITS funds.

Variable remuneration within the Management Company is only applicable when such remuneration is an established market practice and is necessary to reach the Company's business objectives. Variable remuneration is not applicable for any member of the Management Company's Executive management group. Managers and staff within the Compliance and Risk Control function receive only fixed remuneration. This also applies to employees within the administration function and fund administration. The only personnel category eligible for variable remuneration is portfolio manager.

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

The Management Company's assessment with regard to provisions and allocations of variable remuneration to the established remuneration pool within the Management Company is based on risk-adjusted performance measures as well as current and future risks that are taken into consideration 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 provisions and allocations of variable remuneration, the Management Company's results bear the relevant costs for the risks to which the Management Company is exposed, including the costs required by the Management Company to hold 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 Management Company.

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

The assessment in the allocation of the variable remuneration is based on the results and performance of the Management Company and the individual during the assessment period. The individual assessment is based on financial and non-financial criteria. The individual's performance is taken into consideration relative to the benchmark and the products of comparable competitors. An allocation will be made if a provision for variable remuneration has been decided upon by the board of the Management Company and the Central Board of Directors.

The Personnel department compiles an annual analysis to identify those employees with work tasks that have a significant impact on the risk profile of the Management Company or a managed fund (risk-takers).

All employees subject to variable remuneration 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. The individuals entitled to remuneration receive one-half of the variable remuneration in fund units in the funds managed by them (weighted equally if several funds are managed) and one-half in fund units in a number of funds that represent the total asset management in the Management Company.

The parameters that are the basis for the decision on the amount of the variable remuneration that will be deferred are based on the risks in the business operations and the size of the variable remuneration. The Management Company defers 40 - 60 percent of the variable remuneration over a minimum period of three years. In accordance with the Management Company's policy, the variable remuneration may not exceed 100 percent of the fixed remuneration. The established regulations 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 will be discontinued or adjusted downward in the event that losses, as well as higher risks and expenses, arise during the deferral period, which includes taking into consideration the staff's compliance to external and internal rules. The discontinuation or downward adjustment shall also occur in the event that payment cannot be justified when taking into consideration the Management Company's financial situation or if the Central Board of Directors has made a recommendation for the discontinuation or downward adjustment.

Employee remuneration at Handelsbanken Fonder AB

The information below refers to the operational year

2019

2018

1. Number of employees receiving fixed or variable remuneration payments during the financial year: <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>	72 persons	89 persons
2. The total amount of remuneration paid to specially regulated staff during the financial year distributed by the categories of employees as stated in Chapter 1, §9, second paragraph 31p.	63 528 tSEK	66 736 tSEK
Executive Management Group: <i>The total remuneration paid to members of the Executive management group is reported here (does not include Compliance or HR, which is not employed by the Management Company).</i>	9 496 tSEK	17 170 tSEK
Employees in senior strategic positions: <i>Those holding strategic positions are included in the Executive management group.</i>	0 tSEK	0 tSEK
Employees with responsibility for control functions: <i>The Head of Risk Management is included in the Executive management group.</i>	0 tSEK	0 tSEK
Risk-takers: <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, analysts and individuals who have the possibility of receiving variable remuneration in the Management Company.</i>	52 819 tSEK	46 495 tSEK
Employees with total remuneration that amounts to, or exceeds, the total remuneration of any of the Group executives: <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>	1 213 tSEK	3 071 tSEK
3. Method for the calculation of remuneration and benefits to employees (FFFS 2016:26): <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>		

Definitions

Fund statistics

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.

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

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.

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

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. This is new information that is being provided as of the full year 2012.

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.

Index – The index used by the fund as its benchmark. AstraZeneca Allemansfond does not use a benchmark, as the indices available do not provide a fair comparison with fund management returns and, therefore, are not relevant.

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.

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.

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.

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.

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.

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".

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.

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.

Ongoing charges – Ongoing charges are a cost measurement that includes the management fee and refers to the total expenses in the fund, excluding transaction costs for securities transactions, interest expenses, transaction-related tax expenses and any performance-based fees. Ongoing charges are based on the fees deducted from the fund during the period. The fee impacts the unit price and can vary from year to year. Expressed in percent of the average fund capital and calculated on a rolling 12-month basis.

