

Annual Reports 2020

Mutual fund reports from Handelsbanken Fonder

Part 1/2

- Actively-managed funds

The Chief Executive's comments

The corona pandemic and its effects overshadowed everything during 2020 – a year the world will find difficult to forget. In addition to the tragic fact that many lives were lost, the closure of communities worldwide has severely affected people as well as the national economies. At this point, it is difficult to foresee what the long-term effects will be. Nevertheless, positive news about vaccines gives hope for a brighter 2021.

Although the financial markets fluctuated between the extremes during the year, we were able to deliver returns to our customers with a clear focus on sustainability. The year began strongly with sharp upturns in the stock market and record levels of inflows to the mutual fund market. When the pandemic became a reality in March, global stock markets plunged, as did the credit market. In conjunction with the market downturn, there were major outflows from the Swedish mutual fund market, with equity funds being hit particularly hard. Slowly but surely the capital has returned and the stock markets have rebounded to varying degrees. Several of our actively-managed funds have successfully managed the volatile markets and have outperformed their benchmark indexes.

Financial returns go hand-in-hand with responsible investments. At Handelsbanken, we believe that investments in sustainable business models are essential for profitability. We work to ensure that sustainability is integrated throughout the entire organization and is an integral part of the fund managers' investment decisions. Increased transparency with additional information about how companies manage the consequences of climate change is becoming increasingly important for both customers and investors. Our climate report, which was published in March, describes the funds' exposure to climate-related risks and opportunities, as well as our work going forward. Our sustainability and corporate governance report describes how fund management works with sustainability issues, including those outside of the climate segment. Both of these reports will be published again in 2020. Sustainability is an extremely multi-faceted field in which the UN's Sustainable Development Goals included in Agenda 2030 demonstrate the breadth and importance of working with sustainability for a shared future.

In December, the Management Company became a signatory to the "Net Zero Asset Manager Commitment", which is an initiative where we are committed to aligning our investments with net zero emissions by 2045. The target does not stand alone – the path is also important and is a very positive journey that will focus on transition- and solution companies, among others.

During the year we have also received several sustainability awards. Handelsbanken Fonder was recognized as the "Sustainability player of the year – investments" by Söderberg & Partner, and our Hållbar Energi fund won first prize in Länsförsäkringar's customer contest, "Sustainable fund performance of the year" in the category of sustainable fund management strategy.

Our Swedish fund management operations are now combined into one fund management company, Handelsbanken Fonder. Previously, passive fund management was conducted by Xact Kapitalförvaltning, which was also part of the Group. However, the change does not impact you as a saver since the funds continue to be managed in the same manner.

The recollections of 2020 will naturally vary from person to person, but it is clear that few have been unaffected by the events and we will also be able to draw several lessons from the year. As to fund savings, we have seen that our customers benefit from a long-term perspective in their fund savings and by diversifying risk. In addition to savings in several markets and in various types of assets, it is also wise to spread the risk by regularly putting money aside, for example with a monthly savings that distributes the risks over time.

In conclusion, I would like to thank you as a customer for continuing to have confidence in our ability to manage your assets. We do this with care and strive to deliver the best possible returns with the greatest regard to the world around us.

Magdalena Wahlqvist Alveskog,

CEO Handelsbanken Fonder

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This document includes the annual reports for 2020.

The annual reports are complete, with the exception of the audit reports for the individual funds.

The audit reports may be obtained at www.handelsbanken.se/funds

The annual reports are approved by the Board of Directors of the Management Company and have been reviewed by the Management Company's auditors.
Other sections of the associated annual reports are available in the back of the catalogue in the form of Accounting Principles and the Composition of the Board of Directors.
The complete reports may also be ordered from Handelsbanken Fonder AB, 106 70 Stockholm.

Sustainability and corporate governance

Introduction

Our vision is to create financial returns at the same time as we promote a sustainable future. We believe we can have both a healthy planet and financial prosperity. To achieve this we must strive towards a carbon-neutral economy, but we must also understand how the changing climate will affect our investments.

Our goal is to create returns for our customers and we are convinced that sustainability is essential for achieving this. By investing in a sustainable manner and influencing companies to act more sustainably, we can deliver in line with our vision.

Sustainability

As an important investor, Handelsbanken Fonder has a key role in the realization 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.

During 2020, we developed our sustainability activities as follows:

Net Zero Asset Manager initiative

Handelsbanken Fonder was one of 30 leading asset managers, with more than SEK 76,000 billion assets under management in total, that became a signatory of the global Net Zero Asset Manager initiative (NZAM). We are thus committed to aligning our investments to support the goal of net zero emissions of greenhouse gases.

We are also committed to support investments in line with net zero emissions as of 2050 or earlier. These commitments correspond with our previous ambitions regarding the climate and the sustainability goals we have established. We have made good progress but need to fine-tune our methodologies and tools further – and we are fully prepared to do just that. An important component of the commitment is a clearly-defined quantitative target for our assets under management, which will be put into place no later than November 2021.

Further development of our climate strategy

During 2020, Handelsbanken Fonder published its second climate report, pursuant to the Task Force on Climate-related Financial Disclosures (TCFD), which shows how transition scenarios could affect the Bank's investments in its fund management. The climate report describes how climate change is taken into consideration within the areas of governance, strategy, risk management, targets and metrics. The full climate report is available at www.handelsbankenfonder.se.

During the year we also developed the sustainability activities by:

- Fully integrating the follow-up of climate risks in the Sustainability Risk Forum, which as of this year also includes passively-managed funds and allocation funds.

- Discussions with companies with major negative climate impact have continued.
- Within the investor network, Institutional Investors Group on Climate Change (IIGCC), we are participating in developing a new framework called PAII Net Zero Investment Framework for how investors can contribute to positive change in society, in line with the Paris Agreement. This framework will help to harmonize how investors act and communicate in relation to the Paris Agreement.

Building knowledge within sustainability

Developments within sustainability are taking place at a rapid pace, such as through increased access to sustainability data that enables new types of analyses to integrate into the investment process as well as in follow up and the reporting of data. Building knowledge within the entire Management Company's organization is therefore important. In addition to ongoing updates, we conducted the following two training activities during the year:

- Climate training for approximately 100 employees in various functions within the fund management operations. The training was provided by an external climate expert and included scientific facts about climate change, different types of transition risks, scenario analyses, etc.
- Sustainability training for about 10 employees in Handelsbanken Fonder's nomination committee group. The training included a review of the central sustainability framework, the reporting framework and future developments within sustainability.
- Current sustainability themes, e.g., the EU's Green Deal, hydrogen gas, carbon capture, tourism and travel, the EU's Action Plan on Sustainable Finance, mental health disorders and screen addiction were presented and discussed at the quarterly strategy meeting held within active fund management. The purpose of the joint quarterly strategy meetings is to highlight and increase the

visibility of important topics and investment ideas for development and to strengthen competencies in fund management.

Investments in transition companies

The starting point in our fund management is to exclude companies with production or distribution of 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 from fossil fuels to renewable energy production – so-called transition companies. 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.

At the close of the year, Handelsbanken Fonder's Sustainability Committee approved a total of 14 companies as transition companies, consistent with the requirements previously mentioned.

Nordic Swan Ecolabel for four additional mutual funds

In September, four more of our funds received the Nordic Swan Ecolabel. This is an external confirmation of the sustainability aims and efforts that permeate all of our fund management. The Nordic Swan Ecolabel is the official ecolabel in the Nordic countries intended to guide consumers to make good environmental choices. An ecolabelled mutual fund means that 25 mandatory requirements regarding inclusion, exclusion, engagement and transparency must be fulfilled. The mutual funds must exclude sectors where there is a high risk of adverse impact on our environment, for example through fossil fuels, tobacco or controversial weapons. Nordic Swan ecolabelling also means that the fund

manager uses the capital and holdings to influence companies in which the fund invests to move in a more sustainable direction. We currently offer eight Nordic Swan Ecolabelled funds. Read more at svanen.se/en/funds/save-in-funds.

Investments in the government's first green bond

Handelsbanken Fonder invested SEK 319 million in the Swedish government's first green bond. The money raised through the bond will be linked to budget expenditures to help Sweden achieve its environment and climate goals. The majority of the first part of the loan will finance transport with particular focus on maintenance and operation of electrified railways. The green framework will enable investments within a broad range of environment and climate solutions. What distinguishes this green government bond from other government bonds is that investors are able to monitor which government expenditures are linked to the bond, as well as the environment and climate impact to which the funding will contribute.

Investments in a Covid-19 bond

Handelsbanken Fonder has invested SEK 220 million in the Covid-19 Response Bond, a bond issued by the Nordic Investment Bank (NIB) to support industry, society and healthcare in the efforts to mitigate the effects of the Covid-19 pandemic.

Awards

High sustainability rating for Handelsbanken Fonder.

Our funds received a high rating in Söderberg & Partner's latest report on fund management companies' sustainability work. The funds in the report are rated according to a traffic light model where a green light is given to the funds that are best in terms of sustainability. 84 percent of our funds received a green light, which shows that Handelsbanken Fonder actively includes and takes sustainability into account in its management, and works to influence companies in a more sustainable

direction. The report shows that of all the fund management companies analyzed, Handelsbanken Fonder has the highest proportion of funds with a green rating.

Sustainable player of the year – Sustainable investment

In March 2020, Handelsbanken Fonder was recognized as the sustainable player of the year for 2019 by Söderberg & Partners.

Söderberg & Partners' citation:

Handelsbanken has made a sustainability journey from incident-based work to proactive impact work. In addition to having a dedicated sustainability team, they have also made sustainability analysis part of their asset management, thus lifting the sustainability level in all funds offered to savers.

Sustainable fund performance of the year

The Handelsbanken Hållbar Energi fund was awarded first place in the Sustainable Management Strategy category in Länsförsäkringar's competition "Sustainable fund performance of the year". This was the first time the competition was arranged. It is targeted at the fund management companies and funds that Länsförsäkringar offers to its customers.

The jury's citation for the nomination:

Handelsbanken Hållbar Energi was nominated for the instructive, simple way it shows the climate benefit of the fund's investments and its contribution to the UN's Sustainable Development Goals.

Our active engagement efforts

A crucial part of 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 engagement efforts 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 working on nomination committees and voting at company general meetings.

Handelsbanken Fonder is an active owner for both actively- and passively-managed funds. The Management Company's active engagement is largely identical for both categories. The most significant difference is that a passively-managed fund is not permitted to sell holdings in a company included in the index the fund is striving to reflect.

Both the active and the passive management actively pursue engagement at portfolio companies either together or individually by voting at general meetings, participating in nomination committees and by holding dialogues with companies.

During 2020, we pursued the following engagement activities:

Dialogues

During the year we worked actively with 39 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 labor law issues.

During the year we also worked with and initiated a number of thematic dialogues within salmon farming, tax issues with focus on pharmaceutical companies and technology companies, as well as issues related to modern slavery with focus on companies that have significant risks related to this issue.

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, labor law, the environment and anti-corruption. During 2020, we participated in 125 such dialogues.

Collaborations and initiatives

In 2020, we participated in several international collaborations and initiatives that focused on specific sustainability issues. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of such initiatives in which we participated in 2020 include: Climate Action 100+, 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 purpose of the dialogue is to persuade the company to reduce its negative impact on the climate.

Sustainable value creation

Since 2009, Handelsbanken Fonder has participated in the collaborative initiative called

Sustainable Value Creation, together with several of Sweden's largest investors in Nasdaq Stockholm. The aim of the project is to highlight the importance of Swedish listed companies working with sustainability topics in a structured manner.

During the year we were engaged in the network's efforts to encourage listed companies to report the climate impact in accordance with TCFD's recommendations. Together with Hallvarsson & Halvarsson, Sustainable Value Creation invited over 300 listed companies to a webinar on transparent and useable climate reporting. The study, "Climate reporting by Swedish companies," was presented at the webinar. Positive examples were presented from companies that recently began to publish climate reports as well as from those who have made further progress in their journey. The ambition was to inspire as well as provide an opportunity for discussion and share knowledge between companies regarding methods on how climate risks can be addressed, managed and reported in a useable manner.

Corporate governance

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 2020, we voted at 647 general meetings in 47 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 at 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 nomination 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 2020, Handelsbanken Fonder participated in 41 nomination committees. In the boards that these nomination committees proposed, the number of women represented increased from an average of 35% in 2019 to 36.6% in 2020. For 2021, we are entitled to serve on close to 50 nomination committees and in 76% of these committees we have proposed women board members.

Disputes and settlements

Occasionally, companies in which a funds' assets are invested in companies that breach different types of regulations. Examples of this are violations of the marketplace rules (e.g., inconsistent or incorrect information disclosure), breach of competition regulations, fraud and corruption.

Such violations may result in legal proceedings being brought against the company, often as a class action. These processes are most often resolved through a settlement, with the company being compelled to compensate shareholders for losses incurred. Settlements may also include demands for changes to the company's governance structure in the form of changes to the board of directors, or requirements for new or amended internal rules or control systems.

The Management Company is currently acting as the so-called lead plaintiff, i.e., leading the class action suit, together with three US pension foundations against the US bank Wells Fargo. Wells Fargo has had major deficiencies in its internal governance and control over a number of years and has repeatedly misled the market by claiming they have followed the

sanctions imposed by US supervisory authorities and have corrected all of their control systems – despite this not being the case. The objective of the process is for the company to compensate shareholders and put their internal governance and control in order.

Our continuing efforts

We expect to see further major developments within the sustainability segment going forward. Accordingly, we are continuing down the path to focus our efforts and to 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.

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 in our contacts with companies throughout 2021 and going forward.

During 2021 we will continue the extensive work with the EU's action plan for sustainable financing as the regulations will begin to enter into force. Initially, this concerns the categorization of the funds as "light green or dark green" as well as increased transparency on the website and legal documentation related to the integration of sustainability into our investment operations and in individual funds.

The work with our commitment to NZAM will continue, which means that we need to strengthen and clarify our corporate governance efforts and engagement dialogues further. By November 2021, at the latest, we will have established a clearly-defined quantitative target for our assets under management. During 2021 we will also set quantitative targets to increase the contributions of our investments to Agenda

2030, and for the results of our engagement efforts.

Handelsbanken SDG Solutions

The Management Company has developed an analysis model called Handelsbanken SDG (Sustainable Development Goals) Solutions. Based on the 169 targets of the Sustainable Development Goals, the model uses artificial intelligence (AI) to analyze each company's products, services and the markets where the company operates. The model is based on text analysis of annual reports. The material is structured digitally to enable electronic reading and analysis. The results show how much of the revenue is derived from solutions related to each target. These are then added together and provide a result for the whole fund.

The model is a key to the daily investment operations and assists the fund managers in identifying solution-based companies and also assists us in explaining to our fund savers how the companies in which our funds invest contribute to the Sustainable Development Goals. A version of the model will be launched for use by fund savers during the beginning of 2021.

Global markets in brief

Imagine that at the end of 2019 you could have predicted key events in the year ahead and that you could have foreseen the performance of the financial markets in 2020 through a crystal ball. Very few of us would have ever thought that several of the world's stock markets would reach new peaks and that the majority of our mutual funds would close the year with good, and in some cases very strong, returns.

Looking back, 2020 was an unusual, demanding and dramatic year filled with human tragedy on the back of a pandemic that took hold during the first quarter of the year. We now find ourselves at the end of the year with the virus ravaging with renewed momentum, resulting in new restrictions that are placing new constraints on our lives and putting pressure on those who are already facing difficult times. The closures impact society from many different perspectives.

However, there is a light at the end of the tunnel and this is what the financial markets are focusing on to a large extent. Firstly, delivery of an effective vaccine is currently underway. Although it will take some time to distribute the vaccine, this should allow for the gradual opening of the economies. Expectations for a vaccine and the return to a normal life have contributed to the strong performance in the financial markets, and perhaps most notably during the latter months of the year. Early on, the crisis was also faced with historically large financial stimulus packages from governments and central banks worldwide. This injection of liquidity into the system also explains much of the strong recovery we have seen in the markets since the dramatic declines we saw in March and April.

A large number of organizations and individuals were forced to change how they work and function in society during 2020. It has been impressive to see how many companies, despite difficult conditions, have been able to adjust their business operations as well as switch to teleworking and more digital business models. Video conferencing and e-commerce has quickly become a part of everyday life for many people. It is therefore hardly surprising that IT was the strongest sector in the stock market during the year. Companies within e-commerce and computer games – activities that can be done at home – also posted strength in 2020.

It is possible that the demand for some services used extensively during the year may decrease slightly when life slowly returns to normal. However, we believe that many of the new behaviors and habits that have been acquired during the year will become permanent. This bodes well for many companies, not least those included within our digitalization theme.

Another clear positive trend during the year was a greater focus on sustainable investments that have made an impact on industry and the stock market. The green transition was propelled further during the year when a number of countries clarified their climate ambitions, including countries such as China, Japan, South Korea and, not least the EU, whose program “The European Green Deal” was made even more concrete. There are also high expectations in the US for a more proactive climate policy after the results of the election that occurred in the autumn. These commitments confirm how seriously world leaders are taking the climate crisis and gave further momentum to equities in companies that benefit in different ways from the transition. Another milestone was reached during the year when Sweden and Germany issued their first green government bonds.

We are still at the beginning of this journey. Major investments, focus on innovation, as well as significant changes in behaviors and business models will be necessary to achieve the climate targets. We are confident that there will be many exciting investment opportunities within this segment in the coming years.

Looking forward into 2021, we see a gradual opening of economies and a normalization of our base scenario. We expect stimulus measures to continue until an end to the pandemic becomes more apparent. Many companies are already in relatively good shape and all will benefit from improvements to the economic climate. This should provide strong support to the markets during the year.

As always, however, there are a number of concerns that can lead to uncertainty in the markets. For example, we believe there is a risk that the substantial amount of capital being poured into the economy through the central banks and governments can lead to inflation and impact the markets. We expect this to be a hotly debated

topic in 2021. We will also learn how the pandemic develops, how life after Brexit transpires in Europe and how the new regime in the US will address such issues as the economy, foreign relations and the climate crisis. Looking further ahead, the cost of the pandemic and the major stimulus packages will need to be paid, which will have a dampening effect on growth.

In an uncertain environment, we choose to focus on what we can be more certain of and, therefore, we will continue to identify and analyze the segments with structural growth. This will become even more important as growth declines in the economy in the broad sense. We will be searching for unique, well-managed companies within these segments that have sustainable business models and good conditions for growth. These efforts provide a strong basis for making long-term investment decisions with the objective of providing good returns to all of our unit holders. We look forward to an interesting and rewarding 2021 together in your company.



AstraZeneca Allemansfond

Management report

Investment focus

The fund is actively managed, whereby the portfolio manager takes active, independent investment decisions. The fund is a special fund (non-UCITS) and thereby 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. When we select equities for the fund we place particular emphasis on ensuring that the company's strategy concurs with our assessment of what can generate favourable share price performance in the equity as well as that valuations are 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 considered to be transitioning its business operations to more renewable energy. The fund may invest in derivative instruments as part of the fund's investment focus. We compare fund performance with SIX SRI Sweden Index GI (60%) and AstraZeneca (40%). The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund invests in companies, irrespective of whether or not these are included in the benchmark index. Given that the fund is actively managed, returns will deviate from this index over time. The fund may invest in derivative instruments as part of the fund's investment focus. We compare fund performance with SIX SRI (60%) Sweden Index GI and AstraZeneca (40%). Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 2.9% in 2020*. Sectra, AB Volvo, and HMS Networks were the most positive contributors to fund returns in 2020. Sectra performed strongly both operationally and in its share price. Despite negative effects on deliveries as a result of restrictions to limit the spread of Covid-19, Sectra has increased turnover, while reducing operating costs with higher margins and results. Volvo's strong contribution to fund performance is partly based on the timing of the fund's purchase but is primarily due to the company's strong operational growth which countered the downturn, together with the company's high ambitions within sustainability. HMS Networks' strong performance is primarily driven by expectations of strong deliveries in 2021 as the company is well-positioned to capitalize on an increase in automation and digitalization within industry. During the past year growth has been negatively affected by the impact of the pandemic, although the company demonstrated good flexibility and countered the decline in demand with lower costs, which strengthened margins and results. AstraZeneca, Loomis and Husqvarna were the most negative contributors. As a result of AstraZeneca's size in the portfolio, the company's contribution to fund performance will be significant even when the price performance is relatively modest. The main explanation for AstraZeneca's performance is a multiple contraction. Earnings outlooks are relatively unchanged and AstraZeneca is performing well operationally. Loomis, a cash handling company, has been affected by lower activity in the economy, which has led to lower turnover and results. In addition, a major acquisition in Germany was not approved by the competition regulator. In total, this lowered the projected level of earnings and put the valuation multiplier for Loomis under pressure. The holdings in Husqvarna were sold by the fund during the summer. Since then the equity price has continued to perform strongly. In retrospect, we can conclude that the

exit was premature. During the year the fund made new investments in Volvo and Essity. We believe these companies are a good complement to the portfolio. Essity has an interesting portfolio of hygiene products. Portfolio streamlining, changes to the mix and optimization of costs provide attractive opportunities over the long term. The investment in Volvo is based on the company's strong market positions and the high entry barriers present in the truck sector. The largest investments in existing holdings were made in AstraZeneca, Lagercrantz and Indutrade. AstraZeneca's good operational growth, together with an attractive valuation, were factored into the decision to increase the investment. The investments in Indutrade and Lagercrantz followed the same rationale: proven business models with low risk. This is combined with strong cash flows that are used in part to acquire and develop companies to generate value-added growth independent of the business climate. The fund sold its entire holdings in IAR Systems, HiQ, Hexpol and Husqvarna. IAR's continued weak growth and lower profitability are key parameters in the decision. HiQ's difficulty in driving growth was the key factor for the decision to sell the entire holding. Hexpol was sold in part to balance the automotive exposure and also as a result of the uncertainty related to management and the company's long-term strategy. Lastly, Husqvarna was also sold. The company's weather-related impact on supplies/earnings are important factors for the sale.

*) Refer to fund statistics for comparable index.

Significant risks

An investment in an equity fund is characterized 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 minimize 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 2020. The fund has the option of lending securities. The fund used this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

• Highest leverage during the financial year	0.1%
• Lowest leverage during the financial year	0.0%
• Average leverage during the financial year	0.0%

Information

As of February 1, 2020 the fund changed its fund rules. The fund is now managed with increased sustainability requirements.

As from Januari 1, 2020 the fund has an index, SIX SRI Sweden Index GI (60%) och AstraZeneca 40%.

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.

AstraZeneca Allemansfond, cont.

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 and 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.

The Management Company's work in nomination committees is also regulated in Guidelines for nomination committees. 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.

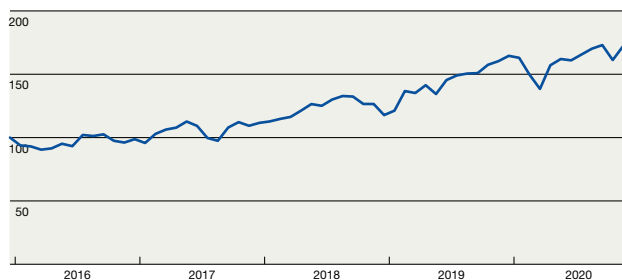
The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management Company then takes 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 Shareholder engagement and responsible investment 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 and in Guidelines for nomination committees which can be found under <https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>.

Fund performance*



Fund facts - history

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net asset value, SEK	2,216.60	2,154.66	1,541.94	1,461.70	1,293.12	1,309.48	1,126.60	860.61	670.17	631.54
The fund's total net flow, SEK m	145	302	91	-25	-18	30	65	19	-13	-
Fund capital, mSEK	2,374	2,161	1,313	1,169	1,062	1,093	915	644	485	450
Number of units, 1000's	1,071	1,003	851	800	822	835	812	748	724	712
Total returns in %, SEK	+2.9	+39.7	+5.5	+13.0	-1.2	+16.2	+30.9	+28.4	+10.5	-5.1
Index including dividends in %, SEK	+5.1	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %	+19.9	+21.4	+9.2	+5.7	+7.1	+23.4	+29.7	+19.1	+2.4	+5.4
Average yearly return, 5 yrs. %	+11.1	+13.8	+12.4	+16.9	+16.3	+15.4	+15.6	+17.8	+7.5	+2.8
Average yearly return, 10 yrs. %	+13.2	+14.7	+15.0	+12.1	+9.3	+10.5	+13.1	+9.9	+9.4	-
Dividends per unit, SEK	-	-	-	-	-	-	-	-	26.35	20.71

Benchmark: SIX SRI Sweden Index GI (60%), AstraZeneca (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. 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, SEK thousand	268
Transaction costs in % of turnover	0.02
Costs in SEK for a one-time subscription, 10 000 SEK	88.23
Costs in SEK for monthly savings, 100 SEK	6.17

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	0.2
Share of turnover conducted via closely-related securities companies in %	14.9
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

AstraZeneca Allemansfond, cont.

Risk and return measurements*

Total risk %	18.6	Active Share % ¹⁾	46.5
		Sharpe ratio	1.1

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, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	52,032	519,871
Interest income	0	-1
Dividends	36,432	41,674
Other financial income ¹⁾	203	259
Other income	0	0
Total income and changes in value	88,668	561,803
EXPENSES		
Management costs:		
- Remuneration to the Management Company	20,466	15,333
Interest expense	11	12
Other financial expenses ²⁾	41	52
Other expenses	317	198
Total expenses	20,834	15,595
Net income	67,834	546,208
* Details of changes in value		
Capital gains	108,397	54,024
Capital losses	-44,955	-6,924
Unrealised gains/losses	-11,409	472,771
Sum	52,032	519,871

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

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

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	2,359,287	99.4	2,065,279	95.6
Total financial instruments with positive market value	2,359,287	99.4	2,065,279	95.6
Bank assets and other liquid assets	10,990	0.5	97,063	4.5
Prepaid expenses and accrued income	16	0.0	20	0.0
Other assets	5,151	0.2	-	-
Total assets	2,375,444	100.1	2,162,362	100.1
LIABILITIES				
Accrued expenses and prepaid income	1,841	0.1	1,611	0.1
Total liabilities	1,841	0.1	1,611	0.1
Fund capital ^{Note 1)}	2,373,603	100.0	2,160,751	100.0
Financial instruments lent	12,584	0.5	102,931	4.8
Collateral received for financial instruments lent	13,262	0.6	112,796	5.2

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	2,160,751	1,312,512
Units issued ¹⁾	1,116,988	656,009
Units redeemed	-971,970	-353,978
Profit according to Income Statement	67,834	546,208
Dividends to unit holders	-	-
Fund capital at the close of the period	2,373,603	2,160,751

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
Autoliv	89,000	68,085	2.9
Fenix Outdoor B	32,000	32,832	1.4
Thule Group	130,000	39,988	1.7
		140,905	5.9
CONSUMER STAPLES			
AarhusKarlshamn	390,000	64,740	2.7
Duni	170,000	18,326	0.8
Essity B	190,000	50,255	2.1
		133,321	5.6
FINANCIALS AND REAL ESTATE			
Handelsbanken A	1,000,000	82,600	3.5
		82,600	3.5
HEALTH CARE			
AstraZeneca SDB	1,039,000	860,708	36.3
Lifco B	57,000	44,973	1.9
Sectra B	160,000	117,360	4.9
		1,023,041	43.1
INDUSTRIALS			
ABB SDB	375,000	85,875	3.6
ÅF B	221,000	55,515	2.3
Assa Abloy B	513,000	103,883	4.4
Atlas Copco A	190,000	80,009	3.4
Bravida Holding	504,872	55,283	2.3
Epiroc A	465,000	69,587	2.9
Hexagon B	115,000	86,227	3.6
Indutrade	360,000	63,432	2.7
Loomis	226,000	51,121	2.2
Nibe Industrier B	20,000	5,394	0.2
Troax Group A	243,000	46,705	2.0
Volvo B	650,000	125,970	5.3
		829,001	34.9
INFORMATION TECHNOLOGY			
HMS Network AB	304,000	79,040	3.3
Lagercrantz Group Aktiebolag	939,198	71,379	3.0
		150,419	6.3
Total listed equities		2,359,287	99.4
Total transferable securities		2,359,287	99.4
Total holdings in financial instruments		2,359,287	99.4
Net, other assets and liabilities		14,316	0.6
Total fund capital		2,373,603	100.0

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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.

AstraZeneca Allemansfond, cont.

Additional information on loaned securities

Volume of lent securities, SEK thousand:	12,584
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Volume of lent securities as a % of total lendable assets	0.63
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The ten largest issuers of collateral for securities lending per issuer, SEK thousand:

France	6,637
United Kingdom	2,628
Germany	2,457
Netherlands	796
Belgium	743

The largest counterparties for securities lending, SEK thousand:

Merrill Lynch Intl	10,634
Goldman Sachs Intl	2,628
	13,262

Type and quality of collateral, SEK thousand:

Bonds and other interest-bearing instruments	13,262
	13,262

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:

Open Maturity	-
Less than 1 day	-
1 Day to 1 Week	-
1 Week to 1 Month	-
1 Month to 3 Months	-
3 Months to 1 Year	13,262
Above 1 Year	-
	13,262

The domicile of the counterparties, SEK thousand:

Brittiska staten	13,262
	13,262

Currency of the collateral, SEK thousand:

EUR	10,634
GBP	2,628
	13,262

Settlement and clearing, SEK thousand:

Triparty	13,262
	13,262

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

The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 203 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
- Credit Suisse Securities (Europe) Ltd
- Goldman Sachs Intl
- HSBC Bank Plc
- J.P. Morgan Securities Plc
- Merrill Lynch Intl
- Svenska Handelsbanken AB (publ)

Handelsbanken AstraZeneca Allemansfond

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities on behalf of the fund that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used in sustainability efforts

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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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 companies

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainability on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

The Management Company's engagement activities - Corporate governance

Annual General Meetings and Nomination committees

The Management Company normally votes at general meetings in those companies where ownership exceeds 0.5% or at general meetings where the company concerned is identified as falling short in its sustainability efforts/corporate governance work. In general, the Management Company also supports shareholder proposals that seek to promote corporate sustainability, including greater transparency in recording and the reporting of the company's climate impact, as well as its work with human rights and labor law.

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 5% 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 has invested in AB Volvo, one of the world's leading manufacturers of commercial vehicles. Products sold include trucks, buses, construction machinery and motors for marine and industrial usage. Product offerings are complemented by a broad range of services. Diverse financial services are also offered. Volvo has had strong sustainability efforts that have shown good results in emissions and energy usage within its own operations for some time. However, from a product lifecycle perspective, the primary environmental impact is seen during the usage of the sold products. Volvo has made significant progress in the transformation to new fuels and offers vehicles equipped with electric powertrains for medium-duty applications. Solutions with hydrogen gas are also being developed for the more demanding applications. Volvo has a target to reach a penetration level of 35% for electric vehicles by 2030 and 100% fossil-free as a company by 2040.

Exclusion

During the year the fund sold Hexpol, a world-leading polymer company with a strong market position primarily within the vehicle industry. The company actively pursues efforts to improve the use of resources in the form of rubber, plastics and other chemical products, as well as to reduce emissions and waste. Unfortunately, the progress is relatively slow and the absolute level is high relative to the fund's other exposure.

The Management Company's engagement activities - Dialogues

Targeted dialogues with direct contact between our fund managers and companies

The fund engaged in two targeted dialogues directly with companies during the year.

The fund continued its ongoing dialogue with AAK. The dialogue focused on the company'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. The capital market day in 2020 focused primarily on the company's ambitions within sustainability and that targets would be published with complete traceability to the plantations and cultivation on land that has not been cleared.

In addition to the regular dialogue with Loomis AB, the fund has followed up on workers' rights issues in Turkey. The fund has ascertained that unfortunate circumstances resulted in this notification and that the company only executed a rationalization plan earlier than previously planned. The company's representatives report that the company holds a high standard with regard to its position on unions and draws attention to union representatives in the board of directors of the parent company and good relations with EWC (European Works Councils), among others.



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. The fund may invest in derivative instruments as part of the fund's investment focus. 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. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund normally consists of 50–100 companies, which is significantly fewer than the fund's benchmark index. Investments also occur in the smallest companies and the majority of the fund's investments are in companies that are not included in the index. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 18.4% in 2020*. 2020 will go down in history as one of the most volatile periods ever on the US stock markets. H1 was dominated by concerns and volatility in the wake of the corona pandemic that spread across the world and created great uncertainty in the US economy. March noted the sharpest decline in the stock market since the Great Depression in 1931. Returns rebounded in April, driven by the expansion of balance sheets and rate cuts by the central banks, at the same time as governments worldwide launched substantial support packages. The US government approved a massive stimulus package equivalent to over 10% of the country's GDP. The year was also dominated by the presidential election, with election results in November that were the best possible for the equity market. Biden as president with a shared congress was the best of both worlds – improved foreign relations, tax cuts that will remain and a substantial, but not excessive, stimulus package. Thus, the fund succeeded to rise by just over 20% despite the effects of the pandemic, even though the USD weakened by 14% against the SEK during the year. The digitalization theme was the most positive contributor to fund returns in 2020. Within the theme, Cerence was the strongest contributor. The company, which delivers voice technology and voice recognition to the cars of the future, announced several of the largest orders in the company's history during the year and rose just over 300% in 2020. Redfin, within the same theme, is the only fully-digitalized real estate broker in the US. The company also contributed positively after

signals that the housing market, and thereby the company's sales, was rebounding more rapidly than expected. The safety theme also contributed to fund returns where both Everbridge and Alarm.com posted strength during the year. Lastly, we can conclude that the fund's exposure to the environment theme and companies with strong sustainability profiles really paid off during the year. Interest for sustainability has accelerated in the US and the fund's holdings in Darling Ingredients rose over 90% in the period. The company is based in Texas and recycles food waste, oils and fats to produce ingredients, fats and protein for food. Most interesting, however, is Darling's production of renewable diesel that will be an important means of reducing carbon emissions over time. Sprouts Farmers Market and Graphic Packaging contributed negatively to returns in 2020. Graphic Packaging is the fund's largest holding at the outset of 2021 and an investment in the sustainability theme, specifically "from plastic to paper". The company is one of the largest packaging companies in the US that has chosen to focus entirely on paper packaging and has close to 40% of the market share in the US. The company is part of the solution when global consumer giants communicate their sustainability promises to customers who want more sustainable packaging.

*) 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 characterized 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 minimize 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 2020. The fund has the option of lending securities. The fund used this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

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

Information

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 and 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.

The Management Company's work in nomination committees is also regulated in Guidelines for nomination committees. 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.

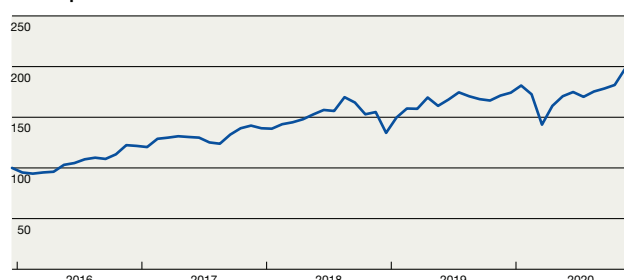
The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management Company then takes 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 Shareholder engagement and responsible investment 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 and in Guidelines for nomination committees 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

	2020	2019	7/12-31/12 2018	2017	2016	2015	2014	2013	2012	2011
Net asset value										
Amerika Småbolag Tema A1 - SEK	1,114.43	940.85	726.65	-	-	-	-	-	-	-
Amerika Småbolag Tema A1 - EUR	110.91	89.54	71.70	-	-	-	-	-	-	-
Amerika Småbolag Tema A1 - NOK	1,161.84	883.19	709.71	-	-	-	-	-	-	-
Amerika Småbolag Tema A9 - SEK	115.44	-	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A9 - EUR	111.49	-	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A10 - SEK	1,143.07	956.37	732.01	-	-	-	-	-	-	-
Amerika Småbolag Tema A10 - EUR	113.76	91.02	72.23	-	-	-	-	-	-	-
Amerika Småbolag Tema A10 - NOK	1,191.70	897.75	714.94	-	-	-	-	-	-	-
Amerika Småbolag Tema B1 - SEK	127.85	-	-	-	-	-	-	-	-	-
The fund's total net flow, SEK m	369	-1,596	-358	-	-	-	-	-	-	-

Handelsbanken Amerika Småbolag Tema, cont.

	2020	2019	7/12-31/12 2018	2017	2016	2015	2014	2013	2012	2011
Fund capital total, SEK m	14,400	11,712	10,265	-	-	-	-	-	-	-
Amerika Småbolag Tema A1 - SEK	8,186	6,650	6,371	-	-	-	-	-	-	-
Amerika Småbolag Tema A1 - EUR	38	32	29	-	-	-	-	-	-	-
Amerika Småbolag Tema A1 - NOK	89	74	242	-	-	-	-	-	-	-
Amerika Småbolag Tema A9 - SEK	321	-	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A9 - EUR	6	-	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A10 - SEK	4,589	4,093	3,056	-	-	-	-	-	-	-
Amerika Småbolag Tema A10 - EUR	7	4	4	-	-	-	-	-	-	-
Amerika Småbolag Tema A10 - NOK	658	480	255	-	-	-	-	-	-	-
Amerika Småbolag Tema B1 - SEK	74	-	-	-	-	-	-	-	-	-
Number of units, 1000's	15,805	12,368	14,092	-	-	-	-	-	-	-
Amerika Småbolag Tema A1 - SEK	7,346	7,068	8,767	-	-	-	-	-	-	-
Amerika Småbolag Tema A1 - EUR	341	357	403	-	-	-	-	-	-	-
Amerika Småbolag Tema A1 - NOK	76	84	341	-	-	-	-	-	-	-
Amerika Småbolag Tema A9 - SEK	2,781	-	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A9 - EUR	54	-	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A10 - SEK	4,015	4,279	4,174	-	-	-	-	-	-	-
Amerika Småbolag Tema A10 - EUR	64	45	50	-	-	-	-	-	-	-
Amerika Småbolag Tema A10 - NOK	552	535	357	-	-	-	-	-	-	-
Amerika Småbolag Tema B1 - SEK	577	-	-	-	-	-	-	-	-	-
Total returns in %										
Amerika Småbolag Tema A1 - SEK	+18.4	+29.5	-3.3	+14.3	+21.7	+7.9	+23.6	-	-	-
Amerika Småbolag Tema A1 - EUR	+23.9	+24.9	-6.2	+11.4	+16.3	+11.6	+15.5	+34.2	+16.0	+1.0
Amerika Småbolag Tema A1 - NOK	+31.6	+24.4	-5.4	+20.5	+9.8	+18.3	+25.3	+52.9	+9.9	-2.7
Amerika Småbolag Tema A9 - SEK	+15.4	-	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A9 - EUR	+21.1	-	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A10 - SEK	+19.5	+30.6	-2.4	+15.3	+22.8	+8.9	+24.7	+39.7	+12.8	-2.5
Amerika Småbolag Tema A10 - EUR	+25.0	+26.0	-5.3	+12.4	+17.4	+12.6	+16.5	+35.4	+17.0	-1.2
Amerika Småbolag Tema A10 - NOK	+32.7	+25.6	-4.6	+21.6	+10.8	+19.4	+26.4	+54.2	+10.9	-1.8
Amerika Småbolag Tema B1 - SEK	+18.5	-	-	-	-	-	-	-	-	-
Index including dividends in %										
Amerika Småbolag Tema A1 - SEK	+8.8	+35.7	-3.0	+5.2	+28.4	+3.3	+30.5	-	-	-
Amerika Småbolag Tema A1 - EUR	+13.8	+30.8	-5.9	+2.6	+22.7	+6.8	+21.9	+27.6	+13.6	+4.8
Amerika Småbolag Tema A1 - NOK	+20.9	+30.4	-5.1	+10.9	+15.9	+13.2	+32.3	+45.4	+7.5	+4.1
Amerika Småbolag Tema A9 - SEK	+6.2	-	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A9 - EUR	+11.4	-	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A10 - SEK	+8.8	+35.7	-3.0	+5.2	+28.4	+3.3	+30.5	+31.7	+9.4	+3.4
Amerika Småbolag Tema A10 - EUR	+13.8	+30.8	-5.9	+2.6	+22.7	+6.8	+21.9	+27.6	+13.6	+4.8
Amerika Småbolag Tema A10 - NOK	+20.9	+30.4	-5.1	+10.9	+15.9	+13.2	+32.3	+45.4	+7.5	+4.1
Amerika Småbolag Tema B1 - SEK	+8.8	-	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾										
Amerika Småbolag Tema A1 - SEK	5.7	5.5	4.8	5.6	6.5	6.2	-	-	-	-
Amerika Småbolag Tema A1 - EUR	5.7	5.5	4.8	-	-	-	-	-	-	-
Amerika Småbolag Tema A1 - NOK	5.7	5.5	4.8	-	-	-	-	-	-	-
Amerika Småbolag Tema A10 - SEK	5.7	5.5	4.8	-	-	-	-	-	-	-
Amerika Småbolag Tema A10 - EUR	5.7	5.5	4.8	-	-	-	-	-	-	-
Amerika Småbolag Tema A10 - NOK	5.7	5.5	4.8	-	-	-	-	-	-	-
Amerika Småbolag Tema B1 - SEK	5.7	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Amerika Småbolag Tema A1 - SEK	+23.8	+11.9	+5.2	+18.0	+14.6	+15.5	-	-	-	-
Amerika Småbolag Tema A1 - EUR	+24.4	+8.2	+2.2	+13.8	+14.0	+13.5	+24.5	+24.8	+8.3	+11.6
Amerika Småbolag Tema A1 - NOK	+27.9	+8.5	+6.8	+15.1	+14.0	+21.8	+38.4	+29.6	+3.4	+7.9
Amerika Småbolag Tema A10 - SEK	+25.0	+12.9	+6.1	+19.0	+15.6	+16.5	+32.0	+25.5	+4.9	+4.9
Amerika Småbolag Tema A10 - EUR	+25.5	+9.2	+3.2	+14.9	+15.0	+14.5	+25.6	+25.9	+7.6	+12.6
Amerika Småbolag Tema A10 - NOK	+29.1	+9.5	+7.7	+16.1	+15.0	+22.8	+39.6	+30.8	+4.3	+8.8
Amerika Småbolag Tema B1 - SEK	+23.8	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+21.5	+14.7	+1.0	+16.2	+15.1	+16.1	+31.1	+20.0	+6.4	+5.7
EUR	+22.0	+11.0	-1.8	+12.2	+14.5	+14.1	+24.7	+20.4	+9.1	+13.4
NOK	+25.5	+11.2	+2.6	+13.4	+14.5	+22.4	+38.7	+25.0	+5.8	+9.6
Average yearly return, 5 yrs. %										
Amerika Småbolag Tema A1 - SEK	+15.6	+13.5	+12.4	-	-	-	-	-	-	-
Amerika Småbolag Tema A1 - EUR	+13.5	+11.1	+9.4	+17.5	+18.5	+15.2	+17.5	+19.8	-	-
Amerika Småbolag Tema A1 - NOK	+15.4	+13.0	+13.2	+24.6	+22.3	+19.4	+19.6	+16.2	+2.4	-
Amerika Småbolag Tema A10 - SEK	+16.6	+14.5	+13.4	+21.9	+21.3	+15.8	+16.7	+15.7	+2.9	+0.8
Amerika Småbolag Tema A10 - EUR	+14.5	+12.1	+10.4	+18.6	+19.5	+15.5	+18.5	+20.9	+4.9	+1.1
Amerika Småbolag Tema A10 - NOK	+16.5	+14.0	+14.2	+25.7	+23.4	+20.4	+20.7	+17.2	+3.3	-0.1
Amerika Småbolag Tema B1 - SEK	+15.6	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+14.1	+12.9	+12.1	+19.1	+20.0	+15.0	+16.0	+12.9	+1.1	-0.9
EUR	+12.0	+10.6	+9.1	+15.9	+18.3	+14.6	+17.8	+17.9	+3.1	-0.6
NOK	+14.0	+12.5	+12.8	+22.9	+22.1	+19.5	+20.0	+14.4	+1.5	-1.8
Average yearly return, 10 yrs. %										
Amerika Småbolag Tema A1 - EUR	+14.3	+14.3	+14.5	-	-	-	-	-	-	-
Amerika Småbolag Tema A1 - NOK	+17.4	+16.3	+14.7	+12.9	-	-	-	-	-	-
Amerika Småbolag Tema A10 - SEK	+16.2	+15.6	+14.6	+12.0	+10.6	+8.2	+9.8	+7.4	+4.4	-1.8
Amerika Småbolag Tema A10 - EUR	+15.0	+15.3	+15.5	+11.5	+9.9	+8.4	+9.3	+7.7	+5.1	-1.3
Amerika Småbolag Tema A10 - NOK	+18.4	+17.3	+15.7	+13.9	+11.0	+10.5	+10.3	+7.7	+5.2	-1.6
Comparison to index including dividends, %										
SEK	+14.5	+14.5	+12.5	+9.7	+9.1	+6.3	+8.3	+5.7	+3.4	-2.0
EUR	+13.3	+14.2	+13.4	+9.3	+8.4	+6.5	+7.8	+5.9	+4.0	-1.5
NOK	+16.7	+16.2	+13.6	+11.6	+9.5	+8.5	+8.9	+5.9	+4.1	-1.8
Exchange rate EUR/SEK	10.05	10.51	10.13	-	-	-	-	-	-	-
Exchange rate NOK/SEK	0.96	1.07	1.02	-	-	-	-	-	-	-

1) The fund's thematic management process leads to a portfolio with focus on growth and has significantly fewer holdings than the benchmark index. This has contributed to the fund's tracking error that has been within a range of approximately 4-7% in recent years, which the fund manager considers to be a good balance between risk and return. The risk level is also in line with the fund's historical levels.

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.

Handelsbanken Amerika Småbolag Tema, cont.

Fund facts - costs

Max. allowed mgmt. costs in % according to fund rules	
Amerika Småbolag Tema A1	1.50
Amerika Småbolag Tema A9	0.75
Amerika Småbolag Tema A10	0.60
Amerika Småbolag Tema B1	1.50
Collected mgmt. costs in % of average fund capital	
Amerika Småbolag Tema A1	1.50
Amerika Småbolag Tema A9	0.75
Amerika Småbolag Tema A10	0.60
Amerika Småbolag Tema B1	1.50
Annual fees in %	
Amerika Småbolag Tema A1	1.50
Amerika Småbolag Tema A9	0.75
Amerika Småbolag Tema A10	0.60
Amerika Småbolag Tema B1	1.50
Transaction costs, SEK thousand	5,732
Transaction costs in % of turnover	0.03
Costs in SEK for a one-time subscription, 10 000 SEK	
Amerika Småbolag Tema A1	151.36
Amerika Småbolag Tema A9	-
Amerika Småbolag Tema A10	60.82
Amerika Småbolag Tema B1	-
Costs in SEK for monthly savings, 100 SEK	
Amerika Småbolag Tema A1	10.49
Amerika Småbolag Tema A9	-
Amerika Småbolag Tema A10	4.21
Amerika Småbolag Tema B1	-

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

Risk and return measurements*

Total risk % - A1 SEK	21.6	Information ratio - A1 EUR	0.4
Total risk % - A1 EUR	22.9	Information ratio - A1 NOK	0.4
Total risk % - A1 NOK	15.5	Information ratio - A10 SEK	0.6
Total risk % - A10 SEK	21.6	Information ratio - A10 EUR	0.6
Total risk % - A10 EUR	22.9	Information ratio - A10 NOK	0.6
Total risk % - A10 NOK	15.5	Information ratio - B1 SEK	0.4
Total risk % - B1 SEK	21.6	Sharpe ratio - A1 SEK	1.1
Total risk in index % - A1 SEK	24.4	Sharpe ratio - A1 EUR	1.1
Total risk in index % - A1 EUR	25.5	Sharpe ratio - A1 NOK	1.7
Total risk in index % - A1 NOK	18.2	Sharpe ratio - A10 SEK	1.2
Total risk in index % - A10 SEK	24.4	Sharpe ratio - A10 EUR	1.1
Total risk in index % - A10 EUR	25.5	Sharpe ratio - A10 NOK	1.8
Total risk in index % - A10 NOK	18.2	Sharpe ratio - B1 SEK	1.1
Total risk in index % - B1 SEK	24.4	Sharpe ratio in index - A1 SEK	0.9
Benchmark	Solactive ISS ESG	Sharpe ratio in index - A1 EUR	0.9
	Screened USA Small Cap	Sharpe ratio in index - A1 NOK	1.4
Active return % - A1 SEK	2.3	Sharpe ratio in index - A10 SEK	0.9
Active return % - A1 EUR	2.3	Sharpe ratio in index - A10 EUR	0.9
Active return % - A1 NOK	2.4	Sharpe ratio in index - A10 NOK	1.4
Active return % - A10 SEK	3.4	Sharpe ratio in index - B1 SEK	0.9
Active return % - A10 EUR	3.5	Active Share % ¹⁾	90.7
Active return % - A10 NOK	3.6		
Active return % - B1 SEK	2.3		
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, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities ²⁾	2,418,000	3,039,244
Interest income	918	5,177
Dividends	93,059	105,034
Currency exchange profits and losses, net	-50,979	35,698
Other financial income ¹⁾	7,287	12,910
Other income	166	0
Total income and changes in value	2,468,451	3,198,063
EXPENSES		
Management costs:		
- Remuneration to the Management Company	141,846	147,937
Interest expense	101	171
Other financial expenses ²⁾	1,457	2,582
Other expenses	5,781	4,376
Total expenses	149,185	155,066
Net income	2,319,266	3,042,997
* Details of changes in value		
Capital gains	3,138,475	2,002,409
Capital losses	-1,091,144	-729,073
Unrealised gains/losses	370,669	1,765,908
Sum	2,418,000	3,039,244

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

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

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	13,527,330	93.9	11,392,827	97.3
Total financial instruments with positive market value ^{Note 2)}	13,527,330	93.9	11,392,827	97.3
Bank assets and other liquid assets	956,293	6.6	363,426	3.1
Prepaid expenses and accrued income	7,175	0.1	6,186	0.1
Other assets	9,005	0.1	63,402	0.5
Total assets	14,499,803	100.7	11,825,841	101.0
LIABILITIES				
Accrued expenses and prepaid income	13,879	0.1	11,352	0.1
Other liabilities	86,276	0.6	102,969	0.9
Total liabilities	100,155	0.7	114,321	1.0
Fund capital ^{Note 1)}	14,399,648	100.0	11,711,520	100.0
Financial instruments lent	1,195,133	8.3	831,411	7.1
Collateral received for financial instruments lent	1,313,869	9.1	946,486	8.1

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	11,711,520	10,264,842
Units issued ¹⁾	5,357,807	3,703,516
Units redeemed ¹⁾	-4,988,945	-5,299,835
Profit according to Income Statement	2,319,266	3,042,997
Dividends to unit holders	-	-
Fund capital at the close of the period	14,399,648	11,711,520

1) Of which SEK 91 679 t relates to internal moves between share classes

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
Bright Horizons Family Solutions	115,000	163,379	1.1
Cavco Industries Ord Shs	130,000	187,316	1.3
Grand Canyon Education	410,000	313,515	2.2
LCI Industries	250,000	266,251	1.8
Live Nation	120,000	72,415	0.5
Planet Fitness Ord Shs Class A	235,000	149,822	1.0
Pool	100,000	305,917	2.1
Service Corporation International	950,000	383,074	2.7
Vail Resorts	30,000	68,729	0.5
Yeti Holdings	150,000	84,347	0.6
		1,994,766	13.9
CONSUMER STAPLES			
Darling Ingredients Ord Shs	770,000	364,749	2.5
Gruma	2,050,000	200,190	1.4
Reeds Ord Shs	2,550,000	12,377	0.1
Sprouts Farmers Mkt	1,800,000	297,130	2.1
The Simply Good Foods Company Ord Shs	450,000	115,896	0.8
		990,341	6.9

Handelsbanken Amerika Småbolag Tema, cont.

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
FINANCIALS AND REAL ESTATE			
East West Bancorp	600,000	249,875	1.7
First Horizon National Ord Shs	2,200,000	230,543	1.6
National Bank Holdings Ord Shs Class A	710,000	191,021	1.3
Prosperity Bancshares	600,000	341,773	2.4
Redfin Ord Shs	210,000	118,362	0.8
SVB Financial Group	20,000	63,701	0.4
Trupanion Ord Shs	90,000	88,481	0.6
Western Alliance Ord Shs	530,000	260,941	1.8
		1,791,587	12.4
HEALTH CARE			
Accelaron Pharma Ord Shs	70,000	73,550	0.5
Allakos Rg	85,000	97,729	0.7
Arena Pharmaceuticals Ord Shs	125,000	78,871	0.5
Biohaven Pharmaceutical	100,000	70,390	0.5
CryoPort Rg	175,000	63,064	0.4
Exact Sciences	160,000	174,093	1.2
Insulet Ord Shs	60,000	125,962	0.9
LHC Group Ord Shs	80,000	140,152	1.0
Masimo	65,000	143,265	1.0
Mirati Ther	35,000	63,133	0.4
OptimizeRx Ord Shs	360,000	92,125	0.6
PTC Therapeutics	200,000	100,242	0.7
Teladoc Ord Shs	110,000	180,640	1.3
The Cooper Companies	80,000	238,703	1.7
TherapeuticsMD Ord Shs	3,250,000	32,162	0.2
Turning Pnt Trp Ord Sh	60,000	60,042	0.4
		1,734,125	12.0
INDUSTRIALS			
Advanced Drainage Systems Ord Shs	85,000	58,344	0.4
Allegion	175,000	167,261	1.2
Ameresco Ord Shs Class A	280,000	120,127	0.8
Axon Enterprise Ord Shs	150,000	150,943	1.0
Cree	125,000	108,714	0.8
Energy Recovery Ord Shs	90,000	10,082	0.1
Evoqua Water Technologies Ord Shs	575,000	127,405	0.9
Exro Technologies Ord Shs	2,200,000	62,116	0.4
Gates Industrial Ord Shs	1,050,000	110,032	0.8
IAA Ord Shs	310,000	165,432	1.1
Kadant	176,000	203,774	1.4
MasTec	560,000	313,562	2.2
MSA Safety Ord Shs	90,000	110,419	0.8
Mueller Water Products Ord Shs Series A	1,250,000	127,089	0.9
Pinfra	3,349,907	242,494	1.7
Rollins	300,000	96,259	0.7
TPI Composites Ord Shs	250,000	108,365	0.8
Trex Ord Shs	220,000	151,262	1.1
Willdan Group Ord Shs	235,000	80,479	0.6
		2,514,157	17.5
INFORMATION TECHNOLOGY			
Akoustik Technologies Ord Shs	1,150,000	115,505	0.8
Alarm.com Holdings Ord Shs	330,000	280,364	1.9
Alteryx-A Rg	75,000	75,015	0.5
Cerence	270,000	222,803	1.5
Cognex	160,000	105,495	0.7
Digimarc Ord Shs	225,000	87,291	0.6
Everbridge Ord Shs	120,000	146,909	1.0
Fair Isaac Corp	72,500	304,278	2.1
Glu Mobile Ord Shs	2,200,000	162,789	1.1
LivePerson Ord Shs	210,000	107,324	0.7
Maximus	550,000	330,592	2.3
Napco Security Technologies	480,000	103,360	0.7
Nuance Communication	600,000	217,255	1.5
Park City Group Ord Shs	1,225,000	48,189	0.3
Proofpoint	140,000	156,838	1.1
Shotspotter Ord Shs	220,000	68,115	0.5
Teradyne Ord Shs	200,000	196,921	1.4
Tyler Technologies Ord Shs	27,500	98,586	0.7
Veritone Inc Ord Sh	265,000	61,916	0.4
		2,889,548	20.1
MATERIALS			
Ashland Global Ord Shs	325,000	211,391	1.5
Graphic Packaging Holding	3,400,000	473,010	3.3
Loop Industries Ord Shs	570,000	38,854	0.3
		723,255	5.0
REAL ESTATE			
Colony Capital Ord Shs Class A	6,250,000	246,890	1.7
		1,791,587	12.4
TELECOMMUNICATION SERVICES			
Bandwidth Ord Shs Class A	70,000	88,342	0.6
Boingo Wireless Ord Shs	1,500,000	156,695	1.1
EverQuote Ord Shs Class A	280,000	85,887	0.6
IAC/InterActiveCorp	150,000	233,257	1.6
		564,181	3.9
UTILITIES			
Global Water Resources Ord Shs	1,020,000	120,710	0.8
Watsco Inc	110,000	204,661	1.4
		325,371	2.3
Total listed equities		13,527,330	93.9
Total transferable securities		13,527,330	93.9
Total holdings in financial instruments		13,527,330	93.9
Net, other assets and liabilities		872,318	6.1
Total fund capital		14,399,648	100.0

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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.

93.9

** 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).

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*** Refers to other financial instruments.

-

Additional information on loaned securities

Volume of lent securities, SEK thousand: **1,195,133**

Volume of lent securities as a % of total lendable assets **8.90**

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

United Kingdom	128,397
France	81,364
Germany	80,794
Austria	52,378
Amerikanska staten	39,630
American Tower Corp Reit	38,493
Microsoft Corp	31,161
MasterCard Inc	22,781
Belgium	21,372
Cigna Corp	20,885

The largest counterparties for securities lending, SEK thousand:

Credit Suisse AG, Dublin Branch	780,895
UBS AG, London Branch	329,384
Skandinaviska Enskilda Banken AB (publ)	72,026
HSBC Bank Plc	52,980
J.P. Morgan Securities Plc	35,914
Goldman Sachs Intl	30,026
Credit Suisse Securities (Europe) Ltd	12,643

1,313,869

Type and quality of collateral, SEK thousand:

Bonds and other interest-bearing instruments	406,953
Equities, shares	906,916

1,313,869

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:

Open Maturity	-
Less than 1 day	-
1 Day to 1 Week	1,020
1 Week to 1 Month	1,045
1 Month to 3 Months	3,634
3 Months to 1 Year	401,254
Above 1 Year	906,916

1,313,869

The domicile of the counterparties, SEK thousand:

Svenska staten	72,026
Brittiska staten	460,947
Irlandska staten	780,895

1,313,869

Currency of the collateral, SEK thousand:

AUD	10,446
CAD	17,829
CHF	13,162
DKK	305
EUR	280,350
GBP	273,538
HKD	2,735
JPY	48,795
USD	666,692
MXN	17

1,313,869

Settlement and clearing, SEK thousand:

Bilateral	30,026
Triparty	1,283,842

1,313,869

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

The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 7,287 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 AG, Dublin Branch
 -Credit Suisse Securities (Europe) Ltd
 -Goldman Sachs Intl
 -HSBC Bank Plc
 -J.P. Morgan Securities Plc
 -Skandinaviska Enskilda Banken AB (publ)
 -UBS AG, London Branch

Handelsbanken Amerika Småbolag

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities on behalf of the fund that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used in sustainability efforts

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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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 companies

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainalytics on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as an investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

The Management Company's engagement activities - Corporate governance

Annual General Meetings and Nomination committees

The Management Company normally votes at general meetings in those companies where ownership exceeds 0.5% or at general meetings where the company concerned is identified as falling short in its sustainability efforts/corporate governance work. In general, the Management Company also supports shareholder proposals that seek to promote corporate sustainability, including greater transparency in recording and the reporting of the company's climate impact, as well as its work with human rights and labor law.

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 5% 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 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. The fund may invest in derivative instruments as part of its investment focus. The fund may invest a maximum of 10% of the fund capital in fund units. We compare the fund's performance with Solactive ISS ESG Screened USA Index. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund normally consists of 50–100 companies, which is significantly fewer than the fund's benchmark index. The fund invests in companies, irrespective of whether or not these are included in the benchmark index. As the fund is actively managed the performance will over time deviate from this index. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 18.2% in 2020. 2020 will go down in history as one of the most volatile periods ever on the US stock exchanges. This was primarily due to the corona pandemic that created tremendous uncertainty for the US economy, which was reflected in the fund's movements during the year. After a historic plunge in Q1, during which the fund fell 10%, returns rebounded with record highs during the rest of the year, driven by aggressive stimulus from the Federal Reserve. The year was also dominated by the presidential election, with election results in November that were the best possible for the equity market. Biden as president with a shared congress was the best of both worlds – improved foreign relations, tax cuts that will remain and a substantial, but not excessive, stimulus package. Thus, the fund succeeded to rise almost 21% despite the effects of the pandemic, even though the USD weakened by 14% against the SEK during the year. The strong returns were due to an explicit exposure to the digitalization theme, which has been a winner during these peculiar times of corona. People have been spending a significant amount of time at home. Many are working remotely, making online purchases, viewing Netflix and playing computer games in the comfort of their homes. The fund has played on this digital growth through holdings in companies such as Microsoft, Amazon, Nvidia, Autodesk, Paypal and several others that have fared well during H1 and have contributed to the fund's strong returns. We believe these behavior changes will become permanent and that many of the structural changes we are being faced with will be accelerated due to Covid-19. As a result, we increased the exposure to digitalization during the year through investments in Autodesk, which is a digital cloud service for the construction industry; Akamai Technology, which develops the "Edge" platform; and Teladoc, which offers digital meetings within healthcare. An active lifestyle close to home is another theme that has performed

strongly during the year. Holdings in Pool Corp, Home Depot and Trex (decking manufactured from recycled plastics) have performed well when consumers have chosen to invest in their homes instead of travelling or dining at restaurants. During the latter part of the year we increased the fund's holdings in Nike within the same theme as we believe that active leisure time, together with a higher share of digital-based direct sales to the customer, will drive share prices going forward. Lastly, we can conclude that the fund's exposure to the sustainability theme really paid off during the year. Interest for sustainability has accelerated in the US and the fund's holdings in Darling and Ameresco contributed significantly to the fund's strong returns. The fund sold several holdings during the year that we believe will be negatively affected by the corona crisis. Examples include Walt Disney, Royal Caribbean, Welbilt and Colombia Sportswear. As we look forward, the market is considering how and when the economy will recover. With the US as the driving force, the world's companies and stock markets have shown enormous perseverance during the pandemic, although now it is essential for a rapid distribution of the vaccine and a relaunching of the recovery. In closing, we can conclude that it is becoming increasingly clear that Covid-19 will have a long-term impact and will change the manner in which we work, interact and consume for a long time to come.²⁰.

²⁰) 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 characterized 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 minimize 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 2020. The fund has the option of lending securities. The fund used this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

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

Information

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 and 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.

The Management Company's work in nomination committees is also regulated in Guidelines for nomination committees. 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.

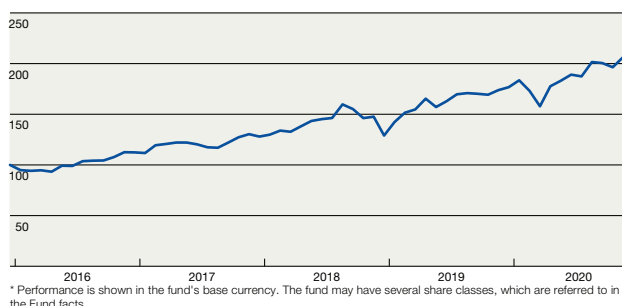
The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management Company then takes 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 Shareholder engagement and responsible investment 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 and in Guidelines for nomination committees which can be found under <https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>.

Fund performance*



Fund facts - history

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net asset value										
Amerika Tema A1 - SEK	1,318.81	1,115.50	814.20	807.70	709.12	631.11	567.34	450.71	342.87	308.59
Amerika Tema A1 - EUR	131.25	106.16	80.34	82.15	74.01	68.91	-	-	-	-
Amerika Tema A1 - NOK	1,374.92	1,047.13	795.22	806.89	671.89	662.61	-	-	-	-
Amerika Tema A9 - SEK	114.91	-	-	-	-	-	-	-	-	-
Amerika Tema A9 - EUR	131.98	-	-	-	-	-	-	-	-	-
Amerika Tema A10 - SEK	1,356.61	1,136.04	820.94	-	-	-	-	-	-	-
Amerika Tema A10 - EUR	135.01	108.11	81.00	-	-	-	-	-	-	-
Amerika Tema A10 - NOK	1,414.35	1,066.42	801.80	-	-	-	-	-	-	-
Amerika Tema B1 - SEK	974.94	859.59	643.56	664.02	605.47	562.47	524.80	434.41	-	-
The fund's total net flow, SEK m	-2,517	-1,325	-50	902	-2,776	746	579	1,529	408	-
Fund capital total, SEK m	11,882	12,813	10,327	10,267	8,198	10,001	8,414	6,119	3,332	2,598
Amerika Tema A1 - SEK	9,186	10,420	8,420	8,577	7,497	8,561	7,908	5,925	3,332	2,598
Amerika Tema A1 - EUR	115	103	85	96	23	95	-	-	-	-
Amerika Tema A1 - NOK	285	302	258	422	97	21	-	-	-	-
Amerika Tema A9 - SEK	125	-	-	-	-	-	-	-	-	-
Amerika Tema A9 - EUR	5	-	-	-	-	-	-	-	-	-
Amerika Tema A10 - SEK	21	47	52	-	-	-	-	-	-	-
Amerika Tema A10 - EUR	23	17	14	-	-	-	-	-	-	-
Amerika Tema A10 - NOK	664	491	317	-	-	-	-	-	-	-
Amerika Tema B1 - SEK	201	157	198	327	378	546	506	194	-	-
Number of units, 1000's	10,041	11,537	12,763	12,799	11,653	15,953	14,902	13,591	9,718	8,418
Amerika Tema A1 - SEK	6,965	9,342	10,341	10,619	10,573	13,565	13,938	13,146	9,718	8,418
Amerika Tema A1 - EUR	879	974	1,063	1,164	311	1,385	-	-	-	-
Amerika Tema A1 - NOK	207	288	325	523	145	32	-	-	-	-
Amerika Tema A9 - SEK	1,091	-	-	-	-	-	-	-	-	-
Amerika Tema A9 - EUR	35	-	-	-	-	-	-	-	-	-
Amerika Tema A10 - SEK	16	41	63	-	-	-	-	-	-	-

Handelsbanken Amerika Tema, cont.

Fund facts - history cont.

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Amerika Tema A10 - EUR	172	154	167	-	-	-	-	-	-	-
Amerika Tema A10 - NOK	469	460	395	-	-	-	-	-	-	-
Amerika Tema B1 - SEK	207	182	308	493	624	971	964	445	-	-
Total returns in %										
Amerika Tema A1 - SEK	+18.2	+37.0	+0.8	+13.9	+12.4	+11.2	+25.9	+31.5	+11.7	-0.8
Amerika Tema A1 - EUR	+23.6	+32.1	-2.2	+11.0	+7.4	+15.1	-	-	-	-
Amerika Tema A1 - NOK	+31.3	+31.7	-1.4	+20.1	+1.4	+21.9	-	-	-	-
Amerika Tema A9 - SEK	+14.9	-	-	-	-	-	-	-	-	-
Amerika Tema A9 - EUR	+20.5	-	-	-	-	-	-	-	-	-
Amerika Tema A10 - SEK	+19.4	+38.4	+1.8	-	-	-	-	-	-	-
Amerika Tema A10 - EUR	+24.9	+33.5	-1.2	-	-	-	-	-	-	-
Amerika Tema A10 - NOK	+32.6	+33.0	-0.5	-	-	-	-	-	-	-
Amerika Tema B1 - SEK	+18.4	+37.0	+0.8	+13.9	+12.4	+11.2	+25.9	+3.3	-	-
Index including dividends in %										
Amerika Tema A1 - SEK	+9.0	+40.8	+5.3	+11.8	+19.9	+8.4	+37.4	+30.1	+9.4	+3.4
Amerika Tema A1 - EUR	+14.0	+35.8	+2.1	+9.0	+14.6	+12.2	-	-	-	-
Amerika Tema A1 - NOK	+21.1	+35.3	+2.9	+17.9	+8.2	+18.9	-	-	-	-
Amerika Tema A9 - SEK	+5.7	-	-	-	-	-	-	-	-	-
Amerika Tema A9 - EUR	+10.9	-	-	-	-	-	-	-	-	-
Amerika Tema A10 - SEK	+9.0	+40.8	+5.3	-	-	-	-	-	-	-
Amerika Tema A10 - EUR	+14.0	+35.8	+2.1	-	-	-	-	-	-	-
Amerika Tema A10 - NOK	+21.1	+35.3	+2.9	-	-	-	-	-	-	-
Amerika Tema B1 - SEK	+9.0	+40.8	+5.3	+11.8	+19.9	+8.4	+37.4	+3.5	-	-
Tracking error, 2 yrs. % ¹⁾										
Amerika Tema A1 - SEK	3.7	3.0	2.8	2.6	3.1	3.9	3.4	2.0	2.1	2.4
Amerika Tema A1 - EUR	3.7	3.0	2.8	2.6	3.1	3.9	-	-	-	-
Amerika Tema A1 - NOK	3.7	3.0	2.8	2.6	3.1	3.9	-	-	-	-
Amerika Tema A10 - SEK	3.7	3.0	2.8	-	-	-	-	-	-	-
Amerika Tema A10 - EUR	3.7	3.0	2.8	-	-	-	-	-	-	-
Amerika Tema A10 - NOK	3.7	3.0	2.8	-	-	-	-	-	-	-
Amerika Tema B1 - SEK	3.7	3.0	2.8	2.6	3.1	3.9	-	-	-	-
Average yearly return, 2 yrs. %										
Amerika Tema A1 - SEK	+27.3	+17.5	+7.2	+13.1	+11.8	+18.3	+28.6	+21.2	+5.3	+5.1
Amerika Tema A1 - EUR	+27.8	+13.7	+4.2	+9.2	+11.2	+16.3	-	-	-	-
Amerika Tema A1 - NOK	+31.5	+13.9	+8.8	+10.4	+11.2	+24.8	-	-	-	-
Amerika Tema A10 - SEK	+28.6	+18.7	+8.2	-	-	-	-	-	-	-
Amerika Tema A10 - EUR	+29.1	+14.8	+5.2	-	-	-	-	-	-	-
Amerika Tema A10 - NOK	+32.8	+15.1	+9.9	-	-	-	-	-	-	-
Amerika Tema B1 - SEK	+27.4	+17.5	+7.2	+13.1	+11.8	+18.3	-	-	-	-
Comparison to index including dividends, %										
SEK	+23.9	+21.7	+8.5	+15.8	+14.0	+22.0	+33.7	+19.3	+6.4	+5.7
EUR	+24.4	+17.8	+5.5	+11.8	+13.4	+20.0	-	-	-	-
NOK	+28.0	+18.0	+10.2	+13.0	+13.4	+28.7	-	-	-	-
Average yearly return, 5 yrs. %										
Amerika Tema A1 - SEK	+15.9	+14.5	+12.6	+18.7	+18.2	+15.3	+15.4	+14.2	+2.7	+0.7
Amerika Tema A1 - EUR	+13.8	+12.1	+9.5	+15.5	+16.5	+15.0	-	-	-	-
Amerika Tema A1 - NOK	+15.7	+14.0	+13.3	+22.4	+20.2	+19.9	-	-	-	-
Amerika Tema A10 - SEK	+17.0	+15.6	+13.7	-	-	-	-	-	-	-
Amerika Tema A10 - EUR	+14.9	+13.2	+10.6	-	-	-	-	-	-	-
Amerika Tema A10 - NOK	+16.9	+15.2	+14.4	-	-	-	-	-	-	-
Amerika Tema B1 - SEK	+15.9	+14.5	+12.6	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+16.7	+16.6	+16.0	+21.1	+20.5	+17.0	+16.9	+12.6	+1.1	-0.9
EUR	+14.6	+14.2	+12.9	+17.8	+18.8	+16.6	-	-	-	-
NOK	+16.6	+16.1	+16.8	+24.9	+22.6	+21.6	-	-	-	-
Average yearly return, 10 yrs. %										
Amerika Tema A1 - SEK	+15.6	+14.9	+13.4	+10.4	+9.1	+7.5	+8.9	+6.4	+4.0	-2.1
Amerika Tema A1 - EUR	+14.4	+14.6	+14.3	+10.0	+8.5	+7.8	-	-	-	-
Amerika Tema A1 - NOK	+17.8	+16.6	+14.5	+12.3	+9.6	+9.8	-	-	-	-
Amerika Tema A10 - SEK	+16.8	+16.1	+14.5	-	-	-	-	-	-	-
Amerika Tema A10 - EUR	+15.5	+15.8	+15.5	-	-	-	-	-	-	-
Amerika Tema A10 - NOK	+19.0	+17.8	+15.6	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+16.9	+16.8	+14.3	+10.6	+9.3	+7.2	+8.7	+5.5	+3.4	-2.0
EUR	+15.6	+16.5	+15.3	+10.2	+8.6	+7.5	-	-	-	-
NOK	+19.1	+18.5	+15.4	+12.6	+9.7	+9.5	-	-	-	-
Dividends per unit, SEK										
Amerika Tema A1 - SEK	-	-	-	-	-	-	-	-	1.73	1.06
Amerika Tema B1 - SEK	34.38	19.31	26.56	24.22	22.50	20.99	17.38	16.10	-	-
Exchange rate EUR/SEK										
	10.05	10.51	10.13	9.83	9.58	9.16	-	-	-	-
Exchange rate NOK/SEK										
	0.96	1.07	1.02	1.00	1.06	0.95	-	-	-	-

1) The fund's thematic management process leads to a portfolio with focus on growth and has significantly fewer holdings than the benchmark index. The fund's tracking error has been within a range of approximately 3-4% in recent years, which the fund manager considers to be a good balance between risk and return. The risk level is also in line with the fund's historical levels.

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.

Handelsbanken Amerika Tema, cont.

Fund facts - costs

Max. allowed mgmt. costs in % according to fund rules	
Amerika Tema A1	1.60
Amerika Tema A9	0.80
Amerika Tema A10	0.60
Amerika Tema B1	1.60
Collected mgmt. costs in % of average fund capital	
Amerika Tema A1	1.60
Amerika Tema A9	0.80
Amerika Tema A10	0.60
Amerika Tema B1	1.60
Annual fees in %	
Amerika Tema A1	1.60
Amerika Tema A9	0.80
Amerika Tema A10	0.60
Amerika Tema B1	1.60
Transaction costs, SEK thousand	2,818
Transaction costs in % of turnover	0.02
Costs in SEK for a one-time subscription, 10 000 SEK	
Amerika Tema A1	169.93
Amerika Tema A9	-
Amerika Tema A10	64.05
Amerika Tema B1	170.19
Costs in SEK for monthly savings, 100 SEK	
Amerika Tema A1	11.29
Amerika Tema A9	-
Amerika Tema A10	4.25
Amerika Tema B1	11.59

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	16.6	Information ratio - A1 SEK	0.9
Total risk % - A1 EUR	17.2	Information ratio - A1 EUR	0.9
Total risk % - A1 NOK	11.0	Information ratio - A1 NOK	1.0
Total risk % - A10 SEK	16.6	Information ratio - A10 SEK	1.3
Total risk % - A10 EUR	17.2	Information ratio - A10 EUR	1.3
Total risk % - A10 NOK	11.0	Information ratio - A10 NOK	1.3
Total risk % - B1 SEK	16.6	Information ratio - B1 SEK	0.9
Total risk in index % - A1 SEK	17.3	Sharpe ratio - A1 SEK	1.7
Total risk in index % - A1 EUR	17.8	Sharpe ratio - A1 EUR	1.6
Total risk in index % - A1 NOK	11.9	Sharpe ratio - A1 NOK	2.8
Total risk in index % - A10 SEK	17.3	Sharpe ratio - A10 SEK	1.7
Total risk in index % - A10 EUR	17.8	Sharpe ratio - A10 EUR	1.7
Total risk in index % - A10 NOK	11.9	Sharpe ratio - A10 NOK	2.9
Total risk in index % - B1 SEK	17.3	Sharpe ratio - B1 SEK	1.7
Benchmark	Solactive ISS ESG Screened USA	Sharpe ratio in index - A1 SEK	1.4
Active Share % ¹⁾	67.1	Sharpe ratio in index - A1 EUR	1.4
Active return % - A1 SEK	3.4	Sharpe ratio in index - A1 NOK	2.3
Active return % - A1 EUR	3.4	Sharpe ratio in index - A10 SEK	1.4
Active return % - A1 NOK	3.5	Sharpe ratio in index - A10 EUR	1.4
Active return % - A10 SEK	4.7	Sharpe ratio in index - A10 NOK	2.3
Active return % - A10 EUR	4.7	Sharpe ratio in index - B1 SEK	1.4
Active return % - A10 NOK	4.8		
Active return % - B1 SEK	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, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities ¹⁾	1,666,606	3,862,827
Interest income	490	2,455
Dividends	101,858	133,447
Currency exchange profits and losses, net	-5,053	3,707
Other financial income ¹⁾	681	2,652
Other income	2,068	0
Total income and changes in value	1,766,651	4,005,088
EXPENSES		
Management costs:		
- Remuneration to the Management Company	176,870	190,049
Interest expense	192	91
Other financial expenses ²⁾	136	530
Other expenses	2,873	2,529
Total expenses	180,071	193,199
Net income	1,586,580	3,811,889
* Details of changes in value		
Capital gains	2,255,291	2,295,861
Capital losses	-492,222	-276,326
Unrealised gains/losses	-96,463	1,843,292
Sum	1,666,606	3,862,827

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

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

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	11,698,682	98.5	12,444,088	97.1
Total financial instruments with positive market value ^{Note 2)}	11,698,682	98.5	12,444,088	97.1
Bank assets and other liquid assets	175,524	1.5	377,963	3.0
Prepaid expenses and accrued income	2,140	0.0	4,179	0.0
Other assets	49,339	0.4	3,421	0.0
Total assets	11,925,685	100.4	12,829,651	100.1
LIABILITIES				
Accrued expenses and prepaid income	15,478	0.1	16,534	0.1
Other liabilities	27,910	0.3	-	-
Total liabilities	43,388	0.4	16,534	0.1
Fund capital ^{Note 1)}	11,882,297	100.0	12,813,117	100.0
Financial instruments lent	813,468	6.8	464,216	3.6
Collateral received for financial instruments lent	894,617	7.5	524,766	4.1

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	12,813,117	10,326,600
Units issued ¹⁾	3,337,798	2,948,195
Units redeemed ¹⁾	-5,845,740	-4,267,337
Profit according to Income Statement	1,586,580	3,811,889
Dividends to unit holders	-9,458	-6,230
Fund capital at the close of the period	11,882,297	12,813,117

1) Of which SEK 225 549 t relates to internal moves between share classes

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
Amazon.com	28,563	763,995	6.4
Bright Horizons Family Solutions	72,550	103,071	0.9
Comcast A	246,817	106,215	0.9
Grand Canyon Education	219,875	168,132	1.4
Home Depot	85,001	185,423	1.6
Nike B	199,650	231,959	2.0
Pool	68,588	209,823	1.8
Service Corporation International	265,000	106,858	0.9
Starbucks	108,300	95,150	0.8
		1,970,624	16.6
CONSUMER STAPLES			
Darling Ingredients Ord Shs	771,000	365,223	3.1
Kimberly-Clark	115,000	127,339	1.1
		492,562	4.2

Handelsbanken Amerika Tema, cont.

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
FINANCIALS AND REAL ESTATE			
American Express	112,800	112,008	0.9
East West Bancorp	541,435	225,485	1.9
Fidelity National Information Services	107,900	125,353	1.1
First Republic Bank	96,007	115,849	1.0
Nasdaq OMX Group	153,600	167,445	1.4
SVB Financial Group	66,102	210,540	1.8
Zions Bancorporation Ord Shs	449,000	160,182	1.3
		1,246,010	10.5
HEALTH CARE			
Abbott Laboratories	187,200	168,329	1.4
AbbVie	282,700	248,769	2.1
Amgen	64,600	121,980	1.0
Baxter International	153,700	101,284	0.9
Eli Lilly	223,893	310,452	2.6
Estée Lauder Companies A	74,500	162,864	1.4
Teladoc Ord Shs	36,000	59,119	0.5
Thermo Fisher Scientific	72,985	279,185	2.3
UnitedHealth Group	93,205	268,428	2.3
Zimmer Holdings	100,000	126,547	1.1
		1,846,957	15.5
INDUSTRIALS			
Allegion	97,710	93,389	0.8
Ameresco Ord Shs Class A	332,000	142,436	1.2
Kadant	51,500	59,627	0.5
MasTec	141,000	78,950	0.7
Trex Ord Shs	168,000	115,509	1.0
Veeva Systems A	61,500	137,506	1.2
		627,417	5.3
INFORMATION TECHNOLOGY			
8x8 Ord Shs	50,000	14,154	0.1
Activision Blizzard	213,100	162,496	1.4
Adobe Systems	45,422	186,560	1.6
Akamai Technologies	155,000	133,647	1.1
Apple	640,936	698,443	5.9
Autodesk	60,300	151,209	1.3
Fair Isaac Corp	19,150	80,371	0.7
Intuit	38,500	120,102	1.0
Keysight Technologies Ord Shs	135,000	146,447	1.2
Mastercard	122,940	360,385	3.0
Microsoft	583,500	1,065,842	9.0
Nuance Communication	308,000	111,524	0.9
Nvidia	79,500	340,943	2.9
PayPal	169,500	326,013	2.7
Qualcomm	222,200	277,994	2.3
Salesforce.com	105,000	191,892	1.6
		4,368,023	36.8
MATERIALS			
Graphic Packaging Holding	849,000	118,113	1.0
Loop Industries Ord Shs	500,000	34,082	0.3
		152,195	1.3
REAL ESTATE			
Colony Capital Ord Shs Class A	3,269,400	129,149	1.1
		1,246,010	10.5
TELECOMMUNICATION SERVICES			
Alphabet A	47,679	686,275	5.8
Boingo Wireless Ord Shs	925,000	96,629	0.8
IAC/InterActiveCorp	42,000	65,312	0.5
		848,215	7.1
UTILITIES			
NextEra Energy	231,500	146,678	1.2
		146,678	1.2
Total listed equities		11,698,682	98.5
Total transferable securities		11,698,682	98.5
Total holdings in financial instruments		11,698,682	98.5
Net, other assets and liabilities		183,615	1.5
Total fund capital		11,882,297	100.0

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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.

98.5

** 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).

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*** Refers to other financial instruments.

-

Additional information on loaned securities

Volume of lent securities, SEK thousand: **813,468**

Volume of lent securities as a % of total lendable assets **6.99**

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

United Kingdom	98,947
France	52,163
Austria	36,967
American Tower Corp Reit	36,635
Microsoft Corp	30,294
MasterCard Inc	21,681
Cigna Corp	19,877
Wells Fargo & Co	19,160
Germany	16,940
Apple Inc	14,872

The largest counterparties for securities lending, SEK thousand:

Credit Suisse AG, Dublin Branch	743,202
UBS AG, London Branch	87,539
HSBC Bank Plc	47,700
Goldman Sachs Intl	16,177
	894,617

Type and quality of collateral, SEK thousand:

Bonds and other interest-bearing instruments	221,918
Equities, shares	672,699
	894,617

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:

Open Maturity	-
Less than 1 day	-
1 Day to 1 Week	1,192
1 Week to 1 Month	1,078
1 Month to 3 Months	2,168
3 Months to 1 Year	217,479
Above 1 Year	672,699
	894,617

The domicile of the counterparties, SEK thousand:

Brittiska staten	151,415
Irändska staten	743,202
	894,617

Currency of the collateral, SEK thousand:

AUD	7,519
CAD	16,968
CHF	7,791
DKK	291
EUR	146,253
GBP	168,943
HKD	1,121
JPY	24,219
USD	521,494
MXN	17
	894,617

Settlement and clearing, SEK thousand:

Bilateral	16,177
Triparty	878,440
	894,617

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

The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 681 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 AG, Dublin Branch
 -Credit Suisse Securities (Europe) Ltd
 -Goldman Sachs Intl
 -HSBC Bank Plc
 -J.P. Morgan Securities Plc
 -UBS AG, London Branch

Handelsbanken Amerika Tema

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities on behalf of the fund that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used in sustainability efforts

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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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 companies

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainalytics on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

The Management Company's engagement activities - Corporate governance

Annual General Meetings and Nomination committees

The Management Company normally votes at general meetings in those companies where ownership exceeds 0.5% or at general meetings where the company concerned is identified as falling short in its sustainability efforts/corporate governance work. In general, the Management Company also supports shareholder proposals that seek to promote corporate sustainability, including greater transparency in recording and the reporting of the company's climate impact, as well as its work with human rights and labor law.

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 5% 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 Graphic Packaging, which posted strength on the back of the strong "from plastics to paper" trend. Sustainability is driving growth and when consumers change their focus, companies also follow the shift. This is exactly what occurred in the packaging segment, which we can confirm after our visit to the company's headquarters in Atlanta during February. The company is one of the largest packaging companies in the US that has chosen to focus 100% on paper packaging and has a market share of almost 40% in the US. Company management currently believes they have a great opportunity when companies like McDonalds and Dunkin' Donuts no longer serve food and coffee in plastic containers and are transitioning to paper packaging. Most of us are aware that only 10% of all plastics are currently recycled - a major environmental problem created by plastics, not least for the world's oceans.

Graphic Packaging predicts that they can increase their organic growth by 1-2% annually over the next five years based solely on a higher demand for sustainable packaging by consumers. They are also seeing that the change in their new orders is definitely making its mark this year - "the tipping point is

here", claimed the company's Head of Finance when we met him, and there is no reason to doubt him. All of the global consumer giants have issued sustainability commitments to their customers, e.g., McDonalds, Nestlé and Unilever are already committed to using only renewable materials by 2025. This paves the way for a new USD 5 billion market for Graphic Packaging.

We also increased the exposure to 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

Facebook is the world's largest social network with 2.5 billion users. The growth of users and a higher level of user involvement, together with all the data generated, makes Facebook an extremely attractive platform for digital marketing. Facebook is well-positioned to benefit from the higher share of online advertising and marketing. However, we have reservations regarding the amount of personal data being used that is, ultimately, the property of the user. Further regulations may limit the possibility of gathering and using personal data.



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. The fund may invest in derivative instruments as part of its investment focus. The fund may invest a maximum of 10% of the fund capital in fund units. We compare fund performance with an index consisting of Solactive ISS ESG Screened GM Asia ex Japan UCITS Index. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund normally consists of approximately 100 companies, which is significantly fewer than the fund's benchmark index. The fund invests in companies, irrespective of whether or not these are included in the benchmark index. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 11.0% in 2020*. The internet companies JD.com, Tencent, Meituan Dianping, Baidu, Kakao and Naver; the technology companies: Taiwan Semiconductor Manufacturing, Samsung Electronics and Mediatek; as well as the marketplace company Hong Kong Exchanges & Clearing and the industrial glass manufacturer Xinyi Glass were the most positive contributors to returns. The most negative contributors to fund returns include the internet company Momo Inc., the camera lens manufacturer Largan, the real estate companies China Overseas Land & Investment and Sunac, the airport company Airports of Thailand, the cement company Anhui Conch, the telephone operator China Mobile and the bank DBS Group. The market was dominated by significant fluctuations due to the Covid-19 crisis. The fund's exposure to banks and travel-related companies had a negative impact on returns. However, the fund's focus on strong companies within technology and digitalization was positive for returns in the period. 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.

*) 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 characterized 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 minimize 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 2020. The fund has the option of lending securities. The fund used this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

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

Information

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 and 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.

The Management Company's work in nomination committees is also regulated in Guidelines for nomination committees. 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.

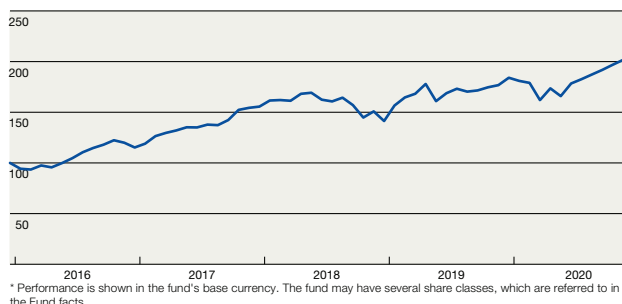
The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management Company then takes 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 Shareholder engagement and responsible investment 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 and in Guidelines for nomination committees which can be found under <https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>.

Fund performance*



Fund facts - history

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net asset value										
Asien Tema A1 - SEK	836.75	753.86	578.92	637.21	471.96	409.56	409.61	324.62	311.40	272.91
Asien Tema A1 - EUR	83.27	71.74	57.12	64.81	49.25	44.72	-	-	-	-
Asien Tema A1 - NOK	872.25	707.57	565.42	636.58	447.18	430.00	-	-	-	-
Asien Tema A9 - SEK	105.99	-	-	-	-	-	-	-	-	-
Asien Tema A9 - EUR	83.71	-	-	-	-	-	-	-	-	-
Asien Tema A10 - SEK	858.18	766.23	583.23	-	-	-	-	-	-	-
Asien Tema A10 - EUR	85.42	72.93	57.55	-	-	-	-	-	-	-
Asien Tema A10 - NOK	894.47	719.39	569.63	-	-	-	-	-	-	-
Asien Tema B1 - SEK	118.75	-	-	-	-	-	-	-	-	-
The fund's total net flow, SEK m	161	-4,898	3,441	776	385	-322	102	-380	-104	-
Fund capital total, SEK m	9,300	8,303	10,746	8,205	5,441	3,474	3,702	2,852	3,105	2,760
Asien Tema A1 - SEK	8,426	7,747	9,021	7,635	5,129	3,407	3,702	2,852	3,105	2,760
Asien Tema A1 - EUR	21	24	26	30	17	5	-	-	-	-
Asien Tema A1 - NOK	203	160	279	276	145	18	-	-	-	-
Asien Tema A9 - SEK	309	-	-	-	-	-	-	-	-	-
Asien Tema A9 - EUR	6	-	-	-	-	-	-	-	-	-
Asien Tema A10 - SEK	6	12	1,073	-	-	-	-	-	-	-
Asien Tema A10 - EUR	0	4	4	-	-	-	-	-	-	-
Asien Tema A10 - NOK	97	76	62	-	-	-	-	-	-	-
Asien Tema B1 - SEK	0	-	-	-	-	-	-	-	-	-
Number of units, 1000's	13,655	11,011	18,547	12,876	11,530	8,481	9,037	8,785	9,971	10,114
Asien Tema A1 - SEK	10,070	10,277	15,582	11,982	10,867	8,317	9,037	8,785	9,971	10,114
Asien Tema A1 - EUR	250	332	456	460	338	122	-	-	-	-
Asien Tema A1 - NOK	233	226	494	434	325	42	-	-	-	-
Asien Tema A9 - SEK	2,912	-	-	-	-	-	-	-	-	-
Asien Tema A9 - EUR	72	-	-	-	-	-	-	-	-	-
Asien Tema A10 - SEK	6	16	1,840	-	-	-	-	-	-	-
Asien Tema A10 - EUR	3	54	66	-	-	-	-	-	-	-
Asien Tema A10 - NOK	109	106	109	-	-	-	-	-	-	-
Asien Tema B1 - SEK	0	-	-	-	-	-	-	-	-	-
Total returns in %										
Asien Tema A1 - SEK	+11.0	+30.2	-9.1	+35.0	+15.2	0.0	+26.2	+4.2	+16.5	-12.8
Asien Tema A1 - EUR	+16.1	+25.6	-11.9	+31.6	+10.1	+3.4	-	-	-	-
Asien Tema A1 - NOK	+23.3	+25.1	-11.2	+42.4	+4.0	+9.6	-	-	-	-
Asien Tema A9 - SEK	+6.0	-	-	-	-	-	-	-	-	-
Asien Tema A9 - EUR	+11.2	-	-	-	-	-	-	-	-	-
Asien Tema A10 - SEK	+12.0	+31.4	-8.3	-	-	-	-	-	-	-
Asien Tema A10 - EUR	+17.1	+26.7	-11.1	-	-	-	-	-	-	-
Asien Tema A10 - NOK	+24.3	+26.3	-10.4	-	-	-	-	-	-	-
Asien Tema B1 - SEK	+11.0	-	-	-	-	-	-	-	-	-
Index including dividends in %										
Asien Tema A1 - SEK	+10.5	+25.6	-7.3	+27.7	+13.6	-2.2	+27.7	+2.4	+15.8	-13.1
Asien Tema A1 - EUR	+15.5	+21.2	-10.1	+24.5	+8.6	+1.2	-	-	-	-
Asien Tema A1 - NOK	+22.7	+20.8	-9.3	+34.7	+2.5	+7.2	-	-	-	-
Asien Tema A9 - SEK	+6.2	-	-	-	-	-	-	-	-	-
Asien Tema A9 - EUR	+11.4	-	-	-	-	-	-	-	-	-
Asien Tema A10 - SEK	+10.5	+25.6	-7.3	-	-	-	-	-	-	-
Asien Tema A10 - EUR	+15.5	+21.2	-10.1	-	-	-	-	-	-	-
Asien Tema A10 - NOK	+22.7	+20.8	-9.3	-	-	-	-	-	-	-
Asien Tema B1 - SEK	+10.5	-	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾										
Asien Tema A1 - SEK	2.2	2.7	2.4	2.5	2.6	2.6	2.4	2.0	2.2	2.0
Asien Tema A1 - EUR	2.2	2.7	2.4	2.5	2.6	2.6	-	-	-	-
Asien Tema A1 - NOK	2.2	2.7	2.4	2.5	2.6	2.6	-	-	-	-
Asien Tema A10 - SEK	2.2	2.7	2.4	-	-	-	-	-	-	-
Asien Tema A10 - EUR	2.2	2.7	2.4	-	-	-	-	-	-	-
Asien Tema A10 - NOK	2.2	2.7	2.4	-	-	-	-	-	-	-

Handelsbanken Asien Tema, cont.

Fund facts - history cont.

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Asien Tema B1 - SEK	2.2	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Asien Tema A1 - SEK	+20.2	+8.8	+10.8	+24.7	+7.3	+12.3	+14.7	+10.2	+0.8	-0.9
Asien Tema A1 - EUR	+20.7	+5.2	+7.7	+20.4	+6.7	+10.4	-	-	-	-
Asien Tema A1 - NOK	+24.2	+5.4	+12.4	+21.7	+6.8	+18.4	-	-	-	-
Asien Tema A10 - SEK	+21.3	+9.7	+11.7	-	-	-	-	-	-	-
Asien Tema A10 - EUR	+21.8	+6.2	+8.7	-	-	-	-	-	-	-
Asien Tema A10 - NOK	+25.3	+6.4	+13.5	-	-	-	-	-	-	-
Asien Tema B1 - SEK	+20.2	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+17.8	+7.9	+8.8	+20.5	+5.4	+11.8	+14.4	+8.9	+0.3	-1.1
EUR	+18.3	+4.4	+5.8	+16.3	+4.8	+9.9	-	-	-	-
NOK	+21.7	+4.6	+10.5	+17.5	+4.9	+17.9	-	-	-	-
Average yearly return, 5 yrs. %										
Asien Tema A1 - SEK	+15.4	+13.0	+12.3	+15.4	+12.0	+6.0	+8.5	+12.6	+0.1	+1.9
Asien Tema A1 - EUR	+13.2	+10.7	+9.3	+12.3	+10.4	+5.6	-	-	-	-
Asien Tema A1 - NOK	+15.2	+12.5	+13.0	+19.0	+14.0	+10.2	-	-	-	-
Asien Tema A10 - SEK	+16.4	+14.0	+13.3	-	-	-	-	-	-	-
Asien Tema A10 - EUR	+14.3	+11.7	+10.3	-	-	-	-	-	-	-
Asien Tema A10 - NOK	+16.2	+13.5	+14.1	-	-	-	-	-	-	-
Asien Tema B1 - SEK	+15.4	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+13.3	+10.6	+11.0	+13.2	+11.0	+5.2	+8.2	+12.1	+0.9	+3.1
EUR	+11.2	+8.3	+8.0	+10.1	+9.4	+4.9	-	-	-	-
NOK	+13.1	+10.1	+11.7	+16.8	+12.9	+9.4	-	-	-	-
Average yearly return, 10 yrs. %										
Asien Tema A1 - SEK	+10.6	+10.7	+12.4	+7.5	+6.9	+6.1	+10.0	+7.4	+8.6	+3.7
Asien Tema A1 - EUR	+9.4	+10.4	+13.4	+7.0	+6.2	+6.4	-	-	-	-
Asien Tema A1 - NOK	+12.6	+12.4	+13.5	+9.4	+7.3	+8.4	-	-	-	-
Asien Tema A10 - SEK	+11.6	+11.8	+13.5	-	-	-	-	-	-	-
Asien Tema A10 - EUR	+10.4	+11.5	+14.4	-	-	-	-	-	-	-
Asien Tema A10 - NOK	+13.7	+13.4	+14.6	-	-	-	-	-	-	-
Asien Tema B1 - SEK	+10.6	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+9.2	+9.4	+11.5	+6.8	+6.9	+6.9	+11.2	+9.3	+11.1	+6.8
EUR	+8.0	+9.1	+12.4	+6.4	+6.3	+7.2	-	-	-	-
NOK	+11.2	+11.0	+12.6	+8.7	+7.4	+9.2	-	-	-	-
Dividends per unit, SEK	-	-	-	-	-	-	-	-	6.18	3.81
Exchange rate EUR/SEK	10.05	10.51	10.13	9.83	9.58	9.16	-	-	-	-
Exchange rate NOK/SEK	0.96	1.07	1.02	1.00	1.06	0.95	-	-	-	-

1) The fund's tracking error has been within a range of approximately 2-3% in recent years, which the fund manager considers to be a good balance between risk and return. The level of risk varies slightly over the years, which can be due to different factors such as the degree of sector concentration, etc.

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 A9	0.75
Asien Tema A10	0.60
Asien Tema B1	1.50
Collected mgmt. costs in % of average fund capital	
Asien Tema A1	1.50
Asien Tema A9	0.75
Asien Tema A10	0.60
Asien Tema B1	1.51
Annual fees in %	
Asien Tema A1	1.50
Asien Tema A9	0.75
Asien Tema A10	0.60
Asien Tema B1	1.51
Transaction costs, SEK thousand	4,977
Transaction costs in % of turnover	0.10
Costs in SEK for a one-time subscription, 10 000 SEK	
Asien Tema A1	148.37
Asien Tema A9	-
Asien Tema A10	59.62
Asien Tema B1	-
Costs in SEK for monthly savings, 100 SEK	
Asien Tema A1	10.37
Asien Tema A9	-
Asien Tema A10	4.16
Asien Tema B1	-

Fund facts - other key figures

Turnover rate	0.3
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	16.5	Information ratio - A1 SEK	1.1
Total risk % - A1 EUR	16.9	Information ratio - A1 EUR	1.1
Total risk % - A1 NOK	13.2	Information ratio - A1 NOK	1.1
Total risk % - A10 SEK	16.4	Information ratio - A10 SEK	1.6
Total risk % - A10 EUR	16.9	Information ratio - A10 EUR	1.6
Total risk % - A10 NOK	13.2	Information ratio - A10 NOK	1.6
Total risk % - B1 SEK	16.5	Information ratio - B1 SEK	1.1
Total risk in index % - A1 SEK	15.6	Sharpe ratio - A1 SEK	1.3
Total risk in index % - A1 EUR	16.3	Sharpe ratio - A1 EUR	1.2
Total risk in index % - A1 NOK	12.5	Sharpe ratio - A1 NOK	1.8
Total risk in index % - A10 SEK	15.6	Sharpe ratio - A10 SEK	1.3
Total risk in index % - A10 EUR	16.3	Sharpe ratio - A10 EUR	1.3
Total risk in index % - A10 NOK	12.5	Sharpe ratio - A10 NOK	1.8
Total risk in index % - B1 SEK	15.6	Sharpe ratio - B1 SEK	1.3
Benchmark	Solactive ISS ESG	Sharpe ratio in index - A1 SEK	1.2
	Screened GM Asia ex	Sharpe ratio in index - A1 EUR	1.1
	Japan UCITS Index	Sharpe ratio in index - A1 NOK	1.7
Active Share % ¹⁾	45.2	Sharpe ratio in index - A10 SEK	1.2
Active return % - A1 SEK	2.4	Sharpe ratio in index - A10 EUR	1.1
Active return % - A1 EUR	2.4	Sharpe ratio in index - A10 NOK	1.7
Active return % - A1 NOK	2.5	Sharpe ratio in index - B1 SEK	1.2
Active return % - A10 SEK	3.5		
Active return % - A10 EUR	3.5		
Active return % - A10 NOK	3.6		
Active return % - B1 SEK	2.4		

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 Asien Tema, cont.

Income statement, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	873,525	2,387,407
Changes in value for other derivative instruments **	1	317
Interest income	83	3,474
Dividends	131,563	209,082
Currency exchange profits and losses, net	-39,255	31,355
Other financial income ¹⁾	857	989
Other income	0	4
Total income and changes in value	966,773	2,632,628
EXPENSES		
Management costs:		
- Remuneration to the Management Company	123,974	151,896
Interest expense	190	323
Other financial expenses ²⁾	171	198
Other expenses	5,462	25,477
Total expenses	129,797	177,894
Net income	836,976	2,454,734
* Details of changes in value		
Capital gains	785,323	1,428,012
Capital losses	-337,215	-452,077
Unrealised gains/losses	425,417	1,411,472
Sum	873,525	2,387,407
** Details of changes in value		
Capital gains	-	25
Unrealised gains/losses	1	293
Sum	1	317

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

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	9,071,742	97.5	8,197,401	98.7
Other derivative instruments with positive market value	318	0.0	317	0.0
Total financial instruments with positive market value ^{Note 2)}	9,072,060	97.6	8,197,718	98.7
Bank assets and other liquid assets	230,753	2.5	97,311	1.2
Prepaid expenses and accrued income	4,479	0.1	7,357	0.1
Other assets	4,409	-0.2	26,134	0.3
Total assets	9,311,701	100.1	8,328,520	100.3
LIABILITIES				
Accrued expenses and prepaid income	11,404	0.1	10,336	0.1
Other liabilities	-	-	15,501	0.2
Total liabilities	11,404	0.1	25,837	0.3
Fund capital ^{Note 1)}	9,300,298	100.0	8,302,683	100.0
Financial instruments lent	341,785	3.7	274,388	3.3
Collateral received for financial instruments lent	377,881	4.1	304,040	3.7

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	8,302,683	10,745,909
Units issued ¹⁾	2,632,297	3,198,752
Units redeemed ¹⁾	-2,471,658	-8,096,712
Profit according to Income Statement	836,976	2,454,734
Dividends to unit holders	-	-
Fund capital at the close of the period	9,300,298	8,302,683

¹⁾ Of which SEK 319 755 t relates to internal moves between share classes

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
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LISTED EQUITIES

CHINA (CNY)			
51job ADR	15,000	8,623	0.1
Alibaba Group Holding ADR	400,429	765,343	8.2
Alibaba Group Holding Ord Shs	60,000	14,782	0.2
Anhui Conch Cement HKD	2,995,159	154,017	1.7
Autohome ADR	104,694	85,654	0.9
Baidu ADR	120,515	214,020	2.3
China Construction Bank	23,226,841	144,899	1.6
China Life Insurance HKD	2,200,000	39,846	0.4
China Merchants Bank	3,169,500	164,493	1.8
China Mobile HKD	1,826,413	85,503	0.9
Fosun International	570,000	7,353	0.1
Hainan Meilan International Airport	374,000	16,281	0.2
Industrial & Commercial Bank of China HKD	16,333,593	87,018	0.9
JD.com ADR	300,000	216,565	2.3
Li Ning	1,100,000	62,098	0.7
Meituan Dianpi-B Rg	350,000	109,210	1.2
NetEase	240,160	188,890	2.0
New Oriental	58,370	89,071	1.0
Pinduoduo Sp ADS-A	20,000	29,182	0.3
Ping An Insurance	2,485,618	250,103	2.7
Shenzhen International Group Holdings	350,000	56,347	0.6
Sunac China Holdings	1,000,000	30,345	0.3
Sunny Optical Technology Group	750,000	134,804	1.4
TAL Education Group ADR	90,000	52,855	0.6
Tencent	1,443,246	862,145	9.3
Trip.com Group ADR	200,000	55,402	0.6
Vipshop ADR	60,000	13,851	0.1
Weibo Sp ADS-A	37,648	12,674	0.1
WuXi AppTec Rg-H	100,000	16,078	0.2
Wuxi Biologics Cayman Inc	600,000	65,329	0.7
Xiaomi Ord Shs	1,700,000	59,779	0.6
Xinyi Solar Holdings	1,616,018	34,660	0.4
		4,127,220	44.4

HONG KONG (HKD)

AIA Group	2,867,443	288,522	3.1
Bank of China HKD	728,582	18,135	0.2
China Mengniu Dairy	900,000	44,612	0.5
China Overseas Land & Investment	5,343,564	95,422	1.0
China Resources Land	2,056,905	69,715	0.7
CK Asset Holdings	371,940	15,679	0.2
Geely Automobile Holdings	1,100,000	30,874	0.3
Hang Seng Bank	368,876	52,236	0.6
Hong Kong Exchanges and Clearing	576,137	259,343	2.8
New World Development Company-New	547,743	20,943	0.2
Nine Dragons Paper Holdings	1,000,000	11,651	0.1
NWS Holdings	1,184,598	9,021	0.1
Sino Biopharmaceutical	3,375,000	26,810	0.3
Sino Land	835,223	8,935	0.1
Sun Hung Kai Properties	280,686	29,729	0.3
The Link Real Estate Investment Trust	407,446	30,467	0.3
Wharf Real Estate Investment	588,943	25,170	0.3
Xinyi Glass Holdings	5,000,000	114,654	1.2
		1,151,918	12.4

INDIA (INR)

HCL Technologies	240,000	25,523	0.3
HDFC Bank	1,614,420	260,625	2.8
HDFC Standard Rg	250,000	19,009	0.2
Hero Honda Motors	80,000	27,964	0.3
Housing Development Finance	575,000	165,361	1.8
Infosys Technologies	700,000	98,803	1.1
Maruti Suzuki India	10,000	8,598	0.1
Tata Consultancy Services	188,282	60,582	0.7
		666,465	7.2

INDONESIA (IDR)

Bank Central Asia	2,800,000	55,033	0.6
Bank Rakyat Indonesia	10,027,650	24,383	0.3
Pakuwon Jati	50,000,000	15,490	0.2
Surya Citra Media	5,000,000	6,488	0.1
Telkom Indonesia	20,201,552	39,203	0.4
		140,598	1.5

KOREA, REPUBLIC OF (KRW)

Daum Kakao	35,000	103,063	1.1
Hynix Semiconductor	90,000	80,629	0.9
KB Financial Group	44,000	14,437	0.2
LG Chemical	7,000	43,607	0.5
Naver	35,000	77,397	0.8
NCSOFT	5,000	35,192	0.4
Netmarble Games	15,000	14,912	0.2
Samsung Electronics	401,357	245,779	2.6
Samsung Electronics pref	303,100	168,652	1.8
Samsung SDI	8,000	37,982	0.4
Shinhan Financial Group	76,361	18,502	0.2
SK Telecom	6,000	10,796	0.1
		850,948	9.2

PHILIPPINES (PHP)

Ayala	120,000	16,971	0.2
Ayala Land	14,062,045	98,355	1.1
BDO Unibank	932,158	17,025	0.2
D&L Industries	3,002,162	3,953	0.0
Globe Telecom	101,163	35,119	0.4
Megawide Construction Ord Shs	774,300	1,051	0.0
SM Investments	214,500	38,479	0.4
SM Prime Holdings	8,533,750	56,186	0.6
		267,139	2.9

Handelsbanken Asien Tema, cont.

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
SINGAPORE (SGD)			
CapitaLand	1,265,743	25,798	0.3
CapitaMall Trust	858,133	11,518	0.1
DBS Group Holdings	1,375,895	214,083	2.3
Oversea-Chinese Banking	855,841	53,500	0.6
Sea ADR Representing Ord Shs Class A	15,000	24,521	0.3
Singapore Telecommunications	1,134,641	16,287	0.2
United Overseas Bank	280,000	39,304	0.4
		385,009	4.1
TAIWAN, PROVINCE OF CHINA (TWD)			
Cathay Financial Holding	2,300,000	28,403	0.3
Hon Hai Precision Industry	1,700,000	45,713	0.5
Largan Precision	20,000	18,677	0.2
Mediatek	700,000	152,834	1.6
Nan Liu Enterprise	130,000	7,067	0.1
Taiwan Semiconductor	6,002,582	929,858	10.0
Uni-President Enterprises	649,776	12,819	0.1
		1,195,372	12.9
THAILAND (THB)			
Airports of Thailand Ord Shs F	6,117,360	104,385	1.1
Bangkok Dusit Medical Services	4,275,000	24,374	0.3
Berli Jucker Ord Shs F	400,000	3,810	0.0
Central Pattana	2,890,000	37,827	0.4
Kasikornbank f/r	300,000	9,293	0.1
Minor International	2,976,958	21,013	0.2
		200,703	2.2
UNITED STATES (USD)			
Yum China Holdings	55,000	25,787	0.3
		25,787	0.3
VIETNAM (VND)			
Viet Nam Dairy Products Ord Shs	200,000	7,742	0.1
Vingroup Joint	380,000	14,629	0.2
Vinhomes Rg	1,200,000	38,212	0.4
		60,583	0.7
Total listed equities		9,071,742	97.5

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
UNLISTED EQUITIES***			
HONG KONG (HKD)			
EganaGoldfeil Holdings	128,000	0	0.0
		0	0.0
Total unlisted equities		0	0.0
Total transferable securities		9,071,742	97.5

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
OPTIONS AND WARRANTS			
Minor INTL-W7	135,316	286	0.0
MINT W6 TB	315,333	33	0.0
Total options and warrants		318	0.1
Total exchange-traded derivatives		318	0.1
Total holdings in financial instruments		9,072,060	97.6
Net, other assets and liabilities		228,238	2.4
Total fund capital		9,300,298	100.0

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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. 97.5

** 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). 0.1

*** Refers to other financial instruments. -

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Alibaba Group	8.4	Samsung	4.8
		Ayala	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.

Additional information on loaned securities

Volume of lent securities, SEK thousand: 341,785

Volume of lent securities as a % of total lendable assets 5.06

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

United Kingdom	54,944
Amerikanska staten	53,081
Germany	33,305
France	15,077
BHP Group Plc	12,988
Procter & Gamble Co	8,579
Vodafone Group Plc	8,334
Lam Research Corp	7,743
Johnson & Johnson	7,247
Cummins Inc	6,636

The largest counterparties for securities lending, SEK thousand:

UBS AG, London Branch	262,366
Merrill Lynch Intl	71,953
Goldman Sachs Intl	38,692
Citigroup Global Markets Ltd	2,146
Credit Suisse Securities (Europe) Ltd	2,032
HSBC Bank Plc	692
	377,881

Type and quality of collateral, SEK thousand:

Bonds and other interest-bearing instruments	168,247
Equities, shares	209,634
	377,881

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:

Open Maturity	-
Less than 1 day	-
1 Day to 1 Week	-
1 Week to 1 Month	4
1 Month to 3 Months	3,834
3 Months to 1 Year	164,409
Above 1 Year	209,634
	377,881

The domicile of the counterparties, SEK thousand:

Brittiska staten	377,881
	377,881

Currency of the collateral, SEK thousand:

AUD	3,427
CHF	7,103
EUR	73,214
GBP	154,754
HKD	2,833
JPY	2,748
USD	133,801
	377,881

Settlement and clearing, SEK thousand:

Triparty	377,881
	377,881

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

The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 857 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
-Credit Suisse Securities (Europe) Ltd
-Goldman Sachs Intl
-HSBC Bank Plc
-J.P. Morgan Securities Plc
-Merrill Lynch Intl
-UBS AG, London Branch

Handelsbanken Asien Tema

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities on behalf of the fund that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used in sustainability efforts

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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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 companies

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainalytics on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

The Management Company's engagement activities - Corporate governance

Annual General Meetings and Nomination committees

The Management Company normally votes at general meetings in those companies where ownership exceeds 0.5% or at general meetings where the company concerned is identified as falling short in its sustainability efforts/corporate governance work. In general, the Management Company also supports shareholder proposals that seek to promote corporate sustainability, including greater transparency in recording and the reporting of the company's climate impact, as well as its work with human rights and labor law.

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 5% 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 2020 and the holding currently totals approximately 10% of the fund's total value. The company is a major role model within global manufacturing given 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 LG Chem and Samsung SDI, which are world-leading producers of electric batteries for cars. Xinyi Solar, which is a world-leading manufacturer of solar glass, was also added to the portfolio.

Exclusion

Exclusion The fund has had a major focus on sustainability over many years. In 2019 the fund also began to apply Handelsbanken Fonder's enhanced sustainability requirements. 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. There has been no reason to exclude any additional companies during 2020.

The Management Company's engagement activities - Dialogues

Targeted dialogues with direct contact between our fund managers and companies

The fund engaged in two targeted dialogues directly with companies during the year.

We conducted 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 worldwide, we analyzed 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. Since we began the dialogue work with Conch, the company has begun reporting its emissions and has set targets for future reductions. However, we do not believe that the targets are sufficiently ambitious. We also initiated dialogues with Nine Dragons Paper and Xinyi Glass concerning the potential for improvement related to emissions.



Handelsbanken Brasilien Tema

Management report

Investment focus

The fund mainly invests in equities issued by small and mid-sized companies in Brazil that have the majority of their business operations in Brazil and that benefits from growth in the country. The business operations of the companies shall target domestic demand. 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. The fund can invest in derivative instruments as part of the fund's investment focus. 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. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund normally consists of 30–50 companies, which is significantly fewer than the fund's benchmark index. The fund invests in companies, irrespective of whether or not these are included in the benchmark index. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund fell 30.9% in 2020*. The fund is managed with a thematic investment process, where the current themes include demographics, productivity and the environment. Most of the activity during 2020 dealt with Covid-19 and the impact the pandemic has had on companies, private individuals and governments. The higher risks that arose when countries were forced, more or less, to close their economies initially created a sharp decline in Brazil's equity market and in the currency. The equity market recovered after the sharp downturn, while the currency continued to contribute negatively to returns during the year. The stock exchange operator B3 and the software companies Totvs and Locaweb were the strongest contributors to returns. B3 has benefited from the higher turnover in the stock market, as well as by the ongoing shift in Brazil from fixed income to equities. There was a keen interest for IPOs in 2020, which is positive for B3 over time. Locaweb was one of the companies that launched an IPO during the year. The company provides digital solutions to companies, most notably within retail. During the pandemic the company's solutions have been in high demand. The weakest contributors to returns were the bank Banco do Brasil and the roadway concession company Ecorodovias, which are sensitive to the economic growth. The fund added several new companies during the year and a number of the companies were linked to IPOs. In addition to Locaweb, the fund invested in the e-commerce company Enjoei, the home builder Melnick as well as Aeris, which produces rotor blades to wind power plants. The holdings in the waste and water management company Copasa and the event management company Time4Fun were sold 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 characterized 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 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 minimize 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 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

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

Information

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 and 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.

The Management Company's work in nomination committees is also regulated in Guidelines for nomination committees. 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,

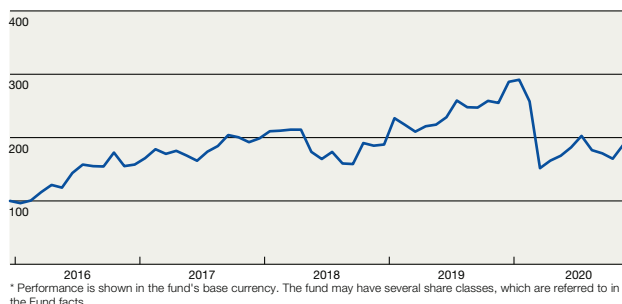
third-party analysis or direct contact with the company. The Management Company then takes independent decisions on those matters that will be subject to a vote or another decision-making process.

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 Shareholder engagement and responsible investment 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 and in Guidelines for nomination committees which can be found under <https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>.

Fund performance*



Fund facts - history

	2020	2019	7/12-31/12 2018	2017	2016	2015	2014	2013	2012	2011
Net asset value										
Brasilien Tema A1 - SEK	98.67	142.74	93.68	-	-	-	-	-	-	-
Brasilien Tema A1 - EUR	9.82	13.58	9.24	-	-	-	-	-	-	-
Brasilien Tema A1 - NOK	102.87	133.99	91.50	-	-	-	-	-	-	-
Brasilien Tema A9 - SEK	67.55	-	-	-	-	-	-	-	-	-
Brasilien Tema A9 - EUR	9.87	-	-	-	-	-	-	-	-	-
Brasilien Tema A10 - NOK	109.96	-	-	-	-	-	-	-	-	-
Brasilien Tema B1 - SEK	105.24	-	-	-	-	-	-	-	-	-
The fund's total net flow, SEK m	-25	127	-36	-	-	-	-	-	-	-
Fund capital total, SEK m	683	980	565	-	-	-	-	-	-	-
Brasilien Tema A1 - SEK	585	931	530	-	-	-	-	-	-	-
Brasilien Tema A1 - EUR	1	1	1	-	-	-	-	-	-	-
Brasilien Tema A1 - NOK	42	32	24	-	-	-	-	-	-	-
Brasilien Tema A9 - SEK	47	-	-	-	-	-	-	-	-	-
Brasilien Tema A9 - EUR	0	-	-	-	-	-	-	-	-	-
Brasilien Tema A10 - NOK	0	-	-	-	-	-	-	-	-	-
Brasilien Tema B1 - SEK	0	-	-	-	-	-	-	-	-	-
Number of units, 1000's	7,141	6,866	6,032	-	-	-	-	-	-	-
Brasilien Tema A1 - SEK	5,930	6,521	5,662	-	-	-	-	-	-	-
Brasilien Tema A1 - EUR	113	106	109	-	-	-	-	-	-	-
Brasilien Tema A1 - NOK	405	239	260	-	-	-	-	-	-	-
Brasilien Tema A9 - SEK	689	-	-	-	-	-	-	-	-	-
Brasilien Tema A9 - EUR	5	-	-	-	-	-	-	-	-	-
Brasilien Tema A10 - NOK	0	-	-	-	-	-	-	-	-	-
Brasilien Tema B1 - SEK	0	-	-	-	-	-	-	-	-	-
Total returns in %										
Brasilien Tema A1 - SEK	-30.9	+52.4	-4.9	+26.2	+57.4	-35.3	+4.2	-21.1	+27.8	-22.5
Brasilien Tema A1 - EUR	-27.7	+47.0	-7.7	+23.0	+50.5	-33.1	-2.7	-23.6	+32.6	-21.5
Brasilien Tema A1 - NOK	-23.2	+46.4	-7.0	+33.1	+42.1	-29.1	+5.6	-12.9	+25.5	-22.0
Brasilien Tema A9 - SEK	-32.5	-	-	-	-	-	-	-	-	-
Brasilien Tema A9 - EUR	-29.1	-	-	-	-	-	-	-	-	-
Brasilien Tema A10 - NOK	+10.0	-	-	-	-	-	-	-	-	-
Brasilien Tema B1 - SEK	-30.9	-	-	-	-	-	-	-	-	-
Index including dividends in %										
Brasilien Tema A1 - SEK	-29.6	+56.1	+5.9	+24.6	+75.5	-36.3	+3.2	-23.3	+8.6	-22.4
Brasilien Tema A1 - EUR	-26.4	+50.6	+2.8	+21.4	+67.8	-34.1	-3.5	-25.7	+12.7	-21.3
Brasilien Tema A1 - NOK	-21.8	+50.1	+3.6	+31.3	+58.4	-30.1	+4.7	-15.4	+6.8	-21.8
Brasilien Tema A9 - SEK	-31.4	-	-	-	-	-	-	-	-	-
Brasilien Tema A9 - EUR	-28.0	-	-	-	-	-	-	-	-	-
Brasilien Tema A10 - NOK	+17.1	-	-	-	-	-	-	-	-	-
Brasilien Tema B1 - SEK	-29.6	-	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾										
Brasilien Tema A1 - SEK	5.3	5.4	5.6	5.1	7.3	6.9	5.5	5.4	5.0	-
Brasilien Tema A1 - EUR	5.3	5.4	5.6	-	-	-	-	-	-	-
Brasilien Tema A1 - NOK	5.3	5.4	5.6	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Brasilien Tema A1 - SEK	+2.6	+20.4	+9.6	+41.0	+0.9	-17.9	-9.4	+0.4	-0.5	-
Brasilien Tema A1 - EUR	+3.1	+16.5	+6.6	+36.1	+0.3	-19.3	-13.7	+0.7	+2.0	-
Brasilien Tema A1 - NOK	+6.0	+16.7	+11.3	+37.5	+0.4	-13.5	-4.1	+4.6	-1.0	-
Comparison to index including dividends, %										
SEK	+4.8	+28.6	+14.9	+47.9	+5.8	-18.9	-11.0	-8.7	-8.2	-
EUR	+5.3	+24.4	+11.7	+42.7	+5.2	-20.3	-15.3	-8.5	-5.8	-

Handelsbanken Brasilien Tema, cont.

Fund facts - history cont.

	2020	2019	7/12-31/12 2018	2017	2016	2015	2014	2013	2012	2011
NOK	+8.3	+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	+14.8	+13.3	+5.0	+1.1	+1.3	-12.1	-	-	-	-
Brasilien Tema A1 - EUR	+12.7	+10.9	+2.2	-1.6	-0.1	-12.3	-	-	-	-
Brasilien Tema A1 - NOK	+14.6	+12.8	+5.7	+4.3	+3.1	-8.6	-	-	-	-
Comparison to index including dividends, %										
SEK	+20.5	+18.2	+8.8	+2.0	-0.8	-15.7	-	-	-	-
EUR	+18.3	+15.7	+5.9	-0.8	-2.2	-16.0	-	-	-	-
NOK	+20.4	+17.7	+9.5	+5.2	+0.9	-12.4	-	-	-	-
Average yearly return, 10 yrs. %										
Brasilien Tema A1 - SEK	+0.5	-	-	-	-	-	-	-	-	-
Brasilien Tema A1 - EUR	-0.6	-	-	-	-	-	-	-	-	-
Brasilien Tema A1 - NOK	+2.4	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+0.8	-	-	-	-	-	-	-	-	-
EUR	-0.3	-	-	-	-	-	-	-	-	-
NOK	+2.7	-	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.05	10.51	10.13	-	-	-	-	-	-	-
Exchange rate NOK/SEK	0.96	1.07	1.02	-	-	-	-	-	-	-

1) The fund has a thematic management process and focuses on companies that benefit from growth in the country. In general, the fund has significantly fewer holdings than the benchmark index. This has contributed to the fund's tracking error that has varied between approximately 5–7%, which the fund manager considers to be a good balance between risk and return. The tracking error has been relatively stable between 5–6% in recent years.

Benchmark: Solactive ISS ESG Screened Brazil Small & Mid Cap UCITS Index.

Up to 30/04/2020: 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.

Fund facts - costs

Max. allowed mgmt. costs in % according to fund rules	
Brasilien Tema A1	1.85
Brasilien Tema A9	0.95
Brasilien Tema A10	0.60
Brasilien Tema B1	1.85
Collected mgmt. costs in % of average fund capital	
Brasilien Tema A1	1.85
Brasilien Tema A9	0.95
Brasilien Tema A10	0.60
Brasilien Tema B1	1.85
Annual fees in %	
Brasilien Tema A1	1.85
Brasilien Tema A9	0.95
Brasilien Tema A10	0.60
Brasilien Tema B1	1.85
Transaction costs, SEK thousand	1,009
Transaction costs in % of turnover	0.08
Costs in SEK for a one-time subscription, 10 000 SEK	
Brasilien Tema A1	127.27
Brasilien Tema A9	-
Brasilien Tema A10	-
Brasilien Tema B1	-
Costs in SEK for monthly savings, 100 SEK	
Brasilien Tema A1	11.09
Brasilien Tema A9	-
Brasilien Tema A10	-
Brasilien Tema B1	-

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

Risk and return measurements*

Total risk % - A1 SEK	47.4	Information ratio - A1 EUR	Negative
Total risk % - A1 EUR	48.7	Information ratio - A1 NOK	Negative
Total risk % - A1 NOK	41.0	Sharpe ratio - A1 SEK	0.1
Total risk in index % - A1 SEK	48.8	Sharpe ratio - A1 EUR	0.1
Total risk in index % - A1 EUR	50.2	Sharpe ratio - A1 NOK	0.1
Total risk in index % - A1 NOK	42.0	Sharpe ratio in index - A1 SEK	0.1
Benchmark	Solactive ISS ESG Screened Brazil Small & Mid Cap UCITS Index.	Sharpe ratio in index - A1 EUR	0.1
		Sharpe ratio in index - A1 NOK	0.2
Active return % - A1 SEK	-2.2	Active Share % 1)	63.0
Active return % - A1 EUR	-2.2		
Active return % - A1 NOK	-2.3		
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, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	-262,374	284,145
Changes in value for fund units **	-	3,296
Interest income	34	134
Dividends	11,184	16,833
Currency exchange profits and losses, net	-6,884	-1,115
Other income	35	574
Total income and changes in value	-258,004	303,867
EXPENSES		
Management costs:		
- Remuneration to the Management Company	12,392	14,226
Interest expense	41	42
Other expenses	1,028	1,308
Total expenses	13,460	15,576
Net income	-271,464	288,291
* Details of changes in value		
Capital gains	161,076	106,643
Capital losses	-175,695	-22,583
Unrealised gains/losses	-247,755	200,085
Sum	-262,374	284,145
** Details of changes in value		
Capital gains	-	4,993
Capital losses	-	-1,748
Unrealised gains/losses	-	51
Sum	-	3,296

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	670,171	98.1	940,400	96.0
Total financial instruments with positive market value ^{Note 2)}	670,171	98.1	940,400	96.0
Bank assets and other liquid assets	6,051	0.9	73,336	7.5
Prepaid expenses and accrued income	2,632	0.4	3,561	0.4
Other assets	9,917	1.4	9,361	0.9
Total assets	688,771	100.8	1,026,658	104.8
LIABILITIES				
Accrued expenses and prepaid income	1,052	0.2	1,341	0.1
Other liabilities	4,516	0.6	45,342	4.7
Total liabilities	5,568	0.8	46,683	4.8
Fund capital ^{Note 1)}	683,203	100.0	979,975	100.0

Handelsbanken Brasilien Tema, cont.

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	979,975	565,061
Units issued ¹⁾	1,050,526	1,500,721
Units redeemed ¹⁾	-1,075,834	-1,374,098
Profit according to Income Statement	-271,464	288,291
Dividends to unit holders	-	-
Fund capital at the close of the period	683,203	979,975

1) Of which SEK 1 520 t relates to internal moves between share classes

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
Arcos Dorados Holdings	208,140	8,598	1.3
B2W	76,593	9,156	1.3
Cogna Educacao Ord Shs	1,604,345	11,745	1.7
Enjoel.com.br Atividade de Internet Ord Shs	100,000	2,016	0.3
Even	1,215,950	23,109	3.4
Gaec Educação	289,967	16,505	2.4
Lojas Americanas	249,403	10,367	1.5
Lojas Renner	387,374	26,667	3.9
Pet Center Comercio e Participacoes	106,300	3,210	0.5
São Paulo Alpargatas	90,175	5,988	0.9
		117,361	17.2
CONSUMER STAPLES			
Companhia Brasileira de Distribuicao	148,053	17,568	2.6
M. Dias Branco	162,400	8,746	1.3
Natura & Co Holding	117,226	9,731	1.4
		36,044	5.3
FINANCIALS AND REAL ESTATE			
Alianse Sonae Shopping Centers	255,852	11,800	1.7
B3 Brasil Bolsa Balcao	215,637	21,132	3.1
Banco ABC Brasil pref	406,159	10,063	1.5
Banco do Brasil	601,296	36,888	5.4
Banco Inter Unt	90,000	14,009	2.1
BR Malls	625,470	9,790	1.4
Itaúsa	675,000	12,519	1.8
Log Commercial Properties	129,000	6,978	1.0
LPS Brasil	138,186	1,088	0.2
Melnick Even Desenvolvimento Imobiliario	229,086	2,785	0.4
SulAmérica	497,739	34,902	5.1
		161,954	23.7
HEALTH CARE			
Fleury	491,913	21,015	3.1
Ouro Fino Saude Animal Participacoes	27,750	1,667	0.2
Profarma	354,596	3,420	0.5
Raia Drogasil	237,500	9,403	1.4
		35,505	5.2
INDUSTRIALS			
Aeris Industria e Comercio Ord Sh	325,000	5,139	0.8
Cia Paranaense de Energia	193,816	22,965	3.4
Companhia de Locacao das Americas	586,000	27,156	4.0
CPFL Energia	95,000	4,889	0.7
Duratex	807,576	24,439	3.6
EcoRodovias	1,503,801	31,789	4.7
Santos Brasil Participacoes	2,069,903	17,182	2.5
		133,559	19.6
INFORMATION TECHNOLOGY			
Cielo	455,832	2,883	0.4
Locaweb Servicos de Internet	94,500	12,023	1.8
Neogrip Participacoes Ord Shs	540,000	6,105	0.9
Totvs	642,867	29,192	4.3
		50,203	7.4
MATERIALS			
Klabin UNT	557,345	23,326	3.4
Suzano	47,541	4,400	0.6
		27,726	4.1
TELECOMMUNICATION SERVICES			
Jereissati Participacoes	426,434	17,726	2.6
Oi	6,260,000	21,775	3.2
Telefonica Brasil Ord Shs	133,426	9,810	1.4
		49,310	7.2
UTILITIES			
Cia Energetica de Sao Paulo B	187,290	8,579	1.3
CTEEP	227,000	9,981	1.5
SABESP	431,990	30,353	4.4
		48,913	7.2
OTHER			
Arezzo	89,000	9,594	1.4
		9,594	1.4
Total listed equities		670,171	98.1
Total transferable securities		670,171	98.1

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
Total holdings in financial instruments		670,171	98.1
Net, other assets and liabilities		13,032	1.9
Total fund capital		683,203	100.0

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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).

*** Refers to other financial instruments.

Compilation, Company and Group exposure*

Company/Group	% of fund capital
Itaúsa	5.4

* 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 Brasilien Tema

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities on behalf of the fund that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used in sustainability efforts

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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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 companies

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainability on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as an investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

The Management Company's engagement activities - Corporate governance

Annual General Meetings and Nomination committees

The Management Company normally votes at general meetings in those companies where ownership exceeds 0.5% or at general meetings where the company concerned is identified as falling short in its sustainability efforts/corporate governance work. In general, the Management Company also supports shareholder proposals that seek to promote corporate sustainability, including greater transparency in recording and the reporting of the company's climate impact, as well as its work with human rights and labor law.

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 5% 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 sustainability analysis is a key component in the fund's investment process. We believe that companies with exposure to the Sustainable Development Goals in general have an important advantage relative to other companies. One of the fund's holdings is the education company Anima, which provides high-quality post-secondary education. Anima has been successful in educating its students during the pandemic, despite the periodic closing of schools. The company contributes to the development of skills that are needed by society. Given that digitalization is increasingly becoming an integral part of education, this provides opportunities for Anima to focus on lifelong learning, which we believe is positive over time for students, society and companies.

Exclusion

The fund has actively chosen not to invest in Bradespar. Bradespar is an investment company that has the mining giant Vale as its only investment. We see a number of issues with an investment in Vale, including oppression of the rights of minorities. Additional shortcomings in Vale's sustainability activities have recently come to the fore. The dam accident in Brumadinho at the beginning of 2019, the second of the same type in three years, had devastating consequences and over 250 people lost their lives in the accident. The company has also adversely impacted the ecosystem through the accidents.

The Management Company's engagement activities - Dialogues

Targeted dialogues with direct contact between our fund managers and companies

The Management Company has discussed and explained the importance of focusing on sustainability in future investments during meetings with the roadway concession company Ecorodovias. Ecorodovias is making preparations to expand its portfolio of concessions through public auctions that are expected to occur in 2021. The need for major infrastructure investments is fundamental and private operators play a key role in increasing Brazil's competitiveness through improved infrastructure. We believe that the risk for corruption in conjunction with bidding is relatively small but have questions about the environmental and societal risks associated with specific projects. We would like the company to conduct a thorough independent analysis of the sustainability risks and the effects that investments can have on the ecosystem and the indigenous community. We also want the company to factor the analysis into its evaluation of the projects to minimize the risk that business operations negatively impact the environment and society. We continue to follow developments and look forward to more comprehensive sustainability analyses, by project, from Ecorodovias in the coming year.



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. The fund may invest in derivative instruments as part of the fund's investment focus. 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. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund normally consists of 50–100 companies, which is significantly fewer than the fund's benchmark index. The fund invests in companies, irrespective of whether or not these are included in the benchmark index. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund fell 5.3% in 2020*, although relative to the benchmark index fund performance was significantly stronger (+9.6%). The impact on the fund and the region was primarily driven during the year by the corona pandemic, with a sharp downturn in March. The market recovery in SEK was slow and has continued to improve at the outset of 2020. Currencies were also very volatile, although the fund's exposure between currencies contributed positively. The fund's thematic investments within renewable energy posted strength, where companies such as Israeli Solaredge with components to the solar industry, solar parks operator Scatec with significant exposure to Africa, and the Greek wind operator Tema Energy were the strongest contributors. The fund's tentative position to the financial sector that was expected to be hit hard by the pandemic was also relatively positive, although individual bank holdings, such as Polish Pekaobank, Egyptian CIB and Sberbank, were costly. During the autumn we began to increase the exposure to banks, which were not hit as hard as expected, as the sharp decline in GDP was matched by government support programs that have resulted in fewer credit losses. The digitalization theme accelerating during the pandemic, which was positive for the fund's holdings in Serbian Asseco SEE, the Russian internet companies Yandex, Mail.ru and Ozon. Retail chains and banks that quickly transitioned to e-commerce, including Russian TCS bank, X5, Detsky Mir, Kuwaiti Humansoft and South African Capitec, also posted strength. The price of metals has risen in the recovery and is currently at a 7-10 year peak. The fund has selectively increased the exposure to steel, paper and mining companies.

* 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 characterized 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 minimize 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 materialize.

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 2020. The fund has the option of lending securities. The fund used this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

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

Information

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 and 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.

The Management Company's work in nomination committees is also regulated in Guidelines for nomination committees. 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

Handelsbanken EMEA Tema, cont.

value growth.

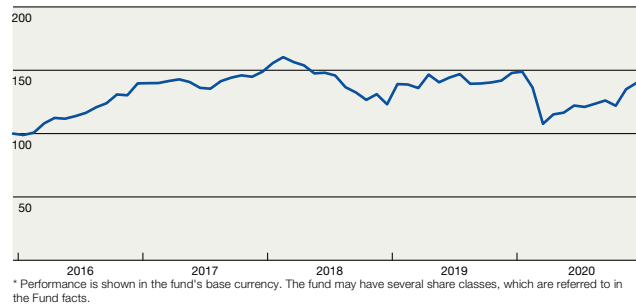
The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management Company then takes 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 Shareholder engagement and responsible investment 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 and in Guidelines for nomination committees which can be found under <https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>.

Fund performance*



Fund facts - history

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net asset value										
EMEA Tema A1 - SEK	410.07	433.18	360.60	435.88	408.99	292.93	308.00	381.83	394.05	326.70
EMEA Tema A1 - EUR	40.81	41.23	35.58	44.33	42.68	31.99	-	-	-	-
EMEA Tema A1 - NOK	427.53	406.63	352.19	435.44	387.52	307.55	-	-	-	-
EMEA Tema A9 - SEK	93.93	-	-	-	-	-	-	-	-	-
EMEA Tema A10 - SEK	421.72	441.04	363.49	-	-	-	-	-	-	-
EMEA Tema A10 - NOK	116.30	-	-	-	-	-	-	-	-	-
EMEA Tema B1 - SEK	116.15	-	-	-	-	-	-	-	-	-
The fund's total net flow, SEK m	-146	-452	101	-171	-85	58	-307	-263	-219	-
Fund capital total, SEK m	1,104	1,331	1,506	1,101	1,203	944	939	1,502	1,821	1,687
EMEA Tema A1 - SEK	1,045	1,268	1,448	1,041	1,144	905	939	1,502	1,821	1,687
EMEA Tema A1 - EUR	3	3	3	2	2	1	-	-	-	-
EMEA Tema A1 - NOK	28	27	27	43	41	28	-	-	-	-
EMEA Tema A9 - SEK	6	-	-	-	-	-	-	-	-	-
EMEA Tema A10 - SEK	0	1	1	-	-	-	-	-	-	-
EMEA Tema A10 - NOK	0	-	-	-	-	-	-	-	-	-
EMEA Tema B1 - SEK	0	-	-	-	-	-	-	-	-	-
Number of units, 1000's	2,745	3,073	4,178	2,525	2,942	3,222	3,049	3,933	4,621	5,164
EMEA Tema A1 - SEK	2,549	2,929	4,016	2,389	2,797	3,091	3,049	3,933	4,621	5,164
EMEA Tema A1 - EUR	62	76	84	38	39	42	-	-	-	-
EMEA Tema A1 - NOK	65	66	76	98	106	89	-	-	-	-
EMEA Tema A9 - SEK	65	-	-	-	-	-	-	-	-	-
EMEA Tema A10 - SEK	1	2	2	-	-	-	-	-	-	-
EMEA Tema A10 - NOK	0	-	-	-	-	-	-	-	-	-
EMEA Tema B1 - SEK	3	-	-	-	-	-	-	-	-	-
Total returns in %										
EMEA Tema A1 - SEK	-5.3	+20.1	-17.3	+6.6	+39.6	-4.9	-19.3	-3.1	+22.6	-24.4
EMEA Tema A1 - EUR	-1.0	+15.9	-19.7	+3.9	+33.4	-1.6	-	-	-	-
EMEA Tema A1 - NOK	+5.1	+15.5	-19.1	+12.4	+26.0	+4.3	-	-	-	-
EMEA Tema A9 - SEK	-6.1	-	-	-	-	-	-	-	-	-
EMEA Tema A10 - SEK	-4.4	+21.3	-16.4	-	-	-	-	-	-	-
EMEA Tema A10 - NOK	+6.2	-	-	-	-	-	-	-	-	-
EMEA Tema B1 - SEK	-5.3	-	-	-	-	-	-	-	-	-
Index including dividends in %										
EMEA Tema A1 - SEK	-14.0	+23.0	-5.3	+8.5	+35.5	-8.1	-14.1	-5.6	+20.9	-23.0
EMEA Tema A1 - EUR	-10.1	+18.6	-8.2	+5.7	+29.5	-5.0	-	-	-	-
EMEA Tema A1 - NOK	-4.5	+18.2	-7.4	+14.4	+22.2	+0.7	-	-	-	-
EMEA Tema A9 - SEK	-15.6	-	-	-	-	-	-	-	-	-
EMEA Tema A10 - SEK	-14.0	+23.0	-5.3	-	-	-	-	-	-	-
EMEA Tema A10 - NOK	-4.5	-	-	-	-	-	-	-	-	-
EMEA Tema B1 - SEK	-14.0	-	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾										
EMEA Tema A1 - SEK	4.1	4.7	5.5	4.6	4.7	4.5	3.3	2.1	1.7	1.9
EMEA Tema A1 - EUR	4.1	4.7	5.5	4.6	4.7	4.5	-	-	-	-
EMEA Tema A1 - NOK	4.1	4.7	5.5	4.6	4.7	4.5	-	-	-	-

Handelsbanken EMEA Tema, cont.

Fund facts - history cont.

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
EMEA Tema A10 - SEK	4.1	4.7	5.5	-	-	-	-	-	-	-
EMEA Tema A10 - NOK	4.1	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
EMEA Tema A1 - SEK	+6.6	-0.3	-6.1	+22.0	+15.2	-12.4	-11.6	+9.0	-3.7	-7.3
EMEA Tema A1 - EUR	+7.1	-3.6	-8.7	+17.7	+14.6	-13.9	-	-	-	-
EMEA Tema A1 - NOK	+10.2	-3.4	-4.7	+19.0	+14.6	-7.7	-	-	-	-
EMEA Tema A10 - SEK	+7.7	+0.7	-5.2	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+2.8	+7.9	+1.3	+21.2	+11.5	-11.2	-9.9	+6.8	-3.5	-7.5
EUR	+3.3	+4.4	-1.5	+17.0	+10.9	-12.7	-	-	-	-
NOK	+6.2	+4.6	+2.9	+18.2	+10.9	-6.3	-	-	-	-
Average yearly return, 5 yrs. %										
EMEA Tema A1 - SEK	+7.0	+7.1	-1.1	+2.0	+4.9	-7.2	-3.8	+12.3	-6.6	-6.3
EMEA Tema A1 - EUR	+5.0	+4.9	-3.8	-0.7	+3.4	-7.4	-	-	-	-
EMEA Tema A1 - NOK	+6.8	+6.6	-0.5	+5.3	+6.7	-3.5	-	-	-	-
EMEA Tema A10 - SEK	+8.0	+8.1	-0.2	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+8.0	+9.5	+1.9	+1.8	+4.1	-7.0	-3.4	+10.9	-6.3	-5.9
EUR	+6.0	+7.2	-0.8	-0.9	+2.5	-7.3	-	-	-	-
NOK	+7.9	+9.0	+2.6	+5.0	+5.8	-3.4	-	-	-	-
Average yearly return, 10 yrs. %										
EMEA Tema A1 - SEK	-0.4	+1.5	+5.4	-2.4	-0.8	-1.8	+4.4	+8.9	+12.2	+8.6
EMEA Tema A1 - EUR	-1.4	+1.2	+6.2	-2.7	-1.4	-1.6	-	-	-	-
EMEA Tema A1 - NOK	+1.5	+3.0	+6.4	-0.7	-0.4	+0.3	-	-	-	-
EMEA Tema A10 - SEK	+0.6	+2.5	+6.4	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+0.2	+2.8	+6.3	-2.3	-1.0	-1.2	+5.3	+9.4	+13.3	+9.8
EUR	-0.9	+2.5	+7.2	-2.7	-1.6	-0.9	-	-	-	-
NOK	+2.1	+4.3	+7.3	-0.6	-0.6	+0.9	-	-	-	-
Dividends per unit, SEK	-	-	-	-	-	-	-	-	6.37	4.40
Exchange rate EUR/SEK	10.05	10.51	10.13	9.83	9.58	9.16	-	-	-	-
Exchange rate NOK/SEK	0.96	1.07	1.02	1.00	1.06	0.95	-	-	-	-

1) The fund's tracking error has been between 4–6% over the past five years, which is considered to be a balanced risk relative to the fund's benchmark index. The risk increased in 2014 from a range of 1.5–3% in the previous four years by reducing the number of holdings and adding several holdings that were not included in the benchmark index.

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.

Fund facts - costs

Max. allowed mgmt. costs in % according to fund rules	
EMEA Tema A1	1.60
EMEA Tema A9	0.80
EMEA Tema A10	0.60
EMEA Tema B1	1.60
Collected mgmt. costs in % of average fund capital	
EMEA Tema A1	1.60
EMEA Tema A9	0.80
EMEA Tema A10	0.60
EMEA Tema B1	1.60
Annual fees in %	
EMEA Tema A1	1.60
EMEA Tema A9	0.80
EMEA Tema A10	0.60
EMEA Tema B1	1.60
Transaction costs, SEK thousand	2,194
Transaction costs in % of turnover	0.12
Costs in SEK for a one-time subscription, 10 000 SEK	
EMEA Tema A1	138.44
EMEA Tema A9	-
EMEA Tema A10	52.17
EMEA Tema B1	-
Costs in SEK for monthly savings, 100 SEK	
EMEA Tema A1	10.44
EMEA Tema A9	-
EMEA Tema A10	3.93
EMEA Tema B1	-

Fund facts - other key figures

Turnover rate	0.8
Share of turnover conducted via closely-related securities companies in %	1.0
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and return measurements*

Total risk % - A1 SEK	24.2	Information ratio - A1 SEK	0.9
Total risk % - A1 EUR	25.3	Information ratio - A1 EUR	0.9
Total risk % - A1 NOK	17.2	Information ratio - A1 NOK	1.0
Total risk % - A10 SEK	24.1	Information ratio - A10 SEK	1.2
Total risk % - A10 NOK	17.2	Information ratio - A10 NOK	1.2
Total risk in index % - A1 SEK	25.0	Sharpe ratio - A1 SEK	0.3
Total risk in index % - A1 EUR	26.2	Sharpe ratio - A1 EUR	0.3
Total risk in index % - A1 NOK	18.4	Sharpe ratio - A1 NOK	0.5
Total risk in index % - A10 SEK	25.0	Sharpe ratio - A10 SEK	0.3
Total risk in index % - A10 NOK	18.4	Sharpe ratio - A10 NOK	0.6
Benchmark	Solactive ISS ESG	Sharpe ratio in index - A1 SEK	0.1
	Screened EM EMEA ex	Sharpe ratio in index - A1 EUR	0.1
	Saudi Arabia UCITS Index	Sharpe ratio in index - A1 NOK	0.3
Active Share % ¹⁾	55.0	Sharpe ratio in index - A10 SEK	0.1
Active return % - A1 SEK	3.8	Sharpe ratio in index - A10 NOK	0.3
Active return % - A1 EUR	3.8		
Active return % - A1 NOK	4.0		
Active return % - A10 SEK	4.9		
Active return % - A10 NOK	5.0		

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.

Handelsbanken EMEA Tema, cont.

Income statement, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	-83,961	245,684
Interest income	61	359
Dividends	31,193	50,279
Currency exchange profits and losses, net	-8,514	2,744
Other financial income ¹⁾	127	6,690
Other income	146	43
Total income and changes in value	-60,947	305,799
EXPENSES		
Management costs:		
- Remuneration to the Management Company	17,060	24,818
Interest expense	70	105
Other financial expenses ²⁾	25	1,338
Other expenses	2,528	2,700
Total expenses	19,683	28,961
Net income	-80,630	276,838
* Details of changes in value		
Capital gains	181,911	160,491
Capital losses	-202,453	-131,650
Unrealised gains/losses	-63,418	216,843
Sum	-83,961	245,684

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

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	1,092,219	98.9	1,309,816	98.4
Total financial instruments with positive market value ^{Note 2)}	1,092,219	98.9	1,309,816	98.4
Bank assets and other liquid assets	11,513	1.0	21,127	1.6
Prepaid expenses and accrued income	1,228	0.1	26	0.0
Other assets	918	0.1	1,826	0.1
Total assets	1,105,878	100.1	1,332,795	100.1
LIABILITIES				
Accrued expenses and prepaid income	1,504	0.1	1,778	0.1
Total liabilities	1,504	0.1	1,778	0.1
Fund capital ^{Note 1)}	1,104,374	100.0	1,331,017	100.0
Financial instruments lent	65,510	5.9	74,170	5.6
Collateral received for financial instruments lent	70,716	6.4	84,854	6.4

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	1,331,017	1,506,485
Units issued ¹⁾	124,857	130,545
Units redeemed ¹⁾	-270,870	-582,851
Profit according to Income Statement	-80,630	276,838
Dividends to unit holders	-	-
Fund capital at the close of the period	1,104,374	1,331,017

¹⁾ Of which SEK 2 640 t relates to internal moves between share classes

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
LISTED EQUITIES			
CYPRUS (EUR)			
Mail.ru ADR	85,500	18,467	1.7
MD Medical Group GDR	304,229	15,241	1.4
Ozon Holdings ADR	10,000	3,401	0.3
TCS Group Holding Repr 1 Class A Reg S	45,000	12,159	1.1
		49,267	4.5
EGYPT (EGP)			
Commercial International Bank	800,000	24,638	2.2
Edita Food Industries GDR	130,432	2,785	0.3
EFG Hermes Holding Co	400,000	5,223	0.5
		32,646	3.0
GEORGIA (GEL)			
Tbc Bank Group Ord Shs	38,000	5,332	0.5
		5,332	0.5
GREECE (EUR)			
Jumbo	74,567	10,647	1.0
Terna Energy	163,000	21,620	2.0
		32,268	2.9

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
HUNGARY (HUF)			
Gedeon Richter	115,000	23,705	2.1
OTP Bank	104,500	38,681	3.5
		62,386	5.7
JERSEY (GBP)			
Integrated Diagnostics Holdings Ord Shs	1,316,484	11,893	1.1
		11,893	1.1
KAZAKHSTAN (KZT)			
Halyk Bank	79,000	7,558	0.7
		7,558	0.7
KUWAIT (KWD)			
HumanSoft Hldg Br	107,000	10,974	1.0
		10,974	1.0
LITHUANIA (LTL)			
Ignitis Grupe	67,500	13,498	1.2
		13,498	1.2
NETHERLANDS (EUR)			
Yandex	85,500	48,857	4.4
		48,857	4.4
NIGERIA (NGN)			
Guaranty Trust Bank GDR	587,768	16,895	1.5
		16,895	1.5
NORWAY (NOK)			
Scatec Solar	83,000	27,180	2.5
		27,180	2.5
POLAND (PLN)			
Asseco South Eastern Europe Ord Shs	79,000	7,487	0.7
Benefit Systems	2,400	4,412	0.4
		11,899	1.1
ROMANIA (RON)			
Banca Transilvania	2,530,000	11,752	1.1
		11,752	1.1
RUSSIAN FEDERATION (RUB)			
Detsky Mir PJSC - USD	1,250,000	18,809	1.7
M.video	93,500	7,392	0.7
Novolipetskiy Metallurgicheskiy Komb	900,000	20,891	1.9
Phosagro GDR	99,000	11,090	1.0
Polyus Gold	6,500	10,988	1.0
Sberbank	3,255,000	97,980	8.9
Sberbank pref	305,000	8,152	0.7
X5 Retail Group	44,000	13,052	1.2
		188,354	17.1
SAUDI ARABIA (SAR)			
Leejam Sports Ord Shs	34,000	5,753	0.5
		5,753	0.5
SLOVENIA (EUR)			
Nova Ljubljanska banka GDR	100,000	9,044	0.8
		9,044	0.8
SOUTH AFRICA (ZAR)			
Abds Group Ltd	290,000	19,434	1.8
Advtech Ord Shs	2,600,000	13,810	1.3
AngloGold Ashanti	52,000	9,958	0.9
Aspen Pharmacare Holdings	95,000	6,659	0.6
Bid Corporation	120,000	17,647	1.6
Bidvest Group	230,000	20,192	1.8
Capitec Bank	17,500	14,018	1.3
Clicks Group	75,000	10,595	1.0
FirstRand	970,000	27,681	2.5
Gold Fields	130,000	9,999	0.9
Impala Platinum	320,000	36,123	3.3
Imperial Holdings	260,000	5,429	0.5
Life Healthcare Group	1,400,000	13,166	1.2
MTN Group	900,000	30,287	2.7
MultiChoice Group	220,000	16,482	1.5
Naspers	57,970	97,861	8.9
Oceana Grp ord sh	170,000	6,107	0.6
Sanlam	955,000	31,369	2.8
Shoprite	700,000	12,845	1.2
Sibanye Stillwater Ord Shs	820,000	27,508	2.5
Stadio Holdings	4,012,088	4,374	0.4
Standard Bank Group	400,000	28,420	2.6
		459,965	41.7
TURKEY (TRY)			
AvivaSA Emeklilik ve Hayat	223,584	4,533	0.4
Garanti Bank	1,400,000	16,042	1.5
Turkcell	600,000	10,674	1.0
		31,249	2.8
UNITED ARAB EMIRATES (AED)			
Aramex Ord Shs	1,000,000	9,793	0.9
Emirates	1,245,493	28,683	2.6
		38,476	3.5
UNITED KINGDOM (GBP)			
Airtel Africa Ord Shs When Issued	2,000,000	16,974	1.5
		16,974	1.5
Total listed equities		1,092,219	98.9
Total transferable securities		1,092,219	98.9
Total holdings in financial instruments		1,092,219	98.9
Net, other assets and liabilities		12,155	1.1
Total fund capital		1,104,374	100.0

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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.

98.9

** 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 EMEA Tema, cont.

Compilation, Company and Group exposure*

Company/Group	% of fund capital
Sberbank	9.6

* 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.

Additional information on loaned securities

Volume of lent securities, SEK thousand: 65,510

Volume of lent securities as a % of total lendable assets 7.87

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

Amerikanska staten	28,440
France	8,550
United Kingdom	4,537
Germany	4,503
Belgium	2,852
Austria	1,349
BHP Group Plc	1,237
Netherlands	665
Procter & Gamble Co	642
Vodafone Group Plc	596

The largest counterparties for securities lending, SEK thousand:

UBS AG, London Branch	34,906
Citigroup Global Markets Ltd	24,245
J.P. Morgan Securities Plc	10,701
Goldman Sachs Intl	863
	70,716

Type and quality of collateral, SEK thousand:

Bonds and other interest-bearing instruments	51,166
Equities, shares	19,550
	70,716

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:

Open Maturity	-
Less than 1 day	-
1 Day to 1 Week	1,507
1 Week to 1 Month	641
1 Month to 3 Months	1,304
3 Months to 1 Year	47,713
Above 1 Year	19,550
	70,716

The domicile of the counterparties, SEK thousand:

Brittiska staten	70,716
	70,716

Currency of the collateral, SEK thousand:

AUD	383
CHF	508
DKK	98
EUR	19,098
GBP	11,534
HKD	1,590
JPY	3,485
SEK	150
SGD	1
USD	33,867
NZD	3
	70,716

Settlement and clearing, SEK thousand:

Triparty	70,716
	70,716

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

The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 127 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
 -Credit Suisse Securities (Europe) Ltd
 -Goldman Sachs Intl
 -HSBC Bank Plc
 -J.P. Morgan Securities Plc
 -Merrill Lynch Intl
 -Svenska Handelsbanken AB (publ)
 -UBS AG, London Branch

Handelsbanken EMEA Tema

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities on behalf of the fund that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used in sustainability efforts

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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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 companies

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainalytics on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

The Management Company's engagement activities - Corporate governance

Annual General Meetings and Nomination committees

The Management Company normally votes at general meetings in those companies where ownership exceeds 0.5% or at general meetings where the company concerned is identified as falling short in its sustainability efforts/corporate governance work. In general, the Management Company also supports shareholder proposals that seek to promote corporate sustainability, including greater transparency in recording and the reporting of the company's climate impact, as well as its work with human rights and labor law.

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 5% 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

Examples of companies in which the fund has invested include:

Airtel Africa – a leading mobile operator that offers inexpensive and simple payment solutions through mobile telephones in Africa. Digital payments are becoming increasingly important during the corona pandemic for those who do not have a bank account. Financial inclusion creates a more equitable society and reduces risks, while it also results in a saving of time. Customers that save money in a bank account and have regular transactions are also offered microloans. This type of loan can be the difference between living day-to-day, to having a secure future. For example, these loans can make it possible to wait to sell a harvest and obtain a higher price rather than needing to sell the harvest immediately.