A supplement for the underlying fund's most recently available ongoing fee, after deducting for discounts received, will be added for funds that invest in other funds.

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 December 31 as the basis. In these cases, historical data for relevant reference portfolios is used for the calculation of the risk forecast.

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.

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.

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

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

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.

Abbreviations

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

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

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.

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

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 (half-life of 24 months for the fixed income module and 12 months for the equity module). The confidence level is 95% and the time horizon is one day.

Sustainability Definitions

Clarification of abbreviations and designations in the sustainability report.

CDP - formerly the Carbon Disclosure Project, is a non-profit organization that manages the global information system for investors, companies, cities, states and regions to measure their impact on the environment. CDP has developed the most comprehensive collection of self-reported environmental data in the world. CDP's network of investors and purchasers, which represent over USD 100 billion, together with policy decision-makers worldwide, use CDP's data and opinions to improve decision-making.

ESG - Environmental, Social & Governance. The environmental issues (for example, the company's influence on the environment and climate), Social issues (for example, human rights, employee rights issues, work environment and equal treatment), Corporate Governance issues (for example, shareholder rights, issues about remuneration to senior management and anti-corruption).

SDG - Sustainable Development Goals were adopted by the UN in 2015 and aim to achieve a long-term sustainable, economic, social and environmental development to eradicate poverty, decrease inequalities and injustices in the world, as well as combat climate change. The Sustainable Development Goals include 17 goals and 169 sub-goals. 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, Justice and Strong Institutions, Partnerships to Achieve the Goals. Refer to www.globalmalen.se for a more comprehensive description.

UN 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. Seeking appropriate disclosure on ESG issues at the companies in which we invest.
4. Promoting the implementation of these principles within the investment industry.
5. Collaborating to enhance the effectiveness in implementing the principles.

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, labour rights, the environment and anti-corruption.

Policy for shareholder engagement and responsible investments - Handelsbanken Fonder's policy reports the focus of the Company's activities with responsible investments and our actions as investors and owners.

Based on the policy, the following business activities are excluded:

Area	Maximum turnover	
	production	distribution
Banned weapons	0%	0%
Nuclear weapons	0%	0%
Coal mining	5%	n/a
Coal power generation	30%	n/a

The majority of the Management Company's funds apply enhanced exclusion criteria based on sustainability dimensions. As a result, the Management Company excludes certain sectors from our portfolios, as well as companies that violate international norms and conventions. Refer to the table below.

Area	Maximum turnover	
	production	distribution
Banned weapons	0%	0%
Nuclear weapons	0%	0%
Weapons & war materials	5%	5%
Alcohol	5%	5%
Tobacco	0%	5%
Pornography	0%	5%
Cannabis	5%	5%
Commercial gaming	5%	5%
Fossil fuels	5%	5%
Tar sands	0%	5%

Reporting principles

Number of nomination committees - Nomination committees where the Management Company has participated and presented proposals at the general meetings during 2018. Based on holdings in the fund during the year.

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

Targeted dialogues - Dialogues that the Management Company pursues through direct contact with the company.

Number of dialogues - Based on the fund holdings during the year.

Pooled engagements - Through an external party (ISS ESG) and together with other investors, we participate in dialogues with companies in so-called pooled engagements. The basis for these dialogues is a norm-based analysis and target primarily companies with suspected or confirmed violations regarding international norms and conventions within the environment, human rights, labour rights and anti-corruption.

Number of Pooled engagements - Based on holdings in the fund as of December 31.

Initiatives - Initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. The number of holdings in each fund that are included in an initiative are not stated.

Descriptions of initiatives etc.:

Climate Action 100+ - Climate Action 100+ is a five-year coordinated global initiative linked to the

Paris Agreement. The purpose is to engage the largest greenhouse gas emitters to take responsibility and drive the transition to clean energy. Investors supporting the initiative encourage companies to combat climate change, reduce emissions and increase transparency.

PRI Methane Engagement - The aim of this initiative is to increase investors' understanding for methane exposure risks in global portfolios and to increase the understanding for best practices relating to the management of risks related to methane. The initiative also has the objective of sharing knowledge between companies about the risk of methane and to encourage companies within energy supply to improve their handling of methane and thereby reduce emissions. The objective has been to study how approximately 40 companies manage and follow-up their methane emissions.