Terna Energy – a company that owns wind-, hydro-, solar-, and biomass energy plants in Greece, Poland and Bulgaria. The company is in a growth phase and is investing in new renewable facilities make it possible to phase out fossil fuel alternatives from the market and thereby contribute to the reduction of carbon emissions.

Integrated Diagnostics – operates laboratories for health tests in Egypt, Sudan, Nigeria and Jordan. Providing better information creates the conditions for reducing suffering and curing diseases at an earlier stage and in a cost-effective manner. The company collaborates with local healthcare authorities.

Exclusion

We added Norilsk Nickel to the fund in 2019, after not owning stock in the company over the past three years, due to improvements to the company's sustainability efforts and the initiation of significant investments. However, the company was affected by a major diesel leak at the beginning of the year as a result of poor maintenance, which argues against their higher sustainability rating and investments. We were not satisfied with the explanations provided and subsequently sold the holdings. However, we are continuing the dialogue with the company to reduce the carbon emissions and to upgrade their infrastructure. The metals mined by the company are essential for the production of batteries, the transition to electric cars and storage capacity of renewable energy.



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. The fund may invest in derivative instruments as part of its investment focus. The fund may invest a maximum of 10% of the fund capital in fund units. We compare the fund's performance with Solactive ISS ESG Screened Europe. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund invests in companies, irrespective of whether or not these are included in the benchmark index. As the fund is actively managed the performance will over time deviate from this index. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 1.3% in 2020*. Holdings in Adidas, CapGemini and Novo Nordisk were the strongest contributors to fund returns during the year. The fund reinvested in German Adidas in March after the share price declined sharply due to concerns about closures as a result of the corona pandemic. Adidas is second worldwide in a market for sports equipment that is growing structurally. The company's shift to increased direct sales primarily through e-commerce is a positive driver that was strengthened further with the pandemic. The French IT consultancy CapGemini benefits from a higher demand for digitalization, which was further strengthened during the pandemic. Associated British Foods, ING and Bunzl were the most negative contributors. Associated British Foods was hit hard by the retail chain Primark over a period after all of the stores were forced to close, which led to weak share price performance for most of the year. However, the share prices rose sharply on the back of positive news about vaccines and recovered a significant portion of the downturn during the latter part of the autumn. As a result of new closures primarily in the domestic UK market, the share remained lower at year-end than at the outset of the year. The Dutch bank ING posted weak performance during the year, as with the rest of the banking sector, driven by uncertainty about credit losses due to the pandemic. At the same time, the European Central Bank recommended a dividend freeze for 2020 as part of the strengthening of the European banks' financial position, which had a negative impact on share price performance for the sector. 2020 was a very challenging year in many ways due to a sharp downturn in the global stock markets and the economy as a result of the corona pandemic, which was followed by a strong recovery in the stock markets. In addition, 2020 also included a US presidential election and lengthy Brexit negotiations. However, we continue to focus on constructing a portfolio of high-quality companies with a variety of drivers, strong outlooks and reasonable valuations. In addition to Adidas, we took new positions in Fresenius Medical Care, RELX, Unilever and Bakkafrost. German Fresenius Medical Care is a global leader within dialysis, which is a market that is growing structurally, primarily in developing countries. British RELX is a global provider of information-based analysis and

decision tools. British Unilever is a leading global consumer company with high exposure to developing countries. Bakkafrost is a focused and integrated salmon producer based on the Faroe islands. During the period we sold all of the holdings in Finnish Huhtamäki and British Bunzl. Other portfolio adjustments included a decrease to holdings in CTS Eventim, Handelsbanken and Partners Group to partly 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 characterized by moderately high risk as well as 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 minimize 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 2020. The fund has the option of lending securities. The fund used this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

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

Information

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 and responsible investment, voting at general meetings,

Handelsbanken Europa Selektiv, cont.

Fund facts - history cont.

	2020	2019	2018	2017	2016	2015	17/10-31/12 2014	2013	2012	2011
Europa Selektiv A1 - SEK	-3.1	+34.2	-10.7	+7.9	+0.6	+6.6	+10.8	+20.0	+17.7	-6.3
Europa Selektiv A1 - EUR	+1.3	+29.4	-13.3	+5.2	-3.9	+10.2	+3.5	+16.3	+22.2	-5.1
Europa Selektiv A1 - NOK	+7.6	+29.0	-12.6	+13.8	-9.2	+16.8	+12.3	+32.5	+15.7	-5.7
Europa Selektiv A9 - SEK	-2.2	+35.4	-9.9	+8.8	+1.4	+7.5	-	-	-	-
Europa Selektiv A9 - EUR	+2.3	+30.6	-12.6	+6.1	-3.0	+11.2	+4.2	-	-	-
Europa Selektiv A10 - SEK	-1.9	+35.9	-9.5	-	-	-	-	-	-	-
Europa Selektiv A10 - EUR	+2.6	+31.0	-12.2	-	-	-	-	-	-	-
Europa Selektiv A10 - NOK	+9.0	+30.6	-11.6	-	-	-	-	-	-	-
Europa Selektiv B1 - SEK	-2.9	+34.2	-10.7	+7.9	+0.6	+6.6	+10.8	+20.0	+17.7	-6.3
Europa Selektiv B1 - EUR	+1.5	+29.4	-13.3	+5.2	-3.9	+10.2	+3.5	+16.3	+22.2	-5.1
Index including dividends in %										
Europa Selektiv A1 - SEK	-5.4	+31.3	-7.6	+12.1	+7.8	+3.2	-	-	-	-
Europa Selektiv A1 - EUR	-1.1	+26.6	-10.4	+9.2	+3.0	+6.7	-	-	-	-
Europa Selektiv A1 - NOK	+5.1	+26.2	-9.7	+18.2	-2.7	+13.1	-	-	-	-
Europa Selektiv A9 - SEK	-5.4	+31.3	-7.6	+12.1	+7.8	+3.2	-	-	-	-
Europa Selektiv A9 - EUR	-1.1	+26.6	-10.4	+9.2	+3.0	+6.7	-	-	-	-
Europa Selektiv A10 - SEK	-5.4	+31.3	-7.6	-	-	-	-	-	-	-
Europa Selektiv A10 - EUR	-1.1	+26.6	-10.4	-	-	-	-	-	-	-
Europa Selektiv A10 - NOK	+5.1	+26.2	-9.7	-	-	-	-	-	-	-
Europa Selektiv B1 - SEK	-5.4	+31.3	-7.6	+12.1	+7.8	+3.2	-	-	-	-
Europa Selektiv B1 - EUR	-1.1	+26.6	-10.4	+9.2	+3.0	+6.7	-	-	-	-
Tracking error, 2 yrs. % ¹⁾										
Europa Selektiv A1 - SEK	4.1	4.3	4.1	4.0	4.6	4.1	-	-	-	-
Europa Selektiv A1 - EUR	4.1	4.3	4.2	4.0	4.6	4.1	6.0	7.5	7.7	7.7
Europa Selektiv A1 - NOK	4.1	4.3	4.1	4.0	4.6	4.1	-	-	-	-
Europa Selektiv A9 - SEK	4.1	-	-	-	-	-	-	-	-	-
Europa Selektiv A9 - EUR	4.1	4.3	4.2	4.0	4.6	-	-	-	-	-
Europa Selektiv A10 - SEK	4.1	4.3	4.2	-	-	-	-	-	-	-
Europa Selektiv A10 - EUR	4.1	4.3	4.2	-	-	-	-	-	-	-
Europa Selektiv A10 - NOK	4.1	4.3	4.2	-	-	-	-	-	-	-
Europa Selektiv B1 - SEK	4.2	4.3	4.1	4.0	4.6	4.1	-	-	-	-
Europa Selektiv B1 - EUR	4.2	4.3	4.1	4.0	4.6	4.1	-	-	-	-
Average yearly return, 2 yrs. %										
Europa Selektiv A1 - SEK	+14.0	+9.5	-1.8	+4.2	+3.5	+8.7	+15.3	+18.9	+5.0	+6.7
Europa Selektiv A1 - EUR	+14.5	+5.9	-4.5	+0.5	+2.9	+6.8	+9.7	+19.2	+7.7	+14.5
Europa Selektiv A1 - NOK	+17.8	+6.1	-0.3	+1.6	+3.0	+14.6	+22.0	+23.8	+4.5	+10.7
Europa Selektiv A9 - SEK	+15.1	-	-	-	-	-	-	-	-	-
Europa Selektiv A9 - EUR	+15.6	+6.9	-3.7	+1.4	+3.8	-	-	-	-	-
Europa Selektiv A10 - SEK	+15.5	+10.9	-0.6	-	-	-	-	-	-	-
Europa Selektiv A10 - EUR	+16.0	+7.2	-3.3	-	-	-	-	-	-	-
Europa Selektiv A10 - NOK	+19.3	+7.5	+0.9	-	-	-	-	-	-	-
Europa Selektiv B1 - SEK	+14.1	+9.5	-1.8	+4.2	+3.5	+8.7	+15.3	+18.8	+5.0	+6.7
Europa Selektiv B1 - EUR	+14.6	+5.9	-4.5	+0.5	+2.9	+6.8	+9.7	+19.2	+7.7	+14.5
Comparison to index including dividends, %										
SEK	+11.4	+10.1	+1.7	+9.9	+5.5	+8.4	-	-	-	-
EUR	+11.9	+6.5	-1.1	+6.1	+4.9	+6.6	-	-	-	-
NOK	+15.1	+6.7	+3.3	+7.2	+4.9	+14.3	-	-	-	-
Average yearly return, 5 yrs. %										
Europa Selektiv A1 - SEK	+4.7	+6.8	+2.7	+9.0	+10.9	+9.3	+12.3	+15.3	+6.2	+1.1
Europa Selektiv A1 - EUR	+2.8	+4.6	0.0	+6.1	+9.3	+9.0	+14.0	+20.4	+8.3	+1.4
Europa Selektiv A1 - NOK	+4.6	+6.3	+3.4	+12.4	+12.8	+13.7	+16.1	+16.8	+6.6	-
Europa Selektiv A9 - SEK	+5.7	-	-	-	-	-	-	-	-	-
Europa Selektiv A9 - EUR	+3.7	+5.5	-	-	-	-	-	-	-	-
Europa Selektiv A10 - SEK	+6.1	+8.1	+4.0	-	-	-	-	-	-	-
Europa Selektiv A10 - EUR	+4.1	+5.9	+1.2	-	-	-	-	-	-	-
Europa Selektiv A10 - NOK	+5.9	+7.7	+4.7	-	-	-	-	-	-	-
Europa Selektiv B1 - SEK	+4.8	+6.8	+2.7	+9.0	+10.9	+9.3	+12.3	+15.2	+6.2	-
Europa Selektiv B1 - EUR	+2.9	+4.6	0.0	+6.1	+9.3	+9.0	+14.0	+20.4	+8.3	-
Comparison to index including dividends, %										
EUR	+4.8	+6.4	+2.8	+8.7	+10.2	+8.0	-	-	-	-
NOK	+6.6	+8.2	+6.3	+15.3	+13.7	+12.6	-	-	-	-
SEK	+6.7	+8.6	+5.6	+11.8	+11.8	+8.3	-	-	-	-
Average yearly return, 10 yrs. %										
Europa Selektiv A1 - SEK	+7.0	+9.5	+8.8	+7.6	+5.9	+7.4	-	-	-	-
Europa Selektiv A1 - EUR	+5.9	+9.2	+9.7	+7.2	+5.3	+7.6	-	-	-	-
Europa Selektiv A1 - NOK	+9.0	+11.1	+9.9	+9.5	-	-	-	-	-	-
Europa Selektiv A10 - SEK	+8.4	+10.8	+10.2	-	-	-	-	-	-	-
Europa Selektiv A10 - EUR	+7.2	+10.6	+11.1	-	-	-	-	-	-	-
Europa Selektiv A10 - NOK	+10.4	+12.5	+11.3	-	-	-	-	-	-	-
Europa Selektiv B1 - SEK	+7.0	+9.5	+8.8	+7.6	-	-	-	-	-	-
Europa Selektiv B1 - EUR	+5.9	+9.2	+9.7	+7.2	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+7.5	+7.7	+6.9	+3.4	+3.1	+3.7	-	-	-	-
EUR	+6.4	+7.4	+7.7	+3.0	+2.5	+3.9	-	-	-	-
NOK	+9.5	+9.3	+7.9	+5.2	-	-	-	-	-	-
Dividends per unit, SEK										
Europa Selektiv B1 - SEK	7.32	5.87	6.79	6.39	6.71	6.30	-	-	-	-
Europa Selektiv B1 - EUR	0.70	0.56	0.67	0.67	0.72	0.68	-	-	-	-
Exchange rate EUR/SEK										
	10.05	10.51	10.13	9.83	9.58	9.16	9.47	-	-	-
Exchange rate EUR/NOK										
	10.48	9.86	9.90	9.82	9.08	9.62	9.07	-	-	-

1) The fund's tracking error has been just over 4% in the past year. The fund has had a number of changes to fund managers over the past 10 years and during the recent period has had a slightly higher number of holdings than at the beginning of the previous period, which partly explains a reduced tracking error over a ten-year period. Fund management is based on a limited number of investments in high-quality companies. The current fund manager assumed responsibility for the fund in December 2018 and has chosen to maintain a tracking error of about 4%, which the fund manager considers to be a good balance between risk and return.

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
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
Annual fees in %	
Europa Selektiv A1	1.85
Europa Selektiv A9	0.95
Europa Selektiv A10	0.60
Europa Selektiv B1	1.85
Transaction costs, EURt	863
Transaction costs in % of turnover	0.09
Costs in EUR for a one-time subscription, 1 000 EUR	
Europa Selektiv A1	17.25
Europa Selektiv A9	8.90
Europa Selektiv A10	5.63
Europa Selektiv B1	17.27
Costs in EUR for monthly savings, 10 EUR	
Europa Selektiv A1	1.24
Europa Selektiv A9	0.64
Europa Selektiv A10	0.40
Europa Selektiv B1	1.27

Fund facts - other key figures

Turnover rate	1.6
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 % - A1 SEK	18.3	Information ratio - A1 SEK	0.6
Total risk % - A1 EUR	18.7	Information ratio - A1 EUR	0.6
Total risk % - A1 NOK	13.0	Information ratio - A1 NOK	0.7
Total risk % - A9 SEK	18.3	Information ratio - A9 SEK	0.9
Total risk % - A9 EUR	18.7	Information ratio - A9 EUR	0.9
Total risk % - A10 SEK	18.3	Information ratio - A10 SEK	1.0
Total risk % - A10 EUR	18.7	Information ratio - A10 EUR	1.0
Total risk % - A10 NOK	13.0	Information ratio - A10 NOK	1.0
Total risk % - B1 SEK	18.3	Information ratio - B1 SEK	0.6
Total risk % - B1 EUR	18.7	Information ratio - B1 EUR	0.6
Total risk in index % - A1 SEK	17.7	Sharpe ratio - A1 SEK	0.8
Total risk in index % - A1 EUR	18.3	Sharpe ratio - A1 EUR	0.8
Total risk in index % - A1 NOK	11.8	Sharpe ratio - A1 NOK	1.3
Total risk in index % - A9 SEK	17.7	Sharpe ratio - A9 SEK	0.8
Total risk in index % - A9 EUR	18.3	Sharpe ratio - A9 EUR	0.8
Total risk in index % - A10 SEK	17.7	Sharpe ratio - A10 SEK	0.9
Total risk in index % - A10 EUR	18.3	Sharpe ratio - A10 EUR	0.9
Total risk in index % - A10 NOK	11.8	Sharpe ratio - A10 NOK	1.4
Total risk in index % - B1 SEK	17.7	Sharpe ratio - B1 SEK	0.8
Total risk in index % - B1 EUR	18.3	Sharpe ratio - B1 EUR	0.8
Benchmark	Solactive ISS ESG Screened Europe	Sharpe ratio in index - A1 SEK	0.7
Active Share % ¹⁾	84.9	Sharpe ratio in index - A1 EUR	0.7
Active return % - A1 SEK	2.6	Sharpe ratio in index - A1 NOK	1.2
Active return % - A1 EUR	2.6	Sharpe ratio in index - A9 SEK	0.7
Active return % - A1 NOK	2.7	Sharpe ratio in index - A9 EUR	0.7
Active return % - A9 SEK	3.6	Sharpe ratio in index - A10 SEK	0.7
Active return % - A9 EUR	3.6	Sharpe ratio in index - A10 EUR	0.7
Active return % - A10 SEK	4.0	Sharpe ratio in index - A10 NOK	1.2
Active return % - A10 EUR	4.0	Sharpe ratio in index - B1 SEK	0.7
Active return % - A10 NOK	4.2	Sharpe ratio in index - B1 EUR	0.7
Active return % - B1 SEK	2.7		
Active return % - B1 EUR	2.7		

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, EUR thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities ¹⁾	6,098	71,979
Interest income	1	-5
Dividends	4,084	6,983
Currency exchange profits and losses, net	-38	-133
Other financial income ¹⁾	8	30
Other income	34	13
Total income and changes in value	10,187	78,867
EXPENSES		
Management costs:		
- Remuneration to the Management Company	4,832	4,893
Interest expense	21	1
Other financial expenses ²⁾	2	6
Other expenses	864	562
Total expenses	5,719	5,462
Net income	4,468	73,405
* Details of changes in value		
Capital gains	42,541	33,644
Capital losses	-30,943	-11,654
Unrealised gains/losses	-5,500	49,989
Sum	6,098	71,979

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

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

Balance sheet, EUR thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	313,180	98.4	301,544	98.2
Total financial instruments with positive market value ^{Note 2)}	313,180	98.4	301,544	98.2
Bank assets and other liquid assets	5,555	1.8	5,663	1.8
Prepaid expenses and accrued income	0	0.0	374	0.1
Total assets	318,735	100.1	307,581	100.1
LIABILITIES				
Accrued expenses and prepaid income	447	0.1	441	0.1
Total liabilities	447	0.1	441	0.1
Fund capital ^{Note 1)}	318,288	100.0	307,140	100.0
Financial instruments lent	1,045	0.3	12,035	3.9
Collateral received for financial instruments lent	1,101	0.3	12,684	4.1

Note 1) for Balance sheet

Changes in fund capital, EUR thousand

	2020	2019
Fund capital at beginning of year	307,140	257,211
Units issued ¹⁾	61,203	37,902
Units redeemed ¹⁾	-53,934	-60,944
Profit according to Income Statement	4,468	73,405
Dividends to unit holders	-589	-434
Fund capital at the close of the period	318,288	307,140

1) Of which EUR 7 154 t relates to internal moves between share classes

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value EUR t	% of fund capital
LISTED EQUITIES			
DENMARK (DKK)			
Novo Nordisk	200,000	11,464	3.6
		11,464	3.6
FAROE ISLANDS (DKK)			
Bakkafrost	255,000	14,909	4.7
		14,909	4.7
FRANCE (EUR)			
Air Liquide	65,000	8,726	2.7
Capgemini	80,000	10,144	3.2
Legrand	130,000	9,490	3.0
L'Oreal	30,000	9,324	2.9
		37,684	11.8
GERMANY (EUR)			
Adidas	61,000	18,172	5.7
Continental	50,000	6,063	1.9
CTS Eventim	90,000	4,896	1.5
Deutsche Börse	120,000	16,710	5.2
Fresenius Medical Care	255,000	17,391	5.5
SAP	163,000	17,477	5.5
		80,708	25.4

Handelsbanken Europa Selektiv, cont.

	Number/Nominal amount in 1000's	Market value EUR t	% of fund capital
NETHERLANDS (EUR)			
ING Group	1,500,000	11,462	3.6
		11,462	3.6
SWEDEN (SEK)			
Assa Abloy B	500,000	10,076	3.2
Autoliv	150,000	11,420	3.6
Epiroc B	700,000	9,683	3.0
Handelsbanken A	850,000	6,987	2.2
		38,166	12.0
SWITZERLAND (CHF)			
Partners Group	5,000	4,808	1.5
Roche Holding	44,000	12,571	3.9
SGS	5,900	14,565	4.6
Straumann	8,000	7,630	2.4
		39,574	12.4
UNITED KINGDOM (GBP)			
Associated British Foods	555,000	14,038	4.4
CPG	400,000	6,091	1.9
Prudential	660,000	9,932	3.1
Reckitt Benckiser	145,000	10,598	3.3
Reed Elsevier	960,000	19,225	6.0
Unilever	390,000	19,330	6.1
		79,214	24.9
Total listed equities		313,180	98.4
Total transferable securities		313,180	98.4
Total holdings in financial instruments		313,180	98.4
Net, other assets and liabilities		5,108	1.6
Total fund capital		318,288	100.0

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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. -

Additional information on loaned securities

Volume of lent securities, EUR thousand: 1,045

Volume of lent securities as a % of total lendable assets 0.36

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

France	687
Germany	255
Netherlands	82
Belgium	77

The largest counterparties for securities lending, EUR thousand:

Merrill Lynch Intl	1,101
	1,101

Type and quality of collateral, EUR thousand:

Bonds and other interest-bearing instruments	1,101
	1,101

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:

Open Maturity	-
Less than 1 day	-
1 Day to 1 Week	-
1 Week to 1 Month	-
1 Month to 3 Months	-
3 Months to 1 Year	1,101
Above 1 Year	-
	1,101

The domicile of the counterparties, EUR thousand:

Brittiska staten	1,101
	1,101

Currency of the collateral, EUR thousand:

EUR	1,101
	1,101

Settlement and clearing, EUR thousand:

Triparty	1,101
	1,101

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

The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 8 EUR 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
- J.P. Morgan Securities Plc
- Merrill Lynch Intl
- Morgan Stanley & Co Intl Plc
- UBS AG, London Branch

Handelsbanken Europa Selektiv

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities on behalf of the fund that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used in sustainability efforts

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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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 companies

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainability on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as an investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

The Management Company's engagement activities - Corporate governance

Annual General Meetings and Nomination committees

The Management Company normally votes at general meetings in those companies where ownership exceeds 0.5% or at general meetings where the company concerned is identified as falling short in its sustainability efforts/corporate governance work. In general, the Management Company also supports shareholder proposals that seek to promote corporate sustainability, including greater transparency in recording and the reporting of the company's climate impact, as well as its work with human rights and labor law.

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 5% 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 Unilever, a leading global consumer company with clear and ambitious sustainability efforts. As one of the world's largest consumer companies with a major share of sales in developing countries, the company also has a great opportunity to be an influencer. Unilever has set so-called "Science Based Targets" to be climate-neutral by 2030, while also reducing the impact of greenhouse gases by half from the usage of Unilever's products as of 2030. This target includes reducing the usage of non-recyclable plastics by half, as well as replacing all of the fossil content in Unilever's cleaning products by 2030.

Exclusion

The fund invests in a limited number (16-35) of high-quality European companies with specific sustainability criteria; thus, we look to identify sustainable companies in sustainable industries. Consequently, most of the listed European companies are excluded by the fund, in which sustainability is a key factor that explains why certain investment opportunities are excluded.

The Management Company's engagement activities - Dialogues

Targeted dialogues with direct contact between our fund managers and companies

The fund engaged in one targeted dialogue directly with a company during the year.

Dialogues related to targets and KPIs for sustainability efforts have been held with a number of salmon farming companies, including the fund holding in Bakkafrost. Issues related to fish mortality, escape incidents and emissions are important issues on which we obtained further details. Sustainability issues are also frequently discussed with Bakkafrost's management in the investment meetings we hold with the company during the year.

Engagement activities in collaboration with other investors

In 2020, the Management Company participated in a total of 125 company dialogues together with other investors. The fund invested in one of these companies.

One of the companies is Fresenius Medical Care where a dialogue was conducted due to the company's failure to prevent the use of bribes in several African countries.



Handelsbanken Europa Småbolag

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 and equity-related instruments issued by small and mid-sized companies in Europe 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. Our main themes are Demographics, Productivity, Lifestyles and the Environment. International norms and guidelines for the environment, social responsibility and corporate governance are taken into consideration within the scope of the fund's investment focus. The fund applies an exclusion strategy for companies operating within the fossil fuels, 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. The fund may invest in derivative instruments as part of the fund's investment focus. 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 Small Cap Index. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund normally consists of 50–100 companies, which is significantly fewer than the fund's benchmark index. The fund invests in European small caps within various sectors irrespective of whether or not these are included in the benchmark index. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 12.3% in 2020*. 2020 was a year with major turbulence for society, people, the economy and the financial markets. It has also been an eventful year for the fund due to a change in the fund's investment focus from European companies of all sizes to an explicitly small cap fund, which also explains the change in the name of the fund. The fund was also awarded the Nordic Swan Ecolabel during the year. The fund continues to be managed with a thematic focus, which means that we invest in themes we believe will have higher growth and returns over the long term than the rest of the market. This was a successful strategy, even during such a challenging year as 2020. Many companies within our themes have been well-positioned to benefit from the fact that the year has been a catalyst that, in many ways, accelerated us towards the future. New technologies and new work methods, such as teleworking, have become commonplace. Even if the speed of the transition may slow down going forward, we believe that many of the "pandemic habits" will become permanent. Companies within our digitalization, entertainment and renewable energy themes were the strongest contributors to fund returns, with companies such as HelloFresh, Scatec, EDPR, Embracer and Soitec at the forefront. Holdings within the financial sector, for example, lagged and were hit hard by declining rates and concerns about future credit losses. We owned holdings in a number of banks (e.g., Banco Santander, BNP Paribas, ING, Caixabank) when the pandemic emerged. At the country level, we can conclude that countries with significant exposure to tourism, such as Spain, were hit harder than other countries, which was also reflected in our Spanish exposure (in addition to certain banks such as Telefonica). The transition to the small cap fund

and the high activity of our customers resulted in a higher turnover than normal in the fund during the year. We added holdings in companies such as Embracer, HelloFresh, Varta and Valeo. During the year we also sold a number of positions, such as Roche, Nestle, BNP Paribas and SAP. The fund currently consists of equities in just over 60 companies with sustainable business models that cumulatively have an attractive valuation, growth profile and good potential for positive earnings revisions.

*) 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 characterized by high risk as well as by the potential for high returns. As a result, the value of the fund can fluctuate over time. The fund's investments are concentrated geographically to equities issued by small and mid-sized companies in Europe. As a result, the risk in the fund is normally 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 risk classification differs between the various share classes depending on the 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 minimize 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 2020. The fund has the option of lending securities. The fund used this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

• Highest leverage during the financial year	4.6%
• Lowest leverage during the financial year	0.0%
• Average leverage during the financial year	0.1%

Information

On September 1, 2020, the fund changed its fund rules. The changes mean that the fund became a small company fund and at the same time changed its name to Handelsbanken Europa Småbolag (from Europa Tema)

As of September 1, 2020 the fund changed its index from Solactive ISS ESG Screened Europe to Solactive ISS ESG Screened Europe Small Cap Index.

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.

Handelsbanken Europa Småbolag, cont.

Fund facts - history cont.

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Europa Småbolag A9 - EUR	14	-	-	-	-	-	-	-	-	-
Europa Småbolag A10 - SEK	28	186	1,597	-	-	-	-	-	-	-
Europa Småbolag A10 - EUR	38	203	268	-	-	-	-	-	-	-
Europa Småbolag A10 - NOK	209	472	636	-	-	-	-	-	-	-
Europa Småbolag B1 - SEK	330	-	-	-	-	-	-	-	-	-
Total returns in %										
Europa Småbolag A1 - SEK	+12.3	+28.8	-7.6	+13.8	+2.2	+6.8	+13.5	+21.5	+11.6	-12.2
Europa Småbolag A1 - EUR	+17.4	+24.2	-10.4	+10.9	-2.4	+10.5	-	-	-	-
Europa Småbolag A1 - NOK	+24.7	+23.8	-9.7	+19.9	-7.8	+17.1	-	-	-	-
Europa Småbolag A9 - SEK	+12.3	-	-	-	-	-	-	-	-	-
Europa Småbolag A9 - EUR	+17.8	-	-	-	-	-	-	-	-	-
Europa Småbolag A10 - SEK	+13.4	+30.1	-6.7	-	-	-	-	-	-	-
Europa Småbolag A10 - EUR	+18.6	+25.5	-9.5	-	-	-	-	-	-	-
Europa Småbolag A10 - NOK	+26.0	+25.0	-8.8	-	-	-	-	-	-	-
Europa Småbolag B1 - SEK	+12.3	-	-	-	-	-	-	-	-	-
Index including dividends in %										
Europa Småbolag A1 - SEK	+0.7	+31.3	-9.3	+12.7	+6.0	+3.2	+13.9	+22.8	+12.5	-8.2
Europa Småbolag A1 - EUR	+5.4	+26.6	-12.1	+9.8	+1.3	+6.7	-	-	-	-
Europa Småbolag A1 - NOK	+11.9	+26.2	-11.4	+18.8	-4.3	+13.1	-	-	-	-
Europa Småbolag A9 - SEK	-0.2	-	-	-	-	-	-	-	-	-
Europa Småbolag A9 - EUR	+4.7	-	-	-	-	-	-	-	-	-
Europa Småbolag A10 - SEK	+0.7	+31.3	-9.3	-	-	-	-	-	-	-
Europa Småbolag A10 - EUR	+5.4	+26.6	-12.1	-	-	-	-	-	-	-
Europa Småbolag A10 - NOK	+11.9	+26.2	-11.4	-	-	-	-	-	-	-
Europa Småbolag B1 - SEK	+0.7	-	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾										
Europa Småbolag A1 - SEK	5.0	3.2	3.4	2.8	2.6	2.1	1.2	1.2	1.7	1.7
Europa Småbolag A1 - EUR	5.0	3.2	3.4	2.8	2.6	2.1	-	-	-	-
Europa Småbolag A1 - NOK	5.0	3.2	3.4	2.8	2.6	2.1	-	-	-	-
Europa Småbolag A10 - SEK	5.0	3.2	3.4	-	-	-	-	-	-	-
Europa Småbolag A10 - EUR	5.0	3.2	3.4	-	-	-	-	-	-	-
Europa Småbolag A10 - NOK	5.0	3.2	3.4	-	-	-	-	-	-	-
Europa Småbolag B1 - SEK	5.0	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Europa Småbolag A1 - SEK	+20.3	+9.1	+2.5	+7.8	+4.5	+10.1	+17.5	+16.5	-1.0	-8.9
Europa Småbolag A1 - EUR	+20.8	+5.5	-0.3	+4.0	+3.9	+8.2	-	-	-	-
Europa Småbolag A1 - NOK	+24.3	+5.7	+4.1	+5.2	+3.9	+16.1	-	-	-	-
Europa Småbolag A10 - SEK	+21.5	+10.2	+3.5	-	-	-	-	-	-	-
Europa Småbolag A10 - EUR	+22.0	+6.6	+0.7	-	-	-	-	-	-	-
Europa Småbolag A10 - NOK	+25.5	+6.8	+5.1	-	-	-	-	-	-	-
Europa Småbolag B1 - SEK	+20.3	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+15.0	+9.1	+1.1	+9.3	+4.6	+8.4	+18.3	+17.5	+1.6	-6.0
EUR	+15.5	+5.5	-1.7	+5.5	+4.0	+6.6	-	-	-	-
NOK	+18.8	+5.8	+2.6	+6.6	+4.0	+14.3	-	-	-	-
Average yearly return, 5 yrs. %										
Europa Småbolag A1 - SEK	+9.2	+8.1	+5.4	+11.4	+10.9	+7.6	+5.0	+6.3	-6.1	-6.5
Europa Småbolag A1 - EUR	+7.2	+5.9	+2.6	+8.4	+9.3	+7.3	-	-	-	-
Europa Småbolag A1 - NOK	+9.0	+7.7	+6.1	+14.9	+12.8	+11.9	-	-	-	-
Europa Småbolag A10 - SEK	+10.3	+9.2	+6.5	-	-	-	-	-	-	-
Europa Småbolag A10 - EUR	+8.3	+6.9	+3.6	-	-	-	-	-	-	-
Europa Småbolag A10 - NOK	+10.1	+8.7	+7.2	-	-	-	-	-	-	-
Europa Småbolag B1 - SEK	+9.2	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+7.4	+8.0	+4.9	+11.5	+11.5	+8.3	+6.8	+8.2	-4.3	-4.9
EUR	+5.5	+5.7	+2.1	+8.5	+9.8	+8.0	-	-	-	-
NOK	+7.3	+7.5	+5.6	+15.0	+13.4	+12.6	-	-	-	-
Average yearly return, 10 yrs. %										
Europa Småbolag A1 - SEK	+8.4	+6.6	+5.9	+2.2	+1.9	+2.7	+4.9	+4.5	+3.8	-1.9
Europa Småbolag A1 - EUR	+7.2	+6.3	+6.7	+1.8	+1.3	+3.0	-	-	-	-
Europa Småbolag A1 - NOK	+10.5	+8.1	+6.9	+4.0	+2.3	+4.9	-	-	-	-
Europa Småbolag A10 - SEK	+9.5	+7.6	+6.9	-	-	-	-	-	-	-
Europa Småbolag A10 - EUR	+8.3	+7.3	+7.8	-	-	-	-	-	-	-
Europa Småbolag A10 - NOK	+11.6	+9.2	+8.0	-	-	-	-	-	-	-
Europa Småbolag B1 - SEK	+8.4	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+7.9	+7.4	+6.5	+3.3	+3.0	+3.7	+6.2	+5.8	+4.9	-0.3
EUR	+6.7	+7.1	+7.4	+2.9	+2.3	+3.9	-	-	-	-
NOK	+9.9	+9.0	+7.6	+5.1	+3.4	+5.9	-	-	-	-
Dividends per unit, SEK	-	-	-	-	-	-	-	-	6.30	6.89
Exchange rate EUR/SEK	10.05	10.51	10.13	9.83	9.58	9.16	-	-	-	-
Exchange rate NOK/SEK	0.96	1.07	1.02	1.00	1.06	0.95	-	-	-	-

1) During the year the fund changed its fund manager as well as the fund's management focus. The fund is now focusing on European small caps with exposure to our growth themes. As a result of the new investment focus, investment universe and principles of portfolio construction, the fund has had a higher tracking error than previously. The fund manager considers this risk to be a good balance between risk and return and deems that the tracking error will continue to be at a higher level than in the past.

Benchmark: Solactive ISS ESG Screened Europe Small Cap Index NTR
Up to 01/05/2016: MSCI Pan Euro Net Index
Up to 31/03/2019: MSCI Europe Select Global Norms and Criteria
Up to 31/08/2020: Solactive ISS ESG Screened Europe

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 Småbolag, cont.

Fund facts - costs

Max. allowed mgmt. costs in % according to fund rules	
Europa Småbolag A1	1.60
Europa Småbolag A9	0.80
Europa Småbolag A10	0.60
Europa Småbolag B1	1.60
Collected mgmt. costs in % of average fund capital	
Europa Småbolag A1	1.60
Europa Småbolag A9	0.80
Europa Småbolag A10	0.60
Europa Småbolag B1	1.60
Annual fees in %	
Europa Småbolag A1	1.60
Europa Småbolag A9	0.80
Europa Småbolag A10	0.60
Europa Småbolag B1	1.60
Transaction costs, SEK thousand	5,729
Transaction costs in % of turnover	0.06
Costs in SEK for a one-time subscription, 10 000 SEK	
Europa Småbolag A1	153.59
Europa Småbolag A9	-
Europa Småbolag A10	57.89
Europa Småbolag B1	-
Costs in SEK for monthly savings, 100 SEK	
Europa Småbolag A1	10.96
Europa Småbolag A9	-
Europa Småbolag A10	4.13
Europa Småbolag B1	-

Fund facts - other key figures

Turnover rate	0.6
Share of turnover conducted via closely-related securities companies in %	7.1
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and return measurements*

Total risk % - A1 SEK	18.5	Information ratio - A1 SEK	1.1
Total risk % - A1 EUR	19.6	Information ratio - A1 EUR	1.1
Total risk % - A1 NOK	12.4	Information ratio - A1 NOK	1.1
Total risk % - A10 SEK	18.5	Information ratio - A10 SEK	1.3
Total risk % - A10 EUR	19.6	Information ratio - A10 EUR	1.3
Total risk % - A10 NOK	12.4	Information ratio - A10 NOK	1.3
Total risk % - B1 SEK	18.5	Information ratio - B1 SEK	1.1
Total risk in index % - A1 SEK	18.5	Sharpe ratio - A1 SEK	1.1
Total risk in index % - A1 EUR	19.4	Sharpe ratio - A1 EUR	1.1
Total risk in index % - A1 NOK	12.5	Sharpe ratio - A1 NOK	1.9
Total risk in index % - A10 SEK	18.5	Sharpe ratio - A10 SEK	1.2
Total risk in index % - A10 EUR	19.4	Sharpe ratio - A10 EUR	1.1
Total risk in index % - A10 NOK	12.5	Sharpe ratio - A10 NOK	2.0
Total risk in index % - B1 SEK	18.5	Sharpe ratio - B1 SEK	1.1
Benchmark	Solactive ISS ESG	Sharpe ratio in index - A1 SEK	0.8
	Screened Europe Small	Sharpe ratio in index - A1 EUR	0.8
	Cap Index NTR	Sharpe ratio in index - A1 NOK	1.4
Active Share % ¹⁾	91.5	Sharpe ratio in index - A10 SEK	0.8
Active return % - A1 SEK	5.3	Sharpe ratio in index - A10 EUR	0.8
Active return % - A1 EUR	5.3	Sharpe ratio in index - A10 NOK	1.4
Active return % - A1 NOK	5.4	Sharpe ratio in index - B1 SEK	0.8
Active return % - A10 SEK	6.5		
Active return % - A10 EUR	6.5		
Active return % - A10 NOK	6.7		
Active return % - B1 SEK	5.3		

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, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities ¹⁾	125,551	1,579,501
Changes in value for other derivative instruments ²⁾	-562	-
Interest income	25	-154
Dividends	81,717	184,468
Currency exchange profits and losses, net	-4,399	7,743
Other financial income ¹⁾	11,054	2,294
Other income	388	152
Total income and changes in value	213,774	1,774,004
EXPENSES		
Management costs:		
- Remuneration to the Management Company	68,446	97,106
Interest expense	264	397
Other financial expenses ²⁾	2,211	459
Other expenses	5,770	10,910
Total expenses	76,690	108,871
Net income	137,084	1,665,132
* Details of changes in value		
Capital gains	1,146,225	917,785
Capital losses	-860,893	-492,449
Unrealised gains/losses	-159,782	1,154,165
Sum	125,551	1,579,501
** Details of changes in value		
Capital gains	83	-
Capital losses	-645	-
Sum	-562	-

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

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	2,318,264	95.3	5,891,462	98.5
Total financial instruments with positive market value ^{Note 2)}	2,318,264	95.3	5,891,462	98.5
Bank assets and other liquid assets	144,091	5.9	97,229	1.6
Prepaid expenses and accrued income	2,444	0.1	88	0.0
Other assets	14,694	0.6	-	-
Total assets	2,479,493	101.9	5,988,779	100.2
LIABILITIES				
Accrued expenses and prepaid income	3,131	0.1	7,679	0.1
Other liabilities	43,787	1.8	1,309	0.1
Total liabilities	46,918	1.9	8,988	0.2
Fund capital ^{Note 1)}	2,432,575	100.0	5,979,791	100.0
Financial instruments lent	165,223	6.8	113,312	1.9
Collateral received for financial instruments lent	186,507	7.7	119,370	2.0

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	5,979,791	6,256,694
Units issued ¹⁾	1,955,880	1,350,015
Units redeemed ¹⁾	-5,640,180	-3,292,050
Profit according to Income Statement	137,084	1,665,132
Dividends to unit holders	-	-
Fund capital at the close of the period	2,432,575	5,979,791

¹⁾ Of which SEK 48 129 t relates to internal moves between share classes

Handelsbanken Europa Småbolag, cont.

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
LISTED EQUITIES			
AUSTRIA (EUR)			
Erste Group Bank	204,866	51,341	2.1
		51,341	2.1
FAROE ISLANDS (DKK)			
Bakkafrost	78,333	46,021	1.9
		46,021	1.9
FINLAND (EUR)			
Outotec	595,796	48,942	2.0
Stora Enso R	289,979	45,587	1.9
Valmet	222,118	52,138	2.1
		146,668	6.0
FRANCE (EUR)			
Groupe SEB	20,018	29,971	1.2
Soitec Ord Shs	29,811	47,719	2.0
Trigano	20,278	29,505	1.2
Ubisoft Ord	49,764	39,424	1.6
Valeo	199,081	64,575	2.7
		211,194	8.7
GERMANY (EUR)			
Cancom	93,053	42,413	1.7
CTS Eventim	28,922	15,810	0.6
Evotec AG	75,686	23,029	0.9
Fintech Group Ord Shs	30,193	19,265	0.8
HelloFresh	115,621	73,427	3.0
Knaus Tabbert AG Ord Sh	69,053	43,992	1.8
New Work N Ord Shs	5,297	14,903	0.6
PVA TePla Ord Shs	111,396	21,939	0.9
TeamViewer I	71,748	31,600	1.3
Varta AG	60,870	72,297	3.0
		358,675	14.7
GREECE (EUR)			
Terna Energy	237,439	31,494	1.3
		31,494	1.3
IRELAND (EUR)			
Glanbia Plc	408,341	42,591	1.8
Keywords Rg	145,559	46,734	1.9
Smurfit Kappa	55,998	21,405	0.9
Unipharm Ord Shs	1,330,932	31,830	1.3
		142,560	5.9
ISLE OF MAN (GBP)			
Strix Grp Rg	932,671	23,035	0.9
		23,035	1.0
ITALY (EUR)			
Anima Holding Ord Shs	477,789	18,638	0.8
Cerved Information Solution	541,352	40,526	1.7
ERG SpA	177,699	41,783	1.7
FinecoBank	249,223	33,823	1.4
Prysmian	154,074	45,022	1.9
Reply Ord Shs1	39,934	38,242	1.6
		218,034	9.0
LUXEMBOURG (EUR)			
Solutions 30 Ord Shs	145,752	15,407	0.6
		15,407	0.6
NETHERLANDS (EUR)			
ArcaDIS NV	141,020	38,317	1.6
Argenx	9,200	22,372	0.9
ASM Intl NV	27,124	49,046	2.0
Euronext Ord Shs	69,207	62,692	2.6
		172,427	7.1
NORWAY (NOK)			
Austevoll Seafood	347,483	29,231	1.2
Lerøy Seafood Group	792,280	46,022	1.9
Scatec Solar	198,679	65,061	2.7
		140,314	5.8
SPAIN (EUR)			
Construcciones Y Auxiliar De Ferrocarril	58,384	23,027	0.9
EDP Renováveis	293,961	67,348	2.8
		90,375	3.7
SWEDEN (SEK)			
AarhusKarlshamn	191,117	31,725	1.3
AcadeMedia	591,811	50,304	2.1
Avanza Bank	54,158	12,619	0.5
Bufab	120,000	23,328	1.0
Dometic Group	271,830	29,616	1.2
Embracer B	378,101	74,335	3.1
Enad Global 7 AB	100,000	12,200	0.5
Enea	29,255	5,547	0.2
Fabege	276,427	35,756	1.5
Nolato B	17,892	14,886	0.6
Skistar B	384,044	41,016	1.7
Stillfront Group AB	342,400	34,240	1.4
		365,571	15.0
SWITZERLAND (CHF)			
Julius Baer Group	130,127	61,658	2.5
Vontobel Holding Ord Shs	51,540	33,615	1.4
		95,273	3.9

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
UNITED KINGDOM (GBP)			
Beazley Ord Shs	575,753	23,566	1.0
Homeserve Ord Shs	420,593	48,397	2.0
Ideagen Ord Shs	715,486	22,490	0.9
IP Group	2,190,249	24,318	1.0
Marlowe Ord Shs	163,920	12,016	0.5
Next Fifteen Communications Group	12,147	717	0.0
Pets at Home Group	886,144	41,403	1.7
Volusion Group Rg	1,180,276	36,967	1.5
		209,875	8.6
Total listed equities		2,318,264	95.3
Total transferable securities		2,318,264	95.3
Total holdings in financial instruments		2,318,264	95.3
Net, other assets and liabilities		114,311	4.7
Total fund capital		2,432,575	100.0

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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.

95.3

** 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).

*** Refers to other financial instruments.

Handelsbanken Europa Småbolag, cont.

Additional information on loaned securities

Volume of lent securities, SEK thousand:	165,223
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Volume of lent securities as a % of total lendable assets	8.13
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The ten largest issuers of collateral for securities lending per issuer, SEK thousand:

United Kingdom	55,129
France	30,306
Amerikanska staten	6,336
Germany	4,830
BHP Group Plc	4,756
Austria	3,496
Keyence Corp	2,208
Murata Manufacturing Co Ltd	2,175
Nintendo Co Ltd	2,161
Tencent Holdings Ltd	2,058

The largest counterparties for securities lending, SEK thousand:

J.P. Morgan Securities Plc	72,269
UBS AG, London Branch	54,628
Morgan Stanley & Co Intl Plc	32,117
Skandinaviska Enskilda Banken AB (publ)	8,860
HSBC Bank Plc	8,404
Citigroup Global Markets Ltd	7,000
Credit Suisse Securities (Europe) Ltd	2,937
Merrill Lynch Intl	291
	186,507

Type and quality of collateral, SEK thousand:

Bonds and other interest-bearing instruments	103,779
Equities, shares	82,728
	186,507

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:

Open Maturity	-
Less than 1 day	-
1 Day to 1 Week	272
1 Week to 1 Month	233
1 Month to 3 Months	462
3 Months to 1 Year	102,812
Above 1 Year	82,728
	186,507

The domicile of the counterparties, SEK thousand:

Svenska staten	8,860
Brittiska staten	177,647
	186,507

Currency of the collateral, SEK thousand:

AUD	1,527
CHF	1,592
DKK	574
EUR	45,247
GBP	79,173
HKD	8,829
JPY	21,982
SEK	881
SGD	3
USD	26,681
NZD	18
	186,507

Settlement and clearing, SEK thousand:

Bilateral	2,211
Triparty	184,297
	186,507

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

The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 11,054 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
- Credit Suisse Securities (Europe) Ltd
- HSBC Bank Plc
- J.P. Morgan Securities Plc
- Merrill Lynch Intl
- Morgan Stanley & Co Intl Plc
- Skandinaviska Enskilda Banken AB (publ)
- Svenska Handelsbanken AB (publ)
- UBS AG, London Branch

Handelsbanken Europa Småbolag

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities on behalf of the fund that include dialogues with companies, voting at annual general meetings and working on nomination committees.

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 used in sustainability efforts

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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, uranium, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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 companies

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainability on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

The Management Company's engagement activities - Corporate governance

Annual General Meetings and Nomination committees

The Management Company normally votes at general meetings in those companies where ownership exceeds 0.5% or at general meetings where the company concerned is identified as falling short in its sustainability efforts/corporate governance work. In general, the Management Company also supports shareholder proposals that seek to promote corporate sustainability, including greater transparency in recording and the reporting of the company's climate impact, as well as its work with human rights and labor law.

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 5% 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 September the fund received the Nordic Swan Ecolabel, which is an external certification that sets high standards on the sustainability efforts in our investment process when we analyze and select companies. Several examples of companies where the sustainability analysis has played a key role in the investment decision are provided below. Overall, we are pleased to note a stronger ESG trend among companies where reporting and follow-up of sustainability-related key figures are improving each year. An increasing number of companies are also setting sustainability targets, or raising their existing targets, which is a development we applaud.

The strong digitalization theme, which accelerated during 2020, increases the data-related consumption of energy, a reality we chose to identify exposure to during the year. Within this theme we identified and invested in ASM International and Soitec, which both have solutions to reduce energy consumption for data calculations. Another new investment within energy efficiency is Volition Group, which sells ventilation products that can contribute to improved air quality that has a positive impact on health and requires less energy, particularly since new fans can have sensors that adjust the speed based on need. Within commercial property we added Fabège, which is working hard within energy efficiency and has 100% environmentally-certified properties.

Another trend linked to digitalization is that an increasing number of people are ordering the delivery of meal kits. HelloFresh has aggressive climate targets with

a commitment to offset 100% of its direct carbon emissions from 2020 and onwards, as well as a focus on reducing food waste and optimizing packaging with as little material and plastic as possible. We invested in the company and understand from discussions with the company's CEO that this focus will be intensified in the future. With regard to food, we also increased the fund's exposure to salmon producers, where we as a fund management company have conducted a comprehensive analysis of the sustainability opportunities, as well as risk within the sector, and have shared our conclusions in a discussion with company management.

The electrification of transport is becoming an increasingly important theme. Within this theme we have invested in Valeo, which has a strong product portfolio for the electrification of cars, e.g., electric motors. Electric cars also contain silicon carbide in key components. Within this segment we added PVA Tepla, which is the only free-standing third-party in the world that can produce silicon carbide – the second hardest material in the world and technically difficult to produce.

We also invested in Terna Energy, which is active within renewable energy and energy storage, primarily in southern Europe. This investment is in addition to the fund's existing holdings in the theme that include holdings in Scatec Solar and EDP. Increasing the renewable portion in the electricity grid requires additional storage to manage the balance between consumption and production, and within this theme we purchased holdings in Varta, which sells battery packs to households that have solar panels on the roofs of their homes. We believe that the company has good potential to sharply increase these types of sales in the future.

Portfolio Manager: TORE MARKEN
Up to 04/10/2020 ULRIKA ORSTADIUS

BASE CURRENCY



Handelsbanken Finland Småbolag

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 small and mid-sized 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. The fund may invest in derivative instruments as part of its investment focus. We compare the fund's performance with SIX SRI Finland Small Cap Index. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund normally consists of approximately 30–50 holdings and the fund invests in companies, irrespective of whether or not these are included in the benchmark index. As the fund is actively managed the performance will over time deviate from this index. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 17.8% in 2020*. This has been a very remarkable year both in real terms as well as in the financial markets. The corona pandemic brought one country after another to a complete standstill at the beginning of the year, which led to sharp downturns in the stock markets. Given the massive support from authorities and central banks, as well as low interest rates, the equity markets rebounded sharply. The upturn from the bottom in March and to year-end is one of the quickest and strongest recoveries on record. Growth companies within gaming, technology and medicines were the strongest performers. Within this segment, the operational business has performed strongly and valuations have also risen. Several of the fund's best investments are found within this group and include companies such as Remedy, QT Group and Admicom. Within medicines, Orion has also contributed strongly. Companies such as Harvia and Musti also delivered strong growth and results during the year, and both have posted strength. The next phase in the market arrived in November when the first vaccine was approved against corona. This was the beginning of a change in the market in which cyclical companies posted strength and several of the strong corona performers declined. The fund managed the change well. During this bewildering year the fund was also revamped. As of September, the fund began focusing on small caps and was awarded the Nordic Swan Ecolabel. These are two key value-creating changes going forward and we believe strongly in this type of specialization in the fund. As always, we continue to identify innovative and talented companies with strong outlooks at 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 characterized 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 small and mid-sized Finnish companies or companies with a strong connection to Finland. As a result, the risk in the fund is normally 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 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 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 minimize 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 2020. The fund has the option of lending securities. The fund used this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

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

Information

On September 1, 2020, the fund changed its fund rules. The changes mean that the fund became a small company fund and at the same time changed its name to Handelsbanken Finland Småbolag (from Finland Tema)

As of September 1, 2020 the fund changed its index from SIX SRI Finland 40 Net Index to SIX SRI Finland Small Cap Index.

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 and 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.

The Management Company's work in nomination committees is also regulated in Guidelines for nomination committees. 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.

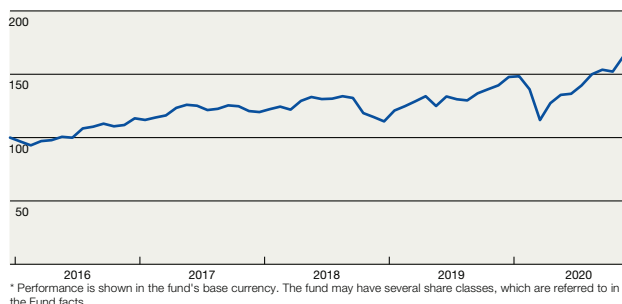
The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management Company then takes 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 Shareholder engagement and responsible investment 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 and in Guidelines for nomination committees which can be found under <https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>.

Fund performance*



Fund facts - history

[illegible]

Handelsbanken Finland Småbolag, cont.

Fund facts - history cont.

	2020	2019	2018	2017	2016	2015	10/10-31/12 2014	2013	2012	2011
SEK	+13.2	+13.3	+12.3	+19.6	+18.9	+8.2	+8.6	+11.5	-4.9	-4.6
EUR	+11.1	+10.9	+9.3	+16.3	+17.2	+7.9	+10.4	+16.4	-3.1	-4.3
Average yearly return, 10 yrs. %										
Finland Småbolag A1 - SEK	+10.3	+10.5	+10.4	+5.1	+5.9	-	-	-	-	-
Finland Småbolag A1 - EUR	+9.1	+10.2	+11.4	+4.7	+5.2	+6.6	+8.5	+10.0	+9.5	+6.1
Comparison to index including dividends, %										
SEK	+10.7	+10.9	+11.9	+6.6	+6.5	-	-	-	-	-
EUR	+9.5	+10.6	+12.8	+6.2	+5.9	+7.3	+8.9	+10.0	+9.2	+6.1
Exchange rate EUR/SEK	10.05	10.51	10.13	9.83	9.58	9.16	9.47	-	-	-

1) During 2020, the Finlandsfond was changed to a Finnish small cap fund. This has raised the fund's risk level slightly and the risk level for the most recent year is higher than the previous year.

Benchmark: SIX SRI Finland Small Cap Index

Up to 30/04/2019: OMXH-CAPGI

Up to 31/08/2020: SIX SRI Finland 40 Net 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	
Finland Småbolag A1	1.70
Finland Småbolag A9	0.85
Finland Småbolag A10	0.45
Collected mgmt. costs in % of average fund capital	
Finland Småbolag A1 ¹⁾	1.80
Finland Småbolag A9 ²⁾	0.91
Finland Småbolag A10 ³⁾	0.48
Annual fees in %	
Finland Småbolag A1	1.80
Finland Småbolag A9	0.91
Finland Småbolag A10	0.48
Transaction costs, EURt	30
Transaction costs in % of turnover	0.02
Costs in EUR for a one-time subscription, 1 000 EUR	
Finland Småbolag A1	17.15
Finland Småbolag A9	-
Finland Småbolag A10	4.43
Costs in EUR for monthly savings, 10 EUR	
Finland Småbolag A1	1.24
Finland Småbolag A9	-
Finland Småbolag A10	0.31

1) On September 1, 2020, the management fee was changed from 1.85% to 1.70% for the shareclass

2) On September 1, 2020, the management fee was changed from 0.95% to 0.85% for the shareclass

3) On September 1, 2020, the management fee was changed from 0.50% to 0.45% for the shareclass

Fund facts - other key figures

Turnover rate	1.3
Share of turnover conducted via closely-related securities companies in %	21.1
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and return measurements*

Total risk % - A1 SEK	19.9	Information ratio - A1 SEK	1.8
Total risk % - A1 EUR	21.1	Information ratio - A1 EUR	1.8
Total risk in index % - A1 SEK	19.6	Sharpe ratio - A1 SEK	1.2
Total risk in index % - A1 EUR	20.6	Sharpe ratio - A1 EUR	1.2
Benchmark	SIX SRI Finland Small Cap Index	Sharpe ratio in index - A1 SEK	0.9
		Sharpe ratio in index - A1 EUR	0.9
Active Share % ¹⁾	35.8		
Active return % - A1 SEK	6.2		
Active return % - A1 EUR	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, EUR thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	7,553	11,938
Interest income	0	0
Dividends	1,942	1,751
Currency exchange profits and losses, net	-151	7
Other financial income ¹⁾	4	2
Other income	0	0
Total income and changes in value	9,349	13,698
EXPENSES		
Management costs:		
- Remuneration to the Management Company	878	900
Interest expense	0	1
Other financial expenses ²⁾	1	0
Other expenses	30	19
Total expenses	909	920
Net income	8,440	12,778
* Details of changes in value		
Capital gains	8,355	7,074
Capital losses	-5,317	-2,291
Unrealised gains/losses	4,516	7,155
Sum	7,553	11,938

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

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

Balance sheet, EUR thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	56,921	97.2	52,305	97.9
Total financial instruments with positive market value ^{Note 2)}	56,921	97.2	52,305	97.9
Bank assets and other liquid assets	1,417	2.4	1,216	2.3
Prepaid expenses and accrued income	315	0.5	-	-
Other assets	-1	0.0	-	-
Total assets	58,652	100.1	53,521	100.2
LIABILITIES				
Accrued expenses and prepaid income	81	0.1	83	0.2
Other liabilities	-	-	14	0.0
Total liabilities	81	0.1	97	0.2
Fund capital ^{Note 1)}	58,572	100.0	53,424	100.0
Financial instruments lent	1,084	1.9	-	-
Collateral received for financial instruments lent	1,286	2.2	-	-

Note 1) for Balance sheet

Changes in fund capital, EUR thousand

	2020	2019
Fund capital at beginning of year	53,424	41,311
Units issued ¹⁾	15,430	14,605
Units redeemed ¹⁾	-18,722	-15,270
Profit according to Income Statement	8,440	12,778
Dividends to unit holders	-	-
Fund capital at the close of the period	58,572	53,424

1) Of which EUR 396 t relates to internal moves between share classes

Handelsbanken Finland Småbolag, cont.

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value EUR t	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
Fiskars	114,437	1,714	2.9
Harvia	57,144	1,400	2.4
Kamux Ord Shs	40,000	544	0.9
Musti Group Holding	34,304	842	1.4
Nokian Tyres	88,804	2,559	4.4
Rapala VMC Corporation	29,989	131	0.2
Sanoma	98,846	1,358	2.3
Tokmanni Group Corp	57,835	939	1.6
		9,488	16.2
CONSUMER STAPLES			
Kesko B	176,465	3,713	6.3
Raisio	204,306	652	1.1
		4,365	7.5
FINANCIALS AND REAL ESTATE			
Admicom Oy	3,500	473	0.8
Aktia Bank	125,320	1,227	2.1
Kojamo Plc	105,569	1,911	3.3
Oma Säästöpankki Oy	91,063	965	1.6
		4,575	7.8
HEALTH CARE			
Orion B	42,890	1,610	2.7
Terveystalo Plc	153,441	1,541	2.6
		3,150	5.4
INDUSTRIALS			
Cargotec	68,737	2,325	4.0
Caverion	232,608	1,351	2.3
Exel Composites	95,086	702	1.2
Lassila & Tikanoja	92,710	1,396	2.4
Outotec	611,838	5,002	8.5
Uponor	113,202	2,056	3.5
Valmet	71,713	1,675	2.9
Wärtsilä	252,816	2,060	3.5
YIT	314,291	1,550	2.6
		18,117	30.9
INFORMATION TECHNOLOGY			
Nixu	33,116	319	0.5
Ot Group Ord Shs	36,654	2,111	3.6
Rovio Entertainment Corporation	50,000	316	0.5
TietoEvy	79,093	2,124	3.6
		4,870	8.3
MATERIALS			
Huhtamäki	54,926	2,321	4.0
Metsä Board	269,669	2,325	4.0
Munksjö	136,096	2,463	4.2
Tikkurila	70,478	1,758	3.0
		8,867	15.1
TELECOMMUNICATION SERVICES			
Elisa	57,343	2,573	4.4
Remedy Entertainment	23,467	915	1.6
		3,488	6.0
Total listed equities		56,921	97.2
Total transferable securities		56,921	97.2
Total holdings in financial instruments		56,921	97.2
Net, other assets and liabilities		1,651	2.8
Total fund capital		58,572	100.0

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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.

97.2

** 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, EUR thousand: 1,084

Volume of lent securities as a % of total lendable assets 2.08

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

United Kingdom	187
France	170
Amerikanska staten	137
Germany	51
Belgium	47
BHP Group Plc	39
Tencent Holdings Ltd	35
Toyota Motor Corp	35
Sony Corp	35
Nintendo Co Ltd	35

The largest counterparties for securities lending, EUR thousand:

J.P. Morgan Securities Plc	770
Citigroup Global Markets Ltd	300
HSBC Bank Plc	108
Goldman Sachs Intl	108
	1,286

Type and quality of collateral, EUR thousand:

Bonds and other interest-bearing instruments	621
Equities, shares	665
	1,286

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:

Open Maturity	-
Less than 1 day	-
1 Day to 1 Week	-
1 Week to 1 Month	5
1 Month to 3 Months	1
3 Months to 1 Year	615
Above 1 Year	665
	1,286

The domicile of the counterparties, EUR thousand:

Brittiska staten	1,286
	1,286

Currency of the collateral, EUR thousand:

AUD	13
CHF	4
DKK	10
EUR	312
GBP	285
HKD	149
JPY	348
SEK	16
SGD	0
USD	148
NZD	0
	1,286

Settlement and clearing, EUR thousand:

Triparty	1,286
	1,286

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

The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 4 EUR 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
-Goldman Sachs Intl
-HSBC Bank Plc
-J.P. Morgan Securities Plc
-Merrill Lynch Intl
-UBS AG, London Branch

Handelsbanken Finland Småbolag

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities on behalf of the fund that include dialogues with companies, voting at annual general meetings and working on nomination committees.

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 used in sustainability efforts

Exclusion

The fund index 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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, uranium, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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 companies

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainability on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as an investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

The Management Company's engagement activities - Corporate governance

Annual General Meetings and Nomination committees

The Management Company normally votes at general meetings in those companies where ownership exceeds 0.5% or at general meetings where the company concerned is identified as falling short in its sustainability efforts/corporate governance work. In general, the Management Company also supports shareholder proposals that seek to promote corporate sustainability, including greater transparency in recording and the reporting of the company's climate impact, as well as its work with human rights and labor law.

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..

Handelsbanken Fonder deltar i alla valberedningar där vi har tillräckligt stort ägande för att erbjudas en plats. Utanför Norden är det dock ovanligt med valberedningar och styrelsesammansättningen kan endast påverkas genom röstning på bolagsstämman.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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 was awarded the Nordic Swan Ecolabel during the year and thereby fulfills the Ecolabel's 25 obligatory requirements. The climate is a critical issue and thus the manner in which the forest resources are utilized. In our opinion, several of the Finnish companies, such as Metsä Board, Valmet and Ahlström Munksjö, are responsible actors within this sector.

Exclusion

The fund excludes companies in accordance with the exclusion criteria stated above.

The Management Company's engagement activities - Dialogues

Targeted dialogues with direct contact between our fund managers and companies

The fund engaged in one targeted dialogues directly with a company during the year.

Engagement activities in collaboration with other investors

In 2020, the Management Company participated in a total of 125 company

dialogues together with other investors. The fund did not have any investments in these companies.

Collaborations and industry initiatives

In 2020, the Management Company participated in initiatives and collaborations that totaled over 380 companies.

The Management Company's engagement activities - Corporate governance

Annual General Meetings and Nomination committees

In 2020, the Management Company voted at 11 annual general meetings on behalf of the fund.

The Management Company has received 41 seats in nomination committees through its shareholdings and has worked to present proposals for boards with high levels of competence and diversity.



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. The fund may invest in derivative instruments as part of the fund's investment focus. 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. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund invests in companies, irrespective of whether or not these are included in the benchmark index. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 8.8% in 2020*. 2020 was an unusual year in many ways and began with sharp downturns in Q1. The fund and the market hit bottom in March, after which we saw a significant recovery. The fund outperformed the market during the downturn phase, which is one of the intentions with the Selektiv strategy. The fund then more or less followed the upturn. The fund retained a portion of the excess returns from the downturn period and closed slightly stronger than the market. The fund underwent a major transition during the year to improve the balancing of risks. This resulted in a widening of the number of equities, fewer sector and region exposures, and switching out a number of equities for new holdings. The most substantial changes were made within technology where the new holdings in TSMC, Microsoft and a world leader within semiconductor testing contributed significantly. The cyclical equities Compass Group and Ecolab, which represent a repurchase of previously sold holdings and a new holding, were also successful investments. Performance for the holdings sold in Legrand, Partners Group, Bunzl and Epiroc has been relatively weaker during the year than the new holdings, despite major absolute upturns from the time of the sale. The fund had fewer positive net flows in 2020.

*) 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 characterized 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 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 minimize 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 2020. The fund has the option of lending securities. The fund used this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

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

Information

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 and 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.

The Management Company's work in nomination committees is also regulated in Guidelines for nomination committees. 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

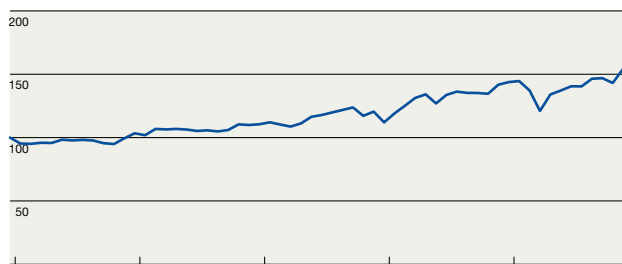
Handelsbanken Global Selektiv, cont.

and the portfolio management company in conjunction with the funds' investments. Information is available in the Management Company's Shareholder engagement and responsible investment 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 and in Guidelines for nomination committees 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

	2020	2019	14/12-31/12 2018	2017	2016	2015	2014	2013	2012	2011
Net asset value										
Global Selektiv A1 - SEK	260.97	250.81	190.16	-	-	-	-	-	-	-
Global Selektiv A1 - EUR	25.97	23.87	18.76	-	-	-	-	-	-	-
Global Selektiv A1 - NOK	272.07	235.48	185.73	-	-	-	-	-	-	-
Global Selektiv A9 - SEK	100.99	-	200.35	-	-	-	-	-	-	-
Global Selektiv A9 - EUR	27.86	25.38	19.77	-	-	-	-	-	-	-
Global Selektiv A10 - SEK	270.29	256.59	192.09	-	-	-	-	-	-	-
Global Selektiv A10 - EUR	26.90	24.42	-	-	-	-	-	-	-	-
Global Selektiv A10 - NOK	281.79	240.86	187.61	-	-	-	-	-	-	-
Global Selektiv B1 - SEK	188.59	189.05	148.51	-	-	-	-	-	-	-
Global Selektiv B1 - EUR	18.76	17.99	14.65	-	-	-	-	-	-	-
The fund's total net flow, EUR m	-20	26	-2	-	-	-	-	-	-	-
Fund capital total, mEUR	301	298	213	-	-	-	-	-	-	-
Global Selektiv A1 - SEK	1,484	1,832	1,222	-	-	-	-	-	-	-
Global Selektiv A1 - EUR	6	7	7	-	-	-	-	-	-	-
Global Selektiv A1 - NOK	30	32	84	-	-	-	-	-	-	-
Global Selektiv A9 - SEK	158	-	0	-	-	-	-	-	-	-
Global Selektiv A9 - EUR	12	10	8	-	-	-	-	-	-	-
Global Selektiv A10 - SEK	6	14	18	-	-	-	-	-	-	-
Global Selektiv A10 - EUR	1	1	-	-	-	-	-	-	-	-
Global Selektiv A10 - NOK	28	37	0	-	-	-	-	-	-	-
Global Selektiv B1 - SEK	1,123	974	636	-	-	-	-	-	-	-
Global Selektiv B1 - EUR	1	1	1	-	-	-	-	-	-	-
Number of units, 1000's	14,194	13,768	12,306	-	-	-	-	-	-	-
Global Selektiv A1 - SEK	5,688	7,305	6,425	-	-	-	-	-	-	-
Global Selektiv A1 - EUR	243	308	387	-	-	-	-	-	-	-
Global Selektiv A1 - NOK	110	134	453	-	-	-	-	-	-	-
Global Selektiv A9 - SEK	1,560	-	0	-	-	-	-	-	-	-
Global Selektiv A9 - EUR	416	390	390	-	-	-	-	-	-	-
Global Selektiv A10 - SEK	22	55	94	-	-	-	-	-	-	-
Global Selektiv A10 - EUR	48	30	-	-	-	-	-	-	-	-
Global Selektiv A10 - NOK	99	152	0	-	-	-	-	-	-	-
Global Selektiv B1 - SEK	5,954	5,153	4,282	-	-	-	-	-	-	-
Global Selektiv B1 - EUR	53	50	76	-	-	-	-	-	-	-
Total returns in %										
Global Selektiv A1 - SEK	+4.0	+31.9	+4.3	+9.6	+8.2	+7.3	-	-	-	-
Global Selektiv A1 - EUR	+8.8	+27.2	+1.3	+6.8	+3.4	+11.0	-	-	-	-
Global Selektiv A1 - NOK	+15.5	+26.8	+2.1	+15.6	-2.4	+17.6	-	-	-	-
Global Selektiv A9 - SEK	+5.0	+35.8	+4.4	+9.7	+8.2	+7.3	-	-	-	-
Global Selektiv A9 - EUR	+9.8	+28.4	+1.3	+6.9	+3.4	+11.0	-	-	-	-
Global Selektiv A10 - SEK	+5.3	+33.6	+5.6	+11.0	+9.5	+8.6	-	-	-	-
Global Selektiv A10 - EUR	+10.2	+7.5	-	-	-	-	-	-	-	-
Global Selektiv A10 - NOK	+17.0	+28.4	+3.4	+17.0	-1.2	+19.1	-	-	-	-
Global Selektiv B1 - SEK	+4.2	+31.9	+4.1	+9.7	+8.2	+7.3	-	-	-	-
Global Selektiv B1 - EUR	+9.0	+27.2	+1.1	+6.9	+3.4	+11.0	-	-	-	-
Index including dividends in %										
Global Selektiv A1 - SEK	+4.8	+35.7	-1.8	+11.7	+16.2	+5.1	-	-	-	-
Global Selektiv A1 - EUR	+9.6	+30.8	-4.7	+8.9	+11.1	+8.8	-	-	-	-
Global Selektiv A1 - NOK	+16.4	+30.4	-4.0	+17.8	+4.9	+15.3	-	-	-	-
Global Selektiv A9 - SEK	+4.8	+35.7	-1.8	+11.7	+16.2	+5.1	-	-	-	-
Global Selektiv A9 - EUR	+9.6	+30.8	-4.7	+8.9	+11.1	+8.8	-	-	-	-
Global Selektiv A10 - SEK	+4.8	+35.7	-1.8	+11.7	+16.2	+5.1	-	-	-	-
Global Selektiv A10 - EUR	+9.6	+10.1	-	-	-	-	-	-	-	-
Global Selektiv A10 - NOK	+16.4	+30.4	-4.0	+17.8	+4.9	+15.3	-	-	-	-
Global Selektiv B1 - SEK	+4.8	+35.7	-1.8	+11.7	+16.2	+5.1	-	-	-	-
Global Selektiv B1 - EUR	+9.6	+30.8	-4.7	+8.9	+11.1	+8.8	-	-	-	-
Tracking error, 2 yrs. % ¹⁾										
Global Selektiv A1 - SEK	4.1	4.4	3.2	-	-	-	-	-	-	-
Global Selektiv A1 - EUR	4.1	4.4	3.2	3.9	5.1	-	-	-	-	-
Global Selektiv A1 - NOK	4.1	4.4	3.2	-	-	-	-	-	-	-
Global Selektiv A9 - SEK	4.1	-	3.2	-	-	-	-	-	-	-
Global Selektiv A9 - EUR	4.1	4.3	3.2	-	-	-	-	-	-	-
Global Selektiv A10 - SEK	4.1	4.4	3.2	-	-	-	-	-	-	-
Global Selektiv A10 - NOK	4.1	4.4	3.2	-	-	-	-	-	-	-
Global Selektiv B1 - SEK	4.1	4.3	3.2	-	-	-	-	-	-	-
Global Selektiv B1 - EUR	4.1	4.4	3.2	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Global Selektiv A1 - SEK	+17.1	+17.3	+6.9	+8.9	+7.7	-	-	-	-	-
Global Selektiv A1 - EUR	+17.7	+13.5	+4.0	+5.1	+7.1	-	-	-	-	-
Global Selektiv A1 - NOK	+21.0	+13.8	+8.6	+6.2	+7.1	-	-	-	-	-
Global Selektiv A9 - SEK	+18.2	-	+7.0	+8.9	+7.8	-	-	-	-	-

Handelsbanken Global Selektiv, cont.

Fund facts - history cont.

	2020	2019	14/12-31/12 2018	2017	2016	2015	2014	2013	2012	2011
Global Selektiv A9 - EUR	+18.7	+14.1	+4.1	+5.1	+7.2	-	-	-	-	-
Global Selektiv A10 - SEK	+18.6	+18.8	+8.2	+10.2	+9.1	-	-	-	-	-
Global Selektiv A10 - NOK	+22.6	+15.2	+10.0	+7.5	+8.5	-	-	-	-	-
Global Selektiv B1 - SEK	+17.2	+17.2	+6.8	+8.9	+7.8	-	-	-	-	-
Global Selektiv B1 - EUR	+17.7	+13.4	+3.9	+5.1	+7.2	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+19.2	+15.4	+4.7	+14.0	+10.6	-	-	-	-	-
EUR	+19.7	+11.6	+1.9	+10.0	+9.9	-	-	-	-	-
NOK	+23.2	+11.9	+6.4	+11.2	+10.0	-	-	-	-	-
Average yearly return, 5 yrs. %										
Global Selektiv A1 - SEK	+11.1	+11.8	-	-	-	-	-	-	-	-
Global Selektiv A1 - EUR	+9.1	+9.6	-	-	-	-	-	-	-	-
Global Selektiv A1 - NOK	+11.0	+11.4	-	-	-	-	-	-	-	-
Global Selektiv A9 - EUR	+9.6	+9.8	-	-	-	-	-	-	-	-
Global Selektiv A10 - SEK	+12.5	+13.2	-	-	-	-	-	-	-	-
Global Selektiv A10 - NOK	+12.4	+12.8	-	-	-	-	-	-	-	-
Global Selektiv B1 - SEK	+11.2	+11.8	-	-	-	-	-	-	-	-
Global Selektiv B1 - EUR	+9.1	+9.6	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+12.6	+12.7	-	-	-	-	-	-	-	-
EUR	+10.6	+10.4	-	-	-	-	-	-	-	-
NOK	+12.5	+12.3	-	-	-	-	-	-	-	-
Dividends per unit, SEK										
Global Selektiv B1 - SEK	7.56	6.17	-	-	-	-	-	-	-	-
Global Selektiv B1 - EUR	0.72	0.59	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.05	10.51	10.13	-	-	-	-	-	-	-
Exchange rate EUR/NOK	10.48	9.86	9.90	-	-	-	-	-	-	-

1) The fund's tracking error has been just over 4% in the past year, which is in line with the past five years as the fund's tracking error has been within a range of about 3–5%. The level of the tracking error is a result of the management of the fund, which is based on a limited number of investments in high-quality companies.

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
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
Annual fees in %	
Global Selektiv A1	1.85
Global Selektiv A9	0.95
Global Selektiv A10	0.60
Global Selektiv B1	1.85
Transaction costs, EURt	856
Transaction costs in % of turnover	0.05
Costs in EUR for a one-time subscription, 1 000 EUR	
Global Selektiv A1	18.09
Global Selektiv A9	9.33
Global Selektiv A10	5.90
Global Selektiv B1	18.11
Costs in EUR for monthly savings, 10 EUR	
Global Selektiv A1	1.27
Global Selektiv A9	0.65
Global Selektiv A10	0.41
Global Selektiv B1	1.30

Fund facts - other key figures

Turnover rate	2.8
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 % - A1 SEK	15.8	Information ratio - A1 EUR	Negative
Total risk % - A1 EUR	16.4	Information ratio - A1 NOK	Negative
Total risk % - A1 NOK	10.9	Information ratio - A9 SEK	Negative
Total risk % - A9 SEK	15.8	Information ratio - A9 EUR	Negative
Total risk % - A9 EUR	16.4	Information ratio - A10 SEK	Negative
Total risk % - A10 SEK	15.8	Information ratio - A10 NOK	Negative
Total risk % - A10 NOK	10.9	Information ratio - B1 SEK	Negative
Total risk % - B1 SEK	15.7	Information ratio - B1 EUR	Negative
Total risk % - B1 EUR	16.4	Sharpe ratio - A1 SEK	1.1
Total risk in index % - A1 SEK	16.5	Sharpe ratio - A1 EUR	1.1
Total risk in index % - A1 EUR	17.1	Sharpe ratio - A1 NOK	1.8
Total risk in index % - A1 NOK	10.7	Sharpe ratio - A9 SEK	1.2
Total risk in index % - A9 SEK	16.5	Sharpe ratio - A9 EUR	1.2
Total risk in index % - A9 EUR	17.1	Sharpe ratio - A10 SEK	1.2
Total risk in index % - A10 SEK	16.5	Sharpe ratio - A10 NOK	2.0
Total risk in index % - A10 NOK	10.7	Sharpe ratio - B1 SEK	1.1
Total risk in index % - B1 SEK	16.5	Sharpe ratio - B1 EUR	1.1
Total risk in index % - B1 EUR	17.1	Sharpe ratio in index - A1 SEK	1.2
Benchmark	Solactive ISS ESG	Sharpe ratio in index - A1 EUR	1.2
	Screened Global Markets	Sharpe ratio in index - A1 NOK	2.1
	Index NTR	Sharpe ratio in index - A9 SEK	1.2
Active return % - A1 SEK	-2.1	Sharpe ratio in index - A9 EUR	1.2
Active return % - A1 EUR	-2.1	Sharpe ratio in index - A10 SEK	1.2
Active return % - A1 NOK	-2.2	Sharpe ratio in index - A10 NOK	2.1
Active return % - A9 SEK	-1.0	Sharpe ratio in index - B1 SEK	1.2
Active return % - A9 EUR	-1.0	Sharpe ratio in index - B1 EUR	1.2
Active return % - A10 SEK	-0.6	Active Share % ¹⁾	90.9
Active return % - A10 NOK	-0.6		
Active return % - B1 SEK	-2.0		
Active return % - B1 EUR	-2.0		
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.

Handelsbanken Global Selektiv, cont.

Income statement, EUR thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	27,061	62,244
Changes in value for other derivative instruments **	-	-369
Changes in value for fund units ***	-	5
Interest income	19	148
Dividends	3,122	3,919
Currency exchange profits and losses, net	482	-646
Other financial income ¹⁾	5	7
Other income	35	37
Total income and changes in value	30,724	65,345
EXPENSES		
Management costs:		
- Remuneration to the Management Company	5,048	4,692
Interest expense	86	49
Other financial expenses ²⁾	1	17
Other expenses	858	1,126
Total expenses	5,993	5,884
Net income	24,731	59,461
* Details of changes in value		
Capital gains	63,839	49,546
Capital losses	-45,313	-13,879
Unrealised gains/losses	8,535	26,578
Sum	27,061	62,244
** 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, EUR thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	299,423	99.3	292,285	98.2
Total financial instruments with positive market value ^{Note 2)}	299,423	99.3	292,285	98.2
Bank assets and other liquid assets	2,385	0.8	5,681	1.9
Prepaid expenses and accrued income	107	0.0	215	0.1
Other assets	-	-	1	0.0
Total assets	301,915	100.2	298,182	100.2
LIABILITIES				
Accrued expenses and prepaid income	453	0.2	452	0.2
Total liabilities	453	0.2	452	0.2
Fund capital ^{Note 1)}	301,462	100.0	297,730	100.0
Financial instruments lent	7,743	2.6	11,746	3.9
Collateral received for financial instruments lent	10,285	3.4	12,379	4.2

Note 1) for Balance sheet

Changes in fund capital, EUR thousand

	2020	2019
Fund capital at beginning of year	297,730	212,609
Units issued ^{1) 2)}	76,784	115,302
Units redeemed ¹⁾	-93,557	-86,790
Profit according to Income Statement	24,731	59,461
Dividends to unit holders	-4,226	-2,852
Fund capital at the close of the period	301,462	297,730

¹⁾ Of which SEK 18 772 t relates to internal moves between share classes²⁾ EUR 7 670 t refers to the total capital of Global Selektiv Hedge which was merged on December 6, 2019.

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value EUR t	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
Autoliv SDB	90,349	6,801	2.3
CPG	475,462	7,240	2.4
Nike B	74,564	8,621	2.9
TJX Companies	164,271	9,168	3.0
		31,831	10.6
CONSUMER STAPLES			
Church & Dwight	127,382	9,081	3.0
Reckitt Benckiser	133,241	9,738	3.2
		18,820	6.2
FINANCIALS AND REAL ESTATE			
AIA Group	1,027,399	10,288	3.4
AIA Group ADR	58,954	2,367	0.8
HDFC Bank	737,003	11,840	3.9
Intercontinental Exchange	135,568	12,774	4.2
		37,270	12.4
HEALTH CARE			
Estée Lauder Companies A	42,558	9,259	3.1
Fresenius Medical Care	132,272	9,021	3.0
Novo Nordisk	142,117	8,146	2.7
Roche Holding	26,495	7,570	2.5
The Cooper Companies	31,886	9,468	3.1
UnitedHealth Group	36,152	10,361	3.4
		53,825	17.9
INFORMATION TECHNOLOGY			
Accenture	52,277	11,160	3.7
Automatic Data Processing	64,214	9,247	3.1
eBay	244,529	10,043	3.3
Intuit	30,509	9,471	3.1
Keyence	24,513	11,255	3.7
Mastercard	39,366	11,484	3.8
Microsoft	120,435	21,893	7.3
SAP	153,132	16,419	5.4
Taiwan Semiconductor ADR	106,679	9,507	3.2
TE Connectivity	94,656	9,366	3.1
Teradyne Ord Shs	92,250	9,039	3.0
		128,885	42.8
MATERIALS			
Air Liquide	70,900	9,518	3.2
Ecolab	50,990	9,017	3.0
		18,535	6.2
TELECOMMUNICATION SERVICES			
Tencent	172,566	10,259	3.4
		10,259	3.4
Total listed equities		299,423	99.3
Total transferable securities		299,423	99.3
Total holdings in financial instruments		299,423	99.3
Net, other assets and liabilities		2,039	0.7
Total fund capital		301,462	100.0

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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.

99.3

** 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).

*** Refers to other financial instruments.

Compilation, Company and Group exposure*

Company/Group	% of fund capital
AIA Group	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 Global Selektiv, cont.

Additional information on loaned securities

Volume of lent securities, EUR thousand:	7,743
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Volume of lent securities as a % of total lendable assets	2.71
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The ten largest issuers of collateral for securities lending per issuer, EUR thousand:

Germany	803
E.ON Sverige AB	516
BT Group Plc	516
SAnofi	516
LafargeHolcim Ltd	516
Hedelberg Cement AG	516
Schneider Electric SE	516
Lonza Group AG	516
Hermes International	516
Allianz Se	454

The largest counterparties for securities lending, EUR thousand:

Svenska Handelsbanken AB (publ)	10,285
	10,285

Type and quality of collateral, EUR thousand:

Bonds and other interest-bearing instruments	803
Equities, shares	9,481
	10,285

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:

Open Maturity	-
Less than 1 day	-
1 Day to 1 Week	-
1 Week to 1 Month	-
1 Month to 3 Months	-
3 Months to 1 Year	803
Above 1 Year	9,481
	10,285

The domicile of the counterparties, EUR thousand:

Svenska staten	10,285
	10,285

Currency of the collateral, EUR thousand:

CHF	1,033
EUR	5,212
GBP	4,039
	10,285

Settlement and clearing, EUR thousand:

Triparty	10,285
	10,285

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

The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 5 EUR 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
- Credit Suisse Securities (Europe) Ltd
- HSBC Bank Plc
- J.P. Morgan Securities Plc
- Merrill Lynch Intl
- Morgan Stanley & Co Intl Plc
- Svenska Handelsbanken AB (publ)
- UBS AG, London Branch

Handelsbanken Global Selektiv

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities on behalf of the fund that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used in sustainability efforts

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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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 companies

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainability on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as an investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

The Management Company's engagement activities - Corporate governance

Annual General Meetings and Nomination committees

The Management Company normally votes at general meetings in those companies where ownership exceeds 0.5% or at general meetings where the company concerned is identified as falling short in its sustainability efforts/corporate governance work. In general, the Management Company also supports shareholder proposals that seek to promote corporate sustainability, including greater transparency in recording and the reporting of the company's climate impact, as well as its work with human rights and labor law.

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 5% 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 company, Ebay, which provides a global retail platform for used items and the selling of new products from small entrepreneurs worldwide. The company's position results in an increased recycling of items that are already produced, as well as the opportunity for small entrepreneurs to make a living. Ebay is also investing in its own payment system that could potentially result in greater financial inclusion going forward.

Exclusion

The fund has made the decision to not invest in Cintas, which is the leading US business operation within the segment of company uniforms and employee protection equipment. This is despite the fact that significant time has been placed on the analysis work. This is due to the company's active negative view on employee rights, as well as possible issues related to governance in the form of management incentives for acquisitions and reporting of profit contributions from past acquisitions. A number of these circumstances have been confirmed, while some parts result primarily in an increased risk in the investments, which has led to our decision to exclude an investment in Cintas.

The Management Company's engagement activities - Dialogues

Targeted dialogues with direct contact between our fund managers and companies

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 the fund's investment focus provides for a concentrated portfolio with a limited number of holdings. Consequently, the entire holding was sold in Q1 2019.



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. The fund may invest in derivative instruments as part of its investment focus. The fund may invest a maximum of 10% of the fund capital in fund units. We compare the fund's performance with Solactive ISS ESG Screened Global Markets Index. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund normally consists of 50–100 companies, which is significantly fewer than the fund's benchmark index. The fund invests in companies, irrespective of whether or not these are included in the benchmark index. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 19.0% in 2020*. Many companies within the environment theme, most notably renewable energy, were among the holdings that contributed positively to fund returns. Xinyi Solar, Sunnova Energy, Vestas Wind, Alfen Beher and Solaredge Technologies posted strong share price performance. Companies within the productivity theme, and more specifically the digitalization sub-theme, also posted strength, such as Hello Fresh, Ocado, PayPal, Nuance and Taiwan Semiconductor. Despite the corona pandemic, companies worldwide have continued to invest in sustainable energy, digitalization and efficiency. The trend of prioritizing outdoor recreation and investing in the home environment has also strengthened. This was positive for the fund's holdings in Pool Corp, Yeti and Trex, which were also among the strongest performers during the year. The performance of holdings in Danone and Sprout Farmers Market (health improvement theme) as well as SAP (digitalization) was weaker in the period. We continue to consistently identify long-term investments in companies with structural strength that focus on contributing to solutions to the world's major challenges: climate, health, productivity and digitalization needs. As a result of this ambition, the fund had a higher proportion of holdings at year-end within the energy effectiveness and renewable energy themes than at the beginning of the year, and fewer holdings in the tourism and entertainment theme as we see a greater need and growth looking ahead in the first themes than in the latter.

* 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 characterized 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 minimize 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 2020. The fund has the option of lending securities. The fund used this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

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

Information

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 and 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.

The Management Company's work in nomination committees is also regulated in Guidelines for nomination committees. 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.

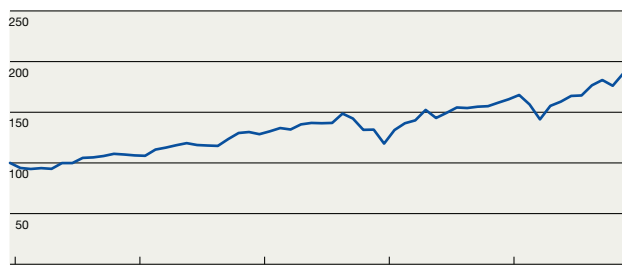
No conflicts of interest have arisen between the Management Company

Handelsbanken Global Tema, cont.

and the portfolio management company in conjunction with the funds' investments. Information is available in the Management Company's Shareholder engagement and responsible investment 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 and in Guidelines for nomination committees 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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net asset value										
Global Tema A1 - SEK	693.04	582.45	425.87	459.12	384.18	357.67	325.79	264.14	223.38	205.53
Global Tema A1 - EUR	68.97	55.43	42.02	46.70	40.09	39.05	-	-	-	-
Global Tema A1 - NOK	722.54	546.76	415.94	458.66	364.01	375.52	-	-	-	-
Global Tema A9 - SEK	114.76	-	-	-	-	-	-	-	-	-
Global Tema A10 - SEK	708.84	590.98	428.67	-	-	-	-	-	-	-
Global Tema A10 - EUR	70.54	56.24	42.30	-	-	-	-	-	-	-
Global Tema A10 - NOK	739.00	554.76	418.68	-	-	-	-	-	-	-
Global Tema B1 - SEK	574.24	503.23	377.55	423.28	368.02	357.67	-	-	-	-
The fund's total net flow, SEK m	-262	-604	-769	-712	-1,019	617	1,967	-32	-200	-
Fund capital total, SEK m	31,353	26,739	20,032	22,335	19,331	19,060	4,926	2,357	2,020	2,018
Global Tema A1 - SEK	30,511	26,314	19,590	22,143	19,059	18,386	4,926	2,357	2,020	2,018
Global Tema A1 - EUR	9	6	5	6	5	5	-	-	-	-
Global Tema A1 - NOK	66	20	77	77	168	175	-	-	-	-
Global Tema A9 - SEK	268	-	-	-	-	-	-	-	-	-
Global Tema A10 - SEK	53	84	89	-	-	-	-	-	-	-
Global Tema A10 - EUR	1	0	0	-	-	-	-	-	-	-
Global Tema A10 - NOK	28	37	0	-	-	-	-	-	-	-
Global Tema B1 - SEK	334	158	144	54	43	459	-	-	-	-
Number of units, 1000's	47,284	45,959	47,101	48,659	50,322	53,291	15,120	8,922	9,045	9,820
Global Tema A1 - SEK	44,024	45,178	46,001	48,231	49,610	51,406	15,120	8,922	9,045	9,820
Global Tema A1 - EUR	130	113	117	134	133	135	-	-	-	-
Global Tema A1 - NOK	91	37	185	167	463	466	-	-	-	-
Global Tema A9 - SEK	2,334	-	-	-	-	-	-	-	-	-
Global Tema A10 - SEK	74	143	207	-	-	-	-	-	-	-
Global Tema A10 - EUR	11	9	10	-	-	-	-	-	-	-
Global Tema A10 - NOK	38	67	0	-	-	-	-	-	-	-
Global Tema B1 - SEK	582	313	382	127	116	1,284	-	-	-	-
of which are outstanding share certificates, 1000's	69	69	69	69	69	69	70	70	70	70
Total returns in %										
Global Tema A1 - SEK	+19.0	+36.8	-7.2	+19.5	+7.4	+9.8	+23.3	+18.2	+10.5	-9.9
Global Tema A1 - EUR	+24.4	+31.9	-10.0	+16.5	+2.7	+13.6	+15.2	+14.6	+14.6	-8.7
Global Tema A1 - NOK	+32.2	+31.4	-9.3	+26.0	-3.1	+20.3	+25.1	+30.6	+8.6	-9.3
Global Tema A9 - SEK	+14.8	-	-	-	-	-	-	-	-	-
Global Tema A10 - SEK	+19.9	+37.9	-6.5	-	-	-	-	-	-	-
Global Tema A10 - EUR	+25.4	+33.0	-9.3	-	-	-	-	-	-	-
Global Tema A10 - NOK	+33.2	+32.5	-8.6	-	-	-	-	-	-	-
Global Tema B1 - SEK	+19.2	+36.8	-7.2	+19.5	+7.4	+9.8	-	-	-	-
Index including dividends in %										
Global Tema A1 - SEK	+4.8	+35.7	-1.1	+13.6	+16.3	+5.1	+27.0	+21.2	+10.2	-5.5
Global Tema A1 - EUR	+9.6	+30.8	-4.1	+10.8	+11.1	+8.8	+18.6	+17.5	+14.3	-4.2
Global Tema A1 - NOK	+16.4	+30.4	-3.3	+19.8	+4.9	+15.3	+28.7	+33.9	+8.3	-4.9
Global Tema A9 - SEK	+0.5	-	-	-	-	-	-	-	-	-
Global Tema A10 - SEK	+4.8	+35.7	-1.1	-	-	-	-	-	-	-
Global Tema A10 - EUR	+9.6	+30.8	-4.1	-	-	-	-	-	-	-
Global Tema A10 - NOK	+16.4	+30.4	-3.3	-	-	-	-	-	-	-
Global Tema B1 - SEK	+4.8	+35.7	-1.1	+13.6	+16.3	+5.1	-	-	-	-
Tracking error, 2 yrs. % ¹⁾										
Global Tema A1 - SEK	3.3	3.3	3.7	4.0	3.9	2.4	1.1	1.4	1.8	1.8
Global Tema A1 - EUR	3.3	3.3	3.7	4.0	3.9	2.4	-	-	-	-
Global Tema A1 - NOK	3.3	3.3	3.7	4.0	3.9	2.4	-	-	-	-
Global Tema A10 - SEK	3.3	3.3	3.7	-	-	-	-	-	-	-
Global Tema A10 - EUR	3.3	3.3	3.7	-	-	-	-	-	-	-
Global Tema A10 - NOK	3.3	3.3	3.7	-	-	-	-	-	-	-
Global Tema B1 - SEK	3.3	3.3	3.7	4.0	3.9	2.4	-	-	-	-
Average yearly return, 2 yrs. %										
Global Tema A1 - SEK	+27.6	+12.6	+5.3	+13.3	+8.6	+16.4	+20.8	+14.3	-0.2	-1.8
Global Tema A1 - EUR	+28.1	+8.9	+2.4	+9.3	+8.0	+14.4	+14.9	+14.6	+2.3	+5.4
Global Tema A1 - NOK	+31.8	+9.2	+6.9	+10.5	+8.0	+22.7	+27.8	+19.1	-0.7	+1.9
Global Tema A10 - SEK	+28.6	+13.5	+6.1	-	-	-	-	-	-	-
Global Tema A10 - EUR	+29.1	+9.8	+3.2	-	-	-	-	-	-	-
Global Tema A10 - NOK	+32.9	+10.1	+7.7	-	-	-	-	-	-	-
Global Tema B1 - SEK	+27.7	+12.6	+5.3	+13.3	+8.6	+16.4	-	-	-	-
Comparison to index including dividends, %										
SEK	+19.2	+15.8	+6.0	+15.0	+10.6	+15.5	+24.1	+15.6	+2.0	+0.1
EUR	+19.7	+12.0	+3.1	+10.9	+9.9	+13.6	+18.1	+15.9	+4.6	+7.4
NOK	+23.2	+12.3	+7.6	+12.1	+10.0	+21.8	+31.3	+20.4	+1.5	+3.8
Average yearly return, 5 yrs. %										
Global Tema A1 - SEK	+14.1	+12.3	+10.0	+15.5	+13.7	+9.8	+9.2	+8.6	-2.1	-3.1
Global Tema A1 - EUR	+12.0	+10.0	+7.1	+12.4	+12.0	+9.4	+11.0	+13.4	-0.2	-2.8
Global Tema A1 - NOK	+14.0	+11.9	+10.8	+19.1	+15.6	+14.1	+13.0	+10.0	-1.7	-4.0

Handelsbanken Global Tema, cont.

Fund facts - history cont.

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Global Tema A10 - SEK	+15.1	+13.2	+11.0	-	-	-	-	-	-	-
Global Tema A10 - EUR	+12.9	+10.9	+8.0	-	-	-	-	-	-	-
Global Tema A10 - NOK	+14.9	+12.8	+11.7	-	-	-	-	-	-	-
Global Tema B1 - SEK	+14.2	+12.3	+10.0	+15.5	+13.7	+9.8	-	-	-	-
Comparison to index including dividends, %										
SEK	+13.2	+13.3	+11.8	+16.4	+15.7	+11.0	+11.2	+9.5	-1.2	-2.5
EUR	+11.1	+10.9	+8.8	+13.3	+14.0	+10.7	+13.0	+14.4	+0.8	-2.2
NOK	+13.0	+12.8	+12.5	+20.1	+17.7	+15.4	+15.0	+11.0	-0.8	-3.4
Average yearly return, 10 yrs. %										
Global Tema A1 - SEK	+11.9	+10.8	+9.3	+6.3	+5.0	+4.2	+6.2	+4.0	+2.9	-2.9
Global Tema A1 - EUR	+10.7	+10.5	+10.2	+5.9	+4.3	+4.5	+5.7	+4.2	+3.5	-2.4
Global Tema A1 - NOK	+14.1	+12.4	+10.4	+8.2	+5.4	+6.4	+6.7	+4.2	+3.6	-2.7
Global Tema A10 - SEK	+12.9	+11.8	+10.3	-	-	-	-	-	-	-
Global Tema A10 - EUR	+11.7	+11.5	+11.2	-	-	-	-	-	-	-
Global Tema A10 - NOK	+15.1	+13.4	+11.4	-	-	-	-	-	-	-
Global Tema B1 - SEK	+12.0	+10.8	+9.3	+6.3	+5.0	+4.2	-	-	-	-
Comparison to index including dividends, %										
SEK	+12.1	+12.2	+10.6	+7.3	+6.2	+5.0	+7.3	+4.9	+3.6	-1.4
EUR	+10.9	+11.9	+11.5	+6.8	+5.6	+5.2	+6.8	+5.2	+4.3	-0.9
NOK	+14.2	+13.9	+11.7	+9.1	+6.6	+7.2	+7.8	+5.1	+4.4	-1.2
Dividends per unit, SEK										
Global Tema A1 - SEK	-	-	-	-	-	-	-	-	3.65	3.31
Global Tema B1 - SEK	20.13	11.33	16.93	14.72	14.31	-	-	-	-	-
Exchange rate EUR/SEK	10.05	10.51	10.13	9.83	9.58	9.16	9.47	8.85	8.58	8.90
Exchange rate NOK/SEK	0.96	1.07	1.02	1.00	1.06	0.95	1.04	1.06	1.17	1.15

1) The fund's tracking error has been within a range of approximately 3-4% in recent years, which the fund manager considers to be a good balance between risk and return. The risk has been higher in recent years than during the previous period. One contributing factor to the higher level of risk has been that the current fund manager (who assumed responsibility for the fund in 2015) chose to have fewer holdings in the fund than previously.

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 A9	0.70
Global Tema A10	0.60
Global Tema B1	1.40
Collected mgmt. costs in % of average fund capital	
Global Tema A1	1.40
Global Tema A9	0.70
Global Tema A10	0.60
Global Tema B1	1.40
Annual fees in %	
Global Tema A1	1.40
Global Tema A9	0.70
Global Tema A10	0.60
Global Tema B1	1.40
Transaction costs, SEK thousand	11,121
Transaction costs in % of turnover	0.05
Costs in SEK for a one-time subscription, 10 000 SEK	
Global Tema A1	144.88
Global Tema A9	-
Global Tema A10	62.34
Global Tema B1	145.08
Costs in SEK for monthly savings, 100 SEK	
Global Tema A1	9.86
Global Tema A9	-
Global Tema A10	4.24
Global Tema B1	10.13

Fund facts - other key figures

Turnover rate	0.4
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 % - A1 SEK	16.0	Information ratio - A1 SEK	2.5
Total risk % - A1 EUR	16.6	Information ratio - A1 EUR	2.5
Total risk % - A1 NOK	10.3	Information ratio - A1 NOK	2.6
Total risk % - A10 SEK	16.0	Information ratio - A10 SEK	2.8
Total risk % - A10 EUR	16.6	Information ratio - A10 EUR	2.8
Total risk % - A10 NOK	10.3	Information ratio - A10 NOK	2.9
Total risk % - B1 SEK	16.0	Information ratio - B1 SEK	2.5
Total risk in index % - A1 SEK	16.5	Sharpe ratio - A1 SEK	1.7
Total risk in index % - A1 EUR	17.1	Sharpe ratio - A1 EUR	1.7
Total risk in index % - A1 NOK	10.7	Sharpe ratio - A1 NOK	3.0
Total risk in index % - A10 SEK	16.5	Sharpe ratio - A10 SEK	1.8
Total risk in index % - A10 EUR	17.1	Sharpe ratio - A10 EUR	1.8
Total risk in index % - A10 NOK	10.7	Sharpe ratio - A10 NOK	3.1
Total risk in index % - B1 SEK	16.5	Sharpe ratio - B1 SEK	1.8
Benchmark	Solactive ISS ESG	Sharpe ratio in index - A1 SEK	1.2
	Screened Global Markets	Sharpe ratio in index - A1 EUR	1.2
	Index NTR	Sharpe ratio in index - A1 NOK	2.1
Active Share % ¹⁾	84.4	Sharpe ratio in index - A10 SEK	1.2
Active return % - A1 SEK	8.3	Sharpe ratio in index - A10 EUR	1.2
Active return % - A1 EUR	8.4	Sharpe ratio in index - A10 NOK	2.1
Active return % - A1 NOK	8.6	Sharpe ratio in index - B1 SEK	1.2
Active return % - A10 SEK	9.4		
Active return % - A10 EUR	9.4		
Active return % - A10 NOK	9.7		
Active return % - B1 SEK	8.4		

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 Tema, cont.

Income statement, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	5,032,672	7,323,300
Interest income	492	4,373
Dividends	255,620	320,064
Currency exchange profits and losses, net	-41,872	14,953
Other financial income ¹⁾	17,622	4,389
Other income	5,139	59,206
Total income and changes in value	5,269,673	7,726,285
EXPENSES		
Management costs:		
- Remuneration to the Management Company	376,906	344,219
Interest expense	1,386	289
Other financial expenses ²⁾	3,524	878
Other expenses	11,470	69,833
Total expenses	393,286	415,219
Net income	4,876,387	7,311,066

* Details of changes in value

Capital gains	4,842,127	2,098,102
Capital losses	-791,932	-498,811
Unrealised gains/losses	982,477	5,724,010
Sum	5,032,672	7,323,300

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

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	30,308,869	96.7	26,094,702	97.6
Total financial instruments with positive market value ^{Note 2)}	30,308,869	96.7	26,094,702	97.6
Bank assets and other liquid assets	1,069,403	3.4	831,497	3.1
Prepaid expenses and accrued income	11,918	0.0	12,313	0.1
Total assets	31,390,190	100.1	26,938,512	100.8
LIABILITIES				
Accrued expenses and prepaid income	37,340	0.1	31,509	0.1
Other liabilities	-	-	168,242	0.7
Total liabilities	37,340	0.1	199,751	0.8
Fund capital ^{Note 1)}	31,352,851	100.0	26,738,761	100.0
Financial instruments lent	1,771,512	5.7	1,421,857	5.3
Collateral received for financial instruments lent	1,969,658	6.3	1,570,720	5.9

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	26,738,761	20,032,162
Units issued ¹⁾	2,663,763	1,382,938
Units redeemed ¹⁾	-2,917,441	-1,982,552
Profit according to Income Statement	4,876,387	7,311,066
Dividends to unit holders	-8,619	-4,853
Fund capital at the close of the period	31,352,851	26,738,761

¹⁾ Of which SEK 284 438 t relates to internal moves between share classes

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
LISTED EQUITIES			
BRAZIL (BRL)			
Banco do Brasil	5,800,000	355,811	1.1
Lojas Americanas	6,600,000	274,343	0.9
		630,154	2.0
CHINA (CNY)			
Alibaba Group Holding ADR	187,635	358,628	1.1
Ping An Insurance	5,042,717	507,398	1.6
Tencent	639,055	381,749	1.2
Xinyi Solar Holdings	26,530,561	569,026	1.8
		1,816,801	5.8
DENMARK (DKK)			
Novo Nordisk	784,446	451,814	1.4
Vestas Wind Systems	263,688	512,421	1.6
		964,234	3.1
FRANCE (EUR)			
Capgemini	404,000	514,755	1.6
Danone	522,631	282,328	0.9
Dassault Systèmes	140,000	233,737	0.7
Schneider Electric	410,000	487,381	1.6
Ubisoft Ord	252,651	200,155	0.6
		1,718,356	5.5

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
GERMANY (EUR)			
Adidas	100,000	299,344	1.0
HelloFresh	348,017	221,013	0.7
SAP	280,000	301,671	1.0
Varta AG	199,232	236,634	0.8
		1,058,661	3.4
HONG KONG (HKD)			
AIA Group	5,039,493	507,074	1.6
		507,074	1.6
INDIA (INR)			
HDFC Bank	2,545,021	410,857	1.3
		410,857	1.3
INDONESIA (IDR)			
Bank Rakyat Indonesia	152,247,561	370,208	1.2
		370,208	1.2
ISRAEL (ILS)			
Check Point Software Technologies	335,438	366,141	1.2
Solaredge Technologies	114,621	300,397	1.0
		666,538	2.1
ITALY (EUR)			
Prysmian	1,469,575	429,424	1.4
		429,424	1.4
JAPAN (JPY)			
Kakaku.com	1,100,000	247,621	0.8
Keyence	91,386	421,616	1.3
Nidec	390,000	402,669	1.3
Nihon M&A Center	455,601	250,059	0.8
Nintendo	97,764	511,931	1.6
Shimadzu	1,500,000	478,459	1.5
Square Enix Holdings	462,038	230,071	0.7
		2,542,426	8.1
KOREA, REPUBLIC OF (KRW)			
Hynix Semiconductor	645,991	578,726	1.8
		578,726	1.9
MEXICO (MXN)			
Gruma	1,982,197	193,569	0.6
Grupo Aeroportuario del Centro Norte	2,824,986	149,491	0.5
		343,060	1.1
NETHERLANDS (EUR)			
Alfen Beheer Ord Shs When Issued	364,000	302,121	1.0
ASML Holding	82,531	329,692	1.1
Randstad	732,607	391,930	1.3
		1,023,744	3.3
NORWAY (NOK)			
Mowi	2,610,516	478,261	1.5
		478,261	1.5
SOUTH AFRICA (ZAR)			
Sanlam	6,700,000	220,078	0.7
		220,078	0.7
SPAIN (EUR)			
EDP Renováveis	985,592	225,804	0.7
		225,804	0.7
SWEDEN (SEK)			
AstraZeneca SDB	485,127	401,879	1.3
		401,879	1.3
SWITZERLAND (CHF)			
Roche Holding	184,095	528,507	1.7
		528,507	1.7
TAIWAN, PROVINCE OF CHINA (TWD)			
Taiwan Semiconductor ADR	690,000	617,893	2.0
		617,893	2.0
UNITED KINGDOM (GBP)			
Ocado Group	1,203,462	308,979	1.0
Prudential	3,335,117	504,324	1.6
		813,303	2.6
UNITED STATES (USD)			
Abbott Laboratories	449,629	404,303	1.3
Activision Blizzard	467,239	356,286	1.1
Albemarle	312,573	378,687	1.2
Alphabet C	31,440	452,340	1.4
Amazon.com	16,000	427,963	1.4
Ameresco Ord Shs Class A	297,592	127,674	0.4
Ansys	56,800	169,703	0.5
Apple	376,832	410,643	1.3
Baxter International	330,000	217,462	0.7
Bright Horizons Family Solutions	276,701	393,106	1.3
CryoPort Rg	380,000	136,939	0.4
East West Bancorp	735,257	306,204	1.0
Eli Lilly	309,696	429,427	1.4
Fidelity National Information Services	339,359	394,249	1.3
First Republic Bank	368,336	444,460	1.4
Grand Canyon Education	261,805	200,195	0.6
Graphic Packaging Holding	3,800,000	528,658	1.7
Home Depot	188,330	410,826	1.3
LHC Group Ord Shs	140,000	245,266	0.8
Mastercard	189,410	555,234	1.8
Microsoft	333,016	608,299	1.9
Nasdaq OMX Group	455,200	496,229	1.6
Nuance Communication	877,252	317,645	1.0
Nvidia	97,812	419,476	1.3
PayPal	220,302	423,724	1.4
Pool	120,466	368,527	1.2
Service Corporation International	994,362	400,963	1.3
Sprouts Farmers Mkt	1,700,000	280,623	0.9

Handelsbanken Global Tema, cont.

1,969,658

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
Sunnova Energy International	1,475,000	546,683	1.7
SVB Financial Group	158,154	503,732	1.6
The Cooper Companies	127,418	380,188	1.2
Thermo Fisher Scientific	105,752	404,527	1.3
Trex Ord Shs	580,000	398,782	1.3
UnitedHealth Group	154,491	444,931	1.4
Veeva Systems A	90,000	201,228	0.6
Xylem	446,000	372,836	1.2
Yeti Holdings	720,000	404,866	1.3
		13,962,882	44.5
Total listed equities		30,308,869	96.7
Total transferable securities		30,308,869	96.7
Total holdings in financial instruments		30,308,869	96.7
Net, other assets and liabilities		1,043,982	3.3
Total fund capital		31,352,851	100.0

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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, SEK thousand: 1,771,512

Volume of lent securities as a % of total lendable assets 6.14

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

United Kingdom	254,781
France	138,339
Amerikanska staten	88,304
Germany	60,994
Austria	56,983
BHP Group Plc	48,912
American Tower Corp Reit	33,804
Procter & Gamble Co	32,121
Vodafone Group Plc	30,474
Microsoft Corp	29,421

The largest counterparties for securities lending, SEK thousand:

UBS AG, London Branch	936,765
Credit Suisse AG, Dublin Branch	685,775
J.P. Morgan Securities Plc	120,351
Morgan Stanley & Co Intl Plc	78,042
Goldman Sachs Intl	62,030
Skandinaviska Enskilda Banken AB (publ)	48,609
Merrill Lynch Intl	36,016
Credit Suisse Securities (Europe) Ltd	2,069
	1,969,658

Type and quality of collateral, SEK thousand:

Bonds and other interest-bearing instruments	622,105
Equities, shares	1,347,553
	1,969,658

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:

Open Maturity	-
Less than 1 day	-
1 Day to 1 Week	4,204
1 Week to 1 Month	2,926
1 Month to 3 Months	8,928
3 Months to 1 Year	606,046
Above 1 Year	1,347,553
	1,969,658

The domicile of the counterparties, SEK thousand:

Svenska staten	48,609
Brittiska staten	1,235,273
Irlandska staten	685,775
	1,969,658

Currency of the collateral, SEK thousand:

AUD	19,566
CAD	15,657
CHF	29,333
DKK	845
EUR	344,880
GBP	627,387
HKD	18,174
JPY	65,361
SEK	886
SGD	3
USD	847,530
NZD	18
MXN	15

Settlement and clearing, SEK thousand:

Triparty	1,969,658
	1,969,658

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

The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 17,622 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
 -Credit Suisse AG, Dublin Branch
 -Credit Suisse Securities (Europe) Ltd
 -Goldman Sachs Intl
 -HSBC Bank Plc
 -J.P. Morgan Securities Plc
 -Merrill Lynch Intl
 -Morgan Stanley & Co Intl Plc
 -Skandinaviska Enskilda Banken AB (publ)
 -Svenska Handelsbanken AB (publ)
 -UBS AG, London Branch

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

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 excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities on behalf of the fund that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used in sustainability efforts

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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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 companies

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainalytics on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

The Management Company's engagement activities - Corporate governance

Annual General Meetings and Nomination committees

The Management Company normally votes at general meetings in those companies where ownership exceeds 0.5% or at general meetings where the company concerned is identified as falling short in its sustainability efforts/corporate governance work. In general, the Management Company also supports shareholder proposals that seek to promote corporate sustainability, including greater transparency in recording and the reporting of the company's climate impact, as well as its work with human rights and labor law.

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 5% 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 focused on identifying companies with business operations that contribute to a more sustainable development. We made several investments within the environment theme. We increased holdings within renewable energy through the Portuguese wind power company EDP and through US SolarEdge, which primarily manufactures solar inverters. In addition, we purchased equities in Schneider (France) whose products contribute to more efficient energy usage in a number of industries. Within the financial inclusion theme, the fund invested in South African Sanlam, an insurance company with many products that target the lowest income classes and has business operations throughout a major portion of the African continent.

Exclusion

During the year we chose to sell the holdings in Royal Caribbean Cruises given our assessment that cruises are not a particularly sustainable form of travel, even less so as a result of the pandemic.

The Management Company's engagement activities - Dialogues

Targeted dialogues with direct contact between our fund managers and companies

The fund engaged in two targeted dialogues directly with companies during the year.

The Management Company engaged in targeted dialogues directly with a number of salmon companies during the year. Within this context, the fund had a dialogue with Mowi, in which the fund holds equities. We would like to identify their sustainability efforts, how they measure and follow up actions and any improvements related to mortality and sicknesses, fodder, escape incidents and similar relevant parameters for the salmon industry. Our intent is to influence the company to set even higher targets, as well as be as transparent as possible with regard to the sustainability efforts.



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. The fund may invest in derivative instruments as part of the fund's investment focus. 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. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund normally consists of 70–90 companies, which is significantly fewer than its benchmark index. The fund invests in companies, irrespective of whether or not these are included in the benchmark index. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 103.8% during the full-year 2020*. After an extremely turbulent start to the year, the fund accelerated upward, most notably during H2. The fund outperformed its competitors and the stock market overall but was slightly weaker than its benchmark index, where a number of very small companies posted strength at year-end 2020. These companies had a unproportionally high weighting in the index due to problematic changes in the construction of the index. The fund has changed its benchmark index as of the turn of the year. In general, the sector fared well during the Covid pandemic as a large number of companies were classified as essential businesses in society. Investors' interest in the sector accelerated sharply during the year, including outside Europe. The solar sector and energy storage/electric cars, as well as the wind power sector, were the strongest positive contributions. We significantly increased investments within the solar sector in late spring, which led to strong returns in both absolute and relative terms. We previously increased positions within energy storage, most notably within hydrogen technology and batteries. Solbolagen Daqo, Sunrun, Xinyi Solar, Sunnova and the hydrogen gas company Plugpower were the largest individual contributors to fund returns. On the negative side, Sao Martinho (biofuels), Bakkafrost (salmon), Climeon (geothermal energy) and Leroy (salmon) weighed on returns. On the political front, global investments for a green transition have intensified, which is positive for the sector. Although the Chinese ambitions to 2060 are very far in the future, there are also signals for the next 5 years and explains our positive outlook on the region. Within the transport sector, regulations are being further tightened and fueled by market preferences, which is positive for the electric car segment. At the same time, energy storage in the electricity

grid is rapidly increasing. Thus, we continue to see attractive opportunities within the segment.

*) 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 characterized 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 minimize 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 2020. The fund has the option of lending securities. The fund used this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

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

Information

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 fundreport.

Shareholder commitments

Based on the Management Company's Policy for Shareholder engagement and 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.

The Management Company's work in nomination committees is also regulated in Guidelines for nomination committees. 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

Handelsbanken Hållbar Energi, cont.

Fund facts - history cont.

	2020	2019	2018	2017	2016	2015	10/10-31/12 2014	2013	2012	2011
Hållbar Energi A1 - SEK	8.2	6.2	5.7	4.4	5.9	6.3	8.5	11.6	10.0	6.8
Hållbar Energi A1 - EUR	8.2	6.2	5.7	4.4	5.9	6.3	8.5	-	-	-
Hållbar Energi A1 - NOK	8.2	6.2	5.7	4.4	5.9	6.3	8.5	-	-	-
Hållbar Energi A10 - SEK	8.2	6.2	5.7	-	-	-	-	-	-	-
Hållbar Energi A10 - EUR	8.2	6.2	5.7	-	-	-	-	-	-	-
Hållbar Energi A10 - NOK	8.2	6.2	5.7	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Hållbar Energi A1 - SEK	+67.4	+8.2	+1.7	+12.6	+7.8	+11.8	+24.0	+20.5	-7.6	-11.0
Hållbar Energi A1 - EUR	+68.1	+4.7	-1.2	+8.6	+7.1	+9.9	+18.0	+20.8	-5.3	-4.5
Hållbar Energi A1 - NOK	+72.9	+4.9	+3.2	+9.8	+7.2	+17.9	+31.2	+25.5	-8.1	-7.7
Hållbar Energi A10 - SEK	+68.9	+9.2	+2.6	-	-	-	-	-	-	-
Hållbar Energi A10 - EUR	+69.6	+5.6	-0.3	-	-	-	-	-	-	-
Hållbar Energi A10 - NOK	+74.5	+5.8	+4.1	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+77.6	+13.6	+0.6	+7.8	+4.6	+13.8	+35.3	+18.2	-25.1	-29.3
EUR	+78.3	+9.8	-2.2	+4.1	+4.0	+11.9	+28.8	+18.5	-23.2	-24.2
NOK	+83.5	+10.1	+2.1	+5.2	+4.1	+20.0	+43.2	+23.1	-25.5	-26.7
Average yearly return, 5 yrs. %										
Hållbar Energi A1 - SEK	+24.8	+10.5	+6.2	+16.7	+13.6	+7.8	+5.3	+8.1	-	-
Hållbar Energi A1 - EUR	+22.5	+8.3	+3.3	+13.6	+12.0	+7.5	+6.9	+12.9	-	-
Hållbar Energi A1 - NOK	+24.6	+10.1	+6.9	+20.4	+15.6	+12.1	+8.9	+9.5	-	-
Hållbar Energi A10 - SEK	+25.9	+11.5	+7.1	-	-	-	-	-	-	-
Hållbar Energi A10 - EUR	+23.6	+9.2	+4.3	-	-	-	-	-	-	-
Hållbar Energi A10 - NOK	+25.7	+11.1	+7.9	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+26.3	+10.3	+5.7	+18.3	+12.8	+2.2	-3.6	-2.3	-	-
EUR	+24.0	+8.0	+2.9	+15.1	+11.1	+1.9	-2.1	+2.0	-	-
NOK	+26.1	+9.8	+6.4	+22.0	+14.7	+6.3	-0.3	-1.0	-	-
Average yearly return, 10 yrs. %										
Hållbar Energi A1 - SEK	+16.0	+7.9	+7.2	-	-	-	-	-	-	-
Hållbar Energi A1 - EUR	+14.8	+7.6	+8.0	-	-	-	-	-	-	-
Hållbar Energi A1 - NOK	+18.2	+9.5	+8.2	-	-	-	-	-	-	-
Hållbar Energi A10 - SEK	+17.0	+8.9	+8.2	-	-	-	-	-	-	-
Hållbar Energi A10 - EUR	+15.8	+8.6	+9.1	-	-	-	-	-	-	-
Hållbar Energi A10 - NOK	+19.3	+10.5	+9.3	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+13.6	+3.1	+1.6	-	-	-	-	-	-	-
EUR	+12.4	+2.8	+2.4	-	-	-	-	-	-	-
NOK	+15.8	+4.6	+2.6	-	-	-	-	-	-	-
Dividends per unit, SEK	3.19	-	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.05	10.51	10.13	9.83	9.58	9.16	9.47	-	-	-
Exchange rate NOK/SEK	0.96	1.07	1.02	1.00	1.06	0.95	1.04	-	-	-

1) The fund's tracking error has been within a range of approximately 6–8% in recent years, which the fund manager considers to be a good balance between risk and return. The slightly higher tracking error is partly due to the effect of changes in the composition of the fund's benchmark index, which resulted in a sharp increase to volatility in the benchmark index. However, changes to the fund were not made to the same degree, so that the tracking error rose against index, although the fund's increase in volatility was significantly less than for its benchmark index.

Benchmark: Wilderhill New Energy Global Innovation 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.

Fund facts - costs

Max. allowed mgmt. costs in % according to fund rules	
Hållbar Energi A1	1.50
Hållbar Energi A9	0.75
Hållbar Energi A10	0.60
Hållbar Energi B1	1.50
Collected mgmt. costs in % of average fund capital	
Hållbar Energi A1	1.50
Hållbar Energi A9	0.75
Hållbar Energi A10	0.60
Hållbar Energi B1	1.50
Annual fees in %	
Hållbar Energi A1	1.50
Hållbar Energi A9	0.75
Hållbar Energi A10	0.60
Hållbar Energi B1	1.50
Transaction costs, SEK thousand	15,827
Transaction costs in % of turnover	0.05
Costs in SEK for a one-time subscription, 10 000 SEK	
Hållbar Energi A1	187.22
Hållbar Energi A9	-
Hållbar Energi A10	75.26
Hållbar Energi B1	187.38
Costs in SEK for monthly savings, 100 SEK	
Hållbar Energi A1	12.90
Hållbar Energi A9	-
Hållbar Energi A10	5.18
Hållbar Energi B1	13.13

Risk and return measurements*

Total risk % - A1 SEK	27.8	Information ratio - A1 SEK	Negative
Total risk % - A1 EUR	29.4	Information ratio - A1 EUR	Negative
Total risk % - A1 NOK	21.9	Information ratio - A1 NOK	Negative
Total risk % - A10 SEK	27.8	Information ratio - A10 SEK	Negative
Total risk % - A10 EUR	29.4	Information ratio - A10 EUR	Negative
Total risk % - A10 NOK	21.9	Information ratio - A10 NOK	Negative
Total risk in index % - A1 SEK	28.2	Sharpe ratio - A1 SEK	2.4
Total risk in index % - A1 EUR	29.6	Sharpe ratio - A1 EUR	2.3
Total risk in index % - A1 NOK	22.0	Sharpe ratio - A1 NOK	3.3
Total risk in index % - A10 SEK	28.2	Sharpe ratio - A10 SEK	2.5
Total risk in index % - A10 EUR	29.6	Sharpe ratio - A10 EUR	2.4
Total risk in index % - A10 NOK	22.0	Sharpe ratio - A10 NOK	3.4
Benchmark	Wilderhill New Energy Global Innovation Total Return Index	Sharpe ratio in index - A1 SEK	2.8
Active Share % ¹⁾	59.9	Sharpe ratio in index - A1 EUR	2.7
Active return % - A1 SEK	-10.2	Sharpe ratio in index - A1 NOK	3.7
Active return % - A1 EUR	-10.3	Sharpe ratio in index - A10 SEK	2.8
Active return % - A1 NOK	-10.6	Sharpe ratio in index - A10 EUR	2.7
Active return % - A10 SEK	-8.7	Sharpe ratio in index - A10 NOK	3.7
Active return % - A10 EUR	-8.7		
Active return % - A10 NOK	-9.0		

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.

Fund facts - other key figures

Turnover rate	0.7
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

Handelsbanken Hållbar Energi, cont.

Income statement, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	10,100,822	1,166,238
Interest income	275	528
Dividends	61,639	51,153
Currency exchange profits and losses, net	-22,011	6,842
Other financial income ¹⁾	20,999	6,726
Other income	17,156	1,651
Total income and changes in value	10,178,880	1,233,138
EXPENSES		
Management costs:		
- Remuneration to the Management Company	150,928	55,710
Interest expense	418	127
Other financial expenses ²⁾	4,200	1,345
Other expenses	16,140	2,354
Total expenses	171,686	59,536
Net income	10,007,194	1,173,602
* Details of changes in value		
Capital gains	2,829,627	455,996
Capital losses	-583,334	-218,445
Unrealised gains/losses	7,854,529	928,688
Sum	10,100,822	1,166,238

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

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	32,828,546	94.6	4,525,214	96.2
Total financial instruments with positive market value ^{Note 2)}	32,828,546	94.6	4,525,214	96.2
Bank assets and other liquid assets	3,248,341	9.4	183,468	3.9
Prepaid expenses and accrued income	8,822	0.0	3,157	0.1
Other assets	1,092,895	3.1	16,687	0.3
Total assets	37,178,604	107.1	4,728,526	100.5
LIABILITIES				
Accrued expenses and prepaid income	34,997	0.1	5,346	0.1
Other liabilities	2,436,082	7.0	17,088	0.4
Total liabilities	2,471,079	7.1	22,434	0.5
Fund capital ^{Note 1)}	34,707,525	100.0	4,706,092	100.0
Financial instruments lent	1,650,889	4.8	403,365	8.6
Collateral received for financial instruments lent	1,793,699	5.2	458,102	9.7

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	4,706,092	3,025,045
Units issued ¹⁾	28,871,780	2,084,033
Units redeemed ¹⁾	-8,873,576	-1,576,588
Profit according to Income Statement	10,007,194	1,173,602
Dividends to unit holders	-3,965	-
Fund capital at the close of the period	34,707,525	4,706,092

¹⁾ Of which SEK 310 350 t relates to internal moves between share classes

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
LISTED EQUITIES			
AUSTRALIA (AUD)			
Orocobre	21,391,956	605,977	1.7
		605,977	1.8
AUSTRIA (EUR)			
Verbund	988,137	693,559	2.0
		693,559	2.0
BRAZIL (BRL)			
São Martinho	4,838,321	209,300	0.6
		209,300	0.6
CANADA (CAD)			
Ballard Power Systems Ord Shs	1,243,106	238,892	0.7
Boralex A	1,158,383	352,753	1.0
Canada Solar	260,044	109,429	0.3
Exro Technologies Ord Shs	3,352,823	94,666	0.3
Loop Industries Ord Shs	1,102,148	75,127	0.2
Xebec Adsorption Ord Shs	180,126	10,450	0.0
		881,318	2.5

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
CHINA (CNY)			
Amperex Tech - A	1,202,430	530,172	1.5
BYD Company HKD	2,480,890	533,939	1.5
China Longyuan Power Group	51,911,000	427,210	1.2
Daqo New En Sp ADR	1,210,274	570,126	1.6
Ganfeng Lithium Ord Shs H	4,805,800	471,343	1.4
Goldwind	34,555,760	570,228	1.6
JinkoSolar ADR	1,189,998	604,650	1.7
Tianneng Power International	5,120,902	101,426	0.3
Tongwei Ord Shs A	6,419,996	309,907	0.9
Xinyi Energy Holdings	135,186,893	753,149	2.2
Xinyi Solar Holdings	66,765,312	1,431,979	4.1
		6,304,129	18.2
DENMARK (DKK)			
Cadeler	5,620,463	131,165	0.4
Dong Energy	372,219	624,840	1.8
Rockwool International B	45,427	139,699	0.4
Vestas Wind Systems	529,489	1,028,947	3.0
		1,924,651	5.6
FAROE ISLANDS (DKK)			
Bakkafrost	1,124,160	660,449	1.9
		660,449	1.9
FRANCE (EUR)			
McPhy Energy Ord Shs	859,171	296,556	0.9
Neoen Promesses Ord Shs	201,111	126,708	0.4
Schneider Electric	325,983	387,507	1.1
		810,770	2.3
GERMANY (EUR)			
Nordex	890,255	198,237	0.6
		198,237	0.6
HONG KONG (HKD)			
Canvest Environment Protection	8,216,012	28,891	0.1
		28,891	0.1
INDIA (INR)			
Azure Power Global Ord Shs	597,003	199,892	0.6
		199,892	0.6
ISRAEL (ILS)			
Solaredge Technologies	162,055	424,712	1.2
		424,712	1.2
ITALY (EUR)			
Enel	5,721,558	475,811	1.4
ERG SpA	1,691,486	397,726	1.1
Falck Renewables Ord Shs	2,752,537	182,271	0.5
Prisma	1,469,334	429,353	1.2
		1,485,162	4.3
JAPAN (JPY)			
Nidec	339,216	350,235	1.0
Ulvac Ord Shs	188,968	66,363	0.2
		416,599	1.2
KOREA, REPUBLIC OF (KRW)			
OCI	481,608	338,614	1.0
Samsung SDI	198,156	940,795	2.7
		1,279,409	3.7
LITHUANIA (LTL)			
Ignitis Grupe	1,216,342	243,225	0.7
		243,225	0.7
NETHERLANDS (EUR)			
Alfen Beheer Ord Shs When Issued	286,141	237,498	0.7
Philips Lighting Ord Shs	340,675	118,205	0.3
		355,703	1.0
NORWAY (NOK)			
Aker Carbon Capture Ord Sh	11,778,677	201,105	0.6
Atlantic Sapphire Rg	522,617	60,155	0.2
Grieg Seafood	634,655	51,744	0.1
Hexagon Purus	3,250,938	155,602	0.4
Leroy Seafood Group	595,210	34,575	0.1
Mowi	2,423,629	444,022	1.3
Nel	14,594,733	405,415	1.2
Quantafuel	2,103,948	122,700	0.4
Scatec Solar	1,862,790	610,004	1.8
		2,085,322	6.0
SINGAPORE (SGD)			
CapitaMall Trust	7,788,902	104,542	0.3
		104,542	0.3
SPAIN (EUR)			
EDP Renováveis	3,762,413	861,988	2.5
Gamesa	1,754,672	583,435	1.7
Soltec Power Holdings	2,339,563	310,319	0.9
		1,755,742	5.1
SWEDEN (SEK)			
ABB SDB	1,234,283	282,651	0.8
ÅF B	331,790	83,346	0.2
Climeon B	2,690,703	114,678	0.3
ReNewCell AB	348,410	79,263	0.2
Scandinavian Biogas Fuels International AB	1,149,804	49,901	0.1
		609,839	1.8
TAIWAN, PROVINCE OF CHINA (TWD)			
Taiwan Semiconductor	3,793,162	587,597	1.7
		587,597	1.7

Handelsbanken Hållbar Energi, cont.

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
UNITED STATES (USD)			
A. O. Smith	684,397	308,124	0.9
Albemarle	507,188	614,466	1.8
Ameresco Ord Shs Class A	1,080,885	463,725	1.3
Bloom Energy Class A Ord Shs	1,769,867	416,577	1.2
Cree	487,883	424,316	1.2
Darling Ingredients Ord Shs	2,861,715	1,355,594	3.9
Enphase Energy	375,730	541,448	1.6
First Solar	800,017	649,922	1.9
Hannon Armstrong	1,883,668	981,244	2.8
HYLN	2,076,551	281,046	0.8
IPG Photonics	219,227	402,914	1.2
Livent	1,572,665	243,330	0.7
Ormat Technologies	1,020,608	756,708	2.2
Plug Power Ord Shs	2,196,241	611,626	1.8
Renewable Energy Ord Shs	223,568	130,030	0.4
Sunnova Energy International	1,753,894	650,050	1.9
Sunrun	1,578,944	899,661	2.6
TPI Composites Ord Shs	1,134,784	491,882	1.4
Universal Display	179,852	339,425	1.0
Veritone Inc Ord Sh	616,806	144,115	0.4
Willdan Group Ord Shs	727,230	249,050	0.7
		10,955,253	31.6
Total listed equities		32,820,279	94.6

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
UNLISTED EQUITIES***			
CANADA (CAD)			
Xebec Adsorption Inc. Receipts	150,000	8,267	0.0
		8,267	0.0
Total unlisted equities		8,267	0.0
Total transferable securities		32,828,546	94.6
Total holdings in financial instruments		32,828,546	94.6
Net, other assets and liabilities		1,878,979	5.4
Total fund capital		34,707,525	100.0

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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.

94.6

** 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).

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*** Refers to other financial instruments.

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Additional information on loaned securities

Volume of lent securities, SEK thousand: 1,650,889

Volume of lent securities as a % of total lendable assets 6.24

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

United Kingdom	626,933
Amerikanska staten	218,216
France	214,961
Germany	108,711
Belgium	36,437
BHP Group Plc	33,959
Vodafone Group Plc	24,153
Austria	21,086
Procter & Gamble Co	20,794
Lam Research Corp	18,768

The largest counterparties for securities lending, SEK thousand:

UBS AG, London Branch	632,708
Goldman Sachs Intl	362,938
Citigroup Global Markets Ltd	347,017
Morgan Stanley & Co Intl Plc	278,446
HSBC Bank Plc	97,719
Merrill Lynch Intl	48,498
J.P. Morgan Securities Plc	14,557
Skandinaviska Enskilda Banken AB (publ)	11,816
	1,793,699

Type and quality of collateral, SEK thousand:

Bonds and other interest-bearing instruments	1,242,180
Equities, shares	551,520
	1,793,699

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:

Open Maturity	-
Less than 1 day	-
1 Day to 1 Week	5,428
1 Week to 1 Month	1,479
1 Month to 3 Months	14,376
3 Months to 1 Year	1,220,897
Above 1 Year	551,520
	1,793,699

The domicile of the counterparties, SEK thousand:

Svenska staten	11,816
Brittiska staten	1,781,883
	1,793,699

Currency of the collateral, SEK thousand:

AUD	8,538
CHF	20,386
DKK	178
EUR	439,121
GBP	895,504
HKD	8,754
JPY	15,395
SEK	274
SGD	1
USD	405,543
NZD	6
	1,793,699

Settlement and clearing, SEK thousand:

Bilateral	59,969
Triparty	1,733,731
	1,793,699

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

The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 20,999 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
 -Goldman Sachs Intl
 -HSBC Bank Plc
 -J.P. Morgan Securities Plc
 -Merrill Lynch Intl
 -Morgan Stanley & Co Intl Plc
 -Skandinaviska Enskilda Banken AB (publ)
 -Svenska Handelsbanken AB (publ)
 -UBS AG, London Branch

Handelsbanken Hållbar Energi

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities on behalf of the fund that include dialogues with companies, voting at annual general meetings and working on nomination committees.

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 used in sustainability efforts

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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, uranium, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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 companies

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainalytics on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

The Management Company's engagement activities - Corporate governance

Annual General Meetings and Nomination committees

The Management Company normally votes at general meetings in those companies where ownership exceeds 0.5% or at general meetings where the company concerned is identified as falling short in its sustainability efforts/corporate governance work. In general, the Management Company also supports shareholder proposals that seek to promote corporate sustainability, including greater transparency in recording and the reporting of the company's climate impact, as well as its work with human rights and labor law.

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..

Handelsbanken Fonder deltar i alla valberedningar där vi har tillräckligt stort ägande för att erbjudas en plats. Utanför Norden är det dock ovanligt med valberedningar och styrelsesammansättningen kan endast påverkas genom röstning på bolagsstämman.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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 essential for the fund manager's selection of companies. The fund has specific and explicit 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% of turnover is attributed to products that improve the environment.

- A minimum of 50% 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 Samsung SDI and CATL, which are both world-leading battery manufacturers for electric cars, where 2020 resulted in a dramatic increase in electric cars despite a weak car market. Further, we included additional companies within the hydrogen gas segment such as Plug Power, Ballard Power and McPhy. All of these companies are active within the hydrogen gas segment that is essential for some industries to manage the climate transition in which green electricity is not a solution.

Exclusion

During the year we chose to close the fund's investment in Tesla. The company has had several incidents during periods linked to employer liability. After the newly appointed HR director resigned and the company lost a court proceeding



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. The fund may invest in derivative instruments as part of the fund's investment focus. 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. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund normally consists of 50–100 companies, which is significantly fewer than the fund's benchmark index. The fund invests in companies, irrespective of whether or not these are included in the benchmark index. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 10.5% in 2020*. The period was almost totally dominated by the corona pandemic, which affected many segments of the healthcare sector. Demand for medical technology products weakened periodically, while the effects were relatively moderate for the pharmaceutical sector. Activity was high within the development of drugs, tests and vaccines against Covid-19. In addition, the digitalization of the healthcare sector accelerated. The results of the US election are favorable for the healthcare sector. However, sector performance was weaker than the broader markets after the positive results of the Covid-19 vaccine. Upturns were seen in 2020 within several healthcare sectors, primarily in laboratory equipment, technology, biotechnology and some pharmaceutical companies. Two acquisitions in particular were positive for fund performance: Momenta and Myokardia. Eli Lilly, Cantargia, Isofol and Genmab also rose in the period. Teladoc and Veeva contributed positively to returns within the technology sector. Lonza and ThermoFisher benefited from the rapid development of tests and vaccines against Covid-19. Sanofi, Agios, Immunovia and Reata Pharmaceuticals had a negative impact. The fund has had exposure to innovation within the pharmaceutical and biotechnology sectors. Focus is primarily on new drugs against cancer, rare diseases and autoimmune diseases. Companies that market lab equipment are also an investment area that benefits from the developments. The fund also increased exposure to technology and digitalization investment areas 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 characterized 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 minimize 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 2020. The fund has the option of lending securities. The fund used this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

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

Information

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 and 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.

The Management Company's work in nomination committees is also regulated in Guidelines for nomination committees. 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

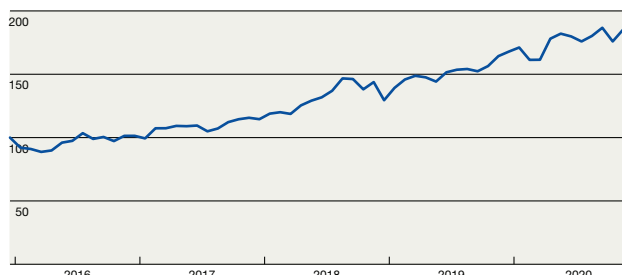
Handelsbanken Hälsovård Tema, cont.

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 Shareholder engagement and responsible investment 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 and in Guidelines for nomination committees 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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net asset value										
Hälsovård Tema A1 - SEK	294.14	266.14	205.29	181.56	160.73	158.53	142.24	98.79	72.81	65.82
Hälsovård Tema A1 - EUR	29.27	25.33	20.26	18.47	16.77	17.31	-	-	-	-
Hälsovård Tema A1 - NOK	306.75	249.88	-	181.38	152.29	166.44	-	-	-	-
Hälsovård Tema A9 - SEK	107.55	-	-	-	-	-	-	-	-	-
Hälsovård Tema A9 - EUR	29.43	-	-	-	-	-	-	-	-	-
Hälsovård Tema A10 - SEK	298.09	267.29	-	-	-	-	-	-	-	-
Hälsovård Tema A10 - EUR	29.24	-	-	-	-	-	-	-	-	-
Hälsovård Tema A10 - NOK	310.77	250.90	-	-	-	-	-	-	-	-
Hälsovård Tema B1 - SEK	143.22	135.00	107.89	-	-	-	-	-	-	-
The fund's total net flow, SEK m	2,021	2,241	2,108	72	-683	98	1,012	180	50	-
Fund capital total, SEK m	11,103	8,200	4,449	2,179	1,884	2,582	2,276	-	-	-
Hälsovård Tema A1 - SEK	8,910	7,180	4,146	2,073	1,784	2,348	2,276	790	435	349
Hälsovård Tema A1 - EUR	28	20	13	11	10	26	-	-	-	-
Hälsovård Tema A1 - NOK	54	8	-	0	0	0	-	-	-	-
Hälsovård Tema A9 - SEK	794	-	-	-	-	-	-	-	-	-
Hälsovård Tema A9 - EUR	3	-	-	-	-	-	-	-	-	-
Hälsovård Tema A10 - SEK	503	386	-	-	-	-	-	-	-	-
Hälsovård Tema A10 - EUR	2	-	-	-	-	-	-	-	-	-
Hälsovård Tema A10 - NOK	36	82	-	-	-	-	-	-	-	-
Hälsovård Tema B1 - SEK	484	330	168	-	-	-	-	-	-	-
Number of units, 1000's	44,140	32,006	22,411	12,004	11,719	16,289	-	-	-	-
Hälsovård Tema A1 - SEK	30,290	26,980	20,197	11,418	11,101	14,808	15,999	7,995	5,976	5,295
Hälsovård Tema A1 - EUR	964	783	655	586	618	1,481	-	-	-	-
Hälsovård Tema A1 - NOK	177	31	-	0	0	0	-	-	-	-
Hälsovård Tema A9 - SEK	7,384	-	-	-	-	-	-	-	-	-
Hälsovård Tema A9 - EUR	90	-	-	-	-	-	-	-	-	-
Hälsovård Tema A10 - SEK	1,688	1,444	-	-	-	-	-	-	-	-
Hälsovård Tema A10 - EUR	53	-	-	-	-	-	-	-	-	-
Hälsovård Tema A10 - NOK	116	326	-	-	-	-	-	-	-	-
Hälsovård Tema B1 - SEK	3,379	2,442	1,559	-	-	-	-	-	-	-
Total returns in %										
Hälsovård Tema A1 - SEK	+10.5	+29.6	+13.1	+13.0	+1.4	+11.5	+44.0	+35.7	+11.6	+6.1
Hälsovård Tema A1 - EUR	+15.6	+25.0	+9.7	+10.1	-3.1	+15.3	-	-	-	-
Hälsovård Tema A1 - NOK	+22.8	+24.6	+10.5	+19.1	-8.5	+22.2	-	-	-	-
Hälsovård Tema A9 - SEK	+7.6	-	-	-	-	-	-	-	-	-
Hälsovård Tema A9 - EUR	+13.0	-	-	-	-	-	-	-	-	-
Hälsovård Tema A10 - SEK	+11.5	-	-	-	-	-	-	-	-	-
Hälsovård Tema A10 - EUR	+16.6	-	-	-	-	-	-	-	-	-
Hälsovård Tema A10 - NOK	+23.9	-	-	-	-	-	-	-	-	-
Hälsovård Tema B1 - SEK	+10.7	+29.6	+13.1	-	-	-	-	-	-	-
Index including dividends in %										
Hälsovård Tema A1 - SEK	-1.9	+30.7	+11.0	+8.0	+0.4	+14.8	+43.9	+34.5	+11.5	+11.6
Hälsovård Tema A1 - EUR	+2.6	+26.0	+7.7	+5.2	-4.0	+18.7	-	-	-	-
Hälsovård Tema A1 - NOK	+8.9	+25.6	+8.5	+13.8	-9.4	+25.8	-	-	-	-
Hälsovård Tema A9 - SEK	-5.8	-	-	-	-	-	-	-	-	-
Hälsovård Tema A9 - EUR	-1.1	-	-	-	-	-	-	-	-	-
Hälsovård Tema A10 - SEK	-1.9	-	-	-	-	-	-	-	-	-
Hälsovård Tema A10 - EUR	+2.6	-	-	-	-	-	-	-	-	-
Hälsovård Tema A10 - NOK	+8.9	-	-	-	-	-	-	-	-	-
Hälsovård Tema B1 - SEK	-1.9	+30.7	+11.0	-	-	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾										
Hälsovård Tema A1 - SEK	3.5	3.6	3.5	3.7	3.6	2.6	2.1	1.7	1.7	2.4
Hälsovård Tema A1 - EUR	3.5	3.6	3.5	3.7	3.6	2.6	-	-	-	-
Hälsovård Tema A1 - NOK	3.5	3.6	-	3.7	3.6	2.6	-	-	-	-
Hälsovård Tema B1 - SEK	3.6	3.6	3.5	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Hälsovård Tema A1 - SEK	+19.7	+21.1	+13.0	+7.0	+6.3	+26.7	+39.8	+23.1	+8.8	+2.3
Hälsovård Tema A1 - EUR	+20.2	+17.1	+9.9	+3.3	+5.7	+24.5	-	-	-	-
Hälsovård Tema A1 - NOK	+23.7	+17.4	-	+4.4	+5.7	+33.5	-	-	-	-
Hälsovård Tema B1 - SEK	+19.8	+21.1	+13.0	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+13.2	+20.4	+9.5	+4.1	+7.4	+28.5	+39.2	+22.5	+11.6	+3.7

Handelsbanken Hälsovård Tema, cont.

Fund facts - history cont.

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
EUR	+13.7	+16.5	+6.4	+0.5	+6.8	+26.4	-	-	-	-
NOK	+17.0	+16.7	+11.2	+1.6	+6.8	+35.5	-	-	-	-
Average yearly return, 5 yrs. %										
Hälsovård Tema A1 - SEK	+13.2	+13.3	+15.8	+20.1	+19.8	+20.9	+17.9	+11.4	+3.3	+0.4
Hälsovård Tema A1 - EUR	+11.1	+11.0	+12.7	+16.8	+18.0	+20.5	-	-	-	-
Hälsovård Tema A1 - NOK	+13.0	+12.9	-	+23.8	+21.8	+25.7	-	-	-	-
Hälsovård Tema B1 - SEK	+13.2	+13.3	+15.8	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+9.1	+12.5	+14.7	+19.2	+20.0	+22.6	+18.4	+11.6	+4.4	+1.7
EUR	+7.0	+10.2	+11.7	+16.0	+18.3	+22.2	-	-	-	-
NOK	+8.9	+12.1	+15.5	+23.0	+22.1	+27.4	-	-	-	-
Average yearly return, 10 yrs. %										
Hälsovård Tema A1 - SEK	+17.0	+15.6	+13.6	+11.4	+9.7	+8.7	+10.5	+5.9	+2.5	-2.8
Hälsovård Tema A1 - EUR	+15.7	+15.3	+14.5	+10.9	+9.0	+9.0	-	-	-	-
Hälsovård Tema A1 - NOK	+19.2	+17.4	-	+13.3	+10.1	+11.0	-	-	-	-
Hälsovård Tema B1 - SEK	+17.0	+15.6	+13.6	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+15.6	+15.4	+13.2	+11.5	+10.5	+9.9	+11.3	+7.1	+3.9	-1.2
EUR	+14.4	+15.1	+14.1	+11.1	+9.8	+10.2	-	-	-	-
NOK	+17.8	+17.1	+14.3	+13.5	+10.9	+12.2	-	-	-	-
Dividends per unit, SEK										
Hälsovård Tema A1 - SEK	-	-	-	-	-	-	-	-	0.61	2.07
Hälsovård Tema B1 - SEK	5.40	4.32	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.05	10.51	10.13	9.83	9.58	9.16	-	-	-	-
Exchange rate NOK/SEK	0.96	1.07	1.02	1.00	1.06	0.95	-	-	-	-

1) The fund's tracking error has been within a range of 3-4% in recent years, which the fund manager considers to be a good balance between risk and return. The risk has been higher in recent years than during the previous period. One contributing factor to the higher level of risk has been a reduced number of holdings in the fund and a greater emphasis on small caps.

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.

Fund facts - costs

Max. allowed mgmt. costs in % according to fund rules	
Hälsovård Tema A1	1.50
Hälsovård Tema A9	0.75
Hälsovård Tema A10	0.60
Hälsovård Tema B1	1.50
Collected mgmt. costs in % of average fund capital	
Hälsovård Tema A1	1.50
Hälsovård Tema A9	0.75
Hälsovård Tema A10	0.60
Hälsovård Tema B1	1.50
Annual fees in %	
Hälsovård Tema A1	1.50
Hälsovård Tema A9	0.75
Hälsovård Tema A10	0.60
Hälsovård Tema B1	1.50
Transaction costs, SEK thousand	3,559
Transaction costs in % of turnover	0.03
Costs in SEK for a one-time subscription, 10 000 SEK	
Hälsovård Tema A1	159.10
Hälsovård Tema A9	-
Hälsovård Tema A10	63.93
Hälsovård Tema B1	159.29
Costs in SEK for monthly savings, 100 SEK	
Hälsovård Tema A1	10.27
Hälsovård Tema A9	-
Hälsovård Tema A10	4.12
Hälsovård Tema B1	10.53

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 % - A1 SEK	12.9	Information ratio - A1 SEK	1.8
Total risk % - A1 EUR	13.5	Information ratio - A1 EUR	1.8
Total risk % - A1 NOK	12.5	Information ratio - A1 NOK	1.9
Total risk % - B1 SEK	12.9	Information ratio - B1 SEK	1.9
Total risk in index % - A1 SEK	12.6	Sharpe ratio - A1 SEK	1.6
Total risk in index % - A1 EUR	12.9	Sharpe ratio - A1 EUR	1.5
Total risk in index % - A1 NOK	12.1	Sharpe ratio - A1 NOK	1.8
Total risk in index % - B1 SEK	12.6	Sharpe ratio - B1 SEK	1.6
Benchmark	Solactive ISS ESG	Sharpe ratio in index - A1 SEK	1.1
	Screened Health Care	Sharpe ratio in index - A1 EUR	1.1
	UCITS Index NTR	Sharpe ratio in index - A1 NOK	1.3
Active Share % ¹⁾	57.2	Sharpe ratio in index - B1 SEK	1.1
Active return % - A1 SEK	6.5		
Active return % - A1 EUR	6.5		
Active return % - A1 NOK	6.7		
Active return % - B1 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.

Income statement, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	904,454	1,516,321
Interest income	150	425
Dividends	130,622	76,551
Currency exchange profits and losses, net	-11,253	5,996
Other financial income ¹⁾	3,262	4,340
Other income	56	486
Total income and changes in value	1,027,291	1,604,119
EXPENSES		
Management costs:		
- Remuneration to the Management Company	140,493	90,677
Interest expense	393	28
Other financial expenses ²⁾	652	868
Other expenses	3,602	2,801
Total expenses	145,141	94,374
Net income	882,150	1,509,745
* Details of changes in value		
Capital gains	971,601	621,739
Capital losses	-349,016	-319,207
Unrealised gains/losses	281,869	1,213,789
Sum	904,454	1,516,321

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

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

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	10,807,450	97.3	8,054,903	98.2
Total financial instruments with positive market value ^{Note 2)}	10,807,450	97.3	8,054,903	98.2
Bank assets and other liquid assets	306,670	2.8	152,354	1.9
Prepaid expenses and accrued income	2,105	0.0	2,797	0.0
Other assets	1	0.0	-	-
Total assets	11,116,226	100.1	8,210,054	100.1
LIABILITIES				
Accrued expenses and prepaid income	13,209	0.1	9,906	0.1
Other liabilities	-	-	308	0.0
Total liabilities	13,209	0.1	10,214	0.1
Fund capital ^{Note 1)}	11,103,017	100.0	8,199,840	100.0
Financial instruments lent	722,114	6.5	231,995	2.8
Collateral received for financial instruments lent	796,895	7.2	266,375	3.2

Handelsbanken Hälsovård Tema, cont.

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	8,199,840	4,448,936
Units issued ¹⁾	7,176,956	4,303,839
Units redeemed ¹⁾	-5,141,502	-2,055,252
Profit according to Income Statement	882,150	1,509,745
Dividends to unit holders	-14,427	-7,428
Fund capital at the close of the period	11,103,017	8,199,840

¹⁾ Of which SEK 594 636 t relates to internal moves between share classes

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
LISTED EQUITIES			
CHINA (CNY)			
I-MAB - ADR	60,000	23,233	0.2
Microport Scientific	780,000	34,657	0.3
		57,890	0.5
DENMARK (DKK)			
Chemometec	120,000	93,634	0.8
Genmab	48,000	159,599	1.4
Novo Nordisk	635,008	365,743	3.3
Orphazyme	135,000	12,229	0.1
Zealand Pharma	185,500	55,243	0.5
		686,447	6.2
FRANCE (EUR)			
Sanofi	465,000	367,729	3.3
		367,729	3.3
GERMANY (EUR)			
Merck KGaA	65,000	91,670	0.8
		91,670	0.8
JAPAN (JPY)			
Daiichi Sankyo	830,000	233,387	2.1
Takeda Pharmaceutical	730,000	218,043	2.0
Terumo	440,000	150,918	1.4
		602,348	5.4
NETHERLANDS (EUR)			
Argenx	26,000	63,225	0.6
		63,225	0.6
NORWAY (NOK)			
PatientSky Group AS	2,488,083	34,600	0.3
		34,600	0.3
SWEDEN (SEK)			
Asarina Pharma	855,952	5,170	0.0
AstraZeneca SDB	526,076	435,801	3.9
BioArctic B	200,000	19,080	0.2
Biotage	313,000	43,507	0.4
Biovent International	603,367	27,695	0.2
Calliditas Therapeutics AB	663,000	92,555	0.8
Cantargia	2,449,460	156,765	1.4
Cellink B	459,500	107,753	1.0
Immunovia	327,212	39,004	0.4
Implantica AG SDB	729,230	114,562	1.0
Irlab Therapeutics	1,011,311	42,475	0.4
Isofol Medical	3,393,412	95,016	0.9
Oncopeptides	396,500	67,286	0.6
Sectra B	90,000	66,015	0.6
Surgical Science Sweden	348,825	32,615	0.3
Vicore Pharma Holding Ord Shs	1,740,000	54,810	0.5
		1,400,108	12.6
SWITZERLAND (CHF)			
Lonza Group	31,252	165,153	1.5
Novartis	283,000	219,939	2.0
Roche Holding	220,017	631,633	5.7
Straumann	6,034	57,826	0.5
		1,074,552	9.7
UNITED STATES (USD)			
Abbott Laboratories	503,000	452,294	4.1
AbbVie	633,000	557,024	5.0
Acceleron Pharma Ord Shs	70,000	73,550	0.7
Allakos Rg	48,000	55,188	0.5
Amgen	188,128	355,229	3.2
Arena Pharmaceuticals Ord Shs	135,000	85,181	0.8
Baxter International	175,000	115,321	1.0
Biogen Idec	23,372	46,999	0.4
Biohaven Pharmaceutical	122,000	85,876	0.8
CryoPort Rg	110,000	39,640	0.4
DexCom Ord Shs	52,500	159,408	1.4
Edwards Lifesciences	256,000	191,803	1.7
Eli Lilly	303,000	420,142	3.8
Exact Sciences	65,463	71,229	0.6
FibroGen	106,000	32,288	0.3
Guardant Health Rg	43,000	45,513	0.4
Johnson & Johnson	494,951	639,720	5.8
Krystal Biotech Ord Shs	90,000	44,348	0.4
LHC Group Ord Shs	45,000	78,836	0.7
Masimo	48,500	106,898	1.0
Merck	241,549	162,269	1.5
Mirati Ther	39,500	71,250	0.6
Moderna Rg	50,000	42,898	0.4

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
Nuance Communication	240,000	86,902	0.8
OptimizeRx Ord Shs	250,000	63,976	0.6
PTC Therapeutics	152,000	76,184	0.7
Sarepta Therapeutics	39,500	55,306	0.5
Teladoc Ord Shs	85,000	139,585	1.3
Thermo Fisher Scientific	125,006	478,178	4.3
Turning Pnt Trp Ord Sh	75,000	75,052	0.7
UnitedHealth Group	300,296	864,846	7.8
Veeva Systems A	74,474	166,514	1.5
Vertex Pharmaceuticals	134,708	261,462	2.4
Zimmer Holdings	176,000	222,723	2.0
		6,423,632	57.9
Total listed equities		10,802,200	97.3

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
UNLISTED EQUITIES***			
SWEDEN (SEK)			
Irlab Therapeutics BTA 201221	125,000	5,250	0.0
		5,250	0.1
Total unlisted equities		5,250	0.1
Total transferable securities		10,807,450	97.3
Total holdings in financial instruments		10,807,450	97.3
Net, other assets and liabilities		295,567	2.7
Total fund capital		11,103,017	100.0

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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.

97.3

** 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).

*** Refers to other financial instruments.

0.1

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Merck	2.3	Irlab Therapeutics AB	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 Hålsövärd Tema, cont.