PRI Sustainable Palm Oil - The production of palm oil is a sector with significant sustainability risks relating to both the environment and work conditions. Therefore, PRI is serving as the coordinator and has formed a working group to provide a unified voice in support of sustainable palm oil. The aim is to raise awareness of these issues among investors. The working group is also supporting the development of more sustainable practices and is engaged in influencing companies to purchase RSPO-certified palm oil. RSPO is a member organisation for various stakeholders (including other producers, consumers and non-government organisations) engaged in the production of sustainable palm oil.

PRI Sustainable Forests - The production of soy is a sector with a significant environmental impact, not least related to deforestation. PRI and CERES (a non-profit organization that collaborates with investors and companies to build leadership to create solutions for a sustainable future) have therefore coordinated a working group of investors to help investors understand how deforestation within the soybean value chain can pose material risks for companies and investors. The purpose is to also help investors engage in dialogues with companies about these risks, as well as to drive increased transparency, traceability, as well as a commitment from companies to eliminate deforestation and violations with regard to human rights within the entire value chain.

PRI Cyber Security - The initiative focuses on increasing the knowledge of investors with regard to cyber security in relation to how their portfolios are positioned and how risks related to this can be managed. Moreover, the initiative deals with the management of investors' expectations as to what companies can and should disclose with regard to monitoring and managing cyber risks. The initiative also aims to improve the amount and quality of company disclosure relative to cyber risk and governance.

FAIRR Antibiotics Engagement - The initiative aims to reduce the use of antibiotics in large food companies. Investors went together to ten of the largest restaurant and fast-food companies in the UK and US with a challenge to phase out the overuse of antibiotics. This was coordinated by the FAIRR Initiative and ShareAction. Investors' engagement is a response to the warnings from the World Health Organisation (WHO) regarding irresponsible antibiotic practices that can lead to resistance problems, which can make many infections untreatable. The initiative is currently supported by 71 institutional investors. Additional information is available at fairr.org.

Risk in seven levels

The risk categories are classified in a common industry standard across Europe. To make it easier for savers, the risk levels are also divided into three steps: low, medium and high.

What is a risk?

Within this context, risk means that savings can both increase and decrease in value. Taking a certain level of risk is a prerequisite to be able to attain high returns over the long term. The higher the risk, the greater potential for returns.

Only an indication of the future

It is important to remember that the risk indicator only gives an indication of the future risk level in the fund, since the category is based on historical data. Thus, the level can change over time. The risk is calculated on a monthly basis.

Calculation of risk








The risk (risk indicator) is calculated as the fund's standard deviation over the past five years. A higher standard deviation means that the fund has had higher price fluctuations.

The risk is calculated monthly and the calculation is based on weekly data. If the fund is new and there is no historical data available, the risk can be based on the fund's benchmark index instead. The benchmark index is the index that the fund's performance/returns can be evaluated against.

The risk indicator only reflects the fund's market risk, which can be described as a measure of the fluctuations (volatility) in the fund's price.

A fund's historical return is no guarantee of future returns. Investments made in a fund can rise or fall in value, and it is not certain that you will get back all the capital you have invested.



Risk indicator	Standard deviation, %	Risk level
1 	0 – 0.5	Low
2 	0.5 - 2	Low
3 	2 - 5	Low
4 	5 - 10	Medium
5 	10 - 15	Medium
6 	15 - 25	High
7 	> 25	High

Types of risks

- Market risk – that the entire market for an asset class rises or falls, which affects the prices and values of the assets.
- Credit- or counterparty risk – that an issuer or counterparty defaults on a payment.
- Liquidity risk – that a holding cannot be settled within a reasonable period at a reasonable price.
- Currency risk – that the value in the fund is affected by changes in exchange rates when the fund invests in securities listed in a currency that is different from the investor's (or fund's) currency.
- Operative risk – losses related to deficiencies in routines with regard to personnel and systems in the fund management company or external factors. Partly judicial and documentation-related risks, partly risks as a result of trading, settlement and valuation routines.

The specific risks are available in the fact sheet for each fund. The fact sheet as well as the information brochure with a complete description of risks are available in the price list at www.handelsbanken.se/funds.