Additional information on loaned securities

Volume of lent securities, SEK thousand:	722,114
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Volume of lent securities as a % of total lendable assets	6.95
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The ten largest issuers of collateral for securities lending per issuer, SEK thousand:

France	115,677
United Kingdom	55,967
BHP Group Plc	33,312
Vodafone Group Plc	32,115
Apple Inc	28,454
Vinci SA	23,868
Informa Plc	23,780
Amerikanska staten	21,323
Reckitt Benckiser Group Plc	20,918
GlaxoSmithKline Plc	20,643

The largest counterparties for securities lending, SEK thousand:

HSBC Bank Plc	471,469
UBS AG, London Branch	283,788
J.P. Morgan Securities Plc	31,786
Goldman Sachs Intl	9,585
Merrill Lynch Intl	267
796,895	

Type and quality of collateral, SEK thousand:

Bonds and other interest-bearing instruments	206,672
Equities, shares	590,223
796,895	

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:

Open Maturity	-
Less than 1 day	-
1 Day to 1 Week	162
1 Week to 1 Month	64
1 Month to 3 Months	4,952
3 Months to 1 Year	201,495
Above 1 Year	590,223
796,895	

The domicile of the counterparties, SEK thousand:

Brittiska staten	796,895
796,895	

Currency of the collateral, SEK thousand:

AUD	3,593
CHF	26,507
DKK	6
EUR	205,072
GBP	414,338
HKD	4,698
JPY	3,235
SEK	9
SGD	0
USD	139,436
NZD	0
796,895	

Settlement and clearing, SEK thousand:

Triparty	796,895
796,895	

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

The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 3,262 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
- Credit Suisse Securities (Europe) Ltd
- Goldman Sachs Intl
- HSBC Bank Plc
- J.P. Morgan Securities Plc
- Merrill Lynch Intl
- Morgan Stanley & Co Intl Plc
- Svenska Handelsbanken AB (publ)
- UBS AG, London Branch

Handelsbanken Hälsovård Tema

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities on behalf of the fund that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used in sustainability efforts

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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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 companies

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainability on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

The Management Company's engagement activities - Corporate governance

Annual General Meetings and Nomination committees

The Management Company normally votes at general meetings in those companies where ownership exceeds 0.5% or at general meetings where the company concerned is identified as falling short in its sustainability efforts/corporate governance work. In general, the Management Company also supports shareholder proposals that seek to promote corporate sustainability, including greater transparency in recording and the reporting of the company's climate impact, as well as its work with human rights and labor law.

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 5% 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 Daiichi-Sankyo, a company that is developing drugs for cancer. The company's technology is built on antibodies linked to highly-potent chemotherapy. By delivering the chemotherapy directly to the tumor, the effectiveness of the drug is improved and also has significantly fewer side effects than regular chemotherapy. This could benefit millions of patients who are currently undergoing difficult treatments with traditional chemotherapy.

Exclusion

The fund has refrained from investing in GW Pharma, which is developing a drug for epilepsy. The drug has shown to be effective in clinical studies, but the active substance is extracted from cannabis.

The Management Company's engagement activities - Dialogues

Targeted dialogues with direct contact between our fund managers and companies

The fund engaged in 3 targeted dialogues directly with companies during the year.

Dialogues were for example held with Calliditas and Oncocept with regard to the companies' proposals for incentive programs for company management. Both companies are approaching the launch of their first pharmaceutical drugs. The recruitment of key employees is a critical component in the process, but at the same time it is important that the programs have reasonable proportions and that the interest of all shareholders is taken into consideration.

Engagement activities in collaboration with other investors

In 2020, the Management Company participated in a total of 125 company dialogues together with other investors. The fund did not have any investments in these companies.



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. The fund may invest in derivative instruments as part of its investment focus. The fund may invest a maximum of 10% of the fund capital in fund units. We compare the fund's performance with Solactive ISS ESG Screened Japan. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund normally consists of 50–100 companies, which is significantly fewer than the fund's benchmark index. The fund invests in companies, irrespective of whether or not these are included in the benchmark index. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 10.5% in 2020*. The fund is managed with a thematic focus, which means that we invest in themes we believe will have higher growth and returns over the long term than the rest of the market. This was a successful strategy, even during such a challenging year as 2020. Many companies within our identified themes have been well-positioned for the changed behavior of individuals and companies that arose as a result of the pandemic. Based on this, the fund's largest investments were made within the digitalization, automation and entertainment themes. The financial company Nihon M&A, the automation companies Daifuku and Keyence, and the computer gaming giant Nintendo were the strongest contributors and helped to lift the fund. Holdings in the construction company Obayashi, the temporary employment agency Persol Holdings and the department store chain Marui lagged and were the positions that weighed most on the fund's returns in the period. During the year we added a number of new companies to the portfolio, including the optical company Hoya, the IT company Shift, Sony and Oriental Land, which operates Disneyland in Tokyo. A number of companies also exited the portfolio, including Pola Orbis, Marui and Persol. The Japanese yen weakened against the SEK, primarily during H2, and had a slightly negative impact on returns when the share price performance is converted from yen to SEK.

* 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 characterized 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 minimize 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 2020. The fund has the option of lending securities. The fund used this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

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

Information

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 and 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.

The Management Company's work in nomination committees is also regulated in Guidelines for nomination committees. 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

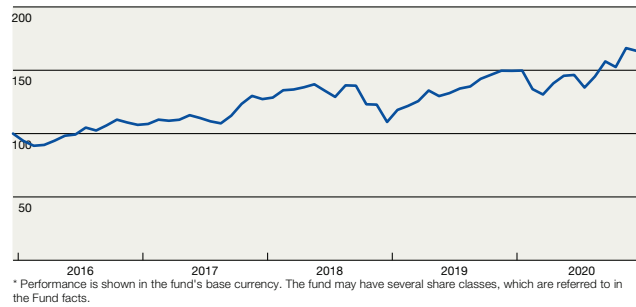
Handelsbanken Japan Tema , cont.

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 Shareholder engagement and responsible investment 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 and in Guidelines for nomination committees which can be found under <https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>.

Fund performance*



Fund facts - history

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net asset value										
Japan Tema A1 - SEK	107.36	97.12	70.90	82.62	69.42	64.94	55.63	48.24	39.42	39.80
Japan Tema A1 - EUR	10.68	9.24	7.00	8.40	7.24	-	-	-	-	-
Japan Tema A1 - NOK	111.93	91.17	69.24	82.54	65.78	-	-	-	-	-
Japan Tema A9 - SEK	110.25	-	-	-	-	-	-	-	-	-
Japan Tema A9 - EUR	10.74	-	-	-	-	-	-	-	-	-
Japan Tema A10 - SEK	110.41	98.89	71.47	-	-	-	-	-	-	-
Japan Tema A10 - EUR	10.99	9.41	7.05	-	-	-	-	-	-	-
Japan Tema A10 - NOK	115.11	92.83	69.80	-	-	-	-	-	-	-
Japan Tema B1 - SEK	118.69	-	-	-	-	-	-	-	-	-
The fund's total net flow, SEK m	-51	-224	-500	1,590	713	1,002	-64	246	-50	-
Fund capital total, SEK m	5,219	4,811	3,679	4,770	2,541	1,770	658	639	314	359
Japan Tema A1 - SEK	3,275	3,253	2,590	4,108	2,329	1,770	658	639	314	359
Japan Tema A1 - EUR	22	16	6	32	14	-	-	-	-	-
Japan Tema A1 - NOK	153	122	172	350	76	-	-	-	-	-
Japan Tema A9 - SEK	31	-	-	-	-	-	-	-	-	-
Japan Tema A9 - EUR	1	-	-	-	-	-	-	-	-	-
Japan Tema A10 - SEK	1,057	868	701	-	-	-	-	-	-	-
Japan Tema A10 - EUR	7	5	4	-	-	-	-	-	-	-
Japan Tema A10 - NOK	407	323	105	-	-	-	-	-	-	-
Japan Tema B1 - SEK	18	-	-	-	-	-	-	-	-	-
Number of units, 1000's	48,194	49,301	51,794	57,739	36,603	27,255	11,823	13,239	7,968	9,023
Japan Tema A1 - SEK	30,510	33,493	36,526	49,720	33,548	27,255	11,823	13,239	7,968	9,023
Japan Tema A1 - EUR	2,043	1,719	880	3,777	1,903	-	-	-	-	-
Japan Tema A1 - NOK	1,370	1,333	2,479	4,242	1,152	-	-	-	-	-
Japan Tema A9 - SEK	279	-	-	-	-	-	-	-	-	-
Japan Tema A9 - EUR	49	-	-	-	-	-	-	-	-	-
Japan Tema A10 - SEK	9,577	8,777	9,802	-	-	-	-	-	-	-
Japan Tema A10 - EUR	681	497	597	-	-	-	-	-	-	-
Japan Tema A10 - NOK	3,536	3,480	1,511	-	-	-	-	-	-	-
Japan Tema B1 - SEK	150	-	-	-	-	-	-	-	-	-
Total returns in %										
Japan Tema A1 - SEK	+10.5	+37.0	-14.2	+19.0	+6.9	+16.7	+15.3	+22.4	+1.5	-11.4
Japan Tema A1 - EUR	+15.6	+32.1	-16.8	+16.0	+13.9	+20.8	+7.7	+18.6	+5.3	-10.2
Japan Tema A1 - NOK	+22.8	+31.7	-16.1	+25.5	+9.3	+28.0	+16.9	+35.1	-0.2	-10.8
Japan Tema A9 - SEK	+10.3	-	-	-	-	-	-	-	-	-
Japan Tema A9 - EUR	+15.8	-	-	-	-	-	-	-	-	-
Japan Tema A10 - SEK	+11.7	+38.4	-13.3	-	-	-	-	-	-	-
Japan Tema A10 - EUR	+16.8	+33.5	-15.9	-	-	-	-	-	-	-
Japan Tema A10 - NOK	+24.0	+33.0	-15.3	-	-	-	-	-	-	-
Japan Tema B1 - SEK	+10.6	-	-	-	-	-	-	-	-	-
Index including dividends in %										
Japan Tema A1 - SEK	+1.7	+28.5	-6.5	+12.2	+10.3	+18.0	+17.0	+25.5	+2.7	-12.6
Japan Tema A1 - EUR	+6.3	+23.9	-9.3	+9.4	+15.2	+22.0	+9.3	+21.7	+6.5	-11.5
Japan Tema A1 - NOK	+12.9	+23.5	-8.6	+18.3	+10.9	+29.4	+18.6	+38.6	+0.9	-12.0
Japan Tema A9 - SEK	+0.1	-	-	-	-	-	-	-	-	-
Japan Tema A9 - EUR	+5.2	-	-	-	-	-	-	-	-	-
Japan Tema A10 - SEK	+1.7	+28.5	-6.5	-	-	-	-	-	-	-
Japan Tema A10 - EUR	+6.3	+23.9	-9.3	-	-	-	-	-	-	-
Japan Tema A10 - NOK	+12.9	+23.5	-8.6	-	-	-	-	-	-	-
Japan Tema B1 - SEK	+1.7	-	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾										
Japan Tema A1 - SEK	4.3	6.0	5.9	5.1	4.8	1.7	1.0	1.6	2.0	2.0
Japan Tema A1 - EUR	4.3	6.0	5.9	5.1	-	-	-	-	-	-
Japan Tema A1 - NOK	4.3	6.0	5.9	5.1	-	-	-	-	-	-
Japan Tema A10 - SEK	4.3	6.0	5.9	-	-	-	-	-	-	-
Japan Tema A10 - EUR	4.3	6.0	5.9	-	-	-	-	-	-	-
Japan Tema A10 - NOK	4.3	6.0	5.9	-	-	-	-	-	-	-
Japan Tema B1 - SEK	4.3	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Japan Tema A1 - SEK	+23.1	+8.4	+1.1	+12.8	+11.7	+16.0	+18.8	+11.5	-5.2	-2.8
Japan Tema A1 - EUR	+23.6	+4.9	-1.7	+8.9	+11.1	+14.1	+13.0	+11.8	-2.8	+4.3
Japan Tema A1 - NOK	+27.1	+5.1	+2.6	+10.0	+11.1	+22.3	+25.7	+16.1	-5.7	+0.8
Japan Tema A10 - SEK	+24.3	+9.5	+2.1	-	-	-	-	-	-	-
Japan Tema A10 - EUR	+24.8	+5.9	-0.8	-	-	-	-	-	-	-
Japan Tema A10 - NOK	+28.4	+6.2	+3.6	-	-	-	-	-	-	-

Handelsbanken Japan Tema , cont.

Fund facts - history cont.

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Japan Tema B1 - SEK	+23.1	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+14.3	+9.6	+2.4	+11.3	+14.1	+17.5	+21.2	+13.5	-5.3	-2.6
EUR	+14.8	+6.0	-0.4	+7.4	+13.4	+15.5	+15.3	+13.8	-2.9	+4.6
NOK	+18.1	+6.2	+4.0	+8.5	+13.5	+23.9	+28.2	+18.3	-5.8	+1.1
Average yearly return, 5 yrs. %										
Japan Tema A1 - SEK	+10.6	+11.8	+8.0	+16.0	+12.3	+8.2	+6.2	+2.2	-4.8	-7.3
Japan Tema A1 - EUR	+8.5	+9.5	+5.1	+12.8	+10.7	+7.8	+7.9	+6.7	-2.9	-7.1
Japan Tema A1 - NOK	+10.4	+11.3	+8.7	+19.6	+14.2	+12.5	+9.9	+3.5	-4.4	-8.1
Japan Tema A10 - SEK	+11.7	+12.9	+9.1	-	-	-	-	-	-	-
Japan Tema A10 - EUR	+9.6	+10.6	+6.2	-	-	-	-	-	-	-
Japan Tema A10 - NOK	+11.5	+12.5	+9.8	-	-	-	-	-	-	-
Japan Tema B1 - SEK	+10.6	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+8.6	+11.9	+9.8	+16.5	+14.4	+9.2	+7.4	+3.3	-4.1	-6.5
EUR	+6.6	+9.6	+6.9	+13.4	+12.8	+8.9	+9.1	+7.8	-2.2	-6.3
NOK	+8.5	+11.4	+10.6	+20.2	+16.4	+13.5	+11.1	+4.6	-3.8	-7.4
Average yearly return, 10 yrs. %										
Japan Tema A1 - SEK	+9.4	+9.0	+5.0	+5.1	+2.0	+0.3	+2.5	+1.4	+0.3	-2.9
Japan Tema A1 - EUR	+8.2	+8.7	+5.9	+4.7	+1.4	+0.5	-	-	-	-
Japan Tema A1 - NOK	+11.4	+10.6	+6.1	+6.9	+2.4	+2.4	+3.0	+1.6	+1.1	-2.7
Japan Tema A10 - SEK	+10.5	+10.1	+6.1	-	-	-	-	-	-	-
Japan Tema A10 - EUR	+9.3	+9.8	+7.0	-	-	-	-	-	-	-
Japan Tema A10 - NOK	+12.6	+11.7	+7.1	-	-	-	-	-	-	-
Japan Tema B1 - SEK	+9.4	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+8.9	+9.6	+6.5	+5.7	+3.4	+1.5	+3.9	+2.8	+1.7	-1.6
EUR	+7.7	+9.4	+7.4	+5.3	+2.8	+1.8	-	-	-	-
NOK	+11.0	+11.3	+7.5	+7.5	+3.8	+3.6	+4.4	+3.0	+2.4	-1.4
Dividends per unit, SEK	-	-	-	-	-	-	-	-	1.02	0.61
Exchange rate EUR/SEK	10.05	10.51	10.13	9.83	9.58	-	-	-	-	-
Exchange rate NOK/SEK	0.96	1.07	1.02	1.00	1.06	-	-	-	-	-

1) The fund's tracking error has varied within a range of 4–6% in recent years. The fund has been at the lower end of this range during 2020. A new fund manager was assigned to the fund during the year, but the fund's focus and the portfolio's construction have not been changed substantially. However, certain investment decisions were made during the year that, combined, contributed to a slight decrease in the tracking error.

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 A9	0.80
Japan Tema A10	0.60
Japan Tema B1	1.60
Collected mgmt. costs in % of average fund capital	
Japan Tema A1	1.60
Japan Tema A9	0.80
Japan Tema A10	0.60
Japan Tema B1	1.60
Annual fees in %	
Japan Tema A1	1.60
Japan Tema A9	0.80
Japan Tema A10	0.60
Japan Tema B1	1.60
Transaction costs, SEK thousand	609
Transaction costs in % of turnover	0.02
Costs in SEK for a one-time subscription, 10 000 SEK	
Japan Tema A1	155.40
Japan Tema A9	-
Japan Tema A10	58.56
Japan Tema B1	-
Costs in SEK for monthly savings, 100 SEK	
Japan Tema A1	11.03
Japan Tema A9	-
Japan Tema A10	4.15
Japan Tema B1	-

Fund facts - other key figures

Turnover rate	0.3
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	16.6	Information ratio - A1 SEK	2.1
Total risk % - A1 EUR	16.5	Information ratio - A1 EUR	2.1
Total risk % - A1 NOK	14.2	Information ratio - A1 NOK	2.1
Total risk % - A10 SEK	16.6	Information ratio - A10 SEK	2.3
Total risk % - A10 EUR	16.5	Information ratio - A10 EUR	2.4
Total risk % - A10 NOK	14.2	Information ratio - A10 NOK	2.4
Total risk % - B1 SEK	16.6	Information ratio - B1 SEK	2.1
Total risk in index % - A1 SEK	15.2	Sharpe ratio - A1 SEK	1.4
Total risk in index % - A1 EUR	15.0	Sharpe ratio - A1 EUR	1.4
Total risk in index % - A1 NOK	12.6	Sharpe ratio - A1 NOK	1.8
Total risk in index % - A10 SEK	15.2	Sharpe ratio - A10 SEK	1.5
Total risk in index % - A10 EUR	15.0	Sharpe ratio - A10 EUR	1.5
Total risk in index % - A10 NOK	12.6	Sharpe ratio - A10 NOK	1.9
Total risk in index % - B1 SEK	15.2	Sharpe ratio - B1 SEK	1.4
Benchmark	Solactive ISS ESG Screened Japan	Sharpe ratio in index - A1 SEK	1.0
Active Share % ¹⁾	67.9	Sharpe ratio in index - A1 EUR	1.0
Active return % - A1 SEK	8.8	Sharpe ratio in index - A1 NOK	1.4
Active return % - A1 EUR	8.8	Sharpe ratio in index - A10 SEK	1.0
Active return % - A1 NOK	9.1	Sharpe ratio in index - A10 EUR	1.0
Active return % - A10 SEK	10.0	Sharpe ratio in index - A10 NOK	1.4
Active return % - A10 EUR	10.0	Sharpe ratio in index - B1 SEK	1.0
Active return % - A10 NOK	10.3		
Active return % - B1 SEK	8.8		

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 Japan Tema , cont.

Income statement, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	462,234	1,343,293
Interest income	39	80
Dividends	73,213	74,184
Currency exchange profits and losses, net	-14,777	-1,928
Other financial income ¹⁾	870	724
Other income	68	0
Total income and changes in value	521,646	1,416,353
EXPENSES		
Management costs:		
- Remuneration to the Management Company	61,602	59,618
Interest expense	143	12
Other financial expenses ²⁾	174	145
Other expenses	609	848
Total expenses	62,528	60,623
Net income	459,119	1,355,730
* Details of changes in value		
Capital gains	378,705	412,614
Capital losses	-123,094	-236,339
Unrealised gains/losses	206,623	1,167,018
Sum	462,234	1,343,293

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

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	5,086,111	97.5	4,760,125	99.0
Total financial instruments with positive market value ^{Note 2)}	5,086,111	97.5	4,760,125	99.0
Bank assets and other liquid assets	149,216	2.9	51,514	1.1
Prepaid expenses and accrued income	2,748	0.1	4,788	0.0
Total assets	5,238,075	100.4	4,816,427	100.1
LIABILITIES				
Accrued expenses and prepaid income	5,700	0.1	5,672	0.1
Other liabilities	13,642	0.3	-	-
Total liabilities	19,342	0.4	5,672	0.1
Fund capital ^{Note 1)}	5,218,733	100.0	4,810,755	100.0
Financial instruments lent	211,941	4.1	578,397	12.0
Collateral received for financial instruments lent	227,100	4.4	614,437	12.8

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	4,810,755	3,678,879
Units issued ¹⁾	1,534,730	1,167,145
Units redeemed ¹⁾	-1,585,871	-1,390,999
Profit according to Income Statement	459,119	1,355,730
Dividends to unit holders	-	-
Fund capital at the close of the period	5,218,733	4,810,755

¹⁾ Of which SEK 35 029 t relates to internal moves between share classes

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
Don Quijote	382,000	72,562	1.4
Namco Bandai Holdings	143,616	101,969	2.0
Oriental Land	68,000	92,170	1.8
Sony	267,523	218,864	4.2
Toyota Industries	191,910	125,023	2.4
		610,587	11.7
CONSUMER STAPLES			
Kao	119,488	75,752	1.5
Shiseido	128,466	72,921	1.4
		148,672	2.9
FINANCIALS AND REAL ESTATE			
Katitas	240,000	63,476	1.2
Mitsubishi UFJ Financial Group	2,860,200	103,768	2.0
Open House	264,000	79,589	1.5
Orix	705,000	88,857	1.7
Sumitomo Mitsui Financial Group	412,800	104,681	2.0
		440,371	8.4

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
HEALTH CARE			
Daiichi Sankyo	396,000	111,351	2.1
Eisai	90,500	53,069	1.0
Mani Ord Shs	110,000	24,570	0.5
Takeda Pharmaceutical	397,300	118,669	2.3
Terumo	305,000	104,613	2.0
		412,272	7.9
INDUSTRIALS			
Amada	802,944	72,364	1.4
Daifuku	158,000	160,368	3.1
Daikin Industries	66,525	121,285	2.3
Fanuc	54,000	108,931	2.1
Kubota	602,941	107,959	2.1
Kurita Water Industries	340,000	106,693	2.0
Minebea	770,200	125,471	2.4
Misumi Group	285,000	76,738	1.5
Nihon M&A Center	244,491	134,190	2.6
Obayashi Corporation	1,246,000	88,210	1.7
Recruit Holdings	453,603	155,908	3.0
Sho-Bond Holdings	143,000	56,988	1.1
TechnoPro	170,000	115,618	2.2
		1,430,723	27.4
INFORMATION TECHNOLOGY			
Fujitsu	99,400	117,849	2.3
GMO Internet	339,032	79,852	1.5
Hoya	47,000	53,350	1.0
Keyence	42,626	196,658	3.8
Nidec	146,338	151,092	2.9
Nintendo	37,428	195,988	3.8
Nomura Research Institute	388,500	114,186	2.2
Omron	82,000	60,008	1.1
Oracle Japan	28,397	30,381	0.6
Rohm	175,500	139,461	2.7
SCSK	167,300	78,516	1.5
Shift Ord Shs	53,297	60,667	1.2
Shimadzu	398,100	126,983	2.4
SMS	418,000	131,336	2.5
Square Enix Holdings	165,095	82,209	1.6
TDK	115,900	143,266	2.7
Ulvac Ord Shs	150,900	52,994	1.0
Yaskawa Electric	124,186	50,676	1.0
		1,865,471	35.8
MATERIALS			
Toray Industries	1,150,000	55,883	1.1
		55,883	1.1
TELECOMMUNICATION SERVICES			
Bengo4.com Ord Shs	27,139	22,106	0.4
Kakaku.com	140,900	31,718	0.6
Nippon Telegraph and Telephone	324,600	68,307	1.3
		122,131	2.3
Total listed equities		5,086,111	97.5
Total transferable securities		5,086,111	97.5
Total holdings in financial instruments		5,086,111	97.5
Net, other assets and liabilities		132,622	2.5
Total fund capital		5,218,733	100.0

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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.

97.5

** 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.

Handelsbanken Japan Tema , cont.

Additional information on loaned securities

Volume of lent securities, SEK thousand:	211,941
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Volume of lent securities as a % of total lendable assets	4.19
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The ten largest issuers of collateral for securities lending per issuer, SEK thousand:

France	78,904
United Kingdom	50,038
Amerikanska staten	17,792
Belgium	11,390
Germany	7,556
Austria	5,430
Tencent Holdings Ltd	3,373
Toyota Motor Corp	3,372
Sony Corp	3,367
BHP Group Plc	3,355

The largest counterparties for securities lending, SEK thousand:

J.P. Morgan Securities Plc	176,945
UBS AG, London Branch	34,039
Citigroup Global Markets Ltd	16,116
	227,100

Type and quality of collateral, SEK thousand:

Bonds and other interest-bearing instruments	171,254
Equities, shares	55,846
	227,100

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:

Open Maturity	-
Less than 1 day	-
1 Day to 1 Week	-
1 Week to 1 Month	402
1 Month to 3 Months	126
3 Months to 1 Year	170,726
Above 1 Year	55,846
	227,100

The domicile of the counterparties, SEK thousand:

Brittiska staten	227,100
	227,100

Currency of the collateral, SEK thousand:

AUD	1,282
DKK	988
EUR	103,492
GBP	53,928
HKD	14,237
JPY	33,433
SEK	1,516
SGD	5
USD	18,187
NZD	31
	227,100

Settlement and clearing, SEK thousand:

Triparty	227,100
	227,100

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

The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 870 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
- Credit Suisse Securities (Europe) Ltd
- HSBC Bank Plc
- J.P. Morgan Securities Plc
- Merrill Lynch Intl
- UBS AG, London Branch

Handelsbanken Japan Tema

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities on behalf of the fund that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used in sustainability efforts

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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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 companies

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainalytics on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

The Management Company's engagement activities - Corporate governance

Annual General Meetings and Nomination committees

The Management Company normally votes at general meetings in those companies where ownership exceeds 0.5% or at general meetings where the company concerned is identified as falling short in its sustainability efforts/corporate governance work. In general, the Management Company also supports shareholder proposals that seek to promote corporate sustainability, including greater transparency in recording and the reporting of the company's climate impact, as well as its work with human rights and labor law.

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 5% 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 great deal has happened in the past two years. In general, many Japanese companies have begun to improve in producing sustainability information to present their work within this area. The primary focus was previously on corporate governance issues, while we are now seeing that discussions are increasingly addressing sustainability issues within the environment, among other areas.

One such company where sustainability played a key role in the decision to invest is the real estate company Katitas. The company's business model is based on purchasing older residential buildings, renovating them and then reselling them to their customers. This is contrary to the normal practice in Japan, which has for many years demolished old buildings and instead built new ones. The winds have started to turn, but much remains to be done in the renovation market. Katitas' business model uses resources more efficiently through recycling, generates a much lower carbon footprint and can sell houses at lower prices than new homes, which increases the number of people who can afford to acquire good housing.

Another example where sustainability issues have been important was in our investment decision to purchase holdings in the electronic company Nidec, which has the ambition of becoming one of the leading manufacturers of motors for electric cars. Electric cars and hybrid cars will become an increasingly greater share of the fleet of cars in the future, driven by the need to significantly reduce emissions to attain the global carbon target. Nidec was in the fund previously, although we increased the exposure during the year.

In conclusion, we are very pleased that a growing number of portfolio companies have chosen to join the multilateral sustainability initiative, Science Based Target, and are publicly stating their climate ambitions and targets. This provides additional support to our analysis and investment proposals, with new portfolio companies such as Sony, Daiichi-Sankyo and Fujitsu on the list.

Exclusion

During the year the fund sold the holdings in the cosmetic company Pola Orbis. A contributing factor was that we wanted to reduce and concentrate ownership among cosmetic companies. Consequently, we made the decision to exclude Pola Orbis. There were several reasons for this decision, but one of them was that we chose to continue to own companies we believe have stronger sustainability efforts, such as Kao. We believe this can contribute to an attractive mix of business opportunities and risks going forward.



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. The fund can invest in derivative instruments as part of the fund's investment focus. 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. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund normally consists of 50–100 companies, which is significantly fewer than the fund's benchmark index. The fund invests in companies, irrespective of whether or not these are included in the benchmark index. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 16.7% in 2020*. The most positive contributors to returns in the period included the Chinese internet companies JD.com, Tencent, Meituan Dianping and Baidu; the Taiwan technology companies Taiwan Semiconductor Manufacturing, Realtek and Mediatek; the marketplace company Hong Kong Exchanges & Clearing; the airport company Hainan Meilan International Airport and the industrial glass manufacturer Xinyi Glass. The most negative contributors to returns included the internet company Momo Inc., the camera lens manufacturer Largan, the real estate companies China Overseas Land & Investment and China Resources Land, the telephone operator China Mobile and the bank ICBC. The market was dominated by significant fluctuations due to the Covid-19 crisis. However, the fund's focus on strong companies within technology and digitalization was favorable for returns in the period. The expansive monetary policies of the central banks contributed to the upward rise to valuations in growth companies. 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.

*) 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 characterized 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 minimize 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 materialize.

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 2020. The fund has the option of lending securities. The fund used this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

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

Information

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 and 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.

The Management Company's work in nomination committees is also regulated in Guidelines for nomination committees. 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.

Handelsbanken Kina Tema, cont.

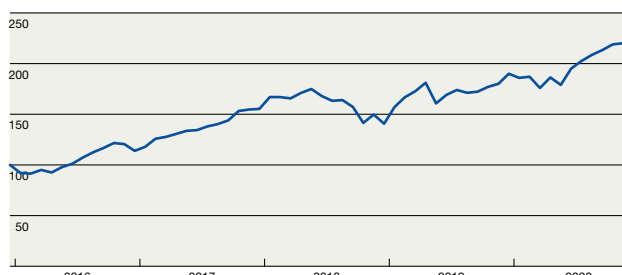
The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management Company then takes 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 Shareholder engagement and responsible investment 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 and in Guidelines for nomination committees 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

	2020	2019	2018	2017	2016	2015	10/10-31/12 2014	2013	2012	2011
Net asset value										
Kina Tema A1 - SEK	280.30	240.23	177.85	196.36	144.00	126.45	120.67	-	-	-
Kina Tema A1 - EUR	27.89	22.86	17.55	19.97	15.03	13.81	12.74	-	-	-
Kina Tema A1 - NOK	292.22	225.51	173.71	196.17	136.44	132.76	115.57	-	-	-
Kina Tema A9 - SEK	111.29	-	-	-	-	-	-	-	-	-
Kina Tema A9 - EUR	28.07	-	-	-	-	-	-	-	-	-
Kina Tema B1 - SEK	119.16	-	-	-	-	-	-	-	-	-
Kina Tema A10 - NOK	109.64	-	-	-	-	-	-	-	-	-
The fund's total net flow, SEK m	15	-135	-642	1,627	-44	-652	-98	-	-	-
Fund capital total, SEK m	3,216	2,771	2,180	3,089	933	870	1,403	-	-	-
Kina Tema A1 - SEK	2,938	2,585	2,034	2,934	862	806	1,333	-	-	-
Kina Tema A1 - EUR	7	10	8	8	6	5	6	-	-	-
Kina Tema A1 - NOK	131	77	66	72	17	17	15	-	-	-
Kina Tema A9 - SEK	16	-	-	-	-	-	-	-	-	-
Kina Tema A9 - EUR	6	-	-	-	-	-	-	-	-	-
Kina Tema B1 - SEK	1	-	-	-	-	-	-	-	-	-
Kina Tema A10 - NOK	0	-	-	-	-	-	-	-	-	-
Number of units, 1000's	11,562	11,536	12,255	15,731	6,481	6,881	11,626	-	-	-
Kina Tema A1 - SEK	10,482	10,759	11,434	14,943	5,983	6,373	11,047	-	-	-
Kina Tema A1 - EUR	250	435	441	419	374	384	445	-	-	-
Kina Tema A1 - NOK	449	342	379	369	124	125	134	-	-	-
Kina Tema A9 - SEK	145	-	-	-	-	-	-	-	-	-
Kina Tema A9 - EUR	230	-	-	-	-	-	-	-	-	-
Kina Tema B1 - SEK	5	-	-	-	-	-	-	-	-	-
Kina Tema A10 - NOK	0	-	-	-	-	-	-	-	-	-
Total returns in %										
Kina Tema A1 - SEK	+16.7	+35.1	-9.4	+36.4	+13.9	+4.8	+26.5	+10.9	+16.8	-18.0
Kina Tema A1 - EUR	+22.0	+30.3	-12.1	+32.9	+8.8	+8.4	+18.2	+7.5	+21.2	-16.9
Kina Tema A1 - NOK	+29.6	+29.8	-11.4	+43.8	+2.8	+14.9	+28.3	+22.5	+14.7	-17.5
Kina Tema A9 - SEK	+11.3	-	-	-	-	-	-	-	-	-
Kina Tema A9 - EUR	+16.9	-	-	-	-	-	-	-	-	-
Kina Tema B1 - SEK	+16.6	-	-	-	-	-	-	-	-	-
Kina Tema A10 - NOK	+9.6	-	-	-	-	-	-	-	-	-
Index including dividends in %										
Kina Tema A1 - SEK	+13.8	+33.3	-7.6	+29.5	+13.6	-0.3	+31.3	+5.5	+16.0	-17.1
Kina Tema A1 - EUR	+19.0	+28.6	-10.3	+26.2	+8.6	+3.1	+22.7	+2.3	+20.3	-16.0
Kina Tema A1 - NOK	+26.4	+28.1	-9.6	+36.6	+2.5	+9.3	+33.1	+16.5	+13.9	-16.5
Kina Tema A9 - SEK	+7.3	-	-	-	-	-	-	-	-	-
Kina Tema A9 - EUR	+12.7	-	-	-	-	-	-	-	-	-
Kina Tema B1 - SEK	+13.8	-	-	-	-	-	-	-	-	-
Kina Tema A10 - NOK	+10.7	-	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾										
Kina Tema A1 - SEK	2.5	2.8	2.6	2.2	3.0	3.0	2.5	2.1	1.8	1.4
Kina Tema A1 - EUR	2.5	2.8	2.6	2.2	3.0	3.0	2.5	-	-	-
Kina Tema A1 - NOK	2.5	2.8	2.6	2.2	3.0	3.0	2.5	-	-	-
Kina Tema B1 - SEK	2.5	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Kina Tema A1 - SEK	+25.5	+10.6	+11.1	+24.6	+9.2	+15.1	+18.5	+13.8	-2.2	-7.5

Handelsbanken Kina Tema, cont.

Fund facts - history cont.

	2020	2019	2018	2017	2016	2015	10/10-31/12 2014	2013	2012	2011
Kina Tema A1 - EUR	+26.1	+7.0	+8.1	+20.3	+8.6	+13.2	+12.7	+14.1	+0.3	-0.8
Kina Tema A1 - NOK	+29.7	+7.2	+12.8	+21.6	+8.7	+21.4	+25.3	+18.5	-2.7	-4.1
Kina Tema B1 - SEK	+25.5	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+23.2	+11.0	+9.4	+21.3	+6.4	+14.4	+17.7	+10.6	-1.9	-6.0
EUR	+23.7	+7.4	+6.4	+17.1	+5.8	+12.5	+12.0	+10.9	+0.6	+0.9
NOK	+27.3	+7.6	+11.1	+18.3	+5.8	+20.6	+24.5	+15.2	-2.5	-2.5
Average yearly return, 5 yrs. %										
Kina Tema A1 - SEK	+17.3	+14.8	+13.3	+18.0	+14.4	+7.1	+7.0	+10.0	-2.5	-
Kina Tema A1 - EUR	+15.1	+12.4	+10.2	+14.8	+12.7	+6.7	+8.7	+14.9	-0.6	-
Kina Tema A1 - NOK	+17.1	+14.3	+14.0	+21.7	+16.3	+11.3	+10.6	+11.4	-2.1	-
Kina Tema B1 - SEK	+17.2	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+15.6	+12.6	+12.2	+15.2	+12.7	+5.8	+7.3	+10.2	-1.0	-
EUR	+13.5	+10.3	+9.2	+12.1	+11.1	+5.5	+9.0	+15.1	+1.0	-
NOK	+15.4	+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	+12.1	+10.8	+11.6	+7.3	-	-	-	-	-	-
Kina Tema A1 - EUR	+10.8	+10.5	+12.5	+6.8	-	-	-	-	-	-
Kina Tema A1 - NOK	+14.2	+12.5	+12.7	+9.1	-	-	-	-	-	-
Kina Tema B1 - SEK	+12.0	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+10.6	+9.9	+11.2	+6.8	-	-	-	-	-	-
EUR	+9.4	+9.6	+12.1	+6.4	-	-	-	-	-	-
NOK	+12.7	+11.5	+12.3	+8.7	-	-	-	-	-	-
Exchange rate EUR/SEK	10.05	10.51	10.13	9.83	9.58	9.16	9.47	-	-	-
Exchange rate NOK/SEK	0.96	1.07	1.02	1.00	1.06	0.95	1.04	-	-	-

1) The fund's tracking error has been within a range of 2-3% in recent years, which the fund manager considers to be a good balance between risk and return. The fund was assigned a new benchmark index in 2019, which reduced the tracking error slightly due to its composition. Despite a lower realized tracking error, the fund generated relatively good returns.

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.

Fund facts - costs

Max. allowed mgmt. costs in % according to fund rules	
Kina Tema A1	1.85
Kina Tema A9	0.95
Kina Tema B1	1.85
Kina Tema A10	0.60
Collected mgmt. costs in % of average fund capital	
Kina Tema A1	1.85
Kina Tema A9	0.95
Kina Tema B1	1.85
Kina Tema A10	0.60
Annual fees in %	
Kina Tema A1	1.85
Kina Tema A9	0.95
Kina Tema B1	1.85
Kina Tema A10	0.60
Transaction costs, SEK thousand	2,514
Transaction costs in % of turnover	0.10
Costs in SEK for a one-time subscription, 10 000 SEK	
Kina Tema A1	191.34
Kina Tema A9	-
Kina Tema B1	0.00
Kina Tema A10	-
Costs in SEK for monthly savings, 100 SEK	
Kina Tema A1	13.08
Kina Tema A9	-
Kina Tema B1	6.09
Kina Tema A10	-

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	16.6	Information ratio - A1 EUR	0.9
Total risk % - A1 EUR	16.7	Information ratio - A1 NOK	1.0
Total risk % - A1 NOK	14.6	Information ratio - B1 SEK	0.9
Total risk % - B1 SEK	16.6	Sharpe ratio - A1 SEK	1.6
Total risk in index % - A1 SEK	16.2	Sharpe ratio - A1 EUR	1.6
Total risk in index % - A1 EUR	16.5	Sharpe ratio - A1 NOK	2.0
Total risk in index % - A1 NOK	14.2	Sharpe ratio - B1 SEK	1.6
Total risk in index % - B1 SEK	16.2	Sharpe ratio in index - A1 SEK	1.4
Benchmark	Solactive ISS ESG	Sharpe ratio in index - A1 EUR	1.5
	Screened Golden Dragon	Sharpe ratio in index - A1 NOK	1.9
	UCITS Index	Sharpe ratio in index - B1 SEK	1.4
Active return % - A1 SEK	2.4	Active Share % ¹⁾	37.8
Active return % - A1 EUR	2.4		
Active return % - A1 NOK	2.5		
Active return % - B1 SEK	2.3		
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, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	443,307	715,513
Interest income	39	545
Dividends	48,699	55,718
Currency exchange profits and losses, net	-8,902	6,796
Other financial income ¹⁾	413	351
Other income	0	26
Total income and changes in value	483,556	778,949
EXPENSES		
Management costs:		
- Remuneration to the Management Company	51,180	48,809
Interest expense	90	106
Other financial expenses ²⁾	83	70
Other expenses	2,716	2,663
Total expenses	54,069	51,648
Net income	429,488	727,301
* Details of changes in value		
Capital gains	392,914	232,723
Capital losses	-116,008	-148,378
Unrealised gains/losses	166,401	631,168
Sum	443,307	715,513

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

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

Handelsbanken Kina Tema, cont.

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	3,185,456	99.1	2,724,658	98.3
Total financial instruments with positive market value ^{Note 2)}	3,185,456	99.1	2,724,658	98.3
Bank assets and other liquid assets	42,251	1.3	45,574	1.6
Prepaid expenses and accrued income	2,386	0.1	2,236	0.1
Other assets	8,213	0.2	7,427	0.3
Total assets	3,238,306	100.7	2,779,895	100.3
LIABILITIES				
Accrued expenses and prepaid income	4,987	0.2	4,241	0.2
Other liabilities	17,529	0.5	4,204	0.1
Total liabilities	22,516	0.7	8,445	0.3
Fund capital ^{Note 1)}	3,215,790	100.0	2,771,450	100.0
Financial instruments lent	192,431	6.0	48,533	1.8
Collateral received for financial instruments lent	209,989	6.5	53,431	1.9

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	2,771,450	2,179,523
Units issued ¹⁾	1,624,718	1,185,508
Units redeemed ¹⁾	-1,609,866	-1,320,882
Profit according to Income Statement	429,488	727,301
Dividends to unit holders	-	-
Fund capital at the close of the period	3,215,790	2,771,450

1) Of which SEK 60 761 t relates to internal moves between share classes

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
Alibaba Group Holding Ord Shs	20,000	4,927	0.2
Anta Sports	50,000	6,509	0.2
China Education Group Holdings Ord Shs	500,000	7,912	0.2
Geely Automobile Holdings	500,000	14,034	0.4
Haier Smart Home Class H Ord Shs H	208,000	6,191	0.2
Huazhu Group ADR Representing Ord Shs	31,000	11,464	0.4
JD.com ADR	149,436	107,875	3.4
Largan Precision	6,265	5,851	0.2
Li Ning	260,000	14,678	0.5
Man Wah Holdings Ord Shs	650,000	11,580	0.4
Meituan Dianpi-B Rg	200,021	62,412	1.9
Midea Group Co -A-	249,969	30,901	1.0
New Oriental	16,622	25,365	0.8
Pinduoduo Sp ADS-A	10,000	14,591	0.5
Qingdao Haier Ord Shs A	799,765	29,336	0.9
Shenzhen International Group Holdings	300,000	48,298	1.5
TAL Education Group ADR	28,500	16,737	0.5
Trip.com Group ADR	80,000	22,161	0.7
Vipshop ADR	40,000	9,234	0.3
Xinyi Glass Holdings	2,654,677	60,874	1.9
Yum China Holdings	20,000	9,377	0.3
		520,306	16.2
CONSUMER STAPLES			
China Mengniu Dairy	250,000	12,392	0.4
Sun Art Retail Group	1,405,087	11,727	0.4
		24,119	0.8
FINANCIALS AND REAL ESTATE			
AIA Group	1,311,426	131,956	4.1
Bank of China	2,500,000	7,017	0.2
Cathay Financial Holding	1,100,000	13,584	0.4
Chailease Holding	104,000	5,107	0.2
Chailease Holding A Pref	9,034	263	0.0
China Construction Bank	16,294,297	101,651	3.2
China Intl Cap H	450,000	10,009	0.3
China Life Insurance HKD	1,100,000	19,923	0.6
China Life Insurance Taiwan	212,000	1,376	0.0
China Merchants Bank	1,159,686	60,186	1.9
China Overseas Grand Oceans Group	1,847,859	8,142	0.3
China Overseas Land & Investment	832,670	14,869	0.5
China Pacific Insurance	150,000	4,822	0.1
China Resources Land	859,075	29,117	0.9
China Resources Mixc Lifestyle Services Ltd	6,608	252	0.0
China Vanke	400,000	11,333	0.4
CK Asset Holdings	161,978	6,828	0.2
Far East Consortium International	792,092	2,416	0.1
Franshion Properties China	1,791,500	6,774	0.2
Fubon Group Pfd B	15,170	277	0.0
Hang Seng Bank	71,900	10,182	0.3
Hong Kong Exchanges and Clearing	288,860	130,028	4.0
Hongkong Land	100,000	3,392	0.1
Industrial & Commercial Bank of China HKD	11,912,404	63,464	2.0
KWG Living Group Holdings Ltd	892,700	5,957	0.2

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
KWG Property Holding	2,072,918	23,229	0.7
Logan Property Holdings	802,280	10,792	0.3
Longfor Properties	225,000	10,819	0.3
New World Development Company-New	241,488	9,233	0.3
Ping An Insurance	858,700	86,402	2.7
Postal Savings Bank of China	2,200,000	10,206	0.3
Shimao Property	519,571	13,593	0.4
Sino Land	417,611	4,467	0.1
Sun Hung Kai Properties	83,900	8,886	0.3
Sunac China Holdings	170,000	5,159	0.2
The Link Real Estate Investment Trust	316,169	23,642	0.7
Times China Holdings	700,000	7,992	0.2
Wharf Holdings	301,000	6,647	0.2
Wharf Real Estate Investment	191,000	8,163	0.3
		878,154	27.3

HEALTH CARE

I-MAB - ADR	45,000	17,425	0.5
Sino Biopharmaceutical	650,000	5,163	0.2
WuXi AppTec Rg-H	40,000	6,431	0.2
Wuxi Biologics Cayman Inc	180,000	19,599	0.6
		48,618	1.5

INDUSTRIALS

Amperex Tech - A	15,000	6,614	0.2
BOC Aviation	200,000	14,193	0.4
BYD Company HKD	50,000	10,761	0.3
China South Locomotive and Rolling Stock	3,750,000	10,605	0.3
Hainan Meilan International Airport	150,000	6,530	0.2
NWS Holdings	670,853	5,109	0.2
Shanghai International Airport	63,967	6,078	0.2
SITC International	1,050,000	18,617	0.6
Sinco Neighborhood Holdings	641,025	4,929	0.2
Weichai Power	1,917,540	31,602	1.0
ZTO Express Cayman Inc- ADR	80,551	19,290	0.6
		134,327	4.2

INFORMATION TECHNOLOGY

Alibaba Group Holding ADR	145,911	278,881	8.7
ASM Pacific Technology	50,000	5,418	0.2
Aspeed Techn	15,000	7,519	0.2
Autohome ADR	40,000	32,725	1.0
Hon Hai Precision Industry	1,200,000	32,268	1.0
Lens Technology Ord Shs A	199,953	7,686	0.2
Luxshare Precision Industry Ord Shs A	209,881	14,791	0.5
Mediatek	360,000	78,601	2.4
NetEase	95,040	74,750	2.3
Primax Electronics	150,000	2,137	0.1
Realtek Semiconductor	450,000	51,361	1.6
Sinbon Elect	90,000	5,682	0.2
Sunny Optical Technology Group	284,534	51,142	1.6
Taiwan Semiconductor	2,068,920	320,496	10.0
TravelSky Technology	270,000	5,348	0.2
Xiaomi Ord Shs	950,000	33,406	1.0
Xinyi Solar Holdings	1,009,374	21,649	0.7
		1,023,860	31.8

MATERIALS

Anhui Conch Cement HKD	723,877	37,223	1.2
Fosun International	337,880	4,359	0.1
Nine Dragons Paper Holdings	900,000	10,486	0.3
		52,068	1.6

TELECOMMUNICATION SERVICES

Baidu ADR	49,224	87,416	2.7
Bitibili Sp ADR-Z	18,000	12,672	0.4
China Mobile HKD	1,229,125	57,541	1.8
China Telecom	3,700,000	8,426	0.3
Chunghwa Telecom	203,892	6,496	0.2
Huya Sp ADR-A	32,000	5,238	0.2
Momo	22,421	2,571	0.1
Tencent	501,466	299,558	9.3
Tencent Music ADR	50,000	7,900	0.2
Weibo Sp ADS-A	10,000	3,366	0.1
		491,183	15.3

UTILITIES

Canvest Environment Protection	250,000	879	0.0
		879	0.0

OTHER

Swire Properties	500,000	11,942	0.4
		11,942	0.4

Total listed equities	3,185,456	99.1
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	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
UNLISTED EQUITIES***			
HEALTH CARE			
China Animal Healthcare	250,000	0	0.0
		0	0.0
Total unlisted equities		0	0.0
Total transferable securities		3,185,456	99.1
Total holdings in financial instruments		3,185,456	99.1
Net, other assets and liabilities		30,334	0.9
Total fund capital		3,215,790	100.0

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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.

99.1

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Handelsbanken Kina Tema, cont.

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Alibaba Group	8.9	CSCEC	0.8
		China Life Insurance Group	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.

Additional information on loaned securities

Volume of lent securities, SEK thousand: 192,431

Volume of lent securities as a % of total lendable assets 7.53

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

Amerikanska staten	35,083
United Kingdom	28,160
Germany	21,648
France	17,933
BHP Group Plc	6,116
Belgium	3,849
Vodafone Group Plc	3,847
Procter & Gamble Co	3,736
Netherlands	3,683
Lam Research Corp	3,372

The largest counterparties for securities lending, SEK thousand:

UBS AG, London Branch	107,328
Merrill Lynch Intl	41,021
Citigroup Global Markets Ltd	25,643
Goldman Sachs Intl	19,452
J.P. Morgan Securities Plc	9,903
HSBC Bank Plc	6,642
	209,989

Type and quality of collateral, SEK thousand:

Bonds and other interest-bearing instruments	112,651
Equities, shares	97,337
	209,989

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:

Open Maturity	-
Less than 1 day	-
1 Day to 1 Week	6
1 Week to 1 Month	83
1 Month to 3 Months	2,176
3 Months to 1 Year	110,386
Above 1 Year	97,337
	209,989

The domicile of the counterparties, SEK thousand:

Brittiska staten	209,989
	209,989

Currency of the collateral, SEK thousand:

AUD	1,664
CHF	3,265
DKK	132
EUR	55,664
GBP	72,276
HKD	3,041
JPY	5,568
SEK	203
SGD	1
USD	68,171
NZD	4
	209,989

Settlement and clearing, SEK thousand:

Triparty	209,989
	209,989

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

The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 413 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
- Goldman Sachs Intl
- HSBC Bank Plc
- J.P. Morgan Securities Plc
- Merrill Lynch Intl
- Skandinaviska Enskilda Banken AB (publ)
- UBS AG, London Branch

Handelsbanken Kina Tema

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities on behalf of the fund that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used in sustainability efforts

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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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 companies

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainalytics on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as an investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

The Management Company's engagement activities - Corporate governance

Annual General Meetings and Nomination committees

The Management Company normally votes at general meetings in those companies where ownership exceeds 0.5% or at general meetings where the company concerned is identified as falling short in its sustainability efforts/corporate governance work. In general, the Management Company also supports shareholder proposals that seek to promote corporate sustainability, including greater transparency in recording and the reporting of the company's climate impact, as well as its work with human rights and labor law.

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 5% 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 2020 and the holding currently totals approximately 10% of the fund's total value. The company is a major role model within global manufacturing given 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 BYD Co, which is a leading manufacturer of electric cars and electric car batteries in China. Xinyi Solar, which is a world-leading manufacturer of solar glass, was also added to the portfolio.

Exclusion

During 2019 we began a dialogue with Baosteel regarding the company's significant carbon emissions. We want to challenge the company to set clear targets for reductions in emissions and to obtain additional information about planned measures. It proved to be difficult to achieve a constructive dialogue with the company and therefore we chose to sell the holding in 2020.

The Management Company's engagement activities - Dialogues

Targeted dialogues with direct contact between our fund managers and companies

The fund engaged in 5 targeted dialogues directly with companies during the year.

For example, we conducted 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 worldwide, we analyzed 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. Since we began the dialogue work with Conch, the company has begun reporting its emissions and has set targets for future reductions. However, we do not believe that the targets are sufficiently ambitious. We also initiated dialogues with Nine Dragons Paper, Xinyi Glass and ZTO Express concerning the potential for improvement related to emissions. We concluded the dialogue with Baosteel during the year.



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. The fund may invest in derivative instruments as part of the fund's investment focus. We compare the fund's performance with Solactive ISS ESG Screened Latin America Large, Small & Mid Cap UCITS Index. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund normally consists of 50–100 companies, which is significantly fewer than the fund's benchmark index. The fund invests in companies, irrespective of whether or not these are included in the benchmark index. As the fund is actively managed the performance will over time deviate from this index. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund fell 30.7% in 2020*. The fund is managed with a thematic investment process, where the current themes include demographics, productivity and the environment. Most of the activity during 2020 dealt with Covid-19 and the impact the pandemic has had on companies, private individuals and governments. The higher risks that arose when countries were forced, more or less, to close their economies initially created a sharp decline in the regions' equity markets and currencies. Most of the equity markets recovered after the sharp downturn, while currencies, in particular the Brazilian real, continued to contribute negatively to returns. Brazil and Chile adopted comprehensive stimulus packages, while Mexico chose to be more restrictive with support measures. The stimulus in Chile and Brazil have made it possible for companies in these countries to emerge from 2020 in a relatively good state. The lithium producer Orocobre and the Brazilian telecom company Oi were the strongest contributors to returns. Orocobre, with production in Argentina, has one of the world's best lithium assets and we believe the company can benefit from the electrification of the auto fleet. Oi is going through a restructuring phase and has sold mobile assets to invest entirely on fiber. The restructuring process accelerated in 2020, which was viewed positively by the market. The Brazilian bank Banco do Brasil and the Brazilian water and waste management company Sabesp were the weakest contributors to returns. The weak performance was driven by the currency and weak share price performance. Banco do Brasil is very

dependent on the economy, while expectations for a privatization of Sabesp have not yet been fulfilled.

*) 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 characterized 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 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 minimize 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 materialize.

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 2020. The fund has the option of lending securities. The fund used this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

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

Information

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 and 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.

The Management Company's work in nomination committees is also

Handelsbanken Latinamerika Tema, cont.

regulated in Guidelines for nomination committees. 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.

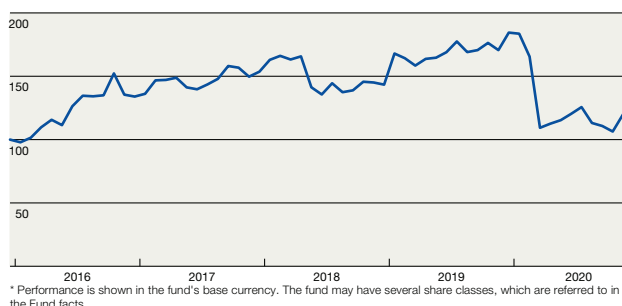
The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management Company then takes 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 Shareholder engagement and responsible investment 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 and in Guidelines for nomination committees which can be found under <https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>.

Fund performance*



Fund facts - history

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net asset value										
Latinamerika Tema A1 - SEK	251.00	362.43	281.72	301.82	263.21	196.48	252.39	237.72	276.93	243.16
Latinamerika Tema A1 - EUR	24.98	34.49	27.80	30.70	27.47	21.45	-	-	-	-
Latinamerika Tema A1 - NOK	261.68	340.21	275.15	301.52	249.39	206.29	-	-	-	-
Latinamerika Tema A9 - SEK	69.46	-	-	-	-	-	-	-	-	-
Latinamerika Tema A9 - EUR	25.12	-	-	-	-	-	-	-	-	-
Latinamerika Tema A10 - NOK	103.89	-	-	-	-	-	-	-	-	-
Latinamerika Tema B1 - SEK	190.21	288.13	230.00	256.04	231.79	177.90	235.67	229.59	276.93	-
The fund's total net flow, SEK m	262	42	-529	86	542	-448	-856	-758	628	-
Fund capital total, SEK m	2,770	3,517	2,704	3,491	2,937	1,794	2,785	3,471	4,861	3,603
Latinamerika Tema A1 - SEK	2,332	3,084	2,635	3,405	2,865	1,745	2,782	3,462	4,850	3,603
Latinamerika Tema A1 - EUR	27	37	3	3	3	2	-	-	-	-
Latinamerika Tema A1 - NOK	39	46	41	52	44	31	-	-	-	-
Latinamerika Tema A9 - SEK	1	-	-	-	-	-	-	-	-	-
Latinamerika Tema A9 - EUR	0	-	-	-	-	-	-	-	-	-
Latinamerika Tema A10 - NOK	134	-	-	-	-	-	-	-	-	-
Latinamerika Tema B1 - SEK	0	0	0	0	0	0	3	9	11	-
Number of units, 1000's	11,827	9,703	9,599	11,566	11,160	9,132	11,035	14,601	17,552	14,818
Latinamerika Tema A1 - SEK	9,290	8,509	9,352	11,281	10,884	8,879	11,021	14,561	17,511	14,818
Latinamerika Tema A1 - EUR	1,074	1,059	98	110	100	103	-	-	-	-
Latinamerika Tema A1 - NOK	148	134	148	174	175	149	-	-	-	-
Latinamerika Tema A9 - SEK	19	-	-	-	-	-	-	-	-	-
Latinamerika Tema A9 - EUR	5	-	-	-	-	-	-	-	-	-
Latinamerika Tema A10 - NOK	1,289	-	-	-	-	-	-	-	-	-
Latinamerika Tema B1 - SEK	1	1	1	1	1	1	14	40	41	-
Total returns in %										
Latinamerika Tema A1 - SEK	-30.7	+28.6	-6.7	+14.7	+34.0	-22.2	+6.2	-14.2	+17.1	-20.7
Latinamerika Tema A1 - EUR	-27.6	+24.1	-9.5	+11.8	+28.0	-19.5	-	-	-	-
Latinamerika Tema A1 - NOK	-23.1	+23.6	-8.7	+20.9	+20.9	-14.7	-	-	-	-
Latinamerika Tema A9 - SEK	-30.5	-	-	-	-	-	-	-	-	-
Latinamerika Tema A9 - EUR	-27.0	-	-	-	-	-	-	-	-	-
Latinamerika Tema B1 - SEK	-30.6	+28.6	-6.7	+14.7	+34.0	-22.2	+6.2	-14.2	+3.6	-
Index including dividends in %										
Latinamerika Tema A1 - SEK	-23.3	+27.5	+1.3	+11.5	+41.2	-25.7	+6.9	-14.5	+4.0	-17.0
Latinamerika Tema A1 - EUR	-19.8	+23.0	-1.8	+8.7	+35.0	-23.2	-	-	-	-
Latinamerika Tema A1 - NOK	-14.8	+22.5	-1.0	+17.6	+27.4	-18.6	-	-	-	-
Latinamerika Tema A9 - SEK	-25.1	-	-	-	-	-	-	-	-	-
Latinamerika Tema A9 - EUR	-21.4	-	-	-	-	-	-	-	-	-
Latinamerika Tema B1 - SEK	-23.3	+27.5	+1.3	+11.5	+41.2	-25.7	+6.9	-14.5	+3.7	-
Tracking error, 2 yrs. % ¹⁾										
Latinamerika Tema A1 - SEK	4.7	4.7	5.2	6.4	6.6	4.8	4.7	4.7	4.4	3.9

Handelsbanken Latinamerika Tema, cont.

Fund facts - history cont.

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Latinamerika Tema A1 - EUR	4.7	4.7	5.2	6.4	6.6	4.8	-	-	-	-
Latinamerika Tema A1 - NOK	4.7	4.7	5.2	6.4	6.6	4.8	-	-	-	-
Latinamerika Tema B1 - SEK	4.8	4.7	5.2	6.4	6.6	4.8	4.7	4.7	4.4	-
Average yearly return, 2 yrs. %										
Latinamerika Tema A1 - SEK	-5.6	+9.6	+3.5	+23.9	+2.1	-9.1	-4.5	+0.3	-3.7	-3.6
Latinamerika Tema A1 - EUR	-5.2	+6.0	+0.6	+19.6	+1.5	-10.6	-	-	-	-
Latinamerika Tema A1 - NOK	-2.5	+6.2	+5.0	+20.9	+1.6	-4.2	-	-	-	-
Latinamerika Tema B1 - SEK	-5.5	+9.6	+3.5	+23.9	+2.1	-9.1	-4.5	-	-	-
Comparison to index including dividends, %										
SEK	-1.1	+13.6	+6.3	+25.5	+2.4	-10.9	-4.4	-5.7	-7.1	-4.2
EUR	-0.7	+9.9	+3.3	+21.1	+1.8	-12.4	-	-	-	-
NOK	+2.2	+10.1	+7.9	+22.4	+1.9	-6.1	-	-	-	-
Average yearly return, 5 yrs. %										
Latinamerika Tema A1 - SEK	+5.0	+7.5	+3.5	+1.7	+2.2	-8.0	-0.2	+11.7	+3.6	+6.8
Latinamerika Tema A1 - EUR	+3.1	+5.3	+0.7	-1.0	+0.7	-8.3	-	-	-	-
Latinamerika Tema A1 - NOK	+4.9	+7.1	+4.1	+4.9	+3.9	-4.4	-	-	-	-
Latinamerika Tema B1 - SEK	+5.1	+7.5	+3.5	+1.7	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+9.3	+8.6	+4.8	+1.4	-0.1	-10.1	-2.7	+8.3	+1.5	+7.0
EUR	+7.3	+6.4	+2.0	-1.4	-1.5	-10.4	-	-	-	-
NOK	+9.1	+8.2	+5.5	+4.5	+1.7	-6.6	-	-	-	-
Average yearly return, 10 yrs. %										
Latinamerika Tema A1 - SEK	-1.7	+3.6	+7.5	+2.7	+4.5	+3.5	+12.3	+14.4	+20.0	+13.0
Latinamerika Tema A1 - EUR	-2.8	+3.3	+8.4	+2.3	+3.8	+3.7	-	-	-	-
Latinamerika Tema A1 - NOK	+0.1	+5.1	+8.6	+4.5	+4.9	+5.7	-	-	-	-
Comparison to index including dividends, %										
SEK	-0.9	+2.8	+6.6	+1.4	+3.4	+2.0	+11.4	+13.5	+19.5	+13.9
EUR	-2.0	+2.5	+7.4	+1.0	+2.8	+2.2	-	-	-	-
NOK	+1.0	+4.3	+7.6	+3.2	+3.8	+4.2	-	-	-	-
Dividends per unit, SEK										
Latinamerika Tema A1 - SEK	-	-	-	-	-	-	-	-	7.78	5.17
Latinamerika Tema B1 - SEK	11.53	6.90	10.24	9.27	5.34	7.07	6.89	9.69	0.00	-
Exchange rate EUR/SEK	10.05	10.51	10.13	9.83	9.58	9.16	-	-	-	-
Exchange rate NOK/SEK	0.96	1.07	1.02	1.00	1.06	0.95	-	-	-	-

1) The fund's tracking error has been within a range of approximately 4-6.5%, which the fund manager considers to be a good balance between risk and return. The risk has decreased in recent years, primarily driven by an index change that resulted in the exclusion of a number of heavily-weighted sectors in which the fund has not held holdings for some time.

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 A9	0.80
Latinamerika Tema A10	0.60
Latinamerika Tema B1	1.60
Collected mgmt. costs in % of average fund capital	
Latinamerika Tema A1	1.60
Latinamerika Tema A9	0.80
Latinamerika Tema A10	0.60
Latinamerika Tema B1	1.60
Annual fees in %	
Latinamerika Tema A1	1.60
Latinamerika Tema A9	0.80
Latinamerika Tema A10	0.60
Latinamerika Tema B1	1.60
Transaction costs, SEK thousand	889
Transaction costs in % of turnover	0.08
Costs in SEK for a one-time subscription, 10 000 SEK	
Latinamerika Tema A1	111.55
Latinamerika Tema A9	-
Latinamerika Tema A10	-
Latinamerika Tema B1	111.88
Costs in SEK for monthly savings, 100 SEK	
Latinamerika Tema A1	9.35
Latinamerika Tema A9	-
Latinamerika Tema A10	-
Latinamerika Tema B1	9.69

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	36.9	Information ratio - A1 SEK	Negative
Total risk % - A1 EUR	38.2	Information ratio - A1 EUR	Negative
Total risk % - A1 NOK	30.6	Information ratio - A1 NOK	Negative
Total risk % - B1 SEK	36.7	Information ratio - B1 SEK	Negative
Total risk in index % - A1 SEK	37.8	Sharpe ratio - A1 SEK	-0.1
Total risk in index % - A1 EUR	39.3	Sharpe ratio - A1 EUR	-0.1
Total risk in index % - A1 NOK	31.1	Sharpe ratio - A1 NOK	-0.1
Total risk in index % - B1 SEK	37.8	Sharpe ratio - B1 SEK	-0.1
Benchmark	Solactive ISS ESG	Sharpe ratio in index - A1 SEK	0.0
	Screened Latin America	Sharpe ratio in index - A1 EUR	0.0
	Large, Small & Mid Cap	Sharpe ratio in index - A1 NOK	0.0
	UCITS Index	Sharpe ratio in index - B1 SEK	0.0
Active Share % ¹⁾	72.2		
Active return % - A1 SEK	-4.5		
Active return % - A1 EUR	-4.5		
Active return % - A1 NOK	-4.6		
Active return % - B1 SEK	-4.4		

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 Latinamerika Tema, cont.

Income statement, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	-1,026,889	706,124
Changes in value for other derivative instruments **	-	-700
Interest income	37	181
Dividends	71,074	104,085
Currency exchange profits and losses, net	-12,966	-530
Other financial income ¹⁾	28	42
Other income	1,515	12,066
Total income and changes in value	-967,201	821,268
EXPENSES		
Management costs:		
- Remuneration to the Management Company	40,914	49,351
Interest expense	58	90
Other financial expenses ²⁾	6	8
Other expenses	891	977
Total expenses	41,868	50,426
Net income	-1,009,069	770,842
* Details of changes in value		
Capital gains	198,590	204,788
Capital losses	-199,168	-58,034
Unrealised gains/losses	-1,026,312	559,370
Sum	-1,026,889	706,124
** 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, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	2,737,174	98.8	3,458,986	98.4
Total financial instruments with positive market value ^{Note 2)}	2,737,174	98.8	3,458,986	98.4
Bank assets and other liquid assets	25,387	0.9	50,518	1.4
Prepaid expenses and accrued income	11,083	0.4	11,798	0.3
Other assets	-	-	1	0.0
Total assets	2,773,644	100.1	3,521,303	100.1
LIABILITIES				
Accrued expenses and prepaid income	3,628	0.1	4,626	0.1
Total liabilities	3,628	0.1	4,626	0.1
Fund capital ^{Note 1)}	2,770,016	100.0	3,516,677	100.0
Financial instruments lent	27,321	1.0	7,849	0.2
Collateral received for financial instruments lent	28,938	1.0	8,400	0.2

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	3,516,677	2,704,041
Units issued ¹⁾	935,002	1,453,199
Units redeemed ¹⁾	-672,579	-1,411,397
Profit according to Income Statement	-1,009,069	770,842
Dividends to unit holders	-15	-8
Fund capital at the close of the period	2,770,016	3,516,677

¹⁾ Of which SEK 4 805 t relates to internal moves between share classes

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
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LISTED EQUITIES

AUSTRALIA (AUD)			
Orocobre	822,000	23,285	0.8
		23,285	0.8
BRAZIL (BRL)			
Aeris Industria e Comercio Ord Sh	480,000	7,589	0.3
Aliansce Sonae Shopping Centers	466,525	21,516	0.8
Arezzo	127,548	13,750	0.5
B3 Brasil Bolsa Balcao	2,147,495	210,447	7.6
Banco do Brasil	2,886,380	177,070	6.4
BR Malls	1,320,975	20,677	0.7
Cia de Saneamento de Minas Gerais	369,000	9,568	0.3
Cia Paranaense de Energia	1,132,575	134,196	4.8
Cielo	1,250,000	7,906	0.3
Cogna Educacao Ord Shs	2,347,007	17,181	0.6
CTEEP	695,052	30,562	1.1
Duratec	1,320,000	39,946	1.4
EcoRodovias	3,355,000	70,922	2.6
Even	680,000	12,923	0.5
Fleury	990,000	42,294	1.5
Gaec Educacao	807,003	45,934	1.7
Itaú Unibanco Holding pref	2,134,463	106,745	3.9
Itaú Unibanco Holding pref ADR	101,705	5,087	0.2
Itaúsa	9,234,723	171,270	6.2
Light	595,634	22,885	0.8
Localiza Rent a Car	419,119	45,691	1.6
Lojas Americanas	2,046,501	85,067	3.1
LPS Brasil	613,242	4,829	0.2
Neogrip Participacoes Ord Shs	1,760,000	19,897	0.7
Oi	11,168,609	38,849	1.4
Pet Center Comercio e Participacoes	362,200	10,938	0.4
Profarma	2,274,248	21,934	0.8
SABESP	1,053,947	74,055	2.7
Santos Brasil Participacoes	4,523,330	37,547	1.4
São Paulo Alpargatas	870,038	57,776	2.1
SulAmérica	938,023	65,776	2.4
Suzano	604,419	55,944	2.0
Telefonica Brasil Ord Shs	887,600	65,257	2.4
Totvs	1,188,009	53,947	1.9
Valid	330,000	4,899	0.2
Yduqs Part	282,603	14,709	0.5
		1,825,584	65.9
CHILE (CLP)			
AFP Habitat	4,198,490	24,566	0.9
Andina B ADR	358,010	43,937	1.6
Andina pref	222,284	4,699	0.2
Banco Santander Chile	132,900,000	52,383	1.9
Coca-Cola Emborron B pref	2,288,531	24,090	0.9
Hortifrut	4,024,831	48,151	1.7
Invers Construc	259,000	14,071	0.5
		211,897	7.7
COLOMBIA (COP)			
Banco de Bogotá	117,514	21,330	0.8
		21,330	0.8
MEXICO (MXN)			
Actinver	2,686,400	10,962	0.4
América Móvil	10,480,000	62,589	2.3
Arca Continental	608,000	23,977	0.9
Banorte	1,408,774	63,830	2.3
Bolsa Mexicana de Valores	2,917,479	56,709	2.0
Consorcio ARA	5,088,000	8,011	0.3
Corp Fragua Ord Shs	426,488	47,366	1.7
Crédito Real	2,819,920	14,435	0.5
Gruma	390,503	38,134	1.4
Grupo Aeroportuario del Centro Norte	591,690	31,311	1.1
Grupo Aeroportuario del Pacifico ADR	11,336	15,355	0.6
Grupo Herdez	897,827	19,324	0.7
Grupo Sports World	4,655,457	13,201	0.5
Hoteles City Express	3,493,579	7,876	0.3
Pinfra	483,781	35,020	1.3
Vesta	5,031,577	80,444	2.9
		528,544	19.1
PERU (PEN)			
Andino Investment	4,050,000	4,873	0.2
Inretail Peru	181,484	58,425	2.1
Intergroup	187,845	49,906	1.8
		113,205	4.1
URUGUAY (UYU)			
Arcos Dorados Holdings	322,666	13,329	0.5
		13,329	0.5
Total listed equities		2,737,174	98.8
Total transferable securities		2,737,174	98.8
Total holdings in financial instruments		2,737,174	98.8
Net, other assets and liabilities		32,842	1.2
Total fund capital		2,770,016	100.0

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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.

Handelsbanken Latinamerika Tema, cont.

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Itaúsa	11.7	Embotelladora Andina	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.

Additional information on loaned securities

Volume of lent securities, SEK thousand:	27,321
Volume of lent securities as a % of total lendable assets	3.89

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

United Kingdom	24,251
France	1,593
Amerikanska staten	255
BHP Group Plc	161
Tencent Holdings Ltd	151
Toyota Motor Corp	151
Sony Corp	151
Nintendo Co Ltd	150
Keyence Corp	150
Murata Manufacturing Co Ltd	134

The largest counterparties for securities lending, SEK thousand:

Morgan Stanley & Co Intl Plc	25,285
J.P. Morgan Securities Plc	3,305
HSBC Bank Plc	258
Citigroup Global Markets Ltd	90
	28,938

Type and quality of collateral, SEK thousand:

Bonds and other interest-bearing instruments	26,243
Equities, shares	2,695
	28,938

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:

Open Maturity	-
Less than 1 day	-
1 Day to 1 Week	214
1 Week to 1 Month	18
1 Month to 3 Months	2
3 Months to 1 Year	26,009
Above 1 Year	2,695
	28,938

The domicile of the counterparties, SEK thousand:

Brittiska staten	28,938
	28,938

Currency of the collateral, SEK thousand:

AUD	57
CHF	10
DKK	44
EUR	1,774
GBP	24,562
HKD	637
JPY	1,495
SEK	68
SGD	0
USD	289
NZD	1
	28,938

Settlement and clearing, SEK thousand:

Triparty	28,938
	28,938

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

The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 28 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
 -HSBC Bank Plc
 -J.P. Morgan Securities Plc
 -Morgan Stanley & Co Intl Plc
 -UBS AG, London Branch

Handelsbanken Latinamerika Tema

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities on behalf of the fund that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used in sustainability efforts

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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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 companies

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainalytics on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

The Management Company's engagement activities - Corporate governance

Annual General Meetings and Nomination committees

The Management Company normally votes at general meetings in those companies where ownership exceeds 0.5% or at general meetings where the company concerned is identified as falling short in its sustainability efforts/corporate governance work. In general, the Management Company also supports shareholder proposals that seek to promote corporate sustainability, including greater transparency in recording and the reporting of the company's climate impact, as well as its work with human rights and labor law.

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 5% 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 sustainability analysis is a key component in the fund's investment process. We believe that companies with exposure to the Sustainable Development Goals in general have an important advantage relative to other companies. One of the fund's holdings is the education company Anima, which provides high-quality post-secondary education. Anima has been successful in educating its students during the pandemic, despite the periodic closing of schools. The company contributes to the development of skills that are needed by society. Given that digitalization is increasingly becoming an integral part of education, this provides opportunities for Anima to focus on lifelong learning, which we believe is positive over time for students, society and companies.

Exclusion

The fund has actively chosen not to invest in Bradespar. Bradespar is an investment company that has the mining giant Vale as its only investment. We see a number of issues with an investment in Vale, including oppression of the rights of minorities. Additional shortcomings in Vale's sustainability activities have recently come to the fore. The dam accident in Brumadinho at the beginning of 2019, the second of the same type in three years, had devastating consequences and over 250 people lost their lives in the accident. The company has also adversely impacted the ecosystem through the accidents.

During the year we sold the holdings in the food products company Alicorp. Shortcomings in how the company managed its purchases of palm oil is one of the reasons behind the sale of the holdings.

The Management Company's engagement activities - Dialogues

Targeted dialogues with direct contact between our fund managers and companies

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

The Management Company has discussed and explained the importance of focusing on sustainability in future investments during meetings with the roadway concession company Ecorodovias. Ecorodovias is making preparations to expand its portfolio of concessions through public auctions that are expected to occur in 2021. The need for major infrastructure investments is fundamental and private operators play a key role in increasing Brazil's competitiveness through improved infrastructure.



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. 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 fund can invest in derivative instruments as part of the fund's investment focus. We compare fund performance to SIX SRI Nordic 200 Small Cap Net Index. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. Risk diversification is normally attained through the fund's investments in up to 60 companies, which is significantly fewer than the benchmark index. The fund invests in companies, irrespective of whether or not these are included in the benchmark index. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 54.7% in 2020*. This has been a very remarkable year both in real terms as well as in the financial markets. The corona pandemic brought one country after another to a complete standstill at the beginning of the year, which led to sharp downturns in the stock markets. Given the massive support from authorities and central banks, as well as low interest rates, the equity markets rebounded sharply. The upturn from the bottom in March and to year-end is one of the quickest and strongest recoveries on record. Growth companies within gaming, technology and medicines were the strongest performers. Within this segment, the operational business has performed strongly and valuations have also risen. Several of the fund's best investments are found within this group and include companies such as Stillfront, Remedy, Kahoot and Admicom. Within medicines, Chemometec, Cellink, ArticZymes, Swedencare and Sedana have also contributed strongly. In total, very strong performance relative to index. The next phase in the market arrived in November when the first vaccine was approved against corona. This was the beginning of

a change in the market in which cyclical companies posted strength and several of the strong corona performers declined. The fund managed the change well. During this bewildering year the fund has also participated in a number of IPOs and investments with strong results overall. As always, we continue to identify innovative and talented companies with strong outlooks at 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 characterized 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 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 minimize 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 2020. The fund has the option of lending securities. The fund used this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

• Highest leverage during the financial year	0.7%
• Lowest leverage during the financial year	0.0%
• Average leverage during the financial year	0.1%

Information

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 and 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.

The Management Company's work in nomination committees is also

Handelsbanken Microcap Norden, cont.

regulated in Guidelines for nomination committees. 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.

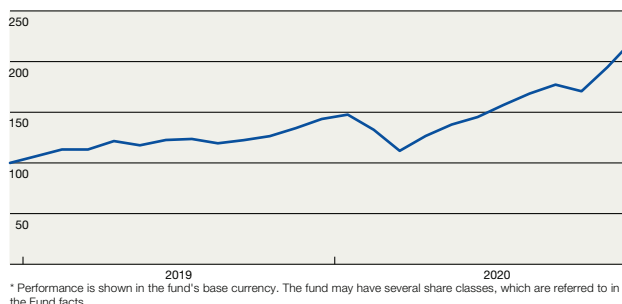
The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management Company then takes 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 Shareholder engagement and responsible investment 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 and in Guidelines for nomination committees which can be found under <https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>.

Fund performance*



Fund facts - history

	2020	2019	30/11-31/12 2018	2017	2016	2015	2014	2013	2012	2011
Net asset value										
Microcap Norden A4 - SEK	210.17	135.89	94.80	-	-	-	-	-	-	-
Microcap Norden A4 - EUR	20.92	12.93	-	-	-	-	-	-	-	-
Microcap Norden A4 - NOK	219.12	127.56	-	-	-	-	-	-	-	-
The fund's total net flow, SEK m	329	339	81	-	-	-	-	-	-	-
Fund capital total, SEK m	1,227	507	77	-	-	-	-	-	-	-
Microcap Norden A4 - SEK	1,049	445	77	-	-	-	-	-	-	-
Microcap Norden A4 - EUR	9	3	-	-	-	-	-	-	-	-
Microcap Norden A4 - NOK	95	28	-	-	-	-	-	-	-	-
Number of units, 1000's	5,837	3,734	817	-	-	-	-	-	-	-
Microcap Norden A4 - SEK	4,992	3,271	817	-	-	-	-	-	-	-
Microcap Norden A4 - EUR	413	243	-	-	-	-	-	-	-	-
Microcap Norden A4 - NOK	432	220	-	-	-	-	-	-	-	-
Total returns in %										
Microcap Norden A4 - SEK	+54.7	+43.4	-5.5	-	-	-	-	-	-	-
Microcap Norden A4 - EUR	+61.7	+19.6	-	-	-	-	-	-	-	-
Microcap Norden A4 - NOK	+71.8	+21.7	-	-	-	-	-	-	-	-
Index including dividends in %										
Microcap Norden A4 - SEK	+16.4	+35.1	-7.2	-	-	-	-	-	-	-
Microcap Norden A4 - EUR	+21.7	+12.5	-	-	-	-	-	-	-	-
Microcap Norden A4 - NOK	+29.3	+14.5	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾	9.0	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Microcap Norden A4 - SEK	+48.9	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+25.4	-	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.05	10.51	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	0.96	1.07	-	-	-	-	-	-	-	-

1) The fund's primary exposure is in equities within the smallest companies that tend to have greater fluctuations. This, as well as significantly fewer holdings in the fund than the benchmark index, helps to explain the tracking error attained in the period.

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.

Handelsbanken Microcap Norden, 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, SEK thousand	286
Transaction costs in % of turnover	0.03
Costs in SEK for a one-time subscription, 10 000 SEK	198.26
Costs in SEK for monthly savings, 100 SEK	14.35

Fund facts - other key figures

Turnover rate	0.6
Share of turnover conducted via closely-related securities companies in %	12.0
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and return measurements*

Total risk %	24.6	Information ratio	2.6
Total risk in index %	21.6	Sharpe ratio	2.0
Benchmark	SIX SRI Nordic 200 Small Cap Net Index	Sharpe ratio in index	1.2
Active Share % ¹⁾	98.0		
Active return %	23.5		

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, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	398,662	92,811
Interest income	20	-3
Dividends	5,114	3,365
Currency exchange profits and losses, net	-881	115
Other financial income ¹⁾	497	35
Other income	-	2
Total income and changes in value	403,411	96,325
EXPENSES		
Management costs:		
- Remuneration to the Management Company	12,724	4,713
Interest expense	50	5
Other financial expenses ²⁾	99	7
Other expenses	298	176
Total expenses	13,172	4,901
Net income	390,239	91,424

* Details of changes in value

Capital gains	110,760	10,189
Capital losses	-52,866	-7,415
Unrealised gains/losses	340,768	90,037
Sum	398,662	92,811

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

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	1,137,748	92.7	475,611	93.7
Total financial instruments with positive market value ^{Note 2)}	1,137,748	92.7	475,611	93.7
Bank assets and other liquid assets	89,262	7.3	34,037	6.7
Prepaid expenses and accrued income	375	0.0	2	0.0
Other assets	1,231	0.1	-	-
Total assets	1,228,616	100.1	509,650	100.4
LIABILITIES				
Accrued expenses and prepaid income	1,767	0.1	741	0.2
Other liabilities	-	-	1,440	0.2
Total liabilities	1,767	0.1	2,181	0.4
Fund capital ^{Note 1)}	1,226,850	100.0	507,469	100.0
Financial instruments lent	5,348	0.4	6,536	1.3
Collateral received for financial instruments lent	5,656	0.5	7,185	1.4

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	507,469	77,402
Units issued	398,760	348,414
Units redeemed	-69,618	-9,771
Profit according to Income Statement	390,239	91,424
Dividends to unit holders	-	-
Fund capital at the close of the period	1,226,850	507,469

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
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LISTED EQUITIES

CONSUMER DISCRETIONARY

AcadeMedia	284,500	24,183	2.0
Bufab	82,597	16,057	1.3
FinnvedenBulten	201,803	18,122	1.5
Harvia	158,488	39,018	3.2
HusCompagniet A/S	57,000	9,619	0.8
Tokmanni Group Corp	87,500	14,279	1.2
		121,276	9.9

CONSUMER STAPLES

Atlantic Sapphir Rg	170,000	19,568	1.6
Norcod	105,495	13,053	1.1
		32,621	2.7

FINANCIALS AND REAL ESTATE

Admicom Oyj	18,336	24,874	2.0
Annehem Fastigheter	396,969	12,564	1.0
Oma Säästöpankki Oyj	172,000	18,320	1.5
		55,758	4.5

HEALTH CARE

Biotech Pharmacon	250,000	15,251	1.2
Cellink B	71,184	16,693	1.4
Chemometec	17,189	13,412	1.1
ContextVision	654,510	13,874	1.1
CSAM Health Group AS	115,859	10,946	0.9
Implantica AG SDB	221,691	34,828	2.8
Intervacc Ord Shs	260,000	13,728	1.1
Mentice	71,500	5,970	0.5
Midsona B	190,000	14,782	1.2
Nanoform Finland	538,683	38,354	3.1
Navamedic	495,000	9,069	0.7
PatientSky Group AS	1,376,852	19,147	1.6
Redsense Medical AB	140,000	6,258	0.5
Sedana Medical	85,400	29,292	2.4
Senzime	592,251	14,214	1.2
Surgical Science Sweden	122,670	11,470	0.9
Swedencare Ord Shs	110,250	35,831	2.9
Xvivo Perfusion	87,735	27,549	2.2
		330,669	27.0

INDUSTRIALS

Beijer Alma AB serie B	135,000	17,685	1.4
Broedrene A & O Johansen Pref Shs	14,000	11,415	0.9
Caverion	210,000	12,260	1.0
Exel Composites	136,000	10,085	0.8
Green Landscaping Holding Ord Shs	250,101	10,054	0.8
H&H International	53,500	9,533	0.8
Hexatronic Group	121,000	9,244	0.8
Momentum Group B	82,500	11,715	1.0
NKT Holding	50,000	18,306	1.5
Nordic Waterproofing Hold AB	143,000	23,452	1.9
OEM International	49,910	15,422	1.3
Rejlers B	86,500	14,705	1.2
Serendipity Innovations B	100,000	23,000	1.9
Systemair	83,000	21,373	1.7
Zaptec	552,010	23,509	1.9
		231,759	18.9

INFORMATION TECHNOLOGY

Addnode B	58,792	16,815	1.4
Airthings Ord Sh	1,111,111	14,673	1.2
BlMobject	973,000	13,739	1.1
Detection Technology	50,511	12,131	1.0
Elliptic Laboratories	78,500	9,487	0.8
House of Control Group AS	520,952	10,743	0.9
Norbit	470,392	8,122	0.7
Plejd	110,000	21,340	1.7
Sensys	8,442,857	14,133	1.2
Skitude Holding AS	1,492,537	10,737	0.9
TCM Group	88,992	16,699	1.4
		148,619	12.1

MATERIALS

Broedrene Hartmann B Ord Shs	29,000	19,653	1.6
Gränges	150,000	15,030	1.2
I-Tech	114,500	9,389	0.8
Nordicpaper	321,400	12,412	1.0
OrganoClick Ord Shs	1,439,628	15,836	1.3
Re:NewCell AB	127,632	29,036	2.4
SP Group Ord	67,798	24,803	2.0
		126,160	10.3

Handelsbanken Microcap Norden, cont.

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
TELECOMMUNICATION SERVICES			
Enad Global 7 AB	102,000	12,444	1.0
Kahoot Ord Shs	370,000	33,787	2.8
Readly International AB	102,035	6,942	0.6
Remedy Entertainment	35,000	13,716	1.1
		66,889	5.5
OTHER			
Merrell Holding	1,787,500	17,831	1.5
		17,831	1.5
Total listed equities		1,131,583	92.2
	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
UNLISTED EQUITIES***			
INDUSTRIALS			
NKT A/S Temp-Share	16,666	6,165	0.5
		6,165	0.5
Total unlisted equities		6,165	0.5
Total transferable securities		1,137,748	92.7
Total holdings in financial instruments		1,137,748	92.7
Net, other assets and liabilities		89,102	7.3
Total fund capital		1,226,850	100.0

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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. 92.2

** 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. 0.5

Additional information on loaned securities

Volume of lent securities, SEK thousand: 5,348

Volume of lent securities as a % of total lendable assets 0.73

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

Germany	3,237
France	1,139
Belgium	941
Amerikanska staten	298
Netherlands	40

The largest counterparties for securities lending, SEK thousand:

UBS AG, London Branch	2,896
Merrill Lynch Intl	2,760
	5,656

Type and quality of collateral, SEK thousand:

Bonds and other interest-bearing instruments	5,656
	5,656

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:

Open Maturity	-
Less than 1 day	-
1 Day to 1 Week	-
1 Week to 1 Month	-
1 Month to 3 Months	-
3 Months to 1 Year	5,656
Above 1 Year	-
	5,656

The domicile of the counterparties, SEK thousand:

Brittiska staten	5,656
	5,656

Currency of the collateral, SEK thousand:

EUR	5,358
USD	298
	5,656

Settlement and clearing, SEK thousand:

Triparty	5,656
	5,656

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

The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 497 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
-Merrill Lynch Intl
-Svenska Handelsbanken AB (publ)
-UBS AG, London Branch

Handelsbanken Microcap Norden

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities on behalf of the fund that include dialogues with companies, voting at annual general meetings and working on nomination committees.

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 used in sustainability efforts

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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, uranium, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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:

.

Follow-up of sustainability work

Inclusion

The fund actively identifies smaller companies with products or solutions associated with the climate crisis. Examples of companies in which the fund has invested include Aker Carbon Capture, Airthings, Systemair and NKT.

Exclusion

The fund excludes companies in accordance with the exclusion criteria stated above.

The Management Company's engagement activities - Dialogues

Targeted dialogues with direct contact between our fund managers and companies

The fund engaged in one targeted dialogue directly with a company during the year.

For example, dialogues were held within the computer gaming sector regarding what should be considered as acceptable content in computer games.

Targeted dialogues with direct contact between our fund managers and companies

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainalytics on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

The Management Company's engagement activities - Corporate governance

Annual General Meetings and Nomination committees

The Management Company normally votes at general meetings in those companies where ownership exceeds 0.5% or at general meetings where the company concerned is identified as falling short in its sustainability efforts/corporate governance work. In general, the Management Company also supports shareholder proposals that seek to promote corporate sustainability, including greater transparency in recording and the reporting of the company's climate impact, as well as its work with human rights and labor law.

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..

Handelsbanken Fonder deltar i alla valberedningar där vi har tillräckligt stort ägande för att erbjudas en plats. Utanför Norden är det dock ovanligt med valberedningar och styrelsesammansättningen kan endast påverkas genom röstning på bolagsstämman.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.*

Engagement activities in collaboration with other investors

In 2020, the Management Company participated in a total of 125 company dialogues together with other investors. The fund did not have any investments in these companies.

Collaborations and industry initiatives

In 2020, the Management Company participated in initiatives and collaborations that included over 380 companies.

The Management Company's engagement activities - Corporate governance

Annual General Meetings and Nomination committees

In 2020, the Management Company voted at 61 annual general meetings on behalf of the fund.

The Management Company has received 41 seats in nomination committees through its shareholdings and has worked to present proposals for boards with high levels of competence and diversity.



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. 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 fund can invest in derivative instruments as part of the fund's investment focus. We compare fund performance to SIX SRI Sweden 200 Small Cap Gross Index. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. Risk diversification is normally attained through the fund's investments in up to 50 companies, which is significantly fewer than the benchmark index. The fund invests in companies, irrespective of whether or not these are included in the benchmark index. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 85.8% in 2020*. The period was naturally characterized by the effects of Covid-19 with a sharp initial decline in March, followed by a gradual recovery. During the year we increased the portfolio's exposure to digitalization, improved communication and more efficient healthcare. At the end of the year we also invested in more cyclical companies. These themes have strengthened in 2020 and we do not see any reason for a decline. During the year we successfully participated in several capital acquisitions to finance either offensive acquisitions or higher growth. Cellink, Sdiptech and BHG were the most positive contributors to fund returns, while Frisq, Bimobject and Iconovo had a negative impact.

* Refer to fund statistics for comparable index.

Significant risks

An investment in an equity fund is characterized 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 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 minimize 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 2020. The fund has the option of lending securities. The fund used this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

• Highest leverage during the financial year	1.0%
• Lowest leverage during the financial year	0.0%
• Average leverage during the financial year	0.0%

Information

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 and 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.

The Management Company's work in nomination committees is also regulated in Guidelines for nomination committees. 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.

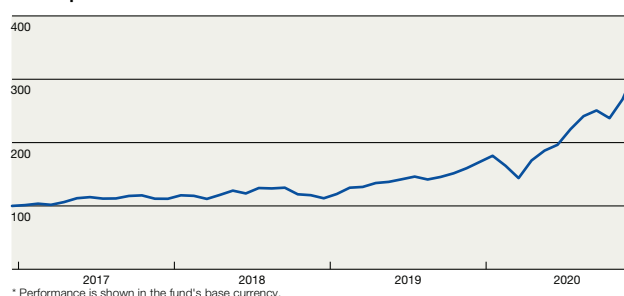
The Management Company normally votes for all of the equities in the fund in those companies where voting takes place, although there are exceptions, such as in markets where the equities are in a lock-up period to enable registration for voting at a general meeting. Any securities loans are typically 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 Shareholder engagement and responsible investment 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 and in Guidelines for nomination committees which can be found under <https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>.

Fund performance*



Fund facts - history

	2020	2019	2018	2017	30/11-31/12 2016	2015	2014	2013	2012	2011
Net asset value, SEK	320.20	172.35	114.05	113.24	101.76	-	-	-	-	-
The fund's total net flow, SEK m	480	156	-4	677	650	-	-	-	-	-
Fund capital, mSEK	5,040	2,331	1,430	1,427	660	-	-	-	-	-
Number of units, 1000's	15,739	13,524	12,536	12,605	6,490	-	-	-	-	-
Total returns in %, SEK	+85.8	+51.1	+0.7	+11.3	+1.8	-	-	-	-	-
Index including dividends in %, SEK	+21.7	+41.2	-0.2	+8.8	+3.4	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾	12.3	8.6	7.9	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %	+67.6	+23.4	+5.9	-	-	-	-	-	-	-
Comparison to index including dividends, %	+31.1	+18.7	+4.2	-	-	-	-	-	-	-

¹⁾ The fund's primary exposure is in equities within the smallest companies that tend to have greater fluctuations. This, as well as significantly fewer holdings in the fund than the benchmark index, helps to explain the tracking error attained in the period.

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, SEK thousand	995
Transaction costs in % of turnover	0.03
Costs in SEK for a one-time subscription, 10 000 SEK	225.43
Costs in SEK for monthly savings, 100 SEK	15.34

Fund facts - other key figures

Turnover rate	0.5
Share of turnover conducted via closely-related securities companies in %	14.1
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and return measurements*

Total risk %	24.3	Information ratio	3.0
Total risk in index %	23.0	Sharpe ratio	2.8
Benchmark	SIX SRI Sweden 200 Small Cap Gross Index	Sharpe ratio in index	1.4
Active Share % ¹⁾	95.8		
Active return %	36.4		

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, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	2,279,336	763,782
Interest income	0	-8
Dividends	4,559	13,888
Other financial income ¹⁾	4,736	1,539
Other income	-	1
Total income and changes in value	2,288,632	779,202
EXPENSES		
Management costs:		
- Remuneration to the Management Company	58,004	33,570
Interest expense	10	8
Other financial expenses ²⁾	947	312
Other expenses	1,027	768
Total expenses	59,989	34,658
Net income	2,228,643	744,544

* Details of changes in value

Capital gains	639,765	249,822
Capital losses	-142,315	-144,554
Unrealised gains/losses	1,781,886	658,514
Sum	2,279,336	763,782

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

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

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	4,982,949	98.9	2,286,341	98.1
Total financial instruments with positive market value ^{Note 2)}	4,982,949	98.9	2,286,341	98.1
Bank assets and other liquid assets	79,255	1.6	64,287	2.8
Prepaid expenses and accrued income	398	0.0	133	0.0
Other assets	-	-	647	0.0
Total assets	5,062,602	100.5	2,351,408	100.9
LIABILITIES				
Accrued expenses and prepaid income	7,290	0.1	3,508	0.2
Other liabilities	15,663	0.4	17,113	0.7
Total liabilities	22,953	0.5	20,621	0.9
Fund capital ^{Note 1)}	5,039,650	100.0	2,330,787	100.0
Financial instruments lent	28,784	0.6	56,365	2.4
Collateral received for financial instruments lent	30,936	0.6	62,981	2.7

Handelsbanken Microcap Sverige, cont.

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	2,330,787	1,429,780
Units issued	783,090	329,988
Units redeemed	-302,870	-173,525
Profit according to Income Statement	2,228,643	744,544
Dividends to unit holders	-	-
Fund capital at the close of the period	5,039,650	2,330,787

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
Bufab	350,000	68,040	1.4
FinnvedenBulten	600,000	53,880	1.1
Storytel B	600,000	162,000	3.2
		283,920	5.6
FINANCIALS AND REAL ESTATE			
Annehem Fastigheter	1,300,000	41,145	0.8
Fortinova Fastigheter AB	900,000	39,600	0.8
K-fast Holding AB - B	325,000	86,645	1.7
		167,390	3.3
HEALTH CARE			
Calliditas Therapeutics AB	375,000	52,350	1.0
Cantargia	990,000	63,360	1.3
Cellink B	1,240,000	290,780	5.8
Dignitana AB	1,706,834	14,064	0.3
Frisq Holding	1,615,139	6,138	0.1
Genovis AB	1,550,000	48,825	1.0
Iconovo AB	525,000	26,460	0.5
Implantica AG SDB	1,200,000	188,520	3.7
Intervacc Ord Shs	1,625,000	85,800	1.7
Mentice	1,422,000	118,737	2.4
Nanofarm Finland	2,900,000	206,480	4.1
Oncopptides	300,000	50,910	1.0
Q-linea	650,000	110,500	2.2
Redsense Medical AB	550,000	24,585	0.5
Sedana Medical	735,000	252,105	5.0
Senzime	3,348,000	80,352	1.6
Surgical Science Sweden	1,025,000	95,838	1.9
Swedencare Ord Shs	519,900	168,968	3.4
Synthetic	150,000	51,300	1.0
XSpray Pharma	330,000	64,020	1.3
Xvivo Perfusion	320,000	100,480	2.0
		2,100,571	41.7
INDUSTRIALS			
Beijer Alma AB serie B	550,000	72,050	1.4
Concentric	550,000	100,760	2.0
Hexatronic Group	1,300,000	99,320	2.0
Inission B	299,994	33,599	0.7
Irisity AB	700,000	25,900	0.5
Momentum Group B	300,000	42,600	0.8
PiezoMotor B	1,100,000	32,670	0.6
Rejlers B	600,000	102,000	2.0
Serendipity Innovations B	1,250,000	287,500	5.7
		796,399	15.8
INFORMATION TECHNOLOGY			
Addnode B	190,000	54,340	1.1
BIMobject	4,500,000	63,540	1.3
Bygghemma Group	600,000	107,280	2.1
Enea	500,000	94,800	1.9
Ncab Group	300,000	78,600	1.6
Plejd	790,000	153,260	3.0
Smart Eye	600,000	130,200	2.6
Tobii Technology	2,250,000	127,350	2.5
		809,370	16.1
MATERIALS			
Bayn Group AB	4,450,000	66,572	1.3
I-Tech	840,000	68,880	1.4
Nordicpaper	1,200,000	46,344	0.9
OrganoClick Ord Shs	4,066,000	44,726	0.9
Re:NewCell AB	675,000	153,563	3.0
		380,085	7.5
TELECOMMUNICATION SERVICES			
Bambuser Ord Shs	2,200,000	36,850	0.7
Enad Global 7 AB	700,000	85,400	1.7
Flexion Mobile	1,350,000	30,375	0.6
Invisio Communications	350,000	87,500	1.7
Ovzon	1,800,000	135,360	2.7
Readly International AB	750,000	51,030	1.0
		426,515	8.5
Total listed equities		4,964,250	98.5

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
UNLISTED EQUITIES***			
HEALTH CARE			
Dignitana AB BTA 201223	1,393,166	11,480	0.2
Frisq Holding BTA 201030	1,900,000	7,220	0.1
		18,700	0.4
Total unlisted equities		18,700	0.4
Total transferable securities		4,982,949	98.9
Total holdings in financial instruments		4,982,949	98.9
Net, other assets and liabilities		56,701	1.1
Total fund capital		5,039,650	100.0

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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
Dignitana AB	0.5	Frisq Holding AB	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 Microcap Sverige, cont.

Additional information on loaned securities

Volume of lent securities, SEK thousand:	28,784
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Volume of lent securities as a % of total lendable assets	1.04
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The ten largest issuers of collateral for securities lending per issuer, SEK thousand:

France	10,401
Amerikanska staten	3,679
Germany	2,772
United Kingdom	2,512
Belgium	792
Netherlands	746
BHP Group Plc	523
Tencent Holdings Ltd	487
Toyota Motor Corp	485
Sony Corp	484

The largest counterparties for securities lending, SEK thousand:

J.P. Morgan Securities Plc	15,577
Merrill Lynch Intl	11,737
UBS AG, London Branch	2,249
Credit Suisse Securities (Europe) Ltd	1,372
Morgan Stanley & Co Intl Plc	2
	30,936

Type and quality of collateral, SEK thousand:

Bonds and other interest-bearing instruments	20,907
Equities, shares	10,029
	30,936

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:

Open Maturity	-
Less than 1 day	-
1 Day to 1 Week	128
1 Week to 1 Month	106
1 Month to 3 Months	85
3 Months to 1 Year	20,588
Above 1 Year	10,029
	30,936

The domicile of the counterparties, SEK thousand:

Brittiska staten	30,936
	30,936

Currency of the collateral, SEK thousand:

AUD	245
CAD	31
CHF	28
DKK	210
EUR	15,134
GBP	3,681
HKD	2,082
JPY	4,835
SEK	239
SGD	1
USD	4,446
NZD	5
	30,936

Settlement and clearing, SEK thousand:

Triparty	30,936
	30,936

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

The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 4,736 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
- Credit Suisse Securities (Europe) Ltd
- HSBC Bank Plc
- J.P. Morgan Securities Plc
- Merrill Lynch Intl
- Morgan Stanley & Co Intl Plc
- UBS AG, London Branch

Handelsbanken Microcap Sverige

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities on behalf of the fund that include dialogues with companies, voting at annual general meetings and working on nomination committees.

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 used in sustainability efforts

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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, uranium, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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 companies

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainalytics on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

The Management Company's engagement activities - Corporate governance

Annual General Meetings and Nomination committees

The Management Company normally votes at general meetings in those companies where ownership exceeds 0.5% or at general meetings where the company concerned is identified as falling short in its sustainability efforts/corporate governance work. In general, the Management Company also supports shareholder proposals that seek to promote corporate sustainability, including greater transparency in recording and the reporting of the company's climate impact, as well as its work with human rights and labor law.

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.

Handelsbanken Fonder deltar i alla valberedningar där vi har tillräckligt stort ägande för att erbjudas en plats. Utanför Norden är det dock ovanligt med valberedningar och styrelsesammansättningen kan endast påverkas genom röstning på bolagsstämman.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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 Renewcell, which recycles textiles using a proprietary chemical process that is capable of turning raw materials into new clothing. The production of clothing requires significant amounts of water and energy. Renewcell's technology significantly reduces the carbon footprint.

Exclusion

In 2020, the fund did not sell any companies as a result of mismanagement or changes to strategies that were negative from a sustainability perspective.

The Management Company's engagement activities - Dialogues

Targeted dialogues with direct contact between our fund managers and companies

The fund engaged in two targeted dialogues directly with companies during the year.

Dialogues were held with Calliditas and Oncopeptides with regard to the companies' proposals for incentive programs for company management. Both companies are approaching the launch of their first pharmaceutical drugs. The recruitment of key employees is a critical component in the process, but at the same time it is important that the programs have reasonable proportions and that the interest of all shareholders is taken into consideration.

Engagement activities in collaboration with other investors

In 2020, the Management Company participated in a total of 125 company dialogues together with other investors. The fund did not have any investments in these companies.

Collaborations and industry initiatives

2020 deltog fondbolaget i initiativ och samarbeten som omfattar totalt över 380 bolag.



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. The fund may invest in derivative instruments as part of its investment focus. The fund may invest a maximum of 10% of the fund capital in fund units. We compare the fund's performance with SIX SRI Nordic 200 Net Index. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund invests in companies, irrespective of whether or not these are included in the benchmark index. As the fund is actively managed the performance will over time deviate from this index. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 9.0% in 2020*. Holdings in Indutrade, Volvo and Hexagon were the strongest contributors to fund returns. Volvo's strong contribution to fund performance is partly based on the timing of the fund's purchase but is primarily due to the company's high ambitions within sustainability and the company's strong operational growth that countered the downturn in volumes. Indutrade delivered good earnings growth, driven by the company's strong position within various niches, as well as ongoing acquisitions. However, several holdings weighed heavily on returns, most notably Loomis and Handelsbanken. Fund performance was particularly weak during Q1 when the market was negatively affected by the pandemic. Closures and lower retail activity were particularly negative for Loomis, a cash handling company. Bank equities were weighed down by regulatory limitations related to dividends. Handelsbanken was also affected by the uncertainty about Brexit and the development of costs. Uncertainty about the pandemic and sharp declines in share prices provided the opportunity for two new investments with attractive valuations: Volvo and HM. The new investment in Volvo was based on significant support from valuations in a leading global company that has made investments in recent years to expand the more stable service business as well as to increase the fuel efficiency of the vehicle fleet and launch electrified vehicles. HM rejoined the fund as we see an improved company that is more well-invested, has strengthened its customer offerings within e-commerce and has increased flexibility and sustainability throughout the supply chain. The fund invested in the Finnish pharmaceutical company Orion to increase exposure within the pharmaceutical sector. Orion has a broad product portfolio and is active within many therapy areas, such as respiratory tracts and oncology. The fund also invested in Islandic Össur, which is a global leader within orthopedic prostheses and orthopedic aids. The fund also made a new investment in Essity, a global leader within hygiene and healthcare. Essity has implemented portfolio streamlining and cost optimization, which provides attractive opportunities in the long term. The fund also added Norwegian Borregaard, which is active within specialty chemicals, is a global leader within certain niches and is driving a specialization strategy with new sustainable applications. The fund made a new investments in

the Finnish company TietoEvy, which is a leading Nordic digital service and software company with a large customer base within the public sector and major companies where we see a considerable need for further digitalization. The holdings in Hexpol, Veidekke, Huhtamäki and AAK were sold during the year. Hexpol was sold in part to balance the automotive exposure and due to the slow progress in their sustainability efforts. Huhtamäki was sold in the autumn due to the company's continued exposure to plastics and as a result of the slow progress in their sustainability efforts. AAK is working hard to increase transparency related to the high risk of deforestation with the cultivation of palm oil, but more work remains to be done and we increased other holdings instead. The market's strong recovery later in the year was driven by quantitative easing and fiscal stimulus. The fund's returns followed this trend but the fund was unable to recoup the relative loss from the beginning of the year. The fund continues to focus on constructing a portfolio of high-quality companies with a variety of drivers, strong 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 characterized 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 minimize 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 2020. The fund has the option of lending securities. The fund used this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

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

Information

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

Handelsbanken Norden Selektiv, cont.

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 and 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.

The Management Company's work in nomination committees is also regulated in Guidelines for nomination committees. 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.

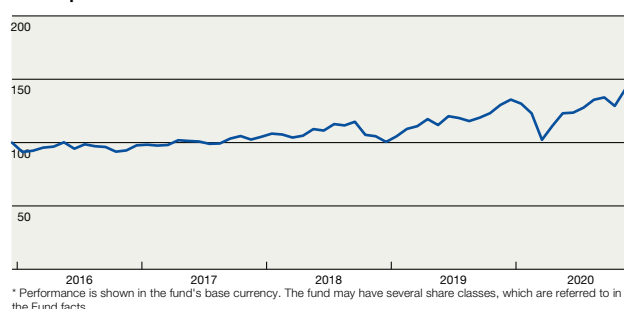
The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management Company then takes 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 Shareholder engagement and responsible investment 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 and in Guidelines for nomination committees which can be found under <https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>.

Fund performance*



Fund facts - history

	2020	2019	2018	2017	2016	2015	10/10-31/12 2014	2013	2012	2011
Net asset value										
Norden Selektiv A1 - SEK	483.33	463.69	335.61	338.78	308.90	301.72	236.95	-	-	-
Norden Selektiv A1 - EUR	48.10	44.13	33.11	34.46	32.24	32.95	25.01	-	-	-
Norden Selektiv A1 - NOK	503.91	435.28	327.79	338.44	292.68	316.78	226.94	-	-	-
Norden Selektiv A9 - SEK	102.22	-	-	-	329.58	-	-	-	-	-
Norden Selektiv A9 - EUR	53.17	48.34	35.95	37.08	34.40	34.85	26.24	-	-	-
Norden Selektiv A10 - SEK	500.90	474.57	339.22	-	-	-	-	-	-	-
Norden Selektiv A10 - EUR	49.85	45.16	33.47	-	-	-	-	-	-	-
Norden Selektiv A10 - NOK	522.21	445.48	331.31	-	-	-	-	-	-	-
Norden Selektiv B1 - SEK	278.72	279.46	209.87	220.82	209.81	213.88	174.09	-	-	-
Norden Selektiv B1 - EUR	27.73	26.60	20.71	22.46	21.90	23.35	18.38	-	-	-
The fund's total net flow, EUR m	-60	-113	148	-163	44	240	-18	-	-	-
Fund capital total, mEUR	1,098	1,076	911	804	908	880	393	-	-	-
Norden Selektiv A1 - SEK	7,634	8,262	6,221	5,366	6,366	5,693	2,543	-	-	-
Norden Selektiv A1 - EUR	155	44	38	31	33	36	27	-	-	-
Norden Selektiv A1 - NOK	877	931	1,531	319	289	417	222	-	-	-
Norden Selektiv A9 - SEK	181	-	-	-	25	-	-	-	-	-
Norden Selektiv A9 - EUR	8	89	70	46	63	90	58	-	-	-
Norden Selektiv A10 - SEK	77	116	40	-	-	-	-	-	-	-

Handelsbanken Norden Selektiv, cont.

Fund facts - history cont.

	2020	2019	2018	2017	2016	2015	10/10-31/12 2014	2013	2012	2011
Norden Selektiv A10 - EUR	21	12	7	-	-	-	-	-	-	-
Norden Selektiv A10 - NOK	434	300	175	-	-	-	-	-	-	-
Norden Selektiv B1 - SEK	36	51	39	52	113	100	62	-	-	-
Norden Selektiv B1 - EUR	1	1	1	2	2	1	1	-	-	-
Number of units, 1000's	24,230	24,301	27,415	23,056	28,038	26,593	15,701	-	-	-
Norden Selektiv A1 - SEK	15,794	17,817	18,538	15,838	20,608	18,867	10,732	-	-	-
Norden Selektiv A1 - EUR	3,216	1,002	1,138	896	1,023	1,090	1,065	-	-	-
Norden Selektiv A1 - NOK	1,741	2,140	4,671	943	988	1,315	980	-	-	-
Norden Selektiv A9 - SEK	1,768	-	-	-	76	-	-	-	-	-
Norden Selektiv A9 - EUR	144	1,836	1,956	1,234	1,846	2,575	2,205	-	-	-
Norden Selektiv A10 - SEK	155	245	118	-	-	-	-	-	-	-
Norden Selektiv A10 - EUR	425	266	208	-	-	-	-	-	-	-
Norden Selektiv A10 - NOK	830	674	529	-	-	-	-	-	-	-
Norden Selektiv B1 - SEK	128	182	184	236	539	468	354	-	-	-
Norden Selektiv B1 - EUR	29	27	26	73	73	56	42	-	-	-
Total returns in %										
Norden Selektiv A1 - SEK	+4.2	+38.2	-0.9	+9.7	+2.4	+27.3	+19.0	+19.6	+17.1	-12.5
Norden Selektiv A1 - EUR	+9.0	+33.3	-3.9	+6.9	-2.1	+31.7	+11.2	+15.9	+21.5	-11.3
Norden Selektiv A1 - NOK	+15.8	+32.8	-3.1	+15.6	-7.6	+39.6	+20.7	+32.0	+15.1	-11.9
Norden Selektiv A9 - SEK	+5.5	+39.4	0.0	+10.6	+3.2	+28.4	-	-	-	-
Norden Selektiv A9 - EUR	+10.0	+34.5	-3.0	+7.8	-1.3	+32.8	+11.9	-	-	-
Norden Selektiv A10 - SEK	+5.5	+39.9	+0.3	-	-	-	-	-	-	-
Norden Selektiv A10 - EUR	+10.4	+34.9	-2.7	-	-	-	-	-	-	-
Norden Selektiv A10 - NOK	+17.2	+34.5	-1.9	-	-	-	-	-	-	-
Norden Selektiv B1 - SEK	+4.4	+38.2	-0.9	+9.7	+2.4	+27.3	+19.0	+19.5	+17.1	-12.5
Norden Selektiv B1 - EUR	+9.2	+33.3	-3.9	+6.9	-2.1	+31.7	+11.2	+15.9	+21.5	-11.3
Index including dividends in %										
Norden Selektiv A1 - SEK	+11.9	+29.7	-3.5	+13.3	+7.7	+11.6	-	-	-	-
Norden Selektiv A1 - EUR	+17.0	+25.1	-6.4	+10.4	+2.9	+15.4	-	-	-	-
Norden Selektiv A1 - NOK	+24.3	+24.6	-5.7	+19.4	-2.8	+22.3	-	-	-	-
Norden Selektiv A9 - SEK	+11.9	+29.7	-3.5	+13.3	+7.7	+11.6	-	-	-	-
Norden Selektiv A9 - EUR	+17.0	+25.1	-6.4	+10.4	+2.9	+15.4	-	-	-	-
Norden Selektiv A10 - SEK	+11.9	+29.7	-3.5	-	-	-	-	-	-	-
Norden Selektiv A10 - EUR	+17.0	+25.1	-6.4	-	-	-	-	-	-	-
Norden Selektiv A10 - NOK	+24.3	+24.6	-5.7	-	-	-	-	-	-	-
Norden Selektiv B1 - SEK	+11.9	+29.7	-3.5	+13.3	+7.7	+11.6	-	-	-	-
Norden Selektiv B1 - EUR	+17.0	+25.1	-6.4	+10.4	+2.9	+15.4	-	-	-	-
Tracking error, 2 yrs. %										
Norden Selektiv A1 - SEK	5.6	4.3	4.7	4.2	4.6	4.8	-	-	-	-
Norden Selektiv A1 - EUR	5.6	4.3	4.7	4.2	4.6	4.8	5.5	5.5	5.3	6.2
Norden Selektiv A1 - NOK	5.6	4.3	4.7	4.2	4.6	4.8	-	-	-	-
Norden Selektiv A9 - SEK	5.5	-	-	-	-	-	-	-	-	-
Norden Selektiv A9 - EUR	5.6	4.3	4.7	4.2	4.6	-	-	-	-	-
Norden Selektiv A10 - SEK	5.6	4.3	4.7	-	-	-	-	-	-	-
Norden Selektiv A10 - EUR	5.6	4.3	4.7	-	-	-	-	-	-	-
Norden Selektiv A10 - NOK	5.6	4.3	4.7	-	-	-	-	-	-	-
Norden Selektiv B1 - SEK	5.5	4.3	4.7	4.2	4.6	4.8	-	-	-	-
Norden Selektiv B1 - EUR	5.5	4.3	4.7	4.2	4.6	4.8	-	-	-	-
Average yearly return, 2 yrs. %										
Norden Selektiv A1 - SEK	+20.0	+17.0	+4.2	+6.0	+14.2	+23.1	+19.3	+18.3	+1.3	+3.4
Norden Selektiv A1 - EUR	+20.5	+13.2	+1.4	+2.3	+13.5	+21.0	+13.5	+18.7	+3.8	+10.9
Norden Selektiv A1 - NOK	+24.0	+13.4	+5.8	+3.4	+13.6	+29.8	+26.2	+23.3	+0.7	+7.2
Norden Selektiv A9 - SEK	+21.3	-	-	-	-	-	-	-	-	-
Norden Selektiv A9 - EUR	+21.6	+14.2	+2.2	+3.1	+14.5	-	-	-	-	-
Norden Selektiv A10 - SEK	+21.5	+18.5	+5.5	-	-	-	-	-	-	-
Norden Selektiv A10 - EUR	+22.0	+14.6	+2.6	-	-	-	-	-	-	-
Norden Selektiv A10 - NOK	+25.5	+14.8	+7.1	-	-	-	-	-	-	-
Norden Selektiv B1 - SEK	+20.1	+17.0	+4.2	+6.0	+14.2	+23.1	+19.3	+18.3	+1.3	+3.4
Norden Selektiv B1 - EUR	+20.6	+13.2	+1.4	+2.3	+13.5	+21.0	+13.5	+18.7	+3.8	+10.9
Comparison to index including dividends, %										
SEK	+20.5	+11.8	+4.5	+10.4	+9.6	+14.4	-	-	-	-
EUR	+21.0	+8.2	+1.6	+6.6	+9.0	+12.5	-	-	-	-
NOK	+24.5	+8.4	+6.1	+7.7	+9.0	+20.6	-	-	-	-
Average yearly return, 5 yrs. %										
Norden Selektiv A1 - SEK	+9.9	+14.4	+11.0	+15.3	+16.8	+13.2	+12.2	+16.2	+1.0	-1.9
Norden Selektiv A1 - EUR	+7.9	+12.0	+8.0	+12.2	+15.1	+12.8	+14.0	+21.3	+3.0	-1.6
Norden Selektiv A1 - NOK	+9.7	+13.9	+11.8	+18.9	+18.8	+17.7	+16.1	+17.7	+1.4	-
Norden Selektiv A9 - SEK	+10.9	-	-	-	-	-	-	-	-	-
Norden Selektiv A9 - EUR	+8.8	+13.0	-	-	-	-	-	-	-	-
Norden Selektiv A10 - SEK	+11.3	+15.8	+12.4	-	-	-	-	-	-	-
Norden Selektiv A10 - EUR	+9.2	+13.4	+9.4	-	-	-	-	-	-	-
Norden Selektiv A10 - NOK	+11.1	+15.3	+13.1	-	-	-	-	-	-	-
Norden Selektiv B1 - SEK	+9.9	+14.4	+11.0	+15.3	+16.8	+13.2	+12.2	+16.2	+1.0	-
Norden Selektiv B1 - EUR	+7.9	+12.0	+8.0	+12.2	+15.1	+12.8	+14.0	+21.4	+3.0	-
Comparison to index including dividends, %										
SEK	+11.3	+11.2	+9.0	+15.1	+15.6	+9.8	-	-	-	-
EUR	+9.2	+8.9	+6.1	+12.0	+13.9	+9.5	-	-	-	-
NOK	+11.1	+10.8	+9.8	+18.7	+17.6	+14.2	-	-	-	-
Average yearly return, 10 yrs. %										
Norden Selektiv A1 - SEK	+11.5	+13.3	+13.6	+7.9	+7.0	+9.4	-	-	-	-
Norden Selektiv A1 - EUR	+10.3	+13.0	+14.5	+7.5	+6.4	+9.7	-	-	-	-
Norden Selektiv A1 - NOK	+13.6	+15.0	+14.7	+9.8	-	-	-	-	-	-
Norden Selektiv A10 - SEK	+12.9	+14.7	+15.0	-	-	-	-	-	-	-
Norden Selektiv A10 - EUR	+11.7	+14.4	+15.9	-	-	-	-	-	-	-
Norden Selektiv A10 - NOK	+15.1	+16.4	+16.1	-	-	-	-	-	-	-
Norden Selektiv B1 - SEK	+11.5	+13.3	+13.6	+7.9	-	-	-	-	-	-
Norden Selektiv B1 - EUR	+10.3	+13.0	+14.5	+7.5	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+10.5	+11.3	+12.2	+6.3	+6.1	+7.4	-	-	-	-
EUR	+9.4	+11.0	+13.1	+5.9	+5.5	+7.7	-	-	-	-
NOK	+12.6	+12.9	+13.3	+8.2	-	-	-	-	-	-
Dividends per unit, SEK										
Norden Selektiv B1 - SEK	11.18	8.73	9.13	8.39	8.67	6.85	-	-	-	-
Norden Selektiv B1 - EUR	1.06	0.83	0.90	0.88	0.93	0.74	-	-	-	-

Handelsbanken Norden Selektiv, cont.

Fund facts - history cont.

	2020	2019	2018	2017	2016	2015	10/10-31/12 2014	2013	2012	2011
Exchange rate EUR/SEK	10.05	10.51	10.13	9.83	9.58	9.16	9.47	-	-	-
Exchange rate EUR/NOK	10.48	9.86	9.90	9.82	9.08	9.62	9.07	-	-	-

1) The fund's tracking error has been within a range of approximately 4-6% during the period. The past year was also within this range, although the tracking error was slightly higher than the prior year. The level of the tracking error is a result of the management of the fund, which is based on a limited number of investments in high-quality companies.

Benchmark: SIX SRI Nordic 200 Net Index

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 Selektiv A1	1.85
Norden Selektiv A9	0.95
Norden Selektiv A10	0.60
Norden Selektiv B1	1.85
Collected mgmt. costs in % of average fund capital	
Norden Selektiv A1	1.85
Norden Selektiv A9	1.04
Norden Selektiv A10	0.60
Norden Selektiv B1	1.85
Annual fees in %	
Norden Selektiv A1	1.85
Norden Selektiv A9	1.04
Norden Selektiv A10	0.60
Norden Selektiv B1	1.85
Transaction costs, EURt	365
Transaction costs in % of turnover	0.02
Costs in EUR for a one-time subscription, 1 000 EUR	
Norden Selektiv A1	17.36
Norden Selektiv A9	8.96
Norden Selektiv A10	5.67
Norden Selektiv B1	17.38
Costs in EUR for monthly savings, 10 EUR	
Norden Selektiv A1	1.29
Norden Selektiv A9	0.66
Norden Selektiv A10	0.42
Norden Selektiv B1	1.33

Fund facts - other key figures

Turnover rate	0.8
Share of turnover conducted via closely-related securities companies in %	20.3
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and return measurements*

Total risk % - A1 SEK	19.7	Information ratio - A1 SEK	Negative
Total risk % - A1 EUR	21.1	Information ratio - A1 EUR	Negative
Total risk % - A1 NOK	13.6	Information ratio - A1 NOK	Negative
Total risk % - A9 SEK	19.7	Information ratio - A9 SEK	0.1
Total risk % - A9 EUR	21.1	Information ratio - A9 EUR	0.1
Total risk % - A10 SEK	19.7	Information ratio - A10 SEK	0.2
Total risk % - A10 EUR	21.1	Information ratio - A10 EUR	0.2
Total risk % - A10 NOK	13.6	Information ratio - A10 NOK	0.2
Total risk % - B1 SEK	19.7	Information ratio - B1 SEK	Negative
Total risk % - B1 EUR	21.1	Information ratio - B1 EUR	Negative
Total risk in index % - A1 SEK	17.1	Sharpe ratio - A1 SEK	1.0
Total risk in index % - A1 EUR	18.2	Sharpe ratio - A1 EUR	1.0
Total risk in index % - A1 NOK	11.5	Sharpe ratio - A1 NOK	1.7
Total risk in index % - A9 SEK	17.1	Sharpe ratio - A9 SEK	1.1
Total risk in index % - A9 EUR	18.2	Sharpe ratio - A9 EUR	1.0
Total risk in index % - A10 SEK	17.1	Sharpe ratio - A10 SEK	1.1
Total risk in index % - A10 EUR	18.2	Sharpe ratio - A10 EUR	1.1
Total risk in index % - A10 NOK	11.5	Sharpe ratio - A10 NOK	1.8
Total risk in index % - B1 SEK	17.1	Sharpe ratio - B1 SEK	1.0
Total risk in index % - B1 EUR	18.2	Sharpe ratio - B1 EUR	1.0
Benchmark	SIX SRI Nordic 200 Net Index	Sharpe ratio in index - A1 SEK	1.2
		Sharpe ratio in index - A1 EUR	1.2
Active Share % ¹⁾	73.5	Sharpe ratio in index - A1 NOK	2.1
Active return % - A1 SEK	-0.5	Sharpe ratio in index - A9 SEK	1.2
Active return % - A1 EUR	-0.5	Sharpe ratio in index - A9 EUR	1.2
Active return % - A1 NOK	-0.5	Sharpe ratio in index - A10 SEK	1.2
Active return % - A9 SEK	0.8	Sharpe ratio in index - A10 EUR	1.2
Active return % - A9 EUR	0.6	Sharpe ratio in index - A10 NOK	2.1
Active return % - A10 SEK	1.1	Sharpe ratio in index - B1 SEK	1.2
Active return % - A10 EUR	1.1	Sharpe ratio in index - B1 EUR	1.2
Active return % - A10 NOK	1.1		
Active return % - B1 SEK	-0.4		
Active return % - B1 EUR	-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, EUR thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	86,999	271,575
Interest income	-6	-25
Dividends	14,598	23,997
Currency exchange profits and losses, net	-1,740	-854
Other financial income ¹⁾	85	100
Other income	0	145
Total income and changes in value	99,936	294,938
EXPENSES		
Management costs:		
- Remuneration to the Management Company	16,631	16,623
Interest expense	72	4
Other financial expenses ²⁾	17	20
Other expenses	384	213
Total expenses	17,104	16,860
Net income	82,832	278,078

* Details of changes in value

Capital gains	149,051	100,342
Capital losses	-72,403	-22,168
Unrealised gains/losses	10,352	193,401
Sum	86,999	271,575

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

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

Balance sheet, EUR thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	1,078,126	98.2	1,032,447	96.0
Total financial instruments with positive market value ^{Note 2)}	1,078,126	98.2	1,032,447	96.0
Bank assets and other liquid assets	23,415	2.1	44,896	4.2
Prepaid expenses and accrued income	1,096	0.1	1	0.0
Total assets	1,102,637	100.4	1,077,344	100.2
LIABILITIES				
Accrued expenses and prepaid income	1,596	0.2	1,562	0.2
Other liabilities	2,623	0.2	-	-
Total liabilities	4,219	0.4	1,562	0.2
Fund capital ^{Note 1)}	1,098,418	100.0	1,075,782	100.0
Financial instruments lent	75,947	6.9	11,598	1.1
Collateral received for financial instruments lent	80,114	7.3	12,782	1.2

Note 1) for Balance sheet

Changes in fund capital, EUR thousand

	2020	2019
Fund capital at beginning of year	1,075,782	910,507
Units issued ¹⁾	399,118	213,036
Units redeemed ¹⁾	-458,970	-325,609
Profit according to Income Statement	82,832	278,078
Dividends to unit holders	-344	-230
Fund capital at the close of the period	1,098,418	1,075,782

1) Of which EUR 9 086 1 relates to internal moves between share classes

Handelsbanken Norden Selektiv, cont.

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value EUR t	% of fund capital
LISTED EQUITIES			
DENMARK (DKK)			
Novo Nordisk	1,660,000	95,149	8.7
Rockwool International B	67,341	20,609	1.9
SimCorp	254,923	31,011	2.8
		146,770	13.4
FAROE ISLANDS (DKK)			
Bakkafrost	641,372	37,499	3.4
		37,499	3.4
FINLAND (EUR)			
Kone	326,000	21,666	2.0
Orion B	705,104	26,463	2.4
TietoEvyry	1,140,000	30,620	2.8
Valmet	1,467,648	34,284	3.1
		113,033	10.3
ICELAND (ISK)			
Ossur	3,754,337	24,437	2.2
		24,437	2.2
NORWAY (NOK)			
Atea	2,325,000	26,899	2.4
Bereggaard	2,408,799	32,605	3.0
DNB	864,361	13,861	1.3
		73,365	6.7
SWEDEN (SEK)			
ABB SDB	2,302,000	52,462	4.8
ÅF B	418,708	10,467	1.0
Assa Abloy B	1,855,000	37,383	3.4
Atlas Copco B1	1,290,000	47,282	4.3
Autoliv	590,000	44,917	4.1
Bravida Holding	3,648,348	39,757	3.6
Epiroc B	4,060,000	56,162	5.1
Essity B	1,346,000	35,430	3.2
Handelsbanken A	6,360,000	52,280	4.8
Hennes & Mauritz B	3,355,400	57,435	5.2
Hexagon B	791,510	59,061	5.4
Husqvarna B	615,179	6,520	0.6
Indutrade	3,133,344	54,943	5.0
Lifco B	230,000	18,059	1.6
Loomis	1,011,247	22,764	2.1
Thule Group	920,000	28,163	2.6
Volvo B	3,107,726	59,937	5.5
		683,021	62.2
Total listed equities		1,078,126	98.2
Total transferable securities		1,078,126	98.2
Total holdings in financial instruments		1,078,126	98.2
Net, other assets and liabilities		20,292	1.8
Total fund capital		1,098,418	100.0

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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, EUR thousand: **75,947**

Volume of lent securities as a % of total lendable assets **7.86**

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

United Kingdom	46,451
France	11,896
Germany	8,972
Amerikanska staten	8,665
Belgium	1,491
Austria	1,147
Finland	992
Netherlands	500

The largest counterparties for securities lending, EUR thousand:

Goldman Sachs Intl	45,033
Citigroup Global Markets Ltd	29,636
Merrill Lynch Intl	5,387
Skandinaviska Enskilda Banken AB (publ)	58
	80,114

Type and quality of collateral, EUR thousand:

Bonds and other interest-bearing instruments	80,114
	80,114

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:

Open Maturity	-
Less than 1 day	-
1 Day to 1 Week	-
1 Week to 1 Month	4
1 Month to 3 Months	866
3 Months to 1 Year	79,244
Above 1 Year	-
	80,114

The domicile of the counterparties, EUR thousand:

Svenska staten	58
Brittiska staten	80,057
	80,114

Currency of the collateral, EUR thousand:

EUR	24,998
GBP	46,451
USD	8,665
	80,114

Settlement and clearing, EUR thousand:

Bilateral	58
Triparty	80,057
	80,114

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

The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 85 EUR 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
 -Goldman Sachs Intl
 -HSBC Bank Plc
 -J.P. Morgan Securities Plc
 -Merrill Lynch Intl
 -Skandinaviska Enskilda Banken AB (publ)
 -UBS AG, London Branch

Handelsbanken Norden Selektiv

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities on behalf of the fund that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used in sustainability efforts

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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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 companies

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainability on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as an investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

The Management Company's engagement activities - Corporate governance

Annual General Meetings and Nomination committees

The Management Company normally votes at general meetings in those companies where ownership exceeds 0.5% or at general meetings where the company concerned is identified as falling short in its sustainability efforts/corporate governance work. In general, the Management Company also supports shareholder proposals that seek to promote corporate sustainability, including greater transparency in recording and the reporting of the company's climate impact, as well as its work with human rights and labor law.

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 5% 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 has invested in AB Volvo, one of the world's leading manufacturers of commercial vehicles such as trucks, buses, and construction machinery. Volvo also offers a broad range of services that have expanded due to new technology with connected vehicles, which increases the potential for more efficient transport. Volvo has had strong sustainability efforts that have shown good results in emissions and energy usage within its own operations for some time. However, from a product lifecycle perspective, the primary environmental impact is seen during the usage of the sold products. Volvo has made significant progress in the transformation to new fuels and offers vehicles equipped with electric powertrains for medium-duty applications. Solutions with hydrogen gas are being developed for the more demanding applications and heavy-duty transport. Volvo has a target to reach a penetration level of 35% for electric vehicles by 2030 and 100% fossil-free new vehicles by 2040.

Exclusion

The fund sold Hexpol and Huhtamäki during the year. Hexpol is a world-leading polymer company with a strong market position primarily within the vehicle industry. The company actively pursues efforts to improve the use of resources in the form of rubber, plastics and other chemical products, as well as to reduce

emissions and waste. Unfortunately, the progress is relatively slow and the absolute level is high relative to the fund's other exposure. The packaging company produces primarily sustainable packaging, but still has a high exposure to plastic-based materials with approximately one-third of its turnover. Huhtamäki pursues sustainable efforts to transition to more sustainable materials, to increase the proportion of renewable electricity consumption and to reduce landfill waste. Unfortunately, the progress is relatively slow and the absolute level is high relative to the fund's other exposure.

The Management Company's engagement activities - Dialogues

Targeted dialogues with direct contact between our fund managers and companies

The fund engaged in two targeted dialogues directly with companies during the year.

The fund continued its ongoing dialogue with AAK. The dialogue focused on the company'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



Handelsbanken Norden 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 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. 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. The fund may invest in derivative instruments as part of the fund's investment focus. We compare the fund's performance with SIX SRI Nordic 200 Net Index. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund normally consists of 60–80 holdings, which is fewer than the fund's benchmark index. The fund invests in equities, irrespective of whether or not these are included in the benchmark index. As the fund is actively managed the performance will over time deviate from this index. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 10.4% in 2020*. The Nordic markets posted positive returns, although 2020 was a year with major variations and differences between sectors and equities. We have directed the portfolio during the year towards long-term structural growth within our main themes of demographics, productivity, lifestyles and the environment. As of September, the fund also adopted the Tema designation. Equities that were the strongest contributors to fund returns were companies such as Kahoot! within the digitalization theme (digital learning) as well as Vestas (wind turbines), Ørsted (offshore wind parks) and Scatec Solar (solar parks) within the environment theme. Additional positive contributors included two world-leading Danish pharmaceutical companies: Novo Nordisk (leader within diabetes medicine) and Genmab (biotech within cancer). Ericsson has also benefited from the growth with 5G. Husqvarna and GN Store Nord also posted strength. Intrum and DnB had the most significant negative impact on returns in the period.

* 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 characterized 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 normally 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 minimize 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 2020. The fund has the option of lending securities. The fund used this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

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

Information

On 1 September 2020, the fund changed its fund rules and at the same time the name changed to Handelsbanken Norden Tema (from 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 fundreport.

Shareholder commitments

Based on the Management Company's Policy for Shareholder engagement and 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.

The Management Company's work in nomination committees is also regulated in Guidelines for nomination committees. 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

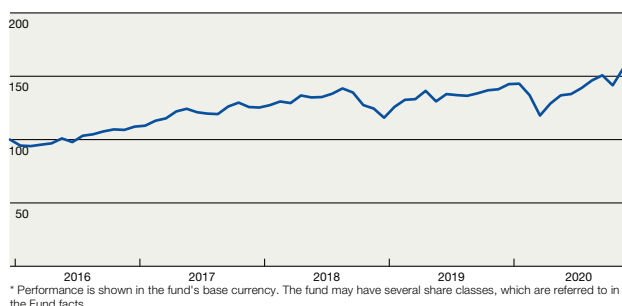
Handelsbanken Norden Tema, cont.

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 Shareholder engagement and responsible investment 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 and in Guidelines for nomination committees which can be found under <https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>.

Fund performance*



Fund facts - history

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net asset value										
Norden Tema A1 - SEK	1,417.08	1,284.08	1,047.25	1,119.12	984.60	893.09	805.95	682.74	548.19	480.34
Norden Tema A1 - EUR	141.02	122.20	103.33	113.83	102.76	97.52	-	-	-	-
Norden Tema A1 - NOK	1,477.36	1,205.38	1,022.84	1,118.01	932.92	937.66	-	-	-	-
Norden Tema A9 - SEK	108.78	-	-	-	-	-	-	-	-	-
Norden Tema A9 - EUR	141.77	-	-	-	-	-	-	-	-	-
Norden Tema A10 - SEK	1,457.42	1,307.47	1,055.72	-	-	-	-	-	-	-
Norden Tema A10 - EUR	145.04	124.43	104.17	-	-	-	-	-	-	-
Norden Tema A10 - NOK	1,519.42	1,227.34	1,031.11	-	-	-	-	-	-	-
Norden Tema B1 - SEK	115.46	-	-	-	-	-	-	-	-	-
The fund's total net flow, SEK m	-5,119	-12	537	1,339	987	3,172	2,619	476	215	-
Fund capital total, SEK m	22,640	25,994	21,317	22,312	18,405	15,700	11,134	-	-	-
Norden Tema A1 - SEK	21,231	24,315	19,718	20,766	17,696	15,490	11,134	7,170	5,322	4,365
Norden Tema A1 - EUR	27	31	28	71	38	4	-	-	-	-
Norden Tema A1 - NOK	420	446	386	847	323	180	-	-	-	-
Norden Tema A9 - SEK	19	-	-	-	-	-	-	-	-	-
Norden Tema A9 - EUR	0	-	-	-	-	-	-	-	-	-
Norden Tema A10 - SEK	536	595	555	-	-	-	-	-	-	-
Norden Tema A10 - EUR	7	5	4	-	-	-	-	-	-	-
Norden Tema A10 - NOK	107	209	314	-	-	-	-	-	-	-
Norden Tema B1 - SEK	0	-	-	-	-	-	-	-	-	-
Number of units, 1000's	16,128	20,231	20,349	19,937	18,693	17,579	-	-	-	-
Norden Tema A1 - SEK	14,983	18,936	18,828	18,556	17,974	17,344	13,814	10,502	9,708	9,086
Norden Tema A1 - EUR	191	257	273	624	373	43	-	-	-	-
Norden Tema A1 - NOK	285	370	378	757	346	192	-	-	-	-
Norden Tema A9 - SEK	179	-	-	-	-	-	-	-	-	-
Norden Tema A9 - EUR	1	-	-	-	-	-	-	-	-	-
Norden Tema A10 - SEK	367	455	526	-	-	-	-	-	-	-
Norden Tema A10 - EUR	52	43	40	-	-	-	-	-	-	-
Norden Tema A10 - NOK	71	170	304	-	-	-	-	-	-	-
Norden Tema B1 - SEK	0	-	-	-	-	-	-	-	-	-
Total returns in %										
Norden Tema A1 - SEK	+10.4	+22.6	-6.4	+13.7	+10.2	+10.8	+18.0	+24.5	+17.4	-18.3
Norden Tema A1 - EUR	+15.4	+18.3	-9.2	+10.8	+5.4	+14.6	-	-	-	-
Norden Tema A1 - NOK	+22.6	+17.8	-8.5	+19.8	-0.5	+21.5	-	-	-	-
Norden Tema A9 - SEK	+8.8	-	-	-	-	-	-	-	-	-
Norden Tema A9 - EUR	+14.3	-	-	-	-	-	-	-	-	-
Norden Tema A10 - SEK	+11.5	+23.8	-5.5	-	-	-	-	-	-	-
Norden Tema A10 - EUR	+16.6	+19.5	-8.3	-	-	-	-	-	-	-
Norden Tema A10 - NOK	+23.8	+19.0	-7.6	-	-	-	-	-	-	-
Norden Tema B1 - SEK	+10.4	-	-	-	-	-	-	-	-	-
Index including dividends in %										
Norden Tema A1 - SEK	+11.9	+29.7	-3.5	+13.3	+7.7	+11.6	+17.2	+26.2	+16.0	-16.8
Norden Tema A1 - EUR	+17.0	+25.1	-6.4	+10.4	+2.9	+15.4	-	-	-	-
Norden Tema A1 - NOK	+24.3	+24.6	-5.7	+19.4	-2.8	+22.3	-	-	-	-
Norden Tema A9 - SEK	+8.5	-	-	-	-	-	-	-	-	-
Norden Tema A9 - EUR	+14.0	-	-	-	-	-	-	-	-	-
Norden Tema A10 - SEK	+11.9	+29.7	-3.5	-	-	-	-	-	-	-
Norden Tema A10 - EUR	+17.0	+25.1	-6.4	-	-	-	-	-	-	-
Norden Tema A10 - NOK	+24.3	+24.6	-5.7	-	-	-	-	-	-	-
Norden Tema B1 - SEK	+11.9	-	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾										
Norden Tema A1 - SEK	1.8	1.2	1.4	2.0	2.1	1.5	1.4	1.2	1.4	1.4
Norden Tema A1 - EUR	1.8	1.2	1.4	2.0	2.1	1.5	-	-	-	-
Norden Tema A1 - NOK	1.8	1.2	1.4	2.0	2.1	1.5	-	-	-	-
Norden Tema A10 - SEK	1.8	1.2	1.4	-	-	-	-	-	-	-
Norden Tema A10 - EUR	1.8	1.2	1.4	-	-	-	-	-	-	-
Norden Tema A10 - NOK	1.8	1.2	1.4	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Norden Tema A1 - SEK	+16.3	+7.1	+3.1	+11.9	+10.5	+14.4	+21.3	+20.9	-2.1	-1.1
Norden Tema A1 - EUR	+16.8	+3.6	+0.3	+8.0	+9.9	+12.4	-	-	-	-
Norden Tema A1 - NOK	+20.2	+3.8	+4.7	+9.2	+9.9	+20.6	-	-	-	-
Norden Tema A10 - SEK	+17.5	+8.2	+4.2	-	-	-	-	-	-	-
Norden Tema A10 - EUR	+18.0	+4.7	+1.3	-	-	-	-	-	-	-
Norden Tema A10 - NOK	+21.4	+4.9	+5.8	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+20.5	+11.8	+4.5	+10.4	+9.6	+14.4	+21.6	+21.0	-1.7	-0.3
EUR	+21.0	+8.2	+1.6	+6.6	+9.0	+12.5	-	-	-	-
NOK	+24.5	+8.4	+6.1	+7.7	+9.0	+20.6	-	-	-	-

Handelsbanken Norden Tema, cont.

Fund facts - history cont.

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Average yearly return, 5 yrs. %										
Norden Tema A1 - SEK	+9.7	+9.8	+8.9	+15.3	+16.1	+9.3	+11.1	+15.9	-1.2	-1.8
Norden Tema A1 - EUR	+7.7	+7.5	+6.0	+12.2	+14.4	+9.0	-	-	-	-
Norden Tema A1 - NOK	+9.5	+9.3	+9.7	+19.0	+18.1	+13.7	-	-	-	-
Norden Tema A10 - SEK	+10.8	+10.9	+10.1	-	-	-	-	-	-	-
Norden Tema A10 - EUR	+8.7	+8.6	+7.1	-	-	-	-	-	-	-
Norden Tema A10 - NOK	+10.6	+10.4	+10.8	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+11.3	+11.2	+9.0	+15.1	+15.6	+9.8	+11.3	+15.4	-1.8	-2.5
EUR	+9.2	+8.9	+6.1	+12.0	+13.9	+9.5	-	-	-	-
NOK	+11.1	+10.8	+9.8	+18.7	+17.6	+14.2	-	-	-	-
Average yearly return, 10 yrs. %										
Norden Tema A1 - SEK	+9.5	+10.4	+12.3	+6.8	+6.8	+7.8	+10.6	+10.1	+9.8	+3.4
Norden Tema A1 - EUR	+8.3	+10.1	+13.3	+6.3	+6.2	+8.1	-	-	-	-
Norden Tema A1 - NOK	+11.6	+12.1	+13.5	+8.6	+7.2	+10.1	-	-	-	-
Norden Tema A10 - SEK	+10.7	+11.6	+13.5	-	-	-	-	-	-	-
Norden Tema A10 - EUR	+9.5	+11.3	+14.5	-	-	-	-	-	-	-
Norden Tema A10 - NOK	+12.7	+13.2	+14.7	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+10.5	+11.3	+12.2	+6.3	+6.1	+7.4	+10.0	+10.3	+10.1	+4.7
EUR	+9.4	+11.0	+13.1	+5.9	+5.5	+7.7	-	-	-	-
NOK	+12.6	+12.9	+13.3	+8.2	+6.6	+9.7	-	-	-	-
Dividends per unit, SEK	-	-	-	-	-	-	-	-	14.90	10.08
Exchange rate EUR/SEK	10.05	10.51	10.13	9.83	9.58	9.16	-	-	-	-
Exchange rate NOK/SEK	0.96	1.07	1.02	1.00	1.06	0.95	-	-	-	-

1) The fund's tracking error in the most recent period has been slightly above the historical average. The fund changed its fund manager in 2020. The fund was also renamed to Norden Tema and applies a thematic investment strategy. This has led to a number of changes in the holdings towards thematic and structural growth, which has resulted in a gradual increase to the fund's risk. The fund has had relatively few deviations in absolute numbers against the benchmark index. This can be partly explained by small variations in the size and focus of the fund's returns during periods relative to the benchmark index, which in turn results in a lower tracking error from a calculation perspective.

Benchmark: SIX SRI Nordic 200 Net Index

Up to 02/01/2014: SHB NORDIX Port Nordic Net (NHNXPORIT)

Up to 30/04/2019: VINX Benchmark Cap SEK_NI (VINXBCAPSEKNII)

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 Tema A1	1.50
Norden Tema A9	0.75
Norden Tema A10	0.50
Norden Tema B1	1.50
Collected mgmt. costs in % of average fund capital	
Norden Tema A1	1.50
Norden Tema A9	0.75
Norden Tema A10	0.50
Norden Tema B1	1.50
Annual fees in %	
Norden Tema A1	1.50
Norden Tema A9	0.75
Norden Tema A10	0.50
Norden Tema B1	1.50
Transaction costs, SEK thousand	11,113
Transaction costs in % of turnover	0.02
Costs in SEK for a one-time subscription, 10 000 SEK	
Norden Tema A1	145.78
Norden Tema A9	-
Norden Tema A10	48.84
Norden Tema B1	-
Costs in SEK for monthly savings, 100 SEK	
Norden Tema A1	10.36
Norden Tema A9	-
Norden Tema A10	3.47
Norden Tema B1	-

Risk and return measurements*

Total risk % - A1 SEK	17.1	Information ratio - A1 SEK	Negative
Total risk % - A1 EUR	18.4	Information ratio - A1 EUR	Negative
Total risk % - A1 NOK	11.2	Information ratio - A1 NOK	Negative
Total risk % - A10 SEK	17.1	Information ratio - A10 SEK	Negative
Total risk % - A10 EUR	18.4	Information ratio - A10 EUR	Negative
Total risk % - A10 NOK	11.2	Information ratio - A10 NOK	Negative
Total risk in index % - A1 SEK	17.1	Sharpe ratio - A1 SEK	1.0
Total risk in index % - A1 EUR	18.2	Sharpe ratio - A1 EUR	0.9
Total risk in index % - A1 NOK	11.5	Sharpe ratio - A1 NOK	1.7
Total risk in index % - A10 SEK	17.1	Sharpe ratio - A10 SEK	1.0
Total risk in index % - A10 EUR	18.2	Sharpe ratio - A10 EUR	1.0
Total risk in index % - A10 NOK	11.5	Sharpe ratio - A10 NOK	1.8
Benchmark	SIX SRI Nordic 200 Net Index	Sharpe ratio in index - A1 SEK	1.2
		Sharpe ratio in index - A1 EUR	1.2
Active Share % ¹⁾	48.0	Sharpe ratio in index - A1 NOK	2.1
Active return % - A1 SEK	-4.1	Sharpe ratio in index - A10 SEK	1.2
Active return % - A1 EUR	-4.2	Sharpe ratio in index - A10 EUR	1.2
Active return % - A1 NOK	-4.3	Sharpe ratio in index - A10 NOK	2.1
Active return % - A10 SEK	-3.0		
Active return % - A10 EUR	-3.0		
Active return % - A10 NOK	-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.

Fund facts - other key figures

Turnover rate	1.0
Share of turnover conducted via closely-related securities companies in %	19.8
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Handelsbanken Norden Tema, cont.

Income statement, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	1,719,651	4,289,141
Interest income	316	-1,207
Dividends	375,555	748,178
Currency exchange profits and losses, net	-9,351	6,268
Other financial income ¹⁾	2,349	2,518
Other income	0	8
Total income and changes in value	2,088,520	5,044,906
EXPENSES		
Management costs:		
- Remuneration to the Management Company	310,404	350,136
Interest expense	1,615	86
Other financial expenses ²⁾	470	503
Other expenses	11,521	6,008
Total expenses	324,010	356,733
Net income	1,764,511	4,688,173
* Details of changes in value		
Capital gains	4,290,916	1,643,111
Capital losses	-1,739,613	-1,047,316
Unrealised gains/losses	-831,652	3,693,346
Sum	1,719,651	4,289,141

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

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	22,200,195	98.1	25,389,686	97.7
Total financial instruments with positive market value ^{Note 2)}	22,200,195	98.1	25,389,686	97.7
Bank assets and other liquid assets	367,048	1.6	801,591	3.1
Prepaid expenses and accrued income	29,155	0.1	1,050	0.0
Other assets	133,591	0.6	-	-
Total assets	22,729,989	100.4	25,192,327	100.8
LIABILITIES				
Accrued expenses and prepaid income	27,976	0.1	32,077	0.1
Other liabilities	62,314	0.3	166,442	0.7
Total liabilities	90,290	0.4	198,519	0.8
Fund capital ^{Note 1)}	22,639,700	100.0	25,993,808	100.0
Financial instruments lent	1,186,515	5.2	299,867	1.2
Collateral received for financial instruments lent	1,279,611	5.7	328,079	1.3

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	25,993,808	21,317,382
Units issued ¹⁾	4,543,584	3,857,573
Units redeemed ¹⁾	-9,662,203	-3,869,320
Profit according to Income Statement	1,764,511	4,688,173
Dividends to unit holders	-	-
Fund capital at the close of the period	22,639,700	25,993,808

¹⁾ Of which SEK 3 986 t relates to internal moves between share classes

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
LISTED EQUITIES			
DENMARK (DKK)			
Chemometec	321,179	250,611	1.1
Christian Hansen Holding	167,610	141,735	0.6
Coloplast B	158,973	199,501	0.9
Dong Energy	369,346	620,017	2.7
DSV	229,243	315,661	1.4
Genmab	83,649	278,131	1.2
GN Store Nord	383,365	252,141	1.1
HusCompagniet A/S	450,000	75,936	0.3
ISS	600,000	85,372	0.4
NKT Holding	350,000	128,139	0.6
Novo Nordisk	3,001,883	1,728,980	7.6
Orphazyme	346,000	31,342	0.1
Vestas Wind Systems	390,057	757,991	3.3
Zealand Pharma	246,873	73,520	0.3
		4,939,077	21.8

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
FINLAND (EUR)			
Admicom Oyj	167,750	227,560	1.0
Cargotec	571,128	194,092	0.9
Caverion	2,600,000	151,792	0.7
Kone	255,212	170,436	0.8
Lassila & Tikanoja	850,000	128,630	0.6
Munksjö	1,008,684	183,457	0.8
Nokia	13,898,862	440,076	1.9
Nordea Bank Abp	5,301,718	355,445	1.6
Outotec	3,663,934	300,978	1.3
Qt Group Ord Shs	290,000	167,850	0.7
Sampo A	1,500,851	521,359	2.3
Stora Enso R	3,197,735	502,710	2.2
TietoEvry	998,817	269,582	1.2
Tokmanni Group Corp	1,000,000	163,187	0.7
Valmet	1,129,178	265,054	1.2
YIT	160,982	7,978	0.0
		4,050,187	17.9
NETHERLANDS (EUR)			
Meltwater Holding	4,180,175	201,281	0.9
		201,281	0.9
NORWAY (NOK)			
Adevinta B	2,064,289	285,127	1.3
Aker Biomarine	947,080	106,741	0.5
DNB	2,151,091	346,636	1.5
Gjensidige Forsikring	1,121,242	205,848	0.9
Kahoot Ord Shs	3,646,241	332,957	1.5
Lerøy Seafood Group	2,923,359	169,814	0.8
Link Mobility Group Holding	2,500,000	111,410	0.5
Mowi	1,000,000	183,206	0.8
Nel	1,000,000	27,778	0.1
NRC Group	1,970,373	60,006	0.3
Orkla	5,451,000	454,884	2.0
PatientSky Group AS	3,000,000	41,719	0.2
Pexip Holding AS	1,000,000	63,019	0.3
SalMar	227,635	109,959	0.5
Scatec Solar	691,353	226,396	1.0
Storebrand	4,568,977	281,358	1.2
Telenor	1,494,760	209,186	0.9
Yara International	666,921	227,735	1.0
		3,443,778	15.2
SWEDEN (SEK)			
ABB SDB	2,099,428	480,769	2.1
Arjo B	3,517,244	221,059	1.0
Assa Abloy B	1,093,466	221,427	1.0
AstraZeneca SDB	554,046	458,972	2.0
Atlas Copco A	782,757	329,619	1.5
Atlas Copco B1	746,783	275,040	1.2
Autoliv	299,477	229,100	1.0
Boliden1	1,552,244	452,324	2.0
Boozt	500,000	93,400	0.4
Calliditas Therapeutics AB	350,000	48,860	0.2
Electrolux Professional	3,500,000	163,030	0.7
Embracer B	624,551	122,787	0.5
Epiroc B	599,027	83,265	0.4
Ericsson B	4,348,216	424,560	1.9
Essity B	1,834,597	485,251	2.1
Handelsbanken A	3,201,876	264,475	1.2
Hennes & Mauritz B	2,150,741	369,927	1.6
Hexagon B	596,995	447,627	2.0
Husqvarna B	3,175,827	338,226	1.5
Implantica AG SDB	407,690	64,048	0.3
Investor B	838,265	502,288	2.2
Millicom	953,296	308,677	1.4
Mips	246,010	126,695	0.6
NCC B	994,573	149,186	0.7
Nordic Entertainment	744,175	341,279	1.5
Nordnet AB	1,200,000	154,920	0.7
Sandvik	1,877,167	377,874	1.7
SEB A	4,356,650	368,137	1.6
Securitas B	2,659,739	353,080	1.6
SKF B	1,400,000	298,760	1.3
Swedbank A	1,425,000	205,371	0.9
Swedish Orphan Biovitrum	1,368,617	227,327	1.0
TeliaSonera	7,000,000	237,720	1.1
Trelleborg B	1,379,142	251,693	1.1
Veoneer Inc	500,000	89,100	0.4
		9,565,873	42.3
Total listed equities		22,200,195	98.1
Total transferable securities		22,200,195	98.1
Total holdings in financial instruments		22,200,195	98.1
Net, other assets and liabilities		439,504	1.9
Total fund capital		22,639,700	100.0

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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).

*** Refers to other financial instruments.

0.3

Handelsbanken Norden Tema, cont.

Compilation, Company and Group exposure*

Company/Group	% of fund capital
Atlas Copco	2.7

* 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.

Additional information on loaned securities

Volume of lent securities, SEK thousand: 1,186,515

Volume of lent securities as a % of total lendable assets 6.15

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

United Kingdom	299,358
France	284,137
Germany	69,346
Amerikanska staten	47,055
Belgium	36,383
Vinci SA	24,327
Informa Plc	24,238
Apple Inc	23,950
Vodafone Group Plc	23,743
Netherlands	21,355

The largest counterparties for securities lending, SEK thousand:

HSBC Bank Plc	480,359
Merrill Lynch Intl	252,743
Goldman Sachs Intl	245,491
Skandinaviska Enskilda Banken AB (publ)	117,482
Citigroup Global Markets Ltd	65,836
J.P. Morgan Securities Plc	58,566
UBS AG, London Branch	32,936
Morgan Stanley & Co Intl Plc	19,288
Svenska Handelsbanken AB (publ)	3,898
Credit Suisse Securities (Europe) Ltd	3,013

1,279,611

Type and quality of collateral, SEK thousand:

Bonds and other interest-bearing instruments	766,483
Equities, shares	513,128

1,279,611

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:

Open Maturity	-
Less than 1 day	-
1 Day to 1 Week	142
1 Week to 1 Month	2,052
1 Month to 3 Months	3,279
3 Months to 1 Year	761,011
Above 1 Year	513,128

1,279,611

The domicile of the counterparties, SEK thousand:

Svenska staten	121,379
Brittiska staten	1,158,232

1,279,611

Currency of the collateral, SEK thousand:

AUD	569
CAD	69
CHF	19,751
DKK	505
EUR	485,605
GBP	575,824
HKD	6,693
JPY	47,652
SEK	593
SGD	2
USD	142,336
NZD	11

1,279,611

Settlement and clearing, SEK thousand:

Triparty	1,279,611
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1,279,611

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

The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 2,349 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
 -Credit Suisse Securities (Europe) Ltd
 -Goldman Sachs Intl
 -HSBC Bank Plc
 -J.P. Morgan Securities Plc
 -Merrill Lynch Intl
 -Morgan Stanley & Co Intl Plc
 -Skandinaviska Enskilda Banken AB (publ)
 -Svenska Handelsbanken AB (publ)
 -UBS AG, London Branch

Handelsbanken Norden Tema

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities on behalf of the fund that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used in sustainability efforts

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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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 companies

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainability on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as an investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

The Management Company's engagement activities - Corporate governance

Annual General Meetings and Nomination committees

The Management Company normally votes at general meetings in those companies where ownership exceeds 0.5% or at general meetings where the company concerned is identified as falling short in its sustainability efforts/corporate governance work. In general, the Management Company also supports shareholder proposals that seek to promote corporate sustainability, including greater transparency in recording and the reporting of the company's climate impact, as well as its work with human rights and labor law.

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 5% 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 increased holdings in sustainable companies and, in particular, within the environment theme. Examples of new holdings include Orsted, the world's largest producer of offshore wind energy; Lassila & Tikkanen, with operations within recycling; and Caverion, which benefits from an increased focus on the energy efficiency of buildings. Within sustainable materials, we own holdings in Stora Enso and Ahlström-Munksjö.

Exclusion

The fund also excludes controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. As a result, many of the companies with the greatest sustainability challenges are excluded from the outset. In addition, we chose not to own holdings in the container transport company AP Moller-Maersk and sold the holdings in DFDS, which we believe will be facing sustainability challenges within maritime transport.

The Management Company's engagement activities - Dialogues

Targeted dialogues with direct contact between our fund managers and companies

The fund engaged in 5 targeted dialogues directly with a company during the year.

Dialogues are being conducted with salmon farming companies about how the companies can pursue business operations that are more sustainable over the long term and develop the best industry standard for salmon farming, which is an important nutrient for producing proteins.

Engagement activities in collaboration with other investors

In 2020, the Management Company participated in initiatives and collaborations that totaled over 125 companies. The fund did not have any investments in these companies.

Collaborations and industry initiatives

In 2020, the Management Company participated in initiatives and collaborations that totaled over 380 companies.

The Management Company's engagement activities - Corporate governance

Annual General Meetings and Nomination committees

In 2020, the Management Company voted at 71 annual general meetings on behalf of the fund.

The Management Company has received 41 seats in nomination committees through its shareholdings and has worked to present proposals for boards with high levels of competence and diversity.



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. The fund may invest in derivative instruments as part of its investment focus. The fund may invest a maximum of 10% of the fund capital in fund units. Fund performance is compared to SIX SRI Nordic 200 Small Cap Net Index. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. Risk diversification is normally attained through the fund's investments of between 130–175 companies, which is fewer than the benchmark index. The fund invests in companies, irrespective of whether or not these are included in the benchmark index. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 22.0% in 2020*. This has been a very remarkable year both in real terms as well as in the financial markets. The corona pandemic brought one country after another to a complete standstill at the beginning of the year, which led to sharp downturns in the stock markets. Given the massive support from authorities and central banks, as well as low interest rates, the equity markets rebounded sharply. The upturn from the bottom in March and to year-end is one of the quickest and strongest recoveries on record. Growth companies within gaming, technology and medicines were the strongest performers. Within this segment, the operational business has performed strongly and valuations have also risen. Several of the fund's best investments are found within this group and include companies such as Stillfront, Embracer, Kahoot and Admicom. Within medicines, Chemometec and Sedana have also contributed strongly. During the summer, traditional companies such as Dometic, DFDS and Electrolux rebounded. The next phase in the market arrived in November when the first vaccine was approved against corona. This was the beginning of a change in the market in which cyclical companies posted strength and several of the strong corona performers declined. The fund managed the change well. During this bewildering year the fund has also participated in a number of IPOs and investments with strong results overall. As always, we continue to identify innovative and talented companies with strong outlooks at 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 characterized 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 minimize 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 2020. The fund has the option of lending securities. The fund used this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

• Highest leverage during the financial year	0.3%
• Lowest leverage during the financial year	0.0%
• Average leverage during the financial year	0.0%

Information

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 and 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.

The Management Company's work in nomination committees is also regulated in Guidelines for nomination committees. 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 Nordiska Småbolag, cont.

Fund facts - history cont.

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Nordiska Småbolag A1 - SEK	+27.5	+15.2	+5.6	+16.0	+21.7	+20.0	+26.3	+26.3	-5.4	-4.1
Nordiska Småbolag A1 - EUR	+28.0	+11.4	+2.7	+12.0	+21.0	+18.0	-	-	-	-
Nordiska Småbolag A1 - NOK	+31.7	+11.6	+7.3	+13.2	+21.1	+26.5	-	-	-	-
Nordiska Småbolag A10 - SEK	+28.7	+16.3	+6.7	-	-	-	-	-	-	-
Nordiska Småbolag B1 - SEK	+27.6	+15.2	+5.6	+16.0	+21.7	+20.0	+26.3	-	-	-
Nordiska Småbolag A10 - EUR	+29.3	+12.5	+3.7	-	-	-	-	-	-	-
Nordiska Småbolag A10 - NOK	+33.0	+12.7	+8.3	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+25.4	+16.6	+5.6	+14.8	+19.7	+19.4	+25.9	+26.0	-4.1	-3.6
EUR	+26.0	+12.8	+3.2	+10.8	+19.0	+17.3	-	-	-	-
NOK	+29.6	+13.0	+7.7	+11.9	+19.1	+25.9	-	-	-	-
Average yearly return, 5 yrs. %										
Nordiska Småbolag A1 - SEK	+16.8	+17.1	+14.1	+21.5	+22.5	+12.0	+11.4	+20.8	-0.7	-3.8
Nordiska Småbolag A1 - EUR	+14.7	+14.7	+11.0	+18.2	+20.7	+11.7	-	-	-	-
Nordiska Småbolag A1 - NOK	+16.7	+16.6	+14.8	+25.3	+24.6	+16.4	-	-	-	-
Nordiska Småbolag A10 - SEK	+18.0	+18.3	+15.2	-	-	-	-	-	-	-
Nordiska Småbolag B1 - SEK	+16.9	+17.1	+14.1	+21.5	-	-	-	-	-	-
Nordiska Småbolag A10 - EUR	+15.8	+15.8	+12.1	-	-	-	-	-	-	-
Nordiska Småbolag A10 - NOK	+17.8	+17.8	+16.0	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+15.8	+16.9	+13.4	+20.5	+21.7	+12.1	+11.6	+19.8	-1.2	-4.8
EUR	+13.7	+14.5	+10.5	+17.3	+19.9	+11.8	-	-	-	-
NOK	+15.7	+16.4	+14.3	+24.3	+23.7	+16.6	-	-	-	-
Average yearly return, 10 yrs. %										
Nordiska Småbolag A1 - SEK	+14.4	+14.2	+17.4	+9.9	+8.6	+10.0	+13.0	+13.9	+14.2	+8.8
Nordiska Småbolag A1 - EUR	+13.2	+13.9	+18.3	+9.4	+7.9	+10.2	-	-	-	-
Nordiska Småbolag A1 - NOK	+16.6	+15.9	+18.5	+11.8	+9.0	+12.3	-	-	-	-
Nordiska Småbolag A10 - SEK	+15.5	+15.3	+18.5	-	-	-	-	-	-	-
Nordiska Småbolag A10 - EUR	+14.3	+15.0	+19.5	-	-	-	-	-	-	-
Nordiska Småbolag A10 - NOK	+17.7	+17.0	+19.7	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+14.0	+14.2	+16.5	+9.1	+7.6	+9.1	+12.0	+13.3	+13.7	+9.3
EUR	+12.7	+13.9	+17.6	+8.7	+7.0	+9.4	-	-	-	-
NOK	+16.1	+15.9	+17.8	+11.0	+8.1	+11.5	-	-	-	-
Dividends per unit, SEK										
Nordiska Småbolag A1 - SEK	-	-	-	-	-	-	-	-	9.45	5.39
Nordiska Småbolag B1 - SEK	39.89	23.07	32.14	29.84	25.92	21.80	19.40	12.83	0.00	-
Exchange rate EUR/SEK	10.05	10.51	10.13	9.83	9.58	9.16	-	-	-	-
Exchange rate NOK/SEK	0.96	1.07	1.02	1.00	1.06	0.95	-	-	-	-

1) The fund has reduced the number of holdings in recent years. To reduce the average size of the holdings in the fund, we chose to invest in a number of smaller companies outside of the index. This increased the tracking error slightly and we believe that the fund will fluctuate around present levels going forward.

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 A9	0.80
Nordiska Småbolag A10	0.60
Nordiska Småbolag B1	1.60
Collected mgmt. costs in % of average fund capital	
Nordiska Småbolag A1	1.60
Nordiska Småbolag A9	0.80
Nordiska Småbolag A10	0.60
Nordiska Småbolag B1	1.60
Annual fees in %	
Nordiska Småbolag A1	1.60
Nordiska Småbolag A9	0.80
Nordiska Småbolag A10	0.60
Nordiska Småbolag B1	1.60
Transaction costs, SEK thousand	10,343
Transaction costs in % of turnover	0.03
Costs in SEK for a one-time subscription, 10 000 SEK	
Nordiska Småbolag A1	156.91
Nordiska Småbolag A9	-
Nordiska Småbolag A10	59.15
Nordiska Småbolag B1	157.08
Costs in SEK for monthly savings, 100 SEK	
Nordiska Småbolag A1	11.53
Nordiska Småbolag A9	-
Nordiska Småbolag A10	4.34
Nordiska Småbolag B1	11.86

Fund facts - other key figures

Turnover rate	0.9
Share of turnover conducted via closely-related securities companies in %	17.5
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and return measurements*

Total risk % - A1 SEK	23.5	Information ratio - A1 SEK	0.7
Total risk % - A1 EUR	25.2	Information ratio - A1 EUR	0.7
Total risk % - A1 NOK	17.1	Information ratio - A1 NOK	0.7
Total risk % - A10 SEK	23.5	Information ratio - A10 SEK	1.1
Total risk % - B1 SEK	23.4	Information ratio - B1 SEK	0.7
Total risk % - A10 EUR	25.2	Information ratio - A10 EUR	1.1
Total risk % - A10 NOK	17.1	Information ratio - A10 NOK	1.1
Total risk in index % - A1 SEK	21.6	Sharpe ratio - A1 SEK	1.2
Total risk in index % - A1 EUR	23.1	Sharpe ratio - A1 EUR	1.1
Total risk in index % - A1 NOK	15.4	Sharpe ratio - A1 NOK	1.8
Total risk in index % - A10 SEK	21.6	Sharpe ratio - A10 SEK	1.2
Total risk in index % - B1 SEK	21.6	Sharpe ratio - B1 SEK	1.2
Total risk in index % - A10 EUR	23.1	Sharpe ratio - A10 EUR	1.2
Total risk in index % - A10 NOK	15.4	Sharpe ratio - A10 NOK	1.9
Benchmark	SIX SRI Nordic 200 Small Cap Net Index	Sharpe ratio in index - A1 SEK	1.2
Active Share % ¹⁾	45.3	Sharpe ratio in index - A1 EUR	1.1
Active return % - A1 SEK	2.0	Sharpe ratio in index - A1 NOK	1.9
Active return % - A1 EUR	2.0	Sharpe ratio in index - A10 SEK	1.2
Active return % - A1 NOK	2.1	Sharpe ratio in index - B1 SEK	1.2
Active return % - A10 SEK	3.3	Sharpe ratio in index - A10 EUR	1.1
Active return % - B1 SEK	2.1	Sharpe ratio in index - A10 NOK	1.9
Active return % - A10 EUR	3.3		
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.

Handelsbanken Nordiska Småbolag, cont.

Income statement, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	4,319,778	5,625,567
Interest income	89	-231
Dividends	304,882	538,857
Currency exchange profits and losses, net	-21,893	23,319
Other financial income ¹⁾	5,531	9,935
Other income	3,375	542
Total income and changes in value	4,611,763	6,197,989
EXPENSES		
Management costs:		
- Remuneration to the Management Company	326,934	332,599
Interest expense	1,223	174
Other financial expenses ²⁾	1,106	1,987
Other expenses	10,466	8,065
Total expenses	339,728	342,825
Net income	4,272,035	5,855,164
* Details of changes in value		
Capital gains	4,842,045	2,988,505
Capital losses	-2,055,828	-867,789
Unrealised gains/losses	1,533,561	3,504,851
Sum	4,319,778	5,625,567

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

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	24,497,208	97.7	22,784,182	99.0
Total financial instruments with positive market value ^{Note 2)}	24,497,208	97.7	22,784,182	99.0
Bank assets and other liquid assets	570,621	2.3	264,884	1.2
Prepaid expenses and accrued income	23,213	0.1	1,057	0.0
Other assets	150,461	0.6	7,139	0.0
Total assets	25,241,503	100.7	23,057,262	100.2
LIABILITIES				
Accrued expenses and prepaid income	32,183	0.1	30,438	0.1
Other liabilities	141,870	0.6	9,921	0.1
Total liabilities	174,053	0.7	40,359	0.2
Fund capital ^{Note 1)}	25,067,451	100.0	23,016,903	100.0
Financial instruments lent	1,125,185	4.5	900,857	3.9
Collateral received for financial instruments lent	1,223,243	4.9	975,383	4.2

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	23,016,903	18,294,104
Units issued ¹⁾	5,499,747	2,882,692
Units redeemed ¹⁾	-7,715,606	-4,012,192
Profit according to Income Statement	4,272,035	5,855,164
Dividends to unit holders	-5,628	-2,865
Fund capital at the close of the period	25,067,451	23,016,903

¹⁾ Of which SEK 239 631 t relates to internal moves between share classes

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
LISTED EQUITIES			
DENMARK (DKK)			
ALK-Abelló	58,667	197,997	0.8
Alm Brand	1,691,704	167,627	0.7
Ambu B Ord	486,056	172,702	0.7
Bavarian Nordic	100,000	25,244	0.1
Broedrene Hartmann B Ord Shs	58,490	39,638	0.2
cBrain	178,262	45,723	0.2
Chemometec	323,687	252,568	1.0
Columbus IT Partner	3,832,000	58,146	0.2
DFDS	484,836	180,122	0.7
GN Store Nord	556,988	366,334	1.5
H&H International	843,225	150,259	0.6
Jyske Bank	316,717	99,664	0.4
Lundbeck	650,000	183,218	0.7
Netcompany Group A/S	64,445	54,157	0.2
NKT Holding	695,000	254,448	1.0
Pandora	425,000	390,715	1.6
Rockwool International B	64,924	199,657	0.8
SimCorp	134,022	163,828	0.7
SP Group Ord	418,741	153,193	0.6
Spar Nord Bank	1,516,352	122,412	0.5
Sydbank	440,000	79,891	0.3

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
TCM Group	679,031	127,417	0.5
Tryg	1,010,000	261,923	1.0
William Demant	1,300,000	422,244	1.7
Zealand Pharma	356,500	106,167	0.4
		4,275,296	17.1
FAROE ISLANDS (DKK)			
BankNordik P/F	294,246	60,378	0.2
		60,378	0.2
FINLAND (EUR)			
Admicom Oyj	143,849	195,137	0.8
Cargotec	520,400	176,852	0.7
Caverion	1,550,000	90,491	0.4
Detection Technology	356,034	85,505	0.3
Exel Composites	822,006	60,958	0.2
Harvia	1,131,769	278,627	1.1
Huhtamaki	190,000	80,683	0.3
Kemira	400,000	52,011	0.2
Kesko B	701,312	148,271	0.6
Kojamo Plc	875,000	159,143	0.6
Konecranes	279,000	80,685	0.3
Nixu	296,887	28,699	0.1
Nokian Tyres	605,000	175,206	0.7
Oma Säästöpankki Oyj	981,000	104,490	0.4
Outootec	5,045,500	414,469	1.7
Remedy Entertainment	64,872	25,423	0.1
Sanoma	136,742	18,879	0.1
Tokmanni Group Corp	843,768	137,692	0.5
Valmet	1,005,000	235,906	0.9
VMP Oyj	975,613	57,840	0.2
Wärtsilä	1,925,000	157,648	0.6
		2,764,616	11.0
NETHERLANDS (EUR)			
Meltwater Holding	3,088,505	148,716	0.6
		148,716	0.6
NORWAY (NOK)			
Adevinta B	1,589,973	219,613	0.9
Airthings Ord Sh	4,258,660	56,240	0.2
Aker Biomarine	894,423	100,806	0.4
Aker Carbon Capture Ord Sh	3,000,000	51,221	0.2
Atlantic Sapphire Rg	1,319,921	151,927	0.6
Austevoll Seafood	4,878,741	410,405	1.6
BEWi	2,517,719	55,544	0.2
CSAM Health Group AS	596,136	56,323	0.2
Elliptic Laboratories	418,666	50,599	0.2
Entra AS	525,000	97,794	0.4
Gjensidige Forsikring	1,275,006	234,077	0.9
House of Control Group AS	2,704,799	55,780	0.2
Kahoot Ord Shs	3,355,768	306,432	1.2
Klaveness Combination Carriers	700,000	23,366	0.1
Kongsberg Automotive Holding	272,411,307	91,584	0.4
Lerøy Seafood Group	2,289,000	132,965	0.5
Link Mobility Group Holding	1,080,500	48,151	0.2
Mowi	2,300,000	421,373	1.7
Norbit	3,698,135	63,850	0.3
Nordic Semiconductor	810,000	107,218	0.4
Norsk Hydro	2,900,000	110,877	0.4
Norske Skog Ord Shs	2,179,465	80,903	0.3
NRC Group	1,804,937	54,968	0.2
Orkla	3,583,165	299,014	1.2
PatientSky Group AS	5,563,916	77,374	0.3
Quantafuel	1,726,030	100,660	0.4
SalMar	425,000	205,296	0.8
Scatec Solar	470,683	154,134	0.6
Schibsted B	1,226,797	376,319	1.5
Self Storage Group Ord Shs (Proposed)	3,708,974	92,498	0.4
Skandiabanken	358,459	23,690	0.1
Skitude Holding AS	4,429,104	31,863	0.1
SpareBank 1 Midt-Norge	729,700	68,312	0.3
Sparebanken Vest	1,683,840	116,935	0.5
Storebrand	4,377,819	269,587	1.1
Tomra Systems	301,400	122,174	0.5
Yara International	500,000	170,736	0.7
Zalariis Ord Shs	1,180,585	58,659	0.2
Zaptec	1,135,144	48,344	0.2
		5,197,611	20.7
SWEDEN (SEK)			
AcadeMedia	1,632,306	138,746	0.6
Alfa Laval	1,900,000	429,970	1.7
Ambea	1,384,063	90,103	0.4
Arjo B	2,308,201	145,070	0.6
Autoliv	125,000	95,625	0.4
Axfood	700,000	134,260	0.5
Balder B	994,823	426,680	1.7
Beijer Alma AB serie B	749,505	98,185	0.4
Beijer Ref B	552,860	208,097	0.8
BillerudKorsnäs	315,000	45,848	0.2
BioArctic B	265,000	25,281	0.1
Boliden1	1,617,616	471,373	1.9
Bufab	923,552	179,539	0.7
Castellum	1,043,931	217,868	0.9
Concentric	406,301	74,434	0.3
Coor Service Management	855,000	61,540	0.2
Dometic Group	1,700,000	185,215	0.7
Duni	822,520	88,668	0.4
Electrolux B	1,720,000	329,122	1.3
Electrolux Professional	1,202,578	56,016	0.2
Elekta B	1,498,611	165,522	0.7
Embracer B	2,336,569	459,369	1.8
Fabege	1,009,962	130,639	0.5
FinnvedenBulten	399,843	35,906	0.1
Getinge B	1,037,855	199,372	0.8

Handelsbanken Nordiska Småbolag, cont.

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
Gränges	1,933,912	193,778	0.8
Hansa Medical	248,720	59,792	0.2
Hexatronic Group	500,000	38,200	0.2
Hexpol B	2,733,983	240,591	1.0
Husqvarna B	2,749,077	292,777	1.2
Implantica AG SDB	532,690	83,686	0.3
Indutrade	675,000	118,935	0.5
JM	225,000	65,385	0.3
Klövern B	11,268,521	175,113	0.7
Knowit	497,453	154,957	0.6
Lifco B	220,000	173,580	0.7
Lindab International	2,037,419	347,176	1.4
Loomis	723,874	163,740	0.7
Micronic Mydata	813,985	199,752	0.8
Midsona B	1,709,448	132,995	0.5
Millicom	475,000	153,805	0.6
Momentum Group B	601,046	85,349	0.3
Nederman 1	411,441	58,013	0.2
New Wave Group B	1,067,795	58,195	0.2
Nordic Entertainment	326,927	149,929	0.6
Nordic Waterproofing Hold AB	1,195,044	195,987	0.8
Nordnet AB	673,810	86,989	0.3
Nyfosa	2,617,177	214,478	0.9
OEM International	309,397	95,604	0.4
Peab B	1,984,847	177,942	0.7
Platzer Fastigheter B	1,400,775	150,443	0.6
Rejlers B	430,000	73,100	0.3
Sagax B	1,032,484	175,109	0.7
Securitas B	1,550,000	205,763	0.8
Sedana Medical	353,363	121,204	0.5
Sinch	245,977	329,609	1.3
Skanska B	1,625,000	340,763	1.4
SKF B	2,350,000	501,490	2.0
Stillfront Group AB	3,278,750	327,875	1.3
Storytel B	400,000	108,000	0.4
Swedencare Ord Shs	118,800	38,610	0.2
Swedish Orphan Biovitrum	1,131,250	187,901	0.7
Systemair	508,231	130,869	0.5
Tele2 B	2,700,000	293,220	1.2
Thule Group	421,527	129,662	0.5
Trelleborg B	1,907,718	348,159	1.4
Veoneer Inc	796,717	141,975	0.6
Wihlborgs	1,184,447	219,596	0.9
		12,032,539	48.0
Total listed equities		24,479,157	97.7

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
UNLISTED EQUITIES***			
DENMARK (DKK)			
NKT A/S Temp-Share	48,801	18,051	0.1
OW Bunker	127,500	0	0.0
		18,051	0.1
Total unlisted equities		18,051	0.1
Total transferable securities		24,497,208	97.7
Total holdings in financial instruments		24,497,208	97.7
Net, other assets and liabilities		570,243	2.3
Total fund capital		25,067,451	100.0

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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.

97.7

** 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.

0.1

Compilation, Company and Group exposure*

Company/Group	% of fund capital
Electrolux	1.5

* 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.

Additional information on loaned securities

Volume of lent securities, SEK thousand: 1,125,185

Volume of lent securities as a % of total lendable assets 5.86

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

United Kingdom	549,153
France	237,026
Amerikanska staten	139,428
Germany	90,535
Belgium	58,157
Netherlands	29,055
Austria	15,834
BHP Group Plc	4,064
Keyence Corp	3,106
Nintendo Co Ltd	3,038

The largest counterparties for securities lending, SEK thousand:

Goldman Sachs Intl	448,117
Citigroup Global Markets Ltd	266,096
Merrill Lynch Intl	252,042
J.P. Morgan Securities Plc	114,036
Morgan Stanley & Co Intl Plc	74,643
Svenska Handelsbanken AB (publ)	32,022
Credit Suisse Securities (Europe) Ltd	16,984
Skandinaviska Enskilda Banken AB (publ)	10,436
HSBC Bank Plc	7,427
UBS AG, London Branch	1,439

1,223,243

Type and quality of collateral, SEK thousand:

Bonds and other interest-bearing instruments	1,119,802
Equities, shares	103,441

1,223,243

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:

Open Maturity	-
Less than 1 day	-
1 Day to 1 Week	645
1 Week to 1 Month	777
1 Month to 3 Months	635
3 Months to 1 Year	1,117,745
Above 1 Year	103,441

1,223,243

The domicile of the counterparties, SEK thousand:

Svenska staten	42,458
Brittiska staten	1,180,784

1,223,243

Currency of the collateral, SEK thousand:

AUD	1,621
CAD	364
CHF	3,397
DKK	1,585
EUR	449,609
GBP	571,724
HKD	11,776
JPY	30,278
SEK	1,468
SGD	4
USD	151,392
NZD	25

1,223,243

Settlement and clearing, SEK thousand:

Triparty	1,223,243
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1,223,243

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

The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 5,531 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
 -Credit Suisse Securities (Europe) Ltd
 -Goldman Sachs Intl
 -HSBC Bank Plc
 -J.P. Morgan Securities Plc
 -Merrill Lynch Intl
 -Morgan Stanley & Co Intl Plc
 -Skandinaviska Enskilda Banken AB (publ)
 -Svenska Handelsbanken AB (publ)
 -UBS AG, London Branch

Handelsbanken Nordiska Småbolag

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities on behalf of the fund that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used in sustainability efforts

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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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 companies

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainability on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as an investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

The Management Company's engagement activities - Corporate governance

Annual General Meetings and Nomination committees

The Management Company normally votes at general meetings in those companies where ownership exceeds 0.5% or at general meetings where the company concerned is identified as falling short in its sustainability efforts/corporate governance work. In general, the Management Company also supports shareholder proposals that seek to promote corporate sustainability, including greater transparency in recording and the reporting of the company's climate impact, as well as its work with human rights and labor law.

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 5% 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. The demand for organic food has increased in Sweden, the rest of the Nordic countries and in several other European countries over many years. The fund has been one of the major owners in Misona for several years. Misona is the largest organic food company in the Nordics and is also growing in the rest of Europe. During the year we also invested in several companies that are working with energy savings, such as NKT, Systemair and Lindab.

Exclusion

The fund also excludes controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels.

The Management Company's engagement activities - Dialogues

Targeted dialogues with direct contact between our fund managers and companies

The fund engaged in 9 targeted dialogues directly with companies during the year.

Dialogues are being conducted with salmon farming companies about how the companies can pursue business operations that are more sustainable over the long term and develop the best industry standard for salmon farming, which is an important nutrient for producing proteins.

Engagement activities in collaboration with other investors

In 2020, the Management Company participated in a total of 125 company dialogues together with other investors. The fund invested in one of these companies.

A dialogue was conducted with Loomis due to alleged failure to respect union rights in Turkey.



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 in derivative instruments as part of the fund's investment focus. The fund may invest a maximum of 10% of fund capital in fund units. We compare fund performance with Oslo Børs Fondsindeks (OSEFX), an equity index that reflects the performance on the Oslo stock exchange. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund normally consists of approximately 50 holdings, which is fewer than the fund's benchmark index. The fund invests in companies, irrespective of whether or not these are included in the benchmark index. Given that the fund is actively-managed, returns will deviate from this index over time. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 9.4% in 2020*. Companies such as Kahoot!, a world-leading edtech company; Scatec, a rapidly growing solar energy company; and Salmar, a "best in class" salmon producer, contributed positively to fund returns during the year. Yara, a leading agricultural company, and Sats, a Scandinavian training chain, contributed negatively. 2020 was a year with major contrasts and great uncertainty. As a result of the market correction that occurred in February and March, the fund's exposure was changed and the market exposure was reduced by selling positions in cyclical equities and small caps. Examples of the sales included the materials company Norsk Hydro and the online bank Sbanken. The market volatility provided the opportunity to invest in several attractive growth companies, such as Atlantic Sapphire, a leader within land-based salmon farming within the demographics investment theme, as well as Crayon, a software driven IT consultancy within the digitalization investment theme. During the spring and early summer, the fund also increased exposure in so-called "stay-at-home" equities, which includes companies that benefit from the effects of the closures due to Covid-19. Examples of these companies include Europris, Norway's leading player in the home provider of home delivery of consumer goods, as well as KID, one of Norway's leading players for furniture and textiles. The fund increased its macroeconomic exposure further after the major news about the Pfizer/BioNTech's vaccine by purchasing holdings in Sparebanken SR, a regional bank, and Storebrand, a market-leading financial services company. These purchases were made at the expense of defensive equities such as Orkla, Norway's largest company of consumer goods, and Entra, Norway's largest listed real estate company. Throughout 2020, the fund has focused on sustainability and the fund has substantial investments in ESG equities and in the environment theme. Examples of the latter include Quantafuel, a pioneer within plastic-to-plastic recycling; Aker Carbon Capture, a world-leading company with regard to the reduction of carbon emissions; and Hexagon Purus, a global leader within hydrogen cylinder development. The company participated in the IPOs of Aker Carbon Capture and Hexagon Purus. The combination of dynamic management during an extraordinary year and an overweight in companies with focus on sustainable growth led to excess returns in 2020.

* 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 characterized 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 did not use this option during 2020. The fund has the option of lending securities. The fund used this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

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

Information

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 and 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.

The Management Company's work in nomination committees is also regulated in Guidelines for nomination committees. 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

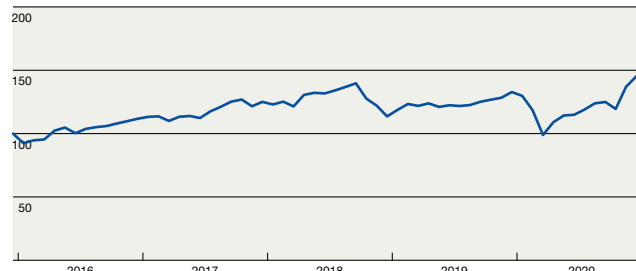
Handelsbanken Norge, cont.

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 Shareholder engagement and responsible investment 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 and in Guidelines for nomination committees 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

	2020	2019	2018	8/9-31/12 2017	2016	2015	2014	2013	2012	2011
Net asset value										
Norge A1 - SEK	1,298.47	1,317.98	1,082.94	1,166.07	-	-	-	-	-	-
Norge A1 - NOK	1,353.71	1,237.20	1,057.69	1,164.91	-	-	-	-	-	-
Norge A9 - SEK	98.12	-	-	-	-	-	-	-	-	-
Norge A10 - NOK	1,409.90	1,271.09	1,070.48	-	-	-	-	-	-	-
The fund's total net flow, NOK m	-83	-529	-603	-156	-	-	-	-	-	-
Fund capital total, mNOK	2,848	2,727	2,816	3,676	-	-	-	-	-	-
Norge A1 - SEK	528	614	632	684	-	-	-	-	-	-
Norge A1 - NOK	1,711	1,763	1,738	2,992	-	-	-	-	-	-
Norge A9 - SEK	1	-	-	-	-	-	-	-	-	-
Norge A10 - NOK	586	387	461	-	-	-	-	-	-	-
Number of units, 1000's	2,094	2,196	2,657	3,156	-	-	-	-	-	-
Norge A1 - SEK	407	466	583	587	-	-	-	-	-	-
Norge A1 - NOK	1,264	1,426	1,643	2,569	-	-	-	-	-	-
Norge A9 - SEK	8	-	-	-	-	-	-	-	-	-
Norge A10 - NOK	416	304	431	-	-	-	-	-	-	-
Total returns in %										
Norge A1 - SEK	-1.5	+21.7	-7.1	+6.2	+23.8	+12.0	+20.7	+20.7	+19.7	-25.6
Norge A1 - NOK	+9.4	+17.0	-9.2	+11.9	+11.7	+22.7	+22.3	+33.2	+17.7	-25.1
Norge A9 - SEK	-1.9	-	-	-	-	-	-	-	-	-
Norge A10 - NOK	+10.9	+18.7	-7.8	-	-	-	-	-	-	-
Index including dividends in %										
Norge A1 - SEK	-3.4	+24.0	0.0	+11.0	+23.5	-2.7	+4.2	+12.5	+22.8	-19.3
Norge A1 - NOK	+7.3	+19.2	-2.2	+17.0	+11.5	+6.7	+5.7	+24.2	+20.6	-18.6
Norge A9 - SEK	-4.9	-	-	-	-	-	-	-	-	-
Norge A10 - NOK	+7.3	+19.2	-2.2	-	-	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾										
Norge A1 - SEK	2.2	3.5	5.0	4.6	-	-	-	-	-	-
Norge A1 - NOK	2.2	3.5	5.0	4.6	5.5	6.2	5.0	5.0	5.7	5.8
Norge A10 - NOK	2.2	3.5	5.0	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Norge A1 - SEK	+9.5	+6.3	-0.7	+14.6	+17.7	+16.2	+20.7	+20.2	-5.6	-8.2
Norge A1 - NOK	+13.1	+3.1	+0.8	+11.8	+17.1	+22.5	+27.7	+25.2	-6.1	-4.8
Norge A10 - NOK	+14.8	+4.6	+2.3	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+9.5	+11.4	+5.4	+17.1	+9.7	+0.7	+8.3	+17.5	-0.5	-3.9
NOK	+13.1	+8.0	+7.0	+14.2	+9.1	+6.2	+14.6	+22.4	-1.0	-0.3
Average yearly return, 5 yrs. %										
Norge A1 - SEK	+7.9	+10.7	+10.5	+16.5	+19.3	+7.7	+8.0	+17.8	-5.4	-3.7
Norge A1 - NOK	+7.8	+10.3	+11.3	+20.1	+21.3	+12.0	+11.7	+19.3	-5.1	-4.5
Norge A10 - NOK	+9.4	+11.9	+12.9	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+10.5	+10.6	+6.8	+9.4	+11.6	+2.5	+5.9	+18.9	-3.1	-3.7
NOK	+10.3	+10.2	+7.6	+12.8	+13.5	+6.5	+9.5	+20.4	-2.8	-4.5
Average yearly return, 10 yrs. %										
Norge A1 - SEK	+7.8	+9.3	+14.1	+5.0	+7.2	+7.5	+10.8	+12.0	+12.5	+6.9
Norge A1 - NOK	+9.9	+11.0	+15.2	+6.8	+7.6	+9.8	+11.3	+12.2	+13.4	+7.1
Norge A10 - NOK	+11.5	+12.6	+16.9	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+6.4	+8.2	+12.7	+2.9	+3.7	+3.7	+8.3	+11.6	+13.5	+7.6
NOK	+8.4	+9.8	+13.8	+4.7	+4.1	+5.9	+8.8	+11.9	+14.3	+7.8
Exchange rate NOK/SEK	0.96	1.07	1.02	1.00	-	-	-	-	-	-

Benchmark: Oslo Bers 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.

Handelsbanken Norge, cont.

Fund facts - costs

Max. allowed mgmt. costs in % according to fund rules	
Norge A1	2.00
Norge A9	1.00
Norge A10	0.50
Collected mgmt. costs in % of average fund capital	
Norge A1 ¹⁾	1.86
Norge A9 ²⁾	0.98
Norge A10	0.50
Annual fees in %	
Norge A1	1.86
Norge A9	0.98
Norge A10	0.50
Transaction costs, NOKt	1,316
Transaction costs in % of turnover	0.02
Costs in NOK for a one-time subscription, 10 000 NOK	
Norge A1	168.08
Norge A9	-
Norge A10	45.74
Costs in NOK for monthly savings, 100 NOK	
Norge A1	11.97
Norge A9	-
Norge A10	3.42

1) On September 1, 2020, the management fee was changed from 2,00% to 1,50% for the shareclass
 2) On September 22, 2020, the management fee was changed from 1,00% to 0,70% for the shareclass

Fund facts - other key figures

Turnover rate	1.3
Share of turnover conducted via closely-related securities companies in %	16.3
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and return measurements*

Total risk % - A1 SEK	29.0	Information ratio - A1 SEK	0.0
Total risk % - A1 NOK	21.0	Information ratio - A1 NOK	0.0
Total risk % - A10 NOK	21.0	Information ratio - A10 NOK	0.7
Total risk in index % - A1 SEK	28.4	Sharpe ratio - A1 SEK	0.3
Total risk in index % - A1 NOK	20.4	Sharpe ratio - A1 NOK	0.6
Total risk in index % - A10 NOK	20.4	Sharpe ratio - A10 NOK	0.7
Benchmark Oslo Børs Fondsindeks (OSEFX)		Sharpe ratio in index - A1 SEK	0.3
		Sharpe ratio in index - A1 NOK	0.6
		Sharpe ratio in index - A10 NOK	0.6
Active Share % ¹⁾	40.9		
Active return % - A1 SEK	0.0		
Active return % - A1 NOK	0.0		
Active return % - A10 NOK	1.7		

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, NOK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	173,791	383,412
Interest income	174	286
Dividends	68,809	104,613
Currency exchange profits and losses, net	456	159
Other financial income ¹⁾	1,130	1,919
Other income	29	281
Total income and changes in value	244,390	490,670
EXPENSES		
Management costs:		
- Remuneration to the Management Company	38,530	48,700
Interest expense	43	32
Other financial expenses ²⁾	226	390
Other expenses	1,340	1,532
Total expenses	40,139	50,654
Net income	204,251	440,016
* Details of changes in value		
Capital gains	331,664	573,128
Capital losses	-378,337	-190,088
Unrealised gains/losses	220,465	372
Sum	173,791	383,412

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

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

Balance sheet, NOK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	2,811,156	98.7	2,689,135	98.6
Total financial instruments with positive market value ^{Note 2)}	2,811,156	98.7	2,689,135	98.6
Bank assets and other liquid assets	48,182	1.7	54,945	2.0
Prepaid expenses and accrued income	29	0.0	139	0.0
Other assets	14,251	0.5	26,119	1.0
Total assets	2,873,618	100.9	2,770,338	101.6
LIABILITIES				
Accrued expenses and prepaid income	3,003	0.1	4,098	0.2
Other liabilities	22,308	0.8	39,337	1.4
Total liabilities	25,311	0.9	43,435	1.6
Fund capital ^{Note 1)}	2,848,307	100.0	2,726,903	100.0
Financial instruments lent	37,259	1.3	75,987	2.8
Collateral received for financial instruments lent	40,166	1.4	83,416	3.1

Note 1) for Balance sheet

Changes in fund capital, NOK thousand

	2020	2019
Fund capital at beginning of year	2,726,903	2,816,218
Units issued ¹⁾	588,249	420,112
Units redeemed ¹⁾	-671,096	-949,443
Profit according to Income Statement	204,251	440,016
Dividends to unit holders	-	-
Fund capital at the close of the period	2,848,307	2,726,903

1) Of which NOK 4 888 t relates to internal moves between share classes

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*	Number/Nominal amount in 1000's	Market value NOK t	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
Bakkafrost	75,512	46,251	1.6
Europris	939,237	47,995	1.7
Kid Ord Shs	273,012	26,045	0.9
Schibsted B	492,824	157,605	5.5
		277,897	9.8
CONSUMER STAPLES			
Atlantic Sapphir Rg	218,270	26,192	0.9
Kalera AS	266,017	8,647	0.3
Lerøy Seafood Group	2,753,827	166,772	5.9
Mowi	362,460	69,230	2.4
SalMar	198,025	99,725	3.5
		370,566	13.0
ENERGY			
Aker	143,887	80,577	2.8
BW LPG	320,104	18,886	0.7
BW Offshore1	424,026	15,994	0.6
Det Norske Oljeselskap	940,382	203,311	7.1
DNO International	1,327,524	9,117	0.3
Equinor ASA	610,254	88,456	3.1
Frontline	189,069	10,266	0.4
		426,608	15.0
FINANCIALS AND REAL ESTATE			
ABG Sundal Collier Holding	917,176	5,852	0.2
DNB	301,415	50,638	1.8
Entra AS	128,354	24,926	0.9
Gjensidige Forsikring	451,588	86,434	3.0
Norwegian Finans Holding	450,367	32,944	1.2
SpareBank 1 Midt-Norge	709,378	69,235	2.4
SpareBank 1 SR-Bank	1,590,376	144,724	5.1
Sparebanken Vest	423,649	30,672	1.1
Storebrand	1,836,128	117,879	4.1
		563,305	19.8
HEALTH CARE			
BergenBio	115,854	3,730	0.1
Medi-Stim	32,079	8,020	0.3
		11,750	0.4
INDUSTRIALS			
Aker Carbon Capture Ord Sh	1,528,140	27,201	1.0
Golden Ocean Group Ord Shs	312,116	12,485	0.4
Hexagon Purus	333,565	16,645	0.6
Kongsberg Gruppen	163,974	28,892	1.0
Nel	2,919,015	84,535	3.0
Quantafuel	475,181	28,891	1.0
Self Storage Group Ord Shs (Proposed)	530,552	13,794	0.5
Stolt-Nielsen	41,828	4,601	0.2
Tomra Systems	216,812	91,625	3.2
Wilh. Wilhelmsen	412,647	9,573	0.3
		318,242	11.2

Handelsbanken Norge, cont.

	Number/Nominal amount in 1000's	Market value NOK t	% of fund capital
INFORMATION TECHNOLOGY			
Bouvet	20,923	14,855	0.5
Crayon Group Holding ASA	112,914	14,205	0.5
Kitron	390,162	7,070	0.2
Link Mobility Group Holding	149,356	6,939	0.2
Meltwater Holding	1,266,746	63,591	2.2
Nordic Semiconductor	388,978	53,679	1.9
Skitude Holding AS	1,166,261	8,747	0.3
		169,085	5.9
MATERIALS			
Elkem Ord Shs	1,962,403	55,693	2.0
Norsk Hydro	1,385,001	55,206	1.9
Yara International	443,256	157,799	5.5
		268,698	9.4
TELECOMMUNICATION SERVICES			
Adevinta B	337,150	48,550	1.7
Kahoot Ord Shs	182,897	17,412	0.6
Play Magnus AS	562,503	12,938	0.5
Telenor	1,315,738	191,966	6.7
		270,865	9.5
UTILITIES			
Fjordkraft Holding Ord Shs	195,829	16,391	0.6
Scatec Solar	235,363	80,353	2.8
		96,744	3.4
OTHER			
Subsea 7	425,723	37,396	1.3
		37,396	1.3
Total listed equities		2,811,156	98.7
Total transferable securities		2,811,156	98.7
Total holdings in financial instruments		2,811,156	98.7
Net, other assets and liabilities		37,151	1.3
Total fund capital		2,848,307	100.0

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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.

98.7

** 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.

Compilation, Company and Group exposure*

Company/Group	% of fund capital
SpareBank 1	7.5

* 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.

Additional information on loaned securities

Volume of lent securities, NOK thousand: **37,259**

Volume of lent securities as a % of total lendable assets **1.41**

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

Amerikanska staten	16,215
Germany	10,119
United Kingdom	4,020
France	381
American Tower Corp Reit	365
Austria	363
Microsoft Corp	295
MasterCard Inc	216
Cigna Corp	198
Wells Fargo & Co	191

The largest counterparties for securities lending, NOK thousand:

J.P. Morgan Securities Plc	17,707
UBS AG, London Branch	8,364
Credit Suisse AG, Dublin Branch	7,396
Skandinaviska Enskilda Banken AB (publ)	3,203
HSBC Bank Plc	3,094
Merrill Lynch Intl	402
Goldman Sachs Intl	0
	40,166

Type and quality of collateral, NOK thousand:

Bonds and other interest-bearing instruments	31,252
Equities, shares	8,914
	40,166

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:

Open Maturity	-
Less than 1 day	-
1 Day to 1 Week	674
1 Week to 1 Month	262
1 Month to 3 Months	419
3 Months to 1 Year	29,898
Above 1 Year	8,914
	40,166

The domicile of the counterparties, NOK thousand:

Svenska staten	3,203
Brittiska staten	29,568
Irländska staten	7,396
	40,166

Currency of the collateral, NOK thousand:

AUD	66
CAD	169
CHF	36
DKK	4
EUR	11,222
GBP	4,643
HKD	18
JPY	1,244
SEK	2
SGD	0
USD	22,762
NZD	0
MXN	0
	40,166

Settlement and clearing, NOK thousand:

Triparty	40,166
	40,166

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

The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 1,130 NOK 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
 -Credit Suisse AG, Dublin Branch
 -Credit Suisse Securities (Europe) Ltd
 -Goldman Sachs Intl
 -HSBC Bank Plc
 -J.P. Morgan Securities Plc
 -Merrill Lynch Intl
 -Skandinaviska Enskilda Banken AB (publ)
 -UBS AG, London Branch

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.

The Management Company also carries out engagement activities on behalf of the fund that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used in sustainability efforts

Exclusion

In accordance with the Management Company's policy for shareholder engagement and responsible investment, the fund excludes investments in:

- Companies involved in production or distribution of weapons banned under international law, such as cluster bombs, anti-personnel mines, biological and chemical weapons.
- Companies involved in production or distribution of nuclear weapons.
- Companies with turnover exceeding 5% that is attributed to coal mining or with turnover exceeding 30% that is attributed to coal power generation.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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 companies

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainability on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

The Management Company's engagement activities - Corporate governance

Annual General Meetings and Nomination committees

The Management Company normally votes at general meetings in those companies where ownership exceeds 0.5% or at general meetings where the company concerned is identified as falling short in its sustainability efforts/corporate governance work. In general, the Management Company also supports shareholder proposals that seek to promote corporate sustainability, including greater transparency in recording and the reporting of the company's climate impact, as well as its work with human rights and labor law.

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 Aker Carbon Capture (ACC), a dedicated carbon capture technology company in Norway. ACC was spun-off from Aker Solutions ASA and listed on the Oslo Børs in the autumn 2020. ACC has a history that goes back to 1996 and through its portfolio of leading technology and expertise, the company strives to reduce carbon emissions from the industry and thereby contribute positively to the environment (E/Environmental). Pursuant to IEA, carbon capture, i.e., CCUS (Carbon Capture Utilization and Storage), is calculated as representing approximately 9% of the total carbon reductions within the UN's Sustainable Development Scenario. As one of only four actors worldwide with solutions tailored to an industrial scale, ACC is in a special position to contribute positively and significantly to this goal. The company has set a goal of capturing 10 million tonnes of carbon dioxide annually until 2025. Prioritized industries are the cement industry, bio-waste-to-energy, gas-to-energy and blue hydrogen. The Norwegian government launched "Project Longship" in September 2020, and will be contributing NOK 1.7 billion to ACC for the capture of carbon at HeidelbergCement's factory in Breivik. The framework for support to Project Longship exceeds NOK 22 billion and was approved by the Norwegian Parliament after budget negotiations in December 2020. The substantial economic support by the Norwegian authorities provides further certainty for our own assessment of the company's good social (S/Social) and governance (G/Corporate Governance) profile.

Exclusion

In 2020, the fund chose not to invest in Arcus ASA, a Norwegian alcohol producer. The company offers a wide range of beer, wine and spirits, and we expect these products to counteract our role as a responsible investor in Norway. Within this context, the potential negative impact on social (S) conditions is central.

The Management Company's engagement activities - Corporate governance

Engagement activities in collaboration with other investors

The fund engaged in 6 targeted dialogues directly with a company during the year.

In December 2020, the fund invested in the IPO of Meltwater B.V. (MWTR), a leading global technology company within "media monitoring". The company is registered in the Netherlands and was listed for trading on Euronext Growth, a non-regulated Norwegian marketplace. Consequently, MWTR is currently not formally subject to the corporate governance requirements applicable to Norwegian public limited companies ("ASA") or foreign companies listed on the main list of Oslo Børs, which include rules on the composition of the board and gender distribution. Handelsbanken Fonder was one of the cornerstone investors in the IPO and is one of the company's largest institutional



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. The fund may invest in derivative instruments as part of the fund's investment focus. We compare the fund's performance with SIX SRI Sweden 200 Small Cap Gross Index. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. Risk diversification is normally attained through the fund's investments of between 80–100 companies, which is significantly fewer than the benchmark index. The fund invests in companies, irrespective of whether or not these are included in the benchmark index. As the fund is actively managed the performance will over time deviate from this index. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 32.2% in 2020*. The period was naturally characterized by the effects of Covid-19 with a sharp initial decline in March, followed by a gradual recovery. During the year we increased the portfolio's exposure to digitalization, improved communication and more efficient healthcare. At the end of the year we also invested in more cyclical companies. These themes have strengthened in 2020 and we do not see any reason for a decline. During the year we successfully participated in several capital acquisitions to finance either offensive acquisitions or higher growth. Sinch, BHG and Hansa Biopharma were the most positive contributors to fund returns, while Loomis, Klövern and Resurs Holding 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 characterized 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 minimize 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 2020. The fund has the option of lending securities. The fund used this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

• Highest leverage during the financial year	0.2%
• Lowest leverage during the financial year	0.0%
• Average leverage during the financial year	0.0%

Information

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 and 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.

The Management Company's work in nomination committees is also regulated in Guidelines for nomination committees. 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.

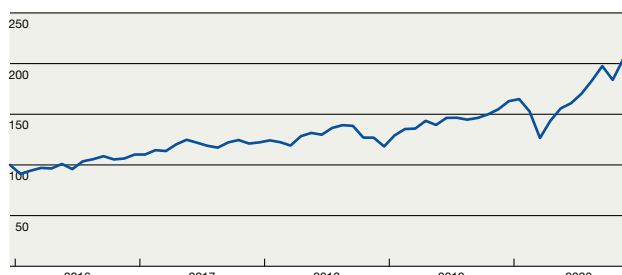
No conflicts of interest have arisen between the Management Company and the portfolio management company in conjunction with the funds' investments. Information is available in the Management Company's Shareholder engagement and responsible investment on how the Management Company in general manages 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 Svenska Småbolag, cont.

investments and in Guidelines for nomination committees 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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net asset value										
Svenska Småbolag A1 - SEK	2,722.59	2,059.92	1,494.67	1,545.52	1,394.01	1,264.35	941.15	767.40	557.29	507.56
Svenska Småbolag A1 - EUR	270.95	196.04	147.48	-	-	-	-	-	-	-
Svenska Småbolag A9 - SEK	128.04	-	-	-	-	-	-	-	-	-
Svenska Småbolag A9 - EUR	272.05	-	-	-	-	-	-	-	-	-
Svenska Småbolag A10 - SEK	2,792.03	2,093.52	1,505.45	-	-	-	-	-	-	-
Svenska Småbolag B1 - SEK	2,017.48	1,593.26	1,186.88	1,280.07	1,201.13	1,137.78	878.10	743.83	557.29	-
The fund's total net flow, SEK m	520	1,219	-2,003	393	730	1,770	855	1,540	-1,376	-
Fund capital total, SEK m	35,832	26,995	18,636	21,242	18,789	16,398	10,829	8,125	4,621	5,345
Svenska Småbolag A1 - SEK	28,595	21,891	15,760	20,824	18,515	16,298	10,773	8,070	4,617	5,345
Svenska Småbolag A1 - EUR	13	8	6	-	-	-	-	-	-	-
Svenska Småbolag A9 - SEK	312	-	-	-	-	-	-	-	-	-
Svenska Småbolag A9 - EUR	2	-	-	-	-	-	-	-	-	-
Svenska Småbolag A10 - SEK	5,800	4,293	2,404	-	-	-	-	-	-	-
Svenska Småbolag B1 - SEK	980	404	223	418	274	100	56	55	4	-
Number of units, 1000's	15,555	13,172	12,527	13,800	13,510	12,978	11,510	10,590	8,291	10,531
Svenska Småbolag A1 - SEK	10,503	10,628	10,544	13,473	13,282	12,890	11,446	10,516	8,284	10,531
Svenska Småbolag A1 - EUR	47	39	42	-	-	-	-	-	-	-
Svenska Småbolag A9 - SEK	2,435	-	-	-	-	-	-	-	-	-
Svenska Småbolag A9 - EUR	6	-	-	-	-	-	-	-	-	-
Svenska Småbolag A10 - SEK	2,077	2,051	1,597	-	-	-	-	-	-	-
Svenska Småbolag B1 - SEK	486	253	188	327	228	88	64	73	7	-
Total returns in %										
Svenska Småbolag A1 - SEK	+32.2	+37.8	-3.3	+10.9	+10.3	+34.3	+22.6	+37.7	+13.5	-12.3
Svenska Småbolag A1 - EUR	+38.2	+32.9	-6.2	-	-	-	-	-	-	-
Svenska Småbolag A9 - SEK	+28.0	-	-	-	-	-	-	-	-	-
Svenska Småbolag A9 - EUR	+34.4	-	-	-	-	-	-	-	-	-
Svenska Småbolag A10 - SEK	+33.4	+39.1	-2.4	-	-	-	-	-	-	-
Svenska Småbolag B1 - SEK	+32.4	+37.8	-3.3	+10.9	+10.3	+34.3	+22.6	+37.7	+6.8	-
Index including dividends in %										
Svenska Småbolag A1 - SEK	+21.7	+41.2	-0.2	+8.8	+12.2	+30.1	+21.6	+36.6	+12.6	-13.2
Svenska Småbolag A1 - EUR	+27.3	+36.2	-3.2	-	-	-	-	-	-	-
Svenska Småbolag A9 - SEK	+17.6	-	-	-	-	-	-	-	-	-
Svenska Småbolag A9 - EUR	+23.4	-	-	-	-	-	-	-	-	-
Svenska Småbolag A10 - SEK	+21.7	+41.2	-0.2	-	-	-	-	-	-	-
Svenska Småbolag B1 - SEK	+21.7	+41.2	-0.2	+8.8	+12.2	+30.1	+21.6	+36.6	+6.5	-
Tracking error, 2 yrs. % ¹⁾										
Svenska Småbolag A1 - SEK	3.4	3.2	3.2	2.3	2.3	1.8	1.3	1.1	1.5	1.5
Svenska Småbolag A1 - EUR	3.4	3.2	3.2	-	-	-	-	-	-	-
Svenska Småbolag A10 - SEK	3.4	3.2	3.2	-	-	-	-	-	-	-
Svenska Småbolag B1 - SEK	3.4	3.2	3.2	2.3	2.3	1.8	1.3	1.1	1.5	-
Average yearly return, 2 yrs. %										
Svenska Småbolag A1 - SEK	+35.0	+15.4	+3.5	+10.6	+21.7	+28.4	+30.0	+25.0	-0.3	+8.2
Svenska Småbolag A1 - EUR	+35.5	+11.7	+0.7	-	-	-	-	-	-	-
Svenska Småbolag A10 - SEK	+36.2	+16.5	+4.5	-	-	-	-	-	-	-
Svenska Småbolag B1 - SEK	+35.1	+15.4	+3.5	+10.6	+21.7	+28.4	+30.0	-	-	-
Comparison to index including dividends, %										
SEK	+31.1	+18.7	+4.2	+10.5	+20.8	+25.7	+28.9	+24.1	-1.1	+6.5
EUR	+31.7	+14.9	+1.3	-	-	-	-	-	-	-
Average yearly return, 5 yrs. %										
Svenska Småbolag A1 - SEK	+16.6	+17.0	+14.3	+22.6	+23.2	+17.7	+17.5	+25.5	+5.1	+1.2
Svenska Småbolag A1 - EUR	+14.4	+14.6	+11.2	-	-	-	-	-	-	-
Svenska Småbolag A10 - SEK	+17.6	+18.0	+15.3	-	-	-	-	-	-	-
Svenska Småbolag B1 - SEK	+16.6	+15.0	+14.3	+22.6	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+15.9	+17.5	+14.0	+21.4	+22.2	+16.1	+16.2	+24.1	+3.7	-0.2
EUR	+13.8	+15.1	+11.0	-	-	-	-	-	-	-
Average yearly return, 10 yrs. %										
Svenska Småbolag A1 - SEK	+17.1	+17.2	+19.8	+13.5	+11.6	+14.2	+15.0	+14.5	+14.6	+9.7
Svenska Småbolag A1 - EUR	+15.9	+17.0	+20.7	-	-	-	-	-	-	-
Svenska Småbolag A10 - SEK	+18.2	+18.3	+20.8	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+16.0	+16.9	+19.0	+12.2	+10.5	+12.7	+14.2	+14.2	+14.4	+9.8
EUR	+14.8	+16.6	+19.9	-	-	-	-	-	-	-
Dividends per unit, SEK										
Svenska Småbolag A1 - SEK	-	-	-	-	-	-	-	-	17.88	8.46
Svenska Småbolag B1 - SEK	63.73	35.61	51.20	48.05	45.51	35.12	29.75	19.51	0.00	-
Exchange rate EUR/SEK	10.05	10.51	10.13	-	-	-	-	-	-	-

¹⁾ The fund's tracking error has been within a range of approximately 3-3.5% in recent years, which the fund manager considers to be a good balance between risk and return. The risk has increased slightly in recent years relative to a historical average due to a sharp increase in the number of listed companies and the greater possibility of investing outside of the index on different marketplaces, which the fund made use of.

Benchmark: SIX SRI Sweden 200 Small Cap Gross Index

Up to 30/04/2019: Carnegie Small Cap Return Index Gross (CSRKSE)

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 A9	0.75
Svenska Småbolag A10	0.60
Svenska Småbolag B1	1.50
Collected mgmt. costs in % of average fund capital	
Svenska Småbolag A1	1.50
Svenska Småbolag A9	0.75
Svenska Småbolag A10	0.60
Svenska Småbolag B1	1.50
Annual fees in %	
Svenska Småbolag A1	1.50
Svenska Småbolag A9	0.75
Svenska Småbolag A10	0.60
Svenska Småbolag B1	1.50
Transaction costs, SEK thousand	10,540
Transaction costs in % of turnover	0.03
Costs in SEK for a one-time subscription, 10 000 SEK	
Svenska Småbolag A1	154.09
Svenska Småbolag A9	-
Svenska Småbolag A10	61.93
Svenska Småbolag B1	154.28
Costs in SEK for monthly savings, 100 SEK	
Svenska Småbolag A1	11.28
Svenska Småbolag A9	-
Svenska Småbolag A10	4.52
Svenska Småbolag B1	11.60

Fund facts - other key figures

Turnover rate	0.7
Share of turnover conducted via closely-related securities companies in %	17.6
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and return measurements*

Total risk % - A1 SEK	23.3	Information ratio - A1 SEK	1.1
Total risk % - A1 EUR	24.9	Information ratio - A1 EUR	1.1
Total risk % - A10 SEK	23.3	Information ratio - A10 SEK	1.5
Total risk % - B1 SEK	23.2	Information ratio - B1 SEK	1.2
Total risk in index % - A1 SEK	23.0	Sharpe ratio - A1 SEK	1.5
Total risk in index % - A1 EUR	24.6	Sharpe ratio - A1 EUR	1.4
Total risk in index % - A10 SEK	23.0	Sharpe ratio - A10 SEK	1.6
Total risk in index % - B1 SEK	23.0	Sharpe ratio - B1 SEK	1.5
Benchmark SIX SRI Sweden 200 Small Cap Gross Index		Sharpe ratio in index - A1 SEK	1.4
		Sharpe ratio in index - A1 EUR	1.3
Active Share % ¹⁾	48.1	Sharpe ratio in index - A10 SEK	1.4
Active return % - A1 SEK	3.8	Sharpe ratio in index - B1 SEK	1.4
Active return % - A1 EUR	3.9		
Active return % - A10 SEK	5.1		
Active return % - B1 SEK	4.0		

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, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	8,462,234	6,939,551
Interest income	-13	-135
Dividends	235,799	502,173
Currency exchange profits and losses, net	-1,693	757
Other financial income ¹⁾	10,641	22,981
Other income	0	0
Total income and changes in value	8,706,968	7,465,327
EXPENSES		
Management costs:		
- Remuneration to the Management Company	372,632	309,702
Interest expense	69	12
Other financial expenses ²⁾	2,128	4,604
Other expenses	10,758	9,678
Total expenses	385,588	323,996
Net income	8,321,381	7,141,331
* Details of changes in value		
Capital gains	4,588,929	2,787,990
Capital losses	-1,781,847	-838,346
Unrealised gains/losses	5,655,151	4,989,907
Sum	8,462,234	6,939,551

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

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

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	35,311,999	98.6	26,675,499	98.8
Total financial instruments with positive market value ^{Note 2)}	35,311,999	98.6	26,675,499	98.8
Bank assets and other liquid assets	617,138	1.7	450,690	1.7
Prepaid expenses and accrued income ¹⁾	10,387	0.0	5,164	0.0
Other assets	102,189	0.3	2,210	0.0
Total assets	36,041,713	100.6	27,133,563	100.5
LIABILITIES				
Accrued expenses and prepaid income	39,544	0.1	30,084	0.1
Other liabilities	170,065	0.5	108,966	0.4
Total liabilities	209,609	0.6	139,050	0.5
Fund capital ^{Note 1)}	35,832,104	100.0	26,994,513	100.0
Financial instruments lent	1,032,454	2.9	545,522	2.0
Collateral received for financial instruments lent	1,263,956	3.5	591,262	2.2

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

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	26,994,513	18,636,289
Units issued ¹⁾	7,774,031	4,333,306
Units redeemed ¹⁾	-7,228,913	-3,103,473
Profit according to Income Statement	8,321,381	7,141,331
Dividends to unit holders	-28,908	-12,940
Fund capital at the close of the period	35,832,104	26,994,513

1) Of which SEK 534 640 t relates to internal moves between share classes

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
AcadeMedia	3,600,000	306,000	0.9
Billia A	600,000	60,840	0.2
Dometic Group	7,700,000	838,915	2.3
Electrolux B	5,700,000	1,090,695	3.0
Husqvarna B	9,600,000	1,022,400	2.9
JM	450,000	130,770	0.4
Modern Times Group B	1,300,000	190,710	0.5
Storytel B	2,000,000	540,000	1.5
Veoneer Inc	3,000,000	534,600	1.5
		4,714,930	13.2

FINANCIALS AND REAL ESTATE

Balder B	3,200,000	1,372,480	3.8
Castellum	3,200,000	667,840	1.9
Corem Property B	10,000,000	188,000	0.5
Fabege	4,600,000	595,010	1.7
K-fast Holding AB - B	250,000	66,650	0.2
Kinnevik AB B	1,000,000	415,500	1.2
Klöver B	37,499,999	582,750	1.6
Kungsleden	3,800,000	342,380	1.0
Nordnet AB	2,550,000	329,205	0.9
Nyfosa	7,000,000	573,650	1.6
Resurs	3,800,000	171,000	0.5
Sagax B	3,100,000	525,760	1.5
Volati	1,700,000	176,120	0.5
Wihlborgs	2,700,000	500,580	1.4
		6,506,925	18.2

HEALTH CARE

Ambea	3,000,000	195,300	0.5
Ascelia Pharma AB	1,200,000	67,680	0.2
Bactiguard B	1,720,000	245,960	0.7
BioArctic B	700,000	66,780	0.2
Biotage	1,050,000	145,950	0.4
Calliditas Therapeutics AB	965,000	134,714	0.4
CellaVision	75,000	23,025	0.1
Cellink B	2,250,000	527,625	1.5
Elekta B	5,000,000	552,250	1.5
Getinge B	2,700,000	518,670	1.4
Hansa Medical	1,200,000	288,480	0.8
Implantica AG SDB	1,225,000	192,448	0.5
Infant Bacterial Therapeutics B	450,675	50,476	0.1
Lifco B	475,000	374,775	1.0
Nanoform Finland	66,527	4,737	0.0
Oncopptides	2,500,000	424,250	1.2
Recipharm B	2,200,000	482,680	1.3
Sedana Medical	1,000,000	343,000	1.0
Surgical Science Sweden	1,400,000	130,900	0.4
Swedish Orphan Biovitrum	4,000,000	664,400	1.9
Synthetic	100,000	34,200	0.1
Xvivo Perfusion	520,000	163,280	0.5
		5,631,579	15.7

Handelsbanken Svenska Småbolag, cont.

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
INDUSTRIALS			
ÅF B	1,500,000	376,800	1.1
Beijer Alma AB serie B	1,250,000	163,750	0.5
Beijer Ref B	800,000	301,120	0.8
Concentric	900,000	164,880	0.5
Electrolux Professional	7,700,000	358,666	1.0
Hexatronic Group	1,550,000	118,420	0.3
Indutrade	2,250,000	396,450	1.1
Instalco	600,000	150,600	0.4
Intrum Justitia	1,700,000	368,560	1.0
Loomis	2,700,000	610,740	1.7
Momentum Group B	1,240,000	176,080	0.5
Munters Group B	4,600,000	381,800	1.1
NCC B	2,000,000	300,000	0.8
Peab B	6,500,000	582,725	1.6
Serendipity Innovations B	1,415,000	325,450	0.9
Skanska B	3,300,000	692,010	1.9
SKF B	3,700,000	789,580	2.2
Trelleborg B	4,800,000	876,000	2.4
		7,133,631	19.9
INFORMATION TECHNOLOGY			
Addnode B	450,000	128,700	0.4
Bygghemma Group	2,200,000	393,360	1.1
Enea	900,000	170,640	0.5
Micronic Mydata	1,850,000	453,990	1.3
Paradox Interactive Ord Shs	1,430,000	366,080	1.0
Sinch	1,210,000	1,621,400	4.5
Tobii Technology	4,300,000	243,380	0.7
		3,377,550	9.4
MATERIALS			
BillierudKorsnäs	2,400,000	349,320	1.0
Boliden1	5,100,000	1,486,140	4.1
Gränges	4,363,636	437,236	1.2
Hexpol B	3,800,000	334,400	0.9
Lindab International	2,900,000	494,160	1.4
SCA B	3,400,000	487,220	1.4
SSAB B	15,000,000	392,700	1.1
		3,981,176	11.1
TELECOMMUNICATION SERVICES			
Embracer B	7,900,000	1,553,140	4.3
Enad Global 7 AB	1,300,000	158,600	0.4
Invisio Communications	2,300,000	575,000	1.6
Nordic Entertainment	880,000	403,568	1.1
Ovzon	1,650,000	124,080	0.3
Stillfront Group AB	7,500,000	750,000	2.1
Tele2 B	3,700,000	401,820	1.1
		3,966,208	11.1
Total listed equities		35,311,999	98.6
Total transferable securities		35,311,999	98.6
Total holdings in financial instruments		35,311,999	98.6
Net, other assets and liabilities		520,105	1.5
Total fund capital		35,832,104	100.0

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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. -

Compilation, Company and Group exposure*

Company/Group	% of fund capital
Electrolux	4.0

* 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.

Additional information on loaned securities

Volume of lent securities, SEK thousand: 1,032,454

Volume of lent securities as a % of total lendable assets 4.14

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

United Kingdom	627,880
Amerikanska staten	194,581
France	126,356
Belgium	80,288
Austria	40,052
Germany	28,670
BHP Group Plc	9,081
Keyence Corp	7,772
Nintendo Co Ltd	7,751
Toyota Motor Corp	7,632

The largest counterparties for securities lending, SEK thousand:

Goldman Sachs Intl	531,629
UBS AG, London Branch	249,085
J.P. Morgan Securities Plc	188,746
Morgan Stanley & Co Intl Plc	182,169
Merrill Lynch Intl	57,732
HSBC Bank Plc	36,685
Citigroup Global Markets Ltd	7,889
Skandinaviska Enskilda Banken AB (publ)	5,162
Credit Suisse Securities (Europe) Ltd	4,860
	1,263,956

Type and quality of collateral, SEK thousand:

Bonds and other interest-bearing instruments	1,102,458
Equities, shares	161,498
	1,263,956

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:

Open Maturity	-
Less than 1 day	-
1 Day to 1 Week	698
1 Week to 1 Month	35,657
1 Month to 3 Months	652
3 Months to 1 Year	1,065,451
Above 1 Year	161,498
	1,263,956

The domicile of the counterparties, SEK thousand:

Svenska staten	5,162
Brittiska staten	1,258,794
	1,263,956

Currency of the collateral, SEK thousand:

AUD	2,975
CAD	49
CHF	1,470
DKK	2,340
EUR	285,486
GBP	657,207
HKD	32,359
JPY	77,218
SEK	3,463
SGD	12
USD	201,306
NZD	71
	1,263,956

Settlement and clearing, SEK thousand:

Triparty	1,263,956
	1,263,956

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

The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 10,641 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
-Credit Suisse Securities (Europe) Ltd
-Goldman Sachs Intl
-HSBC Bank Plc
-J.P. Morgan Securities Plc
-Merrill Lynch Intl
-Morgan Stanley & Co Intl Plc
-Skandinaviska Enskilda Banken AB (publ)
-Svenska Handelsbanken AB (publ)
-UBS AG, London Branch

Handelsbanken Svenska Småbolag

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities on behalf of the fund that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used in sustainability efforts

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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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 companies

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainability on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

The Management Company's engagement activities - Corporate governance

Annual General Meetings and Nomination committees

The Management Company normally votes at general meetings in those companies where ownership exceeds 0.5% or at general meetings where the company concerned is identified as falling short in its sustainability efforts/corporate governance work. In general, the Management Company also supports shareholder proposals that seek to promote corporate sustainability, including greater transparency in recording and the reporting of the company's climate impact, as well as its work with human rights and labor law.

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 5% 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.

Exclusion

The fund has chosen to sell the holdings in Nolato due to the company's significant exposure to e-cigarettes.

The Management Company's engagement activities - Dialogues

Targeted dialogues with direct contact between our fund managers and companies

The fund engaged in 3 targeted dialogues directly with companies during the year.

Dialogues were held with Calliditas and Oncocept with regard to the companies' proposals for incentive programs for company management. Both

companies are approaching the launch of their first pharmaceutical drugs. The recruitment of key employees is a critical component in the process, but at the same time it is important that the programs have reasonable proportions and that the interest of all shareholders is taken into consideration.

Engagement activities in collaboration with other investors

In 2020, the Management Company participated in a total of 125 company dialogues together with other investors. The fund invested in one of these companies.

A dialogue was conducted with Loomis due to alleged failure to respect union rights in Turkey.

Collaborations and industry initiatives

In 2020, the Management Company participated in initiatives and collaborations that totaled over 380 companies.

The Management Company's engagement activities - Corporate governance

Annual General Meetings and Nomination committees

In 2020, the Management Company voted at 107 annual general meetings on behalf of the fund.

The Management Company has received 41 seats in nomination committees through its shareholdings and has worked to present proposals for boards with high levels of competence and diversity.



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. The fund may invest in derivative instruments as part of the fund's investment focus. We compare fund performance with an index consisting of the SIX SRI Sweden Index GI. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund invests in companies, irrespective of whether or not these are included in the benchmark index. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 10.0% in 2020*. AB Volvo, Indutrade and Lagercrantz were the most positive contributors to fund returns in 2020. Volvo's contribution to fund performance is partly based on the timing of the fund's purchase but is primarily due to the company's strong operational growth which countered the downturn, together with the company's high ambitions within sustainability. Indutrade has delivered good profit growth driven partly by ongoing acquisitions. However, the acquisition activity has been lower than previous years due to the travel and meeting restrictions resulting from the corona pandemic. Lagercrantz' strong performance is due to good operational results, together with a high earnings multiplier. Loomis, Handelsbanken and Husqvarna were the most negative contributors. Loomis, a cash handling company, has been affected by lower activity in the economy, which has led to lower turnover and results. In addition, a major acquisition in Germany was not approved by the competition regulator. In total, this lowered the projected level of earnings and put the valuation multiplier for Loomis under pressure. Handelsbanken's weak share price performance is primarily a result of a lower valuation multiplier, which has not affected other Swedish banks to the same extent. The holdings in Husqvarna were sold by the fund during the summer. Since then the equity price has continued to perform strongly. In retrospect, we can conclude that the exit was premature. The fund focuses on constructing a portfolio of high-quality companies with various drivers that can deliver good returns to unit holders over time. The fund made new investments in Biogaia, Volvo and Essity during the year. We believe these companies are a good complement to the portfolio. Biogaia develops, manufactures and sells probiotic products for self-care, which is growing at a good pace and is highly profitable. Essity has an interesting portfolio of hygiene products. Portfolio streamlining, changes to the mix and optimization of costs provide attractive opportunities over the long term. Essity also contributes with a more stable demand profile. The investment in Volvo is based on the company's strong market positions and the high entry barriers present in the truck sector. Further, Volvo complements the valuation profile of the fund in a positive manner. The largest investments in existing holdings were made in Indutrade,

Bravida and Loomis. Indutrade's proven business model with decentralized decision-making and diversified end markets results in low business risk. This, together with strong cash flows that are used in part to acquire and develop companies to generate value-added growth independent of the business climate, is the main argument for strengthening the fund's position in the company during the year. The installation company Bravida's growth model and the late-cycle character of the business, as well as a proven stability in margins, is considered to be attractive over the long term. Loomis' strong market position, good cash flow and low valuation multiplier are key factors for the fund's additional investments in the stock. The fund sold its entire holdings in IAR Systems, HiQ, Hexpol and Husqvarna. IAR's continued weak growth and lower profitability are key parameters in the decision. HiQ's difficulty in driving growth was the key factor for the decision to sell the entire holding. Hexpol was sold in part to balance the automotive exposure and also as a result of the uncertainty related to management and the company's long-term strategy. Lastly, Husqvarna was also sold. The company's weather-related impact on supplies/earnings are important factors for the sale.

*) 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 characterized 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 minimize 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 2020. The fund has the option of lending securities. The fund used this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

• Highest leverage during the financial year	0.2%
• Lowest leverage during the financial year	0.0%
• Average leverage during the financial year	0.0%

Information

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

Handelsbanken Sverige Selektiv, cont.

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 and 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.

The Management Company's work in nomination committees is also regulated in Guidelines for nomination committees. 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.

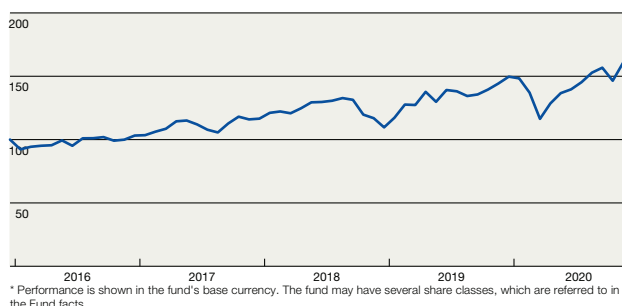
The Management Company ensures that relevant information is available as input for analysis and voting decisions. This is accomplished through analysis from proxy advisors as well as through market information, third-party analysis or direct contact with the company. The Management Company then takes 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 Shareholder engagement and responsible investment 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 and in Guidelines for nomination committees which can be found under <https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>.

Fund performance*



Fund facts - history

	2020	2019	2018	2017	2016	2015	26/9-31/12 2014	2013	2012	2011
Net asset value										
Sverige Selektiv A1 - SEK	537.04	488.16	357.57	380.02	336.48	326.11	259.18	-	-	-
Sverige Selektiv A1 - EUR	53.44	46.46	35.28	38.65	35.12	-	-	-	-	-
Sverige Selektiv A9 - SEK	593.44	534.56	388.05	408.74	358.84	344.84	271.75	-	-	-
Sverige Selektiv A9 - EUR	59.05	50.87	38.29	41.57	37.45	-	-	-	-	-
Sverige Selektiv A10 - SEK	556.14	499.24	361.16	-	-	-	-	-	-	-
Sverige Selektiv A10 - EUR	55.34	47.51	35.63	-	-	-	-	-	-	-
Sverige Selektiv B1 - SEK	307.46	292.38	221.83	245.44	226.04	228.71	188.52	-	-	-
Sverige Selektiv B1 - EUR	30.59	27.82	21.89	-	-	-	-	-	-	-
The fund's total net flow, SEK m	-131	2,383	962	-1,555	413	165	-66	-	-	-
Fund capital total, SEK m	7,376	6,684	2,954	2,228	3,438	2,920	2,205	-	-	-
Sverige Selektiv A1 - SEK	4,712	4,116	2,454	1,797	2,373	2,206	1,772	-	-	-
Sverige Selektiv A1 - EUR	8	7	6	6	9	-	-	-	-	-
Sverige Selektiv A9 - SEK	159	34	0	40	266	61	12	-	-	-
Sverige Selektiv A9 - EUR	1	2	2	2	2	-	-	-	-	-
Sverige Selektiv A10 - SEK	2,074	2,068	286	-	-	-	-	-	-	-
Sverige Selektiv A10 - EUR	0	0	0	-	-	-	-	-	-	-
Sverige Selektiv B1 - SEK	329	174	41	313	690	653	421	-	-	-
Sverige Selektiv B1 - EUR	1	1	0	-	-	-	-	-	-	-
Number of units, 1000's	14,038	14,075	8,485	6,304	11,167	9,796	9,114	-	-	-
Sverige Selektiv A1 - SEK	8,774	8,431	6,862	4,728	7,052	6,766	6,835	-	-	-
Sverige Selektiv A1 - EUR	156	158	158	155	266	-	-	-	-	-
Sverige Selektiv A9 - SEK	268	64	1	97	742	176	43	-	-	-
Sverige Selektiv A9 - EUR	17	40	41	49	55	-	-	-	-	-
Sverige Selektiv A10 - SEK	3,729	4,143	791	-	-	-	-	-	-	-
Sverige Selektiv A10 - EUR	5	5	5	-	-	-	-	-	-	-
Sverige Selektiv B1 - SEK	1,070	595	186	1,275	3,052	2,854	2,236	-	-	-

Handelsbanken Sverige Selektiv, cont.

Fund facts - history cont.

	2020	2019	2018	2017	2016	2015	26/9-31/12 2014	2013	2012	2011
Sverige Selektiv B1 - EUR	19	19	19	-	-	-	-	-	-	-
Total returns in %										
Sverige Selektiv A1 - SEK	+10.0	+36.5	-5.9	+12.9	+3.2	+25.8	+19.3	+22.0	+13.4	-13.8
Sverige Selektiv A1 - EUR	+15.0	+31.7	-8.7	+10.1	-1.4	+30.1	+11.4	+18.3	+17.7	-12.6
Sverige Selektiv A9 - SEK	+11.0	+37.8	-5.1	+13.9	+4.1	+26.9	+20.0	-	-	-
Sverige Selektiv A9 - EUR	+16.1	+32.9	-7.9	+11.0	-0.5	+31.2	-	-	-	-
Sverige Selektiv A10 - SEK	+11.4	+38.2	-4.7	-	-	-	-	-	-	-
Sverige Selektiv A10 - EUR	+16.5	+33.3	-7.6	-	-	-	-	-	-	-
Sverige Selektiv B1 - SEK	+10.2	+36.5	-5.9	+12.9	+3.2	+25.8	+19.3	+22.0	+13.4	-13.8
Sverige Selektiv B1 - EUR	+15.2	+31.7	-8.7	-	-	-	-	-	-	-
Index including dividends in %										
Sverige Selektiv A1 - SEK	+13.8	+35.1	-4.4	+9.5	+9.6	+10.5	-	-	-	-
Sverige Selektiv A1 - EUR	+19.0	+30.3	-7.2	+6.7	+4.8	+14.3	+8.3	+24.0	+21.1	-12.4
Sverige Selektiv A9 - SEK	+13.8	+35.1	-4.4	+9.5	+9.6	+10.5	-	-	-	-
Sverige Selektiv A9 - EUR	+19.0	+30.3	-7.2	+6.7	+4.8	+14.3	-	-	-	-
Sverige Selektiv A10 - SEK	+13.8	+35.1	-4.4	-	-	-	-	-	-	-
Sverige Selektiv A10 - EUR	+19.0	+30.3	-7.2	-	-	-	-	-	-	-
Sverige Selektiv B1 - SEK	+13.8	+35.1	-4.4	+9.5	+9.6	+10.5	-	-	-	-
Sverige Selektiv B1 - EUR	+19.0	+30.3	-7.2	-	-	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾										
Sverige Selektiv A1 - SEK	5.7	6.3	5.6	4.2	5.4	5.1	5.5	6.3	6.6	6.0
Sverige Selektiv A1 - EUR	5.7	6.3	5.6	4.2	5.4	-	-	-	-	-
Sverige Selektiv A9 - SEK	5.7	6.3	5.6	4.2	5.4	-	-	-	-	-
Sverige Selektiv A9 - EUR	5.7	6.3	5.6	4.2	5.4	-	-	-	-	-
Sverige Selektiv A10 - SEK	5.7	6.3	5.6	-	-	-	-	-	-	-
Sverige Selektiv A10 - EUR	5.7	6.3	5.6	-	-	-	-	-	-	-
Sverige Selektiv B1 - SEK	5.6	6.3	5.6	4.2	5.4	5.1	-	-	-	-
Sverige Selektiv B1 - EUR	5.6	6.3	5.6	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Sverige Selektiv A1 - SEK	+22.6	+13.3	+3.1	+8.0	+13.9	+22.5	+20.7	+17.7	-1.1	+4.6
Sverige Selektiv A1 - EUR	+23.1	+9.6	+0.2	+4.2	+13.3	+20.4	+14.8	+18.0	+1.4	+12.2
Sverige Selektiv A9 - SEK	+23.7	+14.4	+4.0	+8.9	+14.9	-	-	-	-	-
Sverige Selektiv A9 - EUR	+24.2	+10.6	+1.1	+5.1	+14.3	-	-	-	-	-
Sverige Selektiv A10 - SEK	+24.1	+14.8	+4.4	-	-	-	-	-	-	-
Sverige Selektiv A10 - EUR	+24.6	+11.0	+1.5	-	-	-	-	-	-	-
Sverige Selektiv B1 - SEK	+22.7	+13.3	+3.1	+8.0	+13.9	+22.5	+20.7	+17.7	-1.1	+4.6
Sverige Selektiv B1 - EUR	+23.2	+9.6	+0.2	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+24.0	+13.7	+2.3	+9.6	+10.1	+13.2	-	-	-	-
EUR	+24.5	+9.9	-0.5	+5.7	+9.4	+11.2	+15.9	+22.5	+3.0	+12.3
Average yearly return, 5 yrs. %										
Sverige Selektiv A1 - SEK	+10.5	+13.5	+10.5	+16.4	+16.5	+12.4	+12.5	+19.7	+4.1	+0.4
Sverige Selektiv A1 - EUR	+8.5	+11.2	+7.5	+13.2	+14.8	+12.0	+14.3	+25.0	+6.2	+0.6
Sverige Selektiv A9 - SEK	+11.5	+14.5	-	-	-	-	-	-	-	-
Sverige Selektiv A9 - EUR	+9.4	+12.1	-	-	-	-	-	-	-	-
Sverige Selektiv A10 - SEK	+11.9	+14.9	+11.9	-	-	-	-	-	-	-
Sverige Selektiv A10 - EUR	+9.8	+12.6	+8.9	-	-	-	-	-	-	-
Sverige Selektiv B1 - SEK	+10.5	+13.5	+10.5	+16.4	+16.5	+12.4	+12.5	+19.7	+4.1	-
Sverige Selektiv B1 - EUR	+8.5	+11.2	+7.5	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+12.0	+11.4	+8.0	+14.5	+16.0	+10.6	-	-	-	-
EUR	+10.0	+9.1	+5.1	+11.4	+14.3	+10.2	+15.5	+25.5	+5.6	+0.3
Average yearly return, 10 yrs. %										
Sverige Selektiv A1 - SEK	+11.4	+13.0	+15.0	+10.1	+8.1	+10.8	-	-	-	-
Sverige Selektiv A1 - EUR	+10.2	+12.7	+15.9	+9.6	+7.5	+11.1	-	-	-	-
Sverige Selektiv A10 - SEK	+12.8	+14.4	+16.4	-	-	-	-	-	-	-
Sverige Selektiv A10 - EUR	+11.6	+14.1	+17.4	-	-	-	-	-	-	-
Sverige Selektiv B1 - SEK	+11.4	+13.0	+15.0	+10.1	-	-	-	-	-	-
Sverige Selektiv B1 - EUR	+10.3	+12.7	+15.9	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+11.3	+12.5	+13.9	+8.9	+7.7	+9.3	-	-	-	-
EUR	+10.1	+12.2	+14.9	+8.5	+7.1	+9.6	-	-	-	-
Dividends per unit, SEK										
Sverige Selektiv B1 - SEK	11.70	8.87	9.82	9.04	9.15	7.54	-	-	-	-
Sverige Selektiv B1 - EUR	1.11	0.84	0.97	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.05	10.51	10.13	9.83	9.58	-	-	-	-	-

1) The average level of the fund's tracking error has been within a range of about 5-6% over a longer-term perspective. In the most recent period, the tracking error has been in line with the historical average and deviations between the years are considered to be normal variations. The level of the tracking error is a result of the management of the fund, which is based on a limited number of investments in high-quality companies.

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.

Handelsbanken Sverige Selektiv, cont.

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
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
Annual fees in %	
Sverige Selektiv A1	1.85
Sverige Selektiv A9	0.95
Sverige Selektiv A10	0.60
Sverige Selektiv B1	1.85
Transaction costs, SEK thousand	1,152
Transaction costs in % of turnover	0.02
Costs in SEK for a one-time subscription, 10 000 SEK	
Sverige Selektiv A1	176.25
Sverige Selektiv A9	90.92
Sverige Selektiv A10	57.53
Sverige Selektiv B1	176.45
Costs in SEK for monthly savings, 100 SEK	
Sverige Selektiv A1	13.01
Sverige Selektiv A9	6.70
Sverige Selektiv A10	4.24
Sverige Selektiv B1	13.40

Fund facts - other key figures

Turnover rate	0.4
Share of turnover conducted via closely-related securities companies in %	19.6
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and return measurements*

Total risk % - A1 SEK	21.6	Information ratio - A1 EUR	Negative
Total risk % - A1 EUR	22.9	Information ratio - A9 SEK	Negative
Total risk % - A9 SEK	21.5	Information ratio - A9 EUR	Negative
Total risk % - A9 EUR	22.9	Information ratio - A10 SEK	0.0
Total risk % - A10 SEK	21.5	Information ratio - A10 EUR	0.0
Total risk % - A10 EUR	22.9	Information ratio - B1 SEK	Negative
Total risk % - B1 SEK	21.6	Information ratio - B1 EUR	Negative
Total risk % - B1 EUR	22.9	Sharpe ratio - A1 SEK	1.1
Total risk in index % - A1 SEK	19.5	Sharpe ratio - A1 EUR	1.0
Total risk in index % - A1 EUR	20.7	Sharpe ratio - A9 SEK	1.1
Total risk in index % - A9 SEK	19.5	Sharpe ratio - A9 EUR	1.1
Total risk in index % - A9 EUR	20.7	Sharpe ratio - A10 SEK	1.1
Total risk in index % - A10 SEK	19.5	Sharpe ratio - A10 EUR	1.1
Total risk in index % - A10 EUR	20.7	Sharpe ratio - B1 SEK	1.1
Total risk in index % - B1 SEK	19.5	Sharpe ratio - B1 EUR	1.0
Total risk in index % - B1 EUR	20.7	Sharpe ratio in index - A1 SEK	1.3
Benchmark	SIX SRI Sweden Index GI	Sharpe ratio in index - A1 EUR	1.2
Active return % - A1 SEK	-1.4	Sharpe ratio in index - A9 SEK	1.3
Active return % - A1 EUR	-1.4	Sharpe ratio in index - A9 EUR	1.2
Active return % - A9 SEK	-0.3	Sharpe ratio in index - A10 SEK	1.3
Active return % - A9 EUR	-0.3	Sharpe ratio in index - A10 EUR	1.2
Active return % - A10 SEK	0.1	Sharpe ratio in index - B1 SEK	1.3
Active return % - A10 EUR	0.1	Sharpe ratio in index - B1 EUR	1.2
Active return % - B1 SEK	-1.3	Active Share % ¹⁾	70.3
Active return % - B1 EUR	-1.3		
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, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities ²⁾	858,151	1,327,647
Interest income	-61	-226
Dividends	67,612	93,644
Currency exchange profits and losses, net	-1,763	-666
Other financial income ¹⁾	494	164
Other income	0	1
Total income and changes in value	924,434	1,420,564
EXPENSES		
Management costs:		
- Remuneration to the Management Company	97,100	68,772
Interest expense	325	14
Other financial expenses ²⁾	99	33
Other expenses	1,251	1,355
Total expenses	98,775	70,174
Net income	825,659	1,350,390
* Details of changes in value		
Capital gains	454,615	201,692
Capital losses	-207,756	-35,503
Unrealised gains/losses	611,292	1,161,458
Sum	858,151	1,327,647

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

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

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	7,234,454	98.1	6,462,986	96.7
Total financial instruments with positive market value ^{Note 2)}	7,234,454	98.1	6,462,986	96.7
Bank assets and other liquid assets	151,048	2.1	228,772	3.4
Prepaid expenses and accrued income	468	0.0	12	0.0
Total assets	7,385,970	100.1	6,691,770	100.1
LIABILITIES				
Accrued expenses and prepaid income	9,593	0.1	7,593	0.1
Other liabilities	-	-	1	0.0
Total liabilities	9,593	0.1	7,594	0.1
Fund capital ^{Note 1)}	7,376,376	100.0	6,684,176	100.0
Financial instruments lent	183,981	2.5	151,081	2.3
Collateral received for financial instruments lent	200,277	2.7	168,729	2.5

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	6,684,176	2,954,067
Units issued ¹⁾	3,400,194	4,007,444
Units redeemed ¹⁾	-3,518,032	-1,619,986
Profit according to Income Statement	825,659	1,350,390
Dividends to unit holders	-15,621	-7,739
Fund capital at the close of the period	7,376,376	6,684,176

1) Of which SEK 125 763 t relates to internal moves between share classes

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
Autoliv	444,000	339,660	4.6
Fenix Outdoor B	165,957	170,272	2.3
Skistar B	300,000	32,040	0.4
Thule Group	745,000	229,162	3.1
		771,134	10.5
CONSUMER STAPLES			
AarhusKarlshamn	1,665,000	276,390	3.7
Essity B	1,080,000	285,660	3.9
		562,050	7.6
FINANCIALS AND REAL ESTATE			
Handelsbanken A	4,450,000	367,570	5.0
		367,570	5.0
HEALTH CARE			
BioGaia	200,000	107,400	1.5
Lifco B	311,080	245,442	3.3
Novo Nordisk	537,000	309,293	4.2
		662,135	9.0

Handelsbanken Sverige Selektiv, cont.

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
INDUSTRIALS			
ABB SDB	1,520,000	348,080	4.7
ÅF B	1,116,612	280,493	3.8
Assa Abloy B	2,225,000	450,563	6.1
Atlas Copco A	1,082,000	455,630	6.2
Bravida Holding	3,278,169	358,960	4.9
Epiroc A	2,575,000	385,349	5.2
Hexagon B	460,000	344,908	4.7
Indutrade	2,085,000	367,377	5.0
Loomis	1,330,000	300,846	4.1
Nibe Industrier B	320,000	86,304	1.2
Trox Group A	755,716	145,249	2.0
Volvo B	2,320,000	449,616	6.1
		3,973,374	53.9
INFORMATION TECHNOLOGY			
HMS Network AB	1,202,000	312,520	4.2
Lagercrantz Group Aktiefölag	5,406,164	410,868	5.6
SimCorp	143,000	174,803	2.4
		898,192	12.2
Total listed equities		7,234,454	98.1
Total transferable securities		7,234,454	98.1
Total holdings in financial instruments		7,234,454	98.1
Net, other assets and liabilities		141,922	1.9
Total fund capital		7,376,376	100.0

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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).

-

*** Refers to other financial instruments.

-

Additional information on loaned securities

Volume of lent securities, SEK thousand: **183,981**

Volume of lent securities as a % of total lendable assets **3.80**

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

United Kingdom	123,328
France	31,009
Germany	17,632
Amerikanska staten	9,494
Netherlands	4,946
Belgium	3,453
E.ON Sverige AB	286
BT Group Plc	286
SAnofi	286
LafargeHolcim Ltd	286

The largest counterparties for securities lending, SEK thousand:

Goldman Sachs Intl	123,254
Merrill Lynch Intl	65,864
Svenska Handelsbanken AB (publ)	5,698
Skandinaviska Enskilda Banken AB (publ)	4,199
HSBC Bank Plc	807
J.P. Morgan Securities Plc	455

200,277**Type and quality of collateral, SEK thousand:**

Bonds and other interest-bearing instruments	189,862
Equities, shares	10,415

200,277

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:

Open Maturity	-
Less than 1 day	-
1 Day to 1 Week	-
1 Week to 1 Month	2
1 Month to 3 Months	503
3 Months to 1 Year	189,357
Above 1 Year	10,415

200,277**The domicile of the counterparties, SEK thousand:**

Svenska staten	9,896
Brittiska staten	190,381

200,277**Currency of the collateral, SEK thousand:**

AUD	8
CHF	605
DKK	6
EUR	59,589
GBP	126,676
HKD	90
JPY	1,477
SEK	9
SGD	0
USD	11,817
NZD	0

200,277**Settlement and clearing, SEK thousand:**

Triparty	200,277
----------	---------

200,277

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

The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 494 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
 -Goldman Sachs Intl
 -HSBC Bank Plc
 -J.P. Morgan Securities Plc
 -Merrill Lynch Intl
 -Skandinaviska Enskilda Banken AB (publ)
 -UBS AG, London Branch

Handelsbanken Sverige Selektiv

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities on behalf of the fund that include dialogues with companies, voting at annual general meetings and working on nomination committees.

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 used in sustainability efforts

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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, uranium, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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 companies

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainalytics on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

The Management Company's engagement activities - Corporate governance

Annual General Meetings and Nomination committees

The Management Company normally votes at general meetings in those companies where ownership exceeds 0.5% or at general meetings where the company concerned is identified as falling short in its sustainability efforts/corporate governance work. In general, the Management Company also supports shareholder proposals that seek to promote corporate sustainability, including greater transparency in recording and the reporting of the company's climate impact, as well as its work with human rights and labor law.

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..

Handelsbanken Fonder deltar i alla valberedningar där vi har tillräckligt stort ägande för att erbjudas en plats. Utanför Norden är det dock ovanligt med valberedningar och styrelsesammansättningen kan endast påverkas genom röstning på bolagsstämman.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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 has invested in AB Volvo, one of the world's leading manufacturers of commercial vehicles. Products sold include trucks, buses, construction machinery and motors for marine and industrial usage. Product offerings are complemented by a broad range of services. Diverse financial services are also offered. Volvo has had strong sustainability efforts that have shown good results in emissions and energy usage within its own operations for some time. However, from a product lifecycle perspective, the primary environmental impact is seen during the usage of the sold products. Volvo has made significant progress in the transformation to new fuels and offers vehicles equipped with electric powertrains for medium-duty applications. Solutions with hydrogen gas are also being developed for the more demanding applications. Volvo has a target to reach a penetration level of 35% for electric vehicles by 2030 and 100% fossil-free as a company by 2040.

Exclusion

During the year the fund sold Hexpol, a world-leading polymer company with a strong market position primarily within the vehicle industry. The company actively pursues efforts to improve the use of resources in the form of rubber, plastics and other chemical products, as well as to reduce emissions and waste. Unfortunately, the progress is relatively slow and the absolute level is high relative to the fund's other exposure.

The Management Company's engagement activities - Dialogues

Targeted dialogues with direct contact between our fund managers and companies

The fund engaged in two targeted dialogues directly with companies during the year.



Handelsbanken Sverige 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 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. 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. The fund may invest in derivative instruments as part of the fund's investment focus. We compare fund performance with SIX SRI Sweden Index GI. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund normally consists of 40–60 holdings, which is fewer than the fund's benchmark index. The fund invests in equities, irrespective of whether or not these are included in the benchmark index. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 39.7% in 2020*. The outset of the year was dominated by a strong risk appetite. However, the positive start to 2020 ended dramatically when the pandemic broke out with full force and spread globally during Q1. The global markets fell sharply, while supply chains and shopping centers worldwide were closed in an unprecedented manner. At this point, the fund was defensively positioned and had a strong element of digital companies that held up well in the initial stock market crash. Several weeks later the situation became somewhat clearer and we could begin to foresee the economic effects. The cyclical segment of the global economy held up relatively well. The fund thereby increased the exposure to Swedish manufacturing companies with full force. In addition, the fund continued to hold a high exposure to digital growth companies, which had an even greater impact during the year. Uncertainty increased on the global markets during the autumn as the US election approached at the same time as the second wave of the pandemic took hold in many parts of the world. The risk appetite on the global markets gained momentum after the results of the US election and news about a much-awaited vaccine reached the market. The market took into account that listed companies in general withstood the downturns relatively well. In this situation, the fund continued to benefit from the strong element of global industrial companies and digital growth companies. The fund could finally close the year with strong results in 2020. Fund returns significantly outperformed the benchmark index. The cloud-based communication services company Sinch, the construction and home-furnishings company BHG Group and the computer gaming developer Embracer were the strongest performing equities in the portfolio during 2020. Essity, SEB and Skistar were the weakest performers in 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 characterized 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 minimize 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 2020. The fund has the option of lending securities. The fund used this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

• Highest leverage during the financial year	0.2%
• Lowest leverage during the financial year	0.0%
• Average leverage during the financial year	0.0%

Information

On 1 September 2020, the fund changed its fund rules and at the same time the name changed to Handelsbanken Sverige Tema (from 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 and 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.

The Management Company's work in nomination committees is also regulated in Guidelines for nomination committees. 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

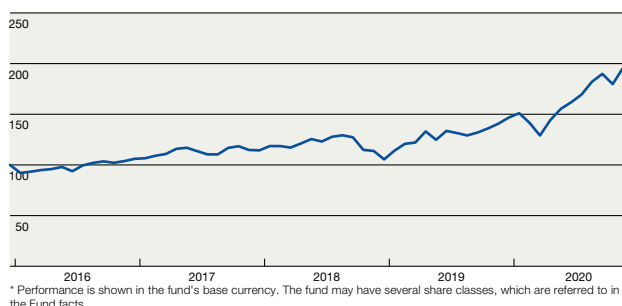
Handelsbanken Sverige Tema, cont.

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 Shareholder engagement and responsible investment 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 and in Guidelines for nomination committees which can be found under <https://www.handelsbanken.com/en/about-the-group/organisation/subsidiaries>.

Fund performance*



Fund facts - history

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net asset value, SEK										
Sverige Tema A1	3,317.91	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
Sverige Tema A9	133.49	-	-	-	-	-	-	-	-	-
Sverige Tema A10	3,364.71	2,396.73	1,713.97	-	-	-	-	-	-	-
Sverige Tema B1	143.47	-	-	-	-	-	-	-	-	-
The fund's total net flow, SEK m	2,590	-590	-406	-759	-1,255	-690	-381	-695	-255	-
Fund capital total, SEK m	19,435	11,786	8,825	9,960	9,950	10,593	10,219	-	-	-
Sverige Tema A1	18,489	11,779	8,810	9,960	9,950	10,593	10,219	9,126	7,863	7,079
Sverige Tema A9	555	-	-	-	-	-	-	-	-	-
Sverige Tema A10	38	7	15	-	-	-	-	-	-	-
Sverige Tema B1	352	-	-	-	-	-	-	-	-	-
Number of units, 1000's	12,199	4,962	5,170	5,380	5,798	6,545	-	-	-	-
Sverige Tema A1	5,573	4,959	5,161	5,380	5,798	6,545	6,994	7,273	7,883	7,906
Sverige Tema A9	4,161	-	-	-	-	-	-	-	-	-
Sverige Tema A10	11	3	9	-	-	-	-	-	-	-
Sverige Tema B1	2,454	-	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Sverige Tema A1	+39.7	+39.1	-7.8	+7.9	+6.0	+10.8	+16.4	+25.8	+15.8	-14.6
Sverige Tema A9	+33.5	-	-	-	-	-	-	-	-	-
Sverige Tema A10	+40.4	+39.8	-7.3	-	-	-	-	-	-	-
Sverige Tema B1	+39.7	-	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Sverige Tema A1	+13.8	+35.1	-4.4	+7.6	+9.3	+10.5	+15.9	+28.0	+16.7	-13.6
Sverige Tema A9	+10.3	-	-	-	-	-	-	-	-	-
Sverige Tema A10	+13.8	+35.1	-4.4	-	-	-	-	-	-	-
Sverige Tema B1	+13.8	-	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾										
Sverige Tema A1	6.1	5.3	4.8	1.8	1.5	1.1	1.0	0.7	0.7	0.7
Sverige Tema A10	6.1	5.3	4.8	-	-	-	-	-	-	-
Sverige Tema B1	6.1	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Sverige Tema A1	+39.4	+13.3	-0.3	+7.0	+8.4	+13.6	+21.0	+20.7	-0.5	+3.6
Sverige Tema A10	+40.1	+13.8	+0.2	-	-	-	-	-	-	-
Sverige Tema B1	+39.4	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+24.0	+13.6	+1.4	+8.4	+9.9	+13.2	+21.8	+22.2	+0.4	+4.7
Average yearly return, 5 yrs. %										
Sverige Tema A1	+15.4	+10.2	+6.4	+13.2	+14.8	+9.9	+12.7	+19.1	+3.0	-0.1
Sverige Tema A10	+16.0	+10.8	+7.0	-	-	-	-	-	-	-
Sverige Tema B1	+15.4	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+11.6	+10.9	+7.6	+14.0	+15.9	+10.6	+13.7	+20.2	+3.6	0.0
Average yearly return, 10 yrs. %										
Sverige Tema A1	+12.6	+11.5	+12.5	+8.0	+7.1	+8.9	+11.1	+10.8	+11.2	+4.2
Sverige Tema A10	+13.4	+12.3	+13.4	-	-	-	-	-	-	-
Sverige Tema B1	+12.0	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+11.1	+12.3	+13.7	+8.7	+7.7	+9.3	+11.7	+12.1	+12.7	+6.3
Dividends per unit, SEK	-	-	-	-	-	-	-	-	38.87	22.17

1) The fund's tracking error has been within a range of approximately 4-6% in recent years, which the fund manager considers to be a good balance between risk and return. The risk has been significantly higher in recent years than during the previous period. One contributing factor to the higher level of risk has been that the current fund manager (who assumed responsibility for the fund in 2016) chose to have fewer holdings in the fund than previously. The proportion of small caps was also increased during the period.

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.

Handelsbanken Sverige Tema, cont.

Fund facts - costs

Max. allowed mgmt. costs in % according to fund rules	
Sverige Tema A1	1.00
Sverige Tema A9	0.50
Sverige Tema A10	0.50
Sverige Tema B1	1.00
Collected mgmt. costs in % of average fund capital	
Sverige Tema A1	1.00
Sverige Tema A9	0.50
Sverige Tema A10	0.50
Sverige Tema B1	1.00
Annual fees in %	
Sverige Tema A1	1.00
Sverige Tema A9	0.50
Sverige Tema A10	0.50
Sverige Tema B1	1.00
Transaction costs, SEK thousand	8,987
Transaction costs in % of turnover	0.02
Costs in SEK for a one-time subscription, 10 000 SEK	
Sverige Tema A1	110.53
Sverige Tema A9	0.00
Sverige Tema A10	55.41
Sverige Tema B1	-
Costs in SEK for monthly savings, 100 SEK	
Sverige Tema A1	7.59
Sverige Tema A9	3.25
Sverige Tema A10	3.80
Sverige Tema B1	-

Fund facts - other key figures

Turnover rate	1.3
Share of turnover conducted via closely-related securities companies in %	22.6
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and return measurements*

Total risk % - A1 SEK	18.7	Information ratio - A1 SEK	2.5
Total risk % - A10 SEK	18.7	Information ratio - A10 SEK	2.7
Total risk % - B1 SEK	18.7	Information ratio - B1 SEK	2.5
Total risk in index % - A1 SEK	19.5	Sharpe ratio - A1 SEK	2.1
Total risk in index % - A10 SEK	19.5	Sharpe ratio - A10 SEK	2.2
Total risk in index % - B1 SEK	19.5	Sharpe ratio - B1 SEK	2.1
Benchmark	SIX SRI Sweden Index GI	Sharpe ratio in index - A1 SEK	1.3
Active Share % ¹⁾	50.4	Sharpe ratio in index - A10 SEK	1.3
Active return % - A1 SEK	15.4	Sharpe ratio in index - B1 SEK	1.3
Active return % - A10 SEK	16.1		
Active return % - B1 SEK	15.4		

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, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	5,099,569	3,389,492
Interest income	2	-9
Dividends	106,552	278,367
Currency exchange profits and losses, net	-2	2
Other financial income ¹⁾	2,420	2,755
Other income	1,412	0
Total income and changes in value	5,209,953	3,670,607
EXPENSES		
Management costs:		
- Remuneration to the Management Company	140,740	112,713
Interest expense	13	12
Other financial expenses ²⁾	484	553
Other expenses	9,068	6,650
Total expenses	150,305	119,928
Net income	5,059,648	3,550,679
* Details of changes in value		
Capital gains	2,966,528	1,734,060
Capital losses	-780,343	-422,090
Unrealised gains/losses	2,913,385	2,077,522
Sum	5,099,569	3,389,492

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

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

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	19,176,573	98.7	11,616,513	98.6
Total financial instruments with positive market value ^{Note 2)}	19,176,573	98.7	11,616,513	98.6
Bank assets and other liquid assets	289,639	1.5	154,741	1.3
Prepaid expenses and accrued income	625	0.0	302	0.0
Other assets	168,490	0.8	90,586	0.8
Total assets	19,635,327	101.0	11,862,142	100.7
LIABILITIES				
Accrued expenses and prepaid income	15,783	0.1	10,295	0.1
Other liabilities	184,480	0.9	66,076	0.6
Total liabilities	200,263	1.0	76,371	0.7
Fund capital ^{Note 1)}	19,435,064	100.0	11,785,771	100.0
Financial instruments lent	992,957	5.1	583,212	4.9
Collateral received for financial instruments lent	1,120,640	5.8	649,909	5.5

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	11,785,771	8,825,483
Units issued ^{1) 2)}	4,821,887	1,588,543
Units redeemed ¹⁾	-2,232,242	-2,178,934
Profit according to Income Statement	5,059,648	3,550,679
Dividends to unit holders	-	-
Fund capital at the close of the period	19,435,064	11,785,771

1) Of which SEK 113 403 t relates to internal moves between share classes

2) 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 SEK t	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
Autoliv	273,419	209,166	1.1
Bufab	1,430,612	278,111	1.4
Dometic Group	1,800,000	196,110	1.0
Hennes & Mauritz B	2,975,000	511,700	2.6
Husqvarna B	1,833,924	195,313	1.0
Skistar B	457,640	48,876	0.3
Storytel B	2,739,532	739,674	3.8
Thule Group	377,547	116,133	0.6
Veoneer Inc	255,000	45,441	0.2
		2,340,523	12.0
CONSUMER STAPLES			
Essity B	1,450,700	383,710	2.0
Scandi Standard	516,458	35,532	0.2
		419,242	2.2
FINANCIALS AND REAL ESTATE			
Balder B	231,700	99,376	0.5
EQT	1,480,000	311,392	1.6
Handelsbanken A	3,550,000	293,230	1.5
Investor B	1,725,000	1,033,620	5.3
Kinnevik AB B	475,000	197,363	1.0
Nordnet AB	851,190	109,889	0.6
SEB A	3,400,000	287,300	1.5
		2,332,169	12.0
HEALTH CARE			
AstraZeneca SDB	286,799	237,584	1.2
Biotage	1,025,000	142,475	0.7
Elekta B	600,000	66,270	0.3
Lifco B	217,903	171,925	0.9
Medicover B	830,000	136,120	0.7
Swedencare Ord Shs	295,300	95,973	0.5
Swedish Orphan Biovitrum	600,000	99,660	0.5
		950,007	4.9
INDUSTRIALS			
ABB SDB	1,443,500	330,562	1.7
Addtech AB B	490,580	53,473	0.3
ÅF B	1,016,742	255,406	1.3
Alfa Laval	1,355,000	306,637	1.6
Assa Abloy B	1,347,500	272,869	1.4
Atlas Copco B1	2,903,948	1,069,524	5.5
Beijer Ref B	457,725	172,288	0.9
Concentric	1,050,967	192,537	1.0
Epiroc B	3,302,003	458,978	2.4
Hexagon B	1,067,498	800,410	4.1
Indutrade	1,058,400	186,490	1.0
Instalco	415,000	104,165	0.5
Munters Group B	1,235,068	102,511	0.5
Nibe Industrier B	720,000	194,184	1.0
Sandvik	3,000,500	604,001	3.1
Sweco B	411,857	62,190	0.3
Systemair	338,838	87,251	0.4

Handelsbanken Sverige Tema, cont.

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
Trelleborg B	1,518,718	277,166	1.4
Troax Group A	1,379,979	265,232	1.4
Volvo B	5,000,000	969,000	5.0
		6,764,872	34.8
INFORMATION TECHNOLOGY			
24Sevenoffice Scandinavia	1,887,960	98,174	0.5
Addnode B	1,013,751	289,933	1.5
BIMobject	3,372,000	47,613	0.2
Bygghemma Group	1,303,876	233,133	1.2
Ericsson B	6,636,000	647,939	3.3
HMS Network AB	320,008	83,202	0.4
Knowit	420,000	130,830	0.7
Lagercrantz Group Aktieföretag	1,564,364	118,892	0.6
Lime Technologies	195,262	79,569	0.4
Micronic Mydata	500,600	122,847	0.6
Paradox Interactive Ord Shs	2,413,091	617,751	3.2
Sinch	490,799	657,671	3.4
Tobii Technology	1,200,000	67,920	0.3
		3,195,474	16.4
MATERIALS			
Boliden1	1,058,398	308,417	1.6
SCA B	1,371,500	196,536	1.0
		504,953	2.6
TELECOMMUNICATION SERVICES			
Bambuser Ord Shs	2,650,000	44,388	0.2
Embracer B	6,170,228	1,213,067	6.2
Enad Global 7 AB	1,395,000	170,190	0.9
Nordic Entertainment	338,038	155,024	0.8
Readly International AB	2,228,221	151,608	0.8
Stillfront Group AB	8,264,550	826,455	4.3
Tele2 B	1,000,000	108,600	0.6
		2,669,332	13.7
Total listed equities		19,176,573	98.7
Total transferable securities		19,176,573	98.7
Total holdings in financial instruments		19,176,573	98.7
Net, other assets and liabilities		258,491	1.3
Total fund capital		19,435,064	100.0

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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. 98.7

** 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, SEK thousand: 992,957

Volume of lent securities as a % of total lendable assets 6.18

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

United Kingdom	131,009
France	129,326
Belgium	85,303
Germany	81,070
Austria	25,197
Amerikanska staten	23,044
American Tower Corp Reit	21,042
Microsoft Corp	17,032
BHP Group Plc	14,264
Lonza Group AG	12,552

The largest counterparties for securities lending, SEK thousand:

Credit Suisse AG, Dublin Branch	426,885
Svenska Handelsbanken AB (publ)	210,714
Merrill Lynch Intl	181,342
J.P. Morgan Securities Plc	94,388
Goldman Sachs Intl	64,681
HSBC Bank Plc	51,885
Citigroup Global Markets Ltd	50,024
Skandinaviska Enskilda Banken AB (publ)	39,651
Morgan Stanley & Co Intl Plc	1,069
	1,120,640

Type and quality of collateral, SEK thousand:

Bonds and other interest-bearing instruments	477,463
Equities, shares	643,177
	1,120,640

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:

Open Maturity	-
Less than 1 day	-
1 Day to 1 Week	565
1 Week to 1 Month	1,153
1 Month to 3 Months	1,080
3 Months to 1 Year	474,665
Above 1 Year	643,177
	1,120,640

The domicile of the counterparties, SEK thousand:

Svenska staten	250,365
Brittiska staten	443,390
Irändska staten	426,885
	1,120,640

Currency of the collateral, SEK thousand:

AUD	5,320
CAD	9,746
CHF	25,351
DKK	1,395
EUR	432,490
GBP	254,928
HKD	17,866
JPY	59,213
SEK	1,886
SGD	7
USD	312,390
NZD	39
MXN	10
	1,120,640

Settlement and clearing, SEK thousand:

Bilateral	25,560
Triparty	1,095,079
	1,120,640

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

The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 2,420 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
 -Credit Suisse AG, Dublin Branch
 -Credit Suisse Securities (Europe) Ltd
 -Goldman Sachs Intl
 -HSBC Bank Plc
 -J.P. Morgan Securities Plc
 -Merrill Lynch Intl
 -Morgan Stanley & Co Intl Plc
 -Skandinaviska Enskilda Banken AB (publ)
 -Svenska Handelsbanken AB (publ)
 -UBS AG, London Branch

Handelsbanken Sverige Tema

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities on behalf of the fund that include dialogues with companies, voting at annual general meetings and working on nomination committees.

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 used in sustainability efforts

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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, uranium, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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 companies

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainalytics on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as an investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

The Management Company's engagement activities - Corporate governance

Annual General Meetings and Nomination committees

The Management Company normally votes at general meetings in those companies where ownership exceeds 0.5% or at general meetings where the company concerned is identified as falling short in its sustainability efforts/corporate governance work. In general, the Management Company also supports shareholder proposals that seek to promote corporate sustainability, including greater transparency in recording and the reporting of the company's climate impact, as well as its work with human rights and labor law.

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..

Handelsbanken Fonder deltar i alla valberedningar där vi har tillräckligt stort ägande för att erbjudas en plats. Utanför Norden är det dock ovanligt med valberedningar och styrelsesammansättningen kan endast påverkas genom röstning på bolagsstämman.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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.

The fund also has holdings in Scandi Standard, which is one of the Nordics' largest producers of chicken – a source of protein that has one-tenth of the carbon impact compared to red meat. The company's growth has accelerated as consumers have become more environment-oriented in their choices and new product categories are being launched to increase interest for chicken as a source of protein.

Exclusion

During 2020 the fund did not have any investments in the most carbon-intensive sectors such as aviation and steel companies.

The Management Company's engagement activities - Dialogues

Targeted dialogues with direct contact between our fund managers and companies

The fund did not engage in any targeted dialogues directly with companies during the year.

Engagement activities in collaboration with other investors

The fund did not engage in any targeted dialogues directly with companies during the year.



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. The fund may invest in derivative instruments as part of its investment focus. The fund may invest a maximum of 10% of the fund capital in fund units. We compare fund performance with Solactive ISS ESG Screened Emerging Markets Index. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund normally consists of 50–100 companies, which is significantly fewer than the fund's benchmark index. The fund invests in companies, irrespective of whether or not these are included in the benchmark index. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 2.5% in 2020*. The adverse impact of the corona pandemic dominated the returns during the year. After the sharp downturns in H1, many of the stock markets rebounded and closed the year with positive returns. Holdings in Taiwan Semiconductor and Tencent were the strongest contributors, closely followed by Hainan Meilan Airports, a holding in the fund with the highest increase in absolute terms. A number of banks, such as Banco do Brasil, Sberbank and Bank of China, contributed negatively when closings affected profitability. The SEK strengthened against many global currencies during the year, as did emerging market currencies, which had a negative impact on fund returns as measured in SEK. The fund continued to have a substantial exposure to digitalization during the year, which was positive for returns. The exposure in the fund was shifted slightly towards the end of the year as a result of the vaccine launch. The weighting of digitalization holdings was decreased slightly in favor of companies within growing financial markets and infrastructure.

* 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 characterized 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 minimize 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 materialize.

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 2020. The fund has the option of lending securities. The fund used this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

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

Information

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 and 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.

The Management Company's work in nomination committees is also regulated in Guidelines for nomination committees. 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.

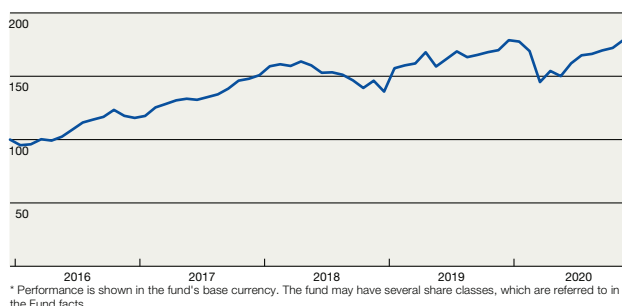
The Management Company normally votes for all of the equities in the

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 Shareholder engagement and responsible investment 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 and in Guidelines for nomination committees 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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net asset value										
Tillväxtmarknad Tema A1 - SEK	382.64	373.45	288.53	315.65	245.07	209.25	228.38	185.80	184.41	163.57
Tillväxtmarknad Tema A1 - EUR	38.08	35.54	28.47	32.11	25.58	22.85	-	-	-	-
Tillväxtmarknad Tema A1 - NOK	398.92	350.56	281.80	315.33	232.20	219.69	-	-	-	-
Tillväxtmarknad Tema A9 - SEK	98.53	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A9 - EUR	38.29	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - SEK	393.50	380.22	290.84	-	-	-	-	-	-	-
Tillväxtmarknad Tema B1 - SEK	292.05	297.59	236.01	268.35	216.40	190.51	213.90	179.48	184.41	-
Tillväxtmarknad Tema A10 - EUR	39.16	36.18	28.70	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - NOK	410.23	356.92	284.06	-	-	-	-	-	-	-
The fund's total net flow, SEK m	660	1,928	-3,836	1,455	3,003	-2,005	868	375	728	-
Fund capital total, SEK m	18,117	17,059	11,714	16,491	11,531	7,090	9,710	7,197	6,801	5,267
Tillväxtmarknad Tema A1 - SEK	14,594	14,307	9,990	15,090	10,703	6,570	9,296	7,139	6,779	5,267
Tillväxtmarknad Tema A1 - EUR	64	56	58	62	46	7	-	-	-	-
Tillväxtmarknad Tema A1 - NOK	321	283	258	534	262	121	-	-	-	-
Tillväxtmarknad Tema A9 - SEK	292	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A9 - EUR	3	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - SEK	1,557	1,241	519	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - EUR	17	6	6	-	-	-	-	-	-	-
Tillväxtmarknad Tema B1 - SEK	284	245	119	252	115	336	414	58	22	-
Tillväxtmarknad Tema A10 - NOK	244	228	90	-	-	-	-	-	-	-
Number of units, 1000's	49,639	45,819	40,723	52,385	47,116	34,039	42,642	38,748	36,879	32,201
Tillväxtmarknad Tema A1 - SEK	38,141	38,311	34,622	47,807	43,673	31,396	40,705	38,425	36,758	32,201
Tillväxtmarknad Tema A1 - EUR	1,687	1,578	2,048	1,943	1,782	328	-	-	-	-
Tillväxtmarknad Tema A1 - NOK	806	806	916	1,695	1,127	552	-	-	-	-
Tillväxtmarknad Tema A9 - SEK	2,968	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A9 - EUR	81	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - SEK	3,956	3,263	1,785	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - EUR	433	157	226	-	-	-	-	-	-	-
Tillväxtmarknad Tema B1 - SEK	974	824	503	940	534	1,763	1,937	323	121	-
Tillväxtmarknad Tema A10 - NOK	594	638	318	-	-	-	-	-	-	-
Total returns in %										
Tillväxtmarknad Tema A1 - SEK	+2.5	+29.4	-8.6	+28.8	+17.1	-8.4	+22.9	+0.8	+15.0	-20.6
Tillväxtmarknad Tema A1 - EUR	+7.1	+24.8	-11.3	+25.5	+11.9	-5.2	-	-	-	-
Tillväxtmarknad Tema A1 - NOK	+13.8	+24.4	-10.6	+35.8	+5.7	+0.4	-	-	-	-
Tillväxtmarknad Tema A9 - SEK	-1.5	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A9 - EUR	+3.4	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - SEK	+3.5	+30.7	-7.7	-	-	-	-	-	-	-
Tillväxtmarknad Tema B1 - SEK	+2.7	+29.4	-8.6	+28.8	+17.1	-8.4	+22.9	+0.8	+2.2	-
Tillväxtmarknad Tema A10 - EUR	+8.2	+26.1	-10.4	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - NOK	+14.9	+25.6	-9.7	-	-	-	-	-	-	-
Index including dividends in %										
Tillväxtmarknad Tema A1 - SEK	+4.9	+26.3	-9.9	+26.6	+20.0	-8.4	+19.2	-3.8	+12.2	-16.8
Tillväxtmarknad Tema A1 - EUR	+9.7	+21.8	-12.6	+23.4	+14.7	-5.2	-	-	-	-
Tillväxtmarknad Tema A1 - NOK	+16.5	+21.4	-11.9	+33.5	+8.3	+0.4	-	-	-	-
Tillväxtmarknad Tema A9 - SEK	+0.6	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A9 - EUR	+5.6	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - SEK	+4.9	+26.3	-9.9	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - EUR	+9.7	+21.8	-12.6	-	-	-	-	-	-	-
Tillväxtmarknad Tema B1 - SEK	+4.9	+26.3	-9.9	+26.6	+20.0	-8.4	+19.2	-3.8	+3.3	-
Tillväxtmarknad Tema A10 - NOK	+16.5	+21.4	-11.9	-	-	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾										
Tillväxtmarknad Tema A1 - SEK	3.1	3.7	3.8	3.6	4.0	3.1	3.2	3.5	3.0	2.7
Tillväxtmarknad Tema A1 - EUR	3.1	3.7	3.8	3.6	4.0	3.1	-	-	-	-
Tillväxtmarknad Tema A1 - NOK	3.1	3.7	3.8	3.6	4.0	3.1	-	-	-	-
Tillväxtmarknad Tema A10 - SEK	3.1	3.7	3.8	-	-	-	-	-	-	-
Tillväxtmarknad Tema B1 - SEK	3.1	3.7	3.8	3.6	4.0	3.1	3.2	-	3.0	-
Tillväxtmarknad Tema A10 - EUR	3.1	3.7	3.8	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - NOK	3.1	3.7	3.8	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										

Handelsbanken Tillväxtmarknad Tema, cont.

Fund facts - history cont.

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Tillväxtmarknad Tema A1 - SEK	+15.2	+8.8	+8.5	+22.8	+3.6	+6.1	+11.3	+7.6	-4.5	-5.0
Tillväxtmarknad Tema A1 - EUR	+15.7	+5.2	+5.5	+18.5	+3.0	+4.3	-	-	-	-
Tillväxtmarknad Tema A1 - NOK	+19.0	+5.4	+10.2	+19.8	+3.0	+11.9	-	-	-	-
Tillväxtmarknad Tema A10 - SEK	+16.3	+9.9	+9.6	-	-	-	-	-	-	-
Tillväxtmarknad Tema B1 - SEK	+15.3	+8.8	+8.5	+22.8	+3.6	+6.1	+11.3	-	-	-
Tillväxtmarknad Tema A10 - EUR	+16.8	+6.3	+6.6	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - NOK	+20.2	+6.5	+11.3	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+15.1	+6.7	+6.8	+23.3	+4.9	+4.5	+7.1	+3.9	-3.4	-3.5
EUR	+15.6	+3.2	+3.9	+19.0	+4.3	+2.7	-	-	-	-
NOK	+18.9	+3.4	+8.4	+20.2	+4.3	+10.2	-	-	-	-
Average yearly return, 5 yrs. %										
Tillväxtmarknad Tema A1 - SEK	+12.8	+10.3	+9.2	+11.3	+8.8	+0.7	+5.1	+10.9	-1.6	+1.0
Tillväxtmarknad Tema A1 - EUR	+10.8	+8.1	+6.3	+8.3	+7.3	+0.4	-	-	-	-
Tillväxtmarknad Tema A1 - NOK	+12.7	+9.9	+9.9	+14.9	+10.7	+4.7	-	-	-	-
Tillväxtmarknad Tema A10 - SEK	+14.0	+11.4	+10.3	-	-	-	-	-	-	-
Tillväxtmarknad Tema B1 - SEK	+12.9	+10.3	+9.2	+11.3	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - EUR	+11.9	+9.1	+7.3	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - NOK	+13.8	+11.0	+11.0	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+12.7	+9.6	+8.4	+9.8	+7.2	-0.4	+3.7	+10.1	-0.8	+2.4
EUR	+10.6	+7.4	+5.5	+6.8	+5.6	-0.7	-	-	-	-
NOK	+12.5	+9.2	+9.1	+13.3	+9.0	+3.5	-	-	-	-
Average yearly return, 10 yrs. %										
Tillväxtmarknad Tema A1 - SEK	+6.6	+7.7	+10.1	+4.7	+4.8	+3.9	+9.8	+8.9	+11.3	+6.6
Tillväxtmarknad Tema A1 - EUR	+5.4	+7.4	+11.0	+4.3	+4.2	+4.2	-	-	-	-
Tillväxtmarknad Tema A1 - NOK	+8.6	+9.3	+11.2	+6.5	+5.3	+6.1	-	-	-	-
Tillväxtmarknad Tema A10 - SEK	+7.7	+8.8	+11.2	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - EUR	+6.5	+8.5	+12.1	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - NOK	+9.7	+10.4	+12.3	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+5.9	+6.6	+9.2	+4.4	+4.8	+4.2	+10.2	+9.9	+13.2	+9.1
EUR	+4.8	+6.3	+10.1	+4.0	+4.2	+4.5	-	-	-	-
NOK	+7.9	+8.2	+10.3	+6.2	+5.2	+6.4	-	-	-	-
Dividends per unit, SEK										
Tillväxtmarknad Tema A1 - SEK	-	-	-	-	-	-	-	-	3.61	2.24
Tillväxtmarknad Tema B1 - SEK	11.90	7.08	10.73	8.66	5.72	6.42	5.38	6.45	-	-
Exchange rate EUR/SEK	10.05	10.51	10.13	9.83	9.58	9.16	-	-	-	-
Exchange rate NOK/SEK	0.96	1.07	1.02	1.00	1.06	0.95	-	-	-	-

1) The fund's thematic management process leads to a portfolio with focus on structural growth and has significantly fewer holdings than the benchmark index. This has contributed to the fund's tracking error that has been within a range of 3–4% in recent years, which the fund manager considers to be a good balance between risk and return. The risk level is similar to the level during the previous years.

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 A9	0.80
Tillväxtmarknad Tema A10	0.60
Tillväxtmarknad Tema B1	1.60
Collected mgmt. costs in % of average fund capital	
Tillväxtmarknad Tema A1	1.60
Tillväxtmarknad Tema A9	0.80
Tillväxtmarknad Tema A10	0.60
Tillväxtmarknad Tema B1	1.60
Annual fees in %	
Tillväxtmarknad Tema A1	1.60
Tillväxtmarknad Tema A9	0.80
Tillväxtmarknad Tema A10	0.60
Tillväxtmarknad Tema B1	1.60
Transaction costs, SEK thousand	7,021
Transaction costs in % of turnover	0.11
Costs in SEK for a one-time subscription, 10 000 SEK	
Tillväxtmarknad Tema A1	148.86
Tillväxtmarknad Tema A9	-
Tillväxtmarknad Tema A10	56.10
Tillväxtmarknad Tema B1	149.09
Costs in SEK for monthly savings, 100 SEK	
Tillväxtmarknad Tema A1	10.79
Tillväxtmarknad Tema A9	-
Tillväxtmarknad Tema A10	4.06
Tillväxtmarknad Tema B1	11.10

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	18.3	Information ratio - A1 SEK	0.0
Total risk % - A1 EUR	19.1	Information ratio - A1 EUR	0.0
Total risk % - A1 NOK	13.2	Information ratio - A1 NOK	0.0
Total risk % - A10 SEK	18.3	Information ratio - A10 SEK	0.4
Total risk % - B1 SEK	18.2	Information ratio - B1 SEK	0.1
Total risk % - A10 EUR	19.1	Information ratio - A10 EUR	0.4
Total risk % - A10 NOK	13.2	Information ratio - A10 NOK	0.4
Total risk in index % - A1 SEK	17.2	Sharpe ratio - A1 SEK	0.8
Total risk in index % - A1 EUR	18.1	Sharpe ratio - A1 EUR	0.8
Total risk in index % - A1 NOK	12.6	Sharpe ratio - A1 NOK	1.4
Total risk in index % - A10 SEK	17.2	Sharpe ratio - A10 SEK	0.9
Total risk in index % - B1 SEK	17.2	Sharpe ratio - B1 SEK	0.9
Total risk in index % - A10 EUR	18.1	Sharpe ratio - A10 EUR	0.9
Total risk in index % - A10 NOK	12.6	Sharpe ratio - A10 NOK	1.5
Benchmark	Solactive ISS ESG	Sharpe ratio in index - A1 SEK	0.9
	Screened Emerging	Sharpe ratio in index - A1 EUR	0.9
	Markets Index NTR	Sharpe ratio in index - A1 NOK	1.4
Active Share % 1)	65.7	Sharpe ratio in index - A10 SEK	0.9
Active return % - A1 SEK	0.0	Sharpe ratio in index - B1 SEK	0.9
Active return % - A1 EUR	0.0	Sharpe ratio in index - A10 EUR	0.9
Active return % - A1 NOK	0.1	Sharpe ratio in index - A10 NOK	1.4
Active return % - A10 SEK	1.2		
Active return % - B1 SEK	0.2		
Active return % - A10 EUR	1.2		
Active return % - A10 NOK	1.2		

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, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	392,272	3,292,896
Changes in value for other derivative instruments **	532	428
Interest income	772	3,981
Dividends	312,958	306,780
Currency exchange profits and losses, net	-61,484	15,844
Other financial income ¹⁾	2,067	1,564
Other income	3,507	14,320
Total income and changes in value	650,625	3,635,813
EXPENSES		
Management costs:		
- Remuneration to the Management Company	239,611	210,221
Interest expense	429	118
Other financial expenses ²⁾	413	313
Other expenses	7,691	7,791
Total expenses	248,144	218,443
Net income	402,480	3,417,370
* Details of changes in value		
Capital gains	1,523,241	714,354
Capital losses	-216,602	-177,137
Unrealised gains/losses	-914,366	2,755,679
Sum	392,272	3,292,896
** Details of changes in value		
Unrealised gains/losses	532	428
Sum	532	428

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

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	17,689,230	97.6	16,486,322	96.7
Other derivative instruments with positive market value	959	0.0	428	0.0
Total financial instruments with positive market value ^{Note 2)}	17,690,189	97.7	16,486,750	96.7
Bank assets and other liquid assets	433,349	2.4	522,192	3.1
Prepaid expenses and accrued income	15,185	0.1	19,503	0.1
Other assets	351	-0.1	50,532	0.2
Total assets	18,139,074	100.1	17,078,977	100.1
LIABILITIES				
Accrued expenses and prepaid income	22,404	0.1	20,021	0.1
Total liabilities	22,404	0.1	20,021	0.1
Fund capital ^{Note 1)}	18,116,670	100.0	17,058,956	100.0
Financial instruments lent	753,924	4.2	317,810	1.9
Collateral received for financial instruments lent	855,231	4.7	353,204	2.1

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	17,058,956	11,713,562
Units issued ¹⁾	3,594,450	4,491,125
Units redeemed ¹⁾	-2,925,443	-2,557,130
Profit according to Income Statement	402,480	3,417,370
Dividends to unit holders	-13,773	-5,971
Fund capital at the close of the period	18,116,670	17,058,956

¹⁾ Of which SEK 372 108 t relates to internal moves between share classes

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
LISTED EQUITIES			
BERMUDA (BMD)			
Credicorp ADR	88,452	119,147	0.7
		119,147	0.7
BRAZIL (BRL)			
B3 Brasil Bolsa Balcao	3,642,437	356,946	2.0
Banco do Brasil	6,685,449	410,130	2.3
Cogna Educacao Ord Shs	20,052,093	146,791	0.8
Duralex	3,079,169	93,183	0.5
Fleury	2,882,762	123,155	0.7
Itaú Unibanco Holding pref	1,714,942	85,765	0.5
Localiza Rent a Car	2,083,009	227,083	1.3
Odontoprev	1,752,036	40,306	0.2
Raia Drogasil	376,080	14,889	0.1
São Paulo Alparagas	1,128,826	74,961	0.4
SulAmérica	1,460,625	102,422	0.6
Telefonica Brasil Ord Shs	1,533,065	112,713	0.6
Valid	700,000	10,393	0.1
		1,798,736	9.9
CHILE (CLP)			
AFP Habitat	5,046,368	29,527	0.2
Banco Santander Chile	156,032,120	61,501	0.3
Coca-Cola Embonor B pref	3,500,000	36,842	0.2
Forus	718,740	10,052	0.1
		137,923	0.8
CHINA (CNY)			
3SBio HK	5,500,000	41,185	0.2
Alibaba Group Holding ADR	672,451	1,285,260	7.1
Autohome ADR	418,433	342,334	1.9
Baidu ADR	303,572	539,108	3.0
Bank of China	112,824,662	316,673	1.7
China Construction Bank	74,027,954	461,819	2.5
China Medical System Holdings	6,253,000	57,354	0.3
China Mobile HKD	3,026,751	141,697	0.8
China Shineway Pharmaceutical Group	2,520,000	14,173	0.1
Hainan Meilan International Airport	3,350,000	145,830	0.8
Li Ning	5,051,000	285,145	1.6
Microport Scientific	2,727,901	121,205	0.7
NetEase	418,969	329,526	1.8
New Oriental	200,462	305,900	1.7
Ping An Insurance	5,465,932	549,982	3.0
Qingdao Haier Ord Shs A	5,361,326	196,661	1.1
Sunny Optical Technology Group	480,900	86,437	0.5
Tencent	2,562,543	1,530,773	8.4
TravelSky Technology	8,371,000	165,798	0.9
Xiaomi Ord Shs	4,086,200	143,687	0.8
Xinyi Solar Holdings	11,891,959	255,058	1.4
		7,315,605	40.4
COLOMBIA (COP)			
Grupo Nutresa	786,000	45,292	0.3
		45,292	0.3
GREECE (EUR)			
Jumbo	765,000	109,233	0.6
		109,233	0.6
HONG KONG (HKD)			
AIA Group	5,835,600	587,178	3.2
China Overseas Land & Investment	2,832,000	50,572	0.3
Hong Kong Exchanges and Clearing	696,600	313,569	1.7
Lee's Pharmaceutical	3,200,000	15,930	0.1
NWS Holdings	3,785,000	28,824	0.2
		996,073	5.5
INDIA (INR)			
Bharti Infratel	9,841,340	254,300	1.4
Container Corporation Of India Ord Shs 1	976,707	43,835	0.2
Dr Lal PathLabs	297,352	77,045	0.4
HDFC Bank	4,315,547	696,682	3.8
Housing Development Finance	1,413,420	406,477	2.2
ICICI Bank	1,276,375	76,758	0.4
Infosys Technologies	1,323,338	186,786	1.0
Oberoi Realty Ord Shs	514,330	33,726	0.2
Tata Consultancy Services	1,160,960	373,555	2.1
Wonderla Holidays	1,256,292	28,968	0.2
		2,178,132	12.0
INDONESIA (IDR)			
Bank BTN	122,000,000	128,361	0.7
Bank Rakyat Indonesia	107,268,100	260,835	1.4
Telkom Indonesia	36,034,562	69,929	0.4
		459,125	2.5
KAZAKHSTAN (KZT)			
Halyk Bank	450,000	43,054	0.2
		43,054	0.2
KOREA, REPUBLIC OF (KRW)			
CJ ENM Co Ltd	49,710	52,426	0.3
		52,426	0.3
MEXICO (MXN)			
Bolsa Mexicana de Valores	2,820,000	54,814	0.3
Gruma	2,448,270	239,083	1.3
Grupo Aeroportuario del Centro Norte	2,427,638	128,465	0.7
Grupo Aeroportuario del Pacifico ADR	77,885	105,495	0.6
Hoteles City Express	2,655,207	5,986	0.0
Pinfra	730,606	52,887	0.3
		586,730	3.2

Handelsbanken Tillväxtmarknad Tema, cont.

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
NETHERLANDS (EUR)			
Yandex	185,341	105,909	0.6
		105,909	0.6
PERU (PEN)			
Alicorp	1,689,766	27,430	0.2
Intergroup	215,000	57,120	0.3
		84,550	0.5
PHILIPPINES (PHP)			
BDO Unibank	3,194,327	58,341	0.3
Globe Telecom	228,082	79,179	0.4
		137,520	0.8
RUSSIAN FEDERATION (RUB)			
Moscow Exchange	4,185,258	74,153	0.4
Phosagro GDR	403,348	45,183	0.2
Sberbank	16,433,986	494,684	2.7
X5 Retail Group	399,368	118,467	0.7
		732,487	4.0
SOUTH AFRICA (ZAR)			
Clicks Group	1,838,647	259,744	1.4
Johannesburg Stock Exchange	1,378,300	86,694	0.5
Life Healthcare Group	2,061,000	19,382	0.1
MultiChoice Group	112,787	8,450	0.0
Sanlam	4,609,652	151,415	0.8
		525,685	2.9
TAIWAN, PROVINCE OF CHINA (TWD)			
Fubon Financial Holding	3,004,000	41,047	0.2
Largan Precision	120,415	112,449	0.6
Taiwan Semiconductor	11,361,092	1,759,943	9.7
		1,913,439	10.6
THAILAND (THB)			
Airports of Thailand Ord Shs F	8,307,795	141,762	0.8
Bangkok Dusit Medical Services	18,983,203	108,235	0.6
Major Cineplex	6,150,000	30,851	0.2
Minor International	9,536,585	67,314	0.4
		348,162	1.9
Total listed equities		17,689,230	97.6
Total transferable securities		17,689,230	97.6

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
OPTIONS AND WARRANTS			
Minor INTL-W7	433,481	915	0.0
MINT W6 TB	425,000	44	0.0
Total options and warrants		959	0.0
Total exchange-traded derivatives		959	0.0
Total holdings in financial instruments		17,690,189	97.7
Net, other assets and liabilities		426,481	2.4
Total fund capital		18,116,670	100.0

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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.

Compilation, Company and Group exposure*

Company/Group	% of fund capital
ItaÜsa	1.0

* 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.

Additional information on loaned securities

Volume of lent securities, SEK thousand: **753,924**

Volume of lent securities as a % of total lendable assets **7.42**

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

Amerikanska staten	221,646
Germany	124,019
United Kingdom	99,503
France	75,197
Netherlands	22,897
BHP Group Plc	19,092
Procter & Gamble Co	13,512
Vodafone Group Plc	12,567
Lam Research Corp	12,195
Johnson & Johnson	11,414

The largest counterparties for securities lending, SEK thousand:

UBS AG, London Branch	414,945
Merrill Lynch Intl	302,433
J.P. Morgan Securities Plc	99,420
Goldman Sachs Intl	36,974
Credit Suisse Securities (Europe) Ltd	1,460
	855,231

Type and quality of collateral, SEK thousand:

Bonds and other interest-bearing instruments	557,681
Equities, shares	297,550
	855,231

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:

Open Maturity	-
Less than 1 day	-
1 Day to 1 Week	1,447
1 Week to 1 Month	549
1 Month to 3 Months	13,141
3 Months to 1 Year	542,544
Above 1 Year	297,550
	855,231

The domicile of the counterparties, SEK thousand:

Brittiska staten	855,231
	855,231

Currency of the collateral, SEK thousand:

AUD	5,450
CAD	33
CHF	10,704
DKK	72
EUR	255,960
GBP	239,429
HKD	3,860
JPY	3,787
SEK	23
USD	335,913
	855,231

Settlement and clearing, SEK thousand:

Triparty	855,231
	855,231

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

The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 2,067 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
-Credit Suisse Securities (Europe) Ltd
-Goldman Sachs Intl
-HSBC Bank Plc
-J.P. Morgan Securities Plc
-Merrill Lynch Intl
-Morgan Stanley & Co Intl Plc
-UBS AG, London Branch

Handelsbanken Tillväxtmarknad Tema

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities on behalf of the fund that include dialogues with companies, voting at annual general meetings and working on nomination committees.

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 used in sustainability efforts

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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, uranium, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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 companies

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainability on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

The Management Company's engagement activities - Corporate governance

Annual General Meetings and Nomination committees

The Management Company normally votes at general meetings in those companies where ownership exceeds 0.5% or at general meetings where the company concerned is identified as falling short in its sustainability efforts/corporate governance work. In general, the Management Company also supports shareholder proposals that seek to promote corporate sustainability, including greater transparency in recording and the reporting of the company's climate impact, as well as its work with human rights and labor law.

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..

Handelsbanken Fonder deltar i alla valberedningar där vi har tillräckligt stort ägande för att erbjudas en plats. Utanför Norden är det dock ovanligt med valberedningar och styrelsesammansättningen kan endast påverkas genom röstning på bolagsstämman.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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

Many believe that investing sustainably in emerging markets is a major challenge and there is some truth to this. There are significant differences between companies and countries. In the same way, there are sectors and companies that still have a long journey ahead, as well as those that have managed their business operations with sustainability in focus, which is also financially beneficial. One example is the Indian IT consultancy sector. The fund currently has exposure in the two market-leading companies Tata Consultancy and Infosys, which are holdings that we also increased during the year. Both of these companies have world-leading corporate governance. They work actively with diversity, in this case the employment of more women that in India is not self-evident. In addition, they are working with the installation of alternative energy sources in their office buildings to contribute to the sustainability challenges we face, as well as to secure their business operations and growth for the future.

Their significant expertise within digitalization gives them the opportunity to be involved in the development of more sustainable digital solutions domestically in India, as well as with their international customers. A long-term strategy pays off, and this year share price performance for these companies exceeded the Emerging Market index as well as the World Index.

Exclusion

Given the fund's focus on thematically sustainable strong performers, we consistently exclude exposure within a number of segments, such as fossil fuels, among others. Oil prices have fluctuated significantly during 2020 and noted even negative levels over a short period during the spring months. Equity prices for companies within the oil industry have also fluctuated sharply during the year. Our belief is that sustainability, financial profitability and thereby equity yields clearly go hand-in-hand over a longer period of time. This is also the case this year, where many of the oil companies we excluded underperformed other markets.

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. The fund may invest in derivative instruments as part of the fund's investment focus. The fund may invest a maximum of 10% of fund capital in fund units. We compare fund performance with the SHB Government Rate Index - 3 M SEK, which is based on the Swedish treasury bill rate - 3 months, SSVX 3M. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund invests in financial instruments whether or not they are included in the benchmark index. Fund management is partly based on an ongoing assessment of the macroeconomic conditions, as well as on credit market- and company analyses. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 1.4% in 2020*. The financial markets were dominated primarily by the spread of the corona virus, subsequent closures in economies and massive support measures that focused on trying to compensate for the financial shortfall in companies and households. The uncertainty about how states, companies, households and financial players will manage the crisis remains high, although many economies have recently begun to reopen and the outlook is slightly more optimistic. The Federal Reserve took early action during the crisis to counteract the problems arising in the USD market by injecting liquidity both domestically and globally. Interest rates were also cut close to zero and the Fed has implemented major asset purchases. The ECB left the key rate unchanged at -0.5%, expanded its existing program for asset purchases (APP) and launched a specific program to purchase assets for EUR 1,350 billion (PEPP). The extensive fiscal support measures in Sweden have also been supplemented by a zero interest rate and major asset purchases (QE) from the Riksbank. The Riksbank's asset purchases now also include mortgage-, municipal-, and corporate bonds. Swedish short-term rates have traded at a relatively stable level, with the exception of a short period in March. During the autumn the fund took a position for a steepening of the US curve when we saw signs for an increase in inflation expectations.

The fund invested in the interest rate spread between German and Swedish 10-year duration as we believe the wide spread between the countries is unjustified. Both of these positions performed strongly, but we believe there is room for further movements and the fund is retaining these positions into the new year. The fund's exposure to corporate bonds in the Swedish and European markets was the strongest contributor to returns. This asset class has performed strongly during low volatility due to additional purchases by the central banks.

*) 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 characterized 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The average residual fixed interest 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 used this option during 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

• Highest leverage during the financial year	48.5%
• Lowest leverage during the financial year	5.0%
• Average leverage during the financial year	26.4%

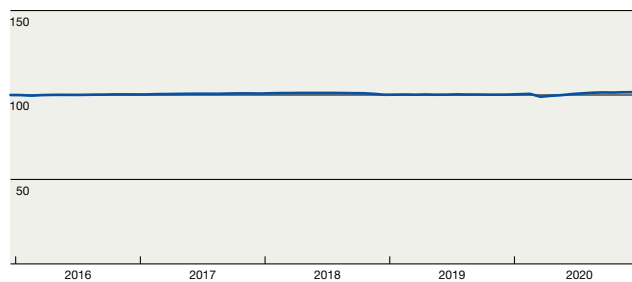
Information

As of August 1, 2020 the fund changed its fund rules.

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net asset value, SEK										
Räntestrategi A1	103.77	102.34	102.23	102.95	102.42	102.08	102.98	102.39	100.47	100.50
Räntestrategi A9	101.90	-	-	-	-	-	-	-	-	-
Räntestrategi A10	103.83	102.38	102.24	-	-	-	-	-	-	-
Räntestrategi B1	100.70	99.31	99.70	100.90	101.39	102.08	-	-	-	-
The fund's total net flow, SEK m	-9,988	-5,291	5,913	6,312	-52	9,227	4,420	-82	-383	-
Fund capital total, SEK m	11,805	21,666	26,926	21,228	14,837	14,845	5,736	1,313	1,370	1,755
Räntestrategi A1	6,609	11,769	16,675	20,822	14,645	14,598	5,736	1,313	1,370	1,755
Räntestrategi A9	41	-	-	-	-	-	-	-	-	-
Räntestrategi A10	4,694	9,323	9,477	-	-	-	-	-	-	-
Räntestrategi B1	461	192	249	406	192	247	-	-	-	-
Number of units, 1000's	113,881	211,841	263,572	206,286	144,884	145,430	55,705	12,828	13,638	17,460
Räntestrategi A1	63,692	115,001	163,124	202,262	142,989	143,006	55,705	12,828	13,638	17,460
Räntestrategi A9	405	-	-	-	-	-	-	-	-	-
Räntestrategi A10	45,209	91,061	92,692	-	-	-	-	-	-	-
Räntestrategi B1	4,574	1,938	2,495	4,024	1,895	2,424	-	-	-	-
Total returns in %, SEK										
Räntestrategi A1	+1.4	+0.1	-0.7	+0.5	+0.3	-0.9	+0.6	+1.9	+2.5	+2.8
Räntestrategi A9	+1.9	-	-	-	-	-	-	-	-	-
Räntestrategi A10	+1.4	+0.1	-0.9	-	-	-	-	-	-	-
Räntestrategi B1	+1.4	+0.1	-0.7	+0.5	+0.3	-0.9	-	-	-	-
Benchmark rate in %, kr ¹⁾	0.0	+0.1	0.0	0.0	0.0	0.0	+0.5	+0.9	+1.2	+1.6
Index including dividends in %, SEK										
Räntestrategi A1	0.0	0.0	0.0	-	-	-	-	-	-	-
Räntestrategi A9	0.0	-	-	-	-	-	-	-	-	-
Räntestrategi A10	0.0	0.0	0.0	-	-	-	-	-	-	-
Räntestrategi B1	0.0	0.0	0.0	-	-	-	-	-	-	-
Tracking error, 2 yrs. % ²⁾										
Räntestrategi A1	1.5	0.5	0.5	0.4	0.6	0.6	0.5	0.5	0.6	0.5
Räntestrategi A10	1.5	-	-	-	-	-	-	-	-	-
Räntestrategi B1	1.5	0.5	0.5	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Räntestrategi A1	+0.8	-0.3	-0.1	+0.4	-0.3	-0.2	+1.2	+2.2	+2.7	+1.8
Räntestrategi A10	+0.8	-	-	-	-	-	-	-	-	-
Räntestrategi B1	+0.8	-0.3	-0.1	+0.4	-	-	-	-	-	-
Comparison to index including dividends, %	0.0	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
Average yearly return, 5 yrs. %										
Räntestrategi A1	+0.3	-0.1	0.0	+0.5	+0.9	+1.4	+1.7	+2.1	+2.5	+2.7
Räntestrategi B1	+0.3	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	0.0	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
Average yearly return, 10 yrs. %										
Räntestrategi A1	+0.9	+0.8	+1.0	+1.5	+1.8	+2.0	+2.1	-	-	-
Comparison to index including dividends, %	+0.4	+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
Räntestrategi B1	-	0.50	0.50	1.01	1.02	0.00	-	-	-	-

1) The Fixing Rate 3M was discontinued on 31 December 2019 and as of 1 January 2020, the fund's benchmark rate is SSVX 3M

2) The fund has taken the tracking error that is considered to be appropriate for the purpose of attaining the fund's active return objective. The tracking error has been slightly higher in the past year than in previous years. As a result of the pandemic, 2020 was largely dominated by significant volatility in the fixed income markets. Most notably, credit spreads widened sharply during H1. Central banks used rate cuts and quantitative support programs to support the markets, which resulted in a narrowing of credit spreads in H2. The higher volatility in the markets, particularly for corporate bonds, led to an increase to the tracking error. Interest rate fluctuations also contributed to increased volatility with regard to the fund's positions.

Benchmark: SHB Government Rate Index - 3m SEK

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 A9	0.08
Räntestrategi A10	0.08
Räntestrategi B1	0.10
Collected mgmt. costs in % of average fund capital	
Räntestrategi A1	0.10
Räntestrategi A9	0.08
Räntestrategi A10	0.08
Räntestrategi B1	0.10
Collected performance-based fee in % of average fund capital	
Räntestrategi A1	0.02
Räntestrategi A9	0.02
Räntestrategi A10	0.02
Räntestrategi B1	0.03
Annual fees in %	
Räntestrategi A1	0.10
Räntestrategi A9	0.08
Räntestrategi A10	0.08
Räntestrategi B1	0.10
Transaction costs, SEK thousand	781
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Räntestrategi A1	12.67
Räntestrategi A9	-
Räntestrategi A10	10.76
Räntestrategi B1	12.67
Costs in SEK for monthly savings, 100 SEK	
Räntestrategi A1	0.96
Räntestrategi A9	-
Räntestrategi A10	0.84
Räntestrategi B1	0.96

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 %	6.7
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and return measurements*

Total risk % - A1 SEK	1.5	Sharpe ratio - A1 SEK	0.8
Total risk % - A10 SEK	1.5	Sharpe ratio - A10 SEK	0.8
Total risk % - B1 SEK	1.5	Sharpe ratio - B1 SEK	0.8
Total risk in index % - A1 SEK	0.0	Sharpe ratio in index - A1 SEK	0.0
Total risk in index % - A10 SEK	0.0	Sharpe ratio in index - A10 SEK	0.0
Total risk in index % - B1 SEK	0.0	Sharpe ratio in index - B1 SEK	0.0
Benchmark	SHB Government Rate Index - 3m SEK	VaR as of the closing date	0.04
Active return % - A1 SEK	0.8	Highest VaR during the financial year	0.05
Active return % - A10 SEK	0.8	Lowest VaR during the financial year	0.02
Active return % - B1 SEK	0.8	Average VaR during the financial year	0.04
Information ratio - A1 SEK	0.5	Duration, months ¹⁾	5.5
Information ratio - A10 SEK	0.5	Spread exposure %	1.2
Information ratio - B1 SEK	0.5		

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 an absolute Value at Risk method.

Income statement, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities ¹⁾	-73,550	102,296
Changes in value for other derivative instruments ²⁾	62,160	-215,288
Interest income	146,278	169,434
Currency exchange profits and losses, net	11,538	-1,535
Other income	0	0
Total income and changes in value	146,427	54,907
EXPENSES		
Management costs:		
- Remuneration to the Management Company	17,599	21,205
Interest expense	698	61
Other expenses	1,331	2,526
Total expenses	19,629	23,792
Net income	126,798	31,115
* Details of changes in value		
Capital gains	11,915	20,538
Capital losses	-93,914	-41,174
Unrealised gains/losses	8,449	122,932
Sum	-73,550	102,296
** Details of changes in value		
Capital gains	146,995	551,526
Capital losses	-85,369	-812,863
Unrealised gains/losses	534	46,049
Sum	62,160	-215,288

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	8,945,026	75.8	17,053,001	78.7
Money market instruments	1,588,650	13.5	3,286,401	15.2
OTC derivative instruments with positive market value	6,083	0.1	-	-
Other derivative instruments with positive market value	-	-	0	0.0
Total financial instruments with positive market value ^{Note 2)}	10,539,759	89.3	20,339,402	93.9
Bank assets and other liquid assets	1,244,094	10.5	1,286,167	5.9
Prepaid expenses and accrued income	24,981	0.2	43,455	0.2
Other assets	-1	0.0	13	0.0
Total assets	11,808,833	100.0	21,669,037	100.0
LIABILITIES				
OTC derivative instruments with negative market value	438	0.0	1,099	0.0
Total financial instruments with negative market value ^{Note 2)}	438	0.0	1,099	0.0
Accrued expenses and prepaid income	3,133	0.0	1,774	0.0
Other liabilities	13	0.0	12	0.0
Total liabilities	3,584	0.0	2,885	0.0
Fund capital ^{Note 1)}	11,805,250	100.0	21,666,152	100.0
Collateral received for OTC derivative instruments ¹⁾	460	0.0	-	-
Other derivative instruments with negative market value ²⁾	34,526	0.3	14,326	0.1

1) Cash and cash equivalents SEK 460 t

2) Cash and cash equivalents SEK 34 526 t

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	21,666,152	26,926,096
Units issued ¹⁾	7,678,110	10,822,762
Units redeemed ¹⁾	-17,665,810	-16,110,767
Profit according to Income Statement	126,798	31,115
Dividends to unit holders	-	-3,054
Fund capital at the close of the period	11,805,250	21,666,152

1) Of which SEK 608 464 t relates to internal moves between share classes

Handelsbanken Räntestrategi, cont.

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, OTHERS			
Aktia Bank Oyj FRN 2023-09-11	150,000	150,309	1.3
BMW Finance FRN 2023-06-19	90,000	90,239	0.8
BNP Paribas 0,5% 2025-06-04	5,900	60,364	0.5
Danske Bank FRN 2023-01-25	230,000	229,156	1.9
DNB Bank FRN 2022-11-01	100,000	100,818	0.9
LeasePlan 0,6% 2021-01-11	100,000	99,998	0.8
LeasePlan 1,375% 2024-03-07	850	8,895	0.1
LeasePlan FRN 2022-07-05	200,000	199,128	1.7
Nordea Bank 1,125% 2023-06-27	175,000	177,655	1.5
OP Corporate Bank FRN 2022-05-18	100,000	100,559	0.9
Santander Consumer Bk FRN 2023-05-12	88,000	87,801	0.7
Tomra FRN 2022-11-14	58,000	55,604	0.5
VW Financial Services NV FRN 2023-01-21	156,000	156,072	1.3
		1,516,598	12.9

GOVERNMENT

Statsobligation 1059 1% 2026-11-12	380,000	407,223	3.4
		407,223	3.5

MORTGAGE

Nordea Hypotek 5533 1,25% 2023-09-20	200,000	206,898	1.8
Stadshypotek 1587 1,5% 2023-06-01	300,000	311,151	2.6
Stadshypotek 1588 1,5% 2024-03-01	600,000	627,876	5.3
		1,145,925	9.7

OTHER

Assa Abloy 0,375% 2021-07-26	50,000	50,045	0.4
Atrium Ljungberg FRN 2022-11-21	100,000	100,269	0.8
Atrium Ljungberg FRN 2023-07-07	50,000	50,152	0.4
Balder 0,743% 2021-07-02	200,000	200,130	1.7
Balder FRN 2023-02-06	250,000	249,035	2.1
BillerudKorsnäs 0,7% 2021-01-04	150,000	150,000	1.3
Bluestep FRN 2022-09-12	80,000	80,718	0.7
Castellum 0,81% 2021-07-09	58,000	58,072	0.5
Castellum FRN 2022-07-05	100,000	100,170	0.8
Castellum FRN 2022-09-01	130,000	132,165	1.1
Castellum FRN 2023-08-28	100,000	100,527	0.9
Castellum FRN 2024-03-28	50,000	50,982	0.4
Ellevio FRN 2023-12-09	130,000	133,283	1.1
Ellevio FRN 2024-02-28	100,000	102,490	0.9
Handelsbanken FRN 2027-11-15	195,000	195,462	1.7
Heimstaden Bostad 2,125% 2023-04-05	9,000	95,251	0.8
Heimstaden Bostad FRN 2022-05-26	100,000	101,565	0.9
Hemsö FRN 2021-06-03	50,000	50,190	0.4
Hemsö FRN 2025-02-11	30,000	30,017	0.3
Hexagon FRN 2021-05-24	157,000	157,281	1.3
Hexagon FRN 2021-09-01	90,000	90,096	0.8
Humlegården Fastigheter FRN 2022-06-22	50,000	50,564	0.4
Humlegården Fastigheter FRN 2024-10-07	98,000	98,499	0.8
Husqvarna FRN 2023-02-14	125,000	125,565	1.1
Ikano Bank FRN 2022-05-16	50,000	49,923	0.4
Ikano Bank FRN 2022-10-17	150,000	149,487	1.3
Indutrade FRN 2023-02-23	50,000	49,837	0.4
Intea Fastigheter FRN 2021-09-30	60,000	59,969	0.5
Intea Fastigheter FRN 2022-07-05	108,000	109,199	0.9
Investment AB Latour FRN 2021-09-13	150,000	150,242	1.3
Kungsleden FRN 2022-03-21	60,000	60,860	0.5
Länsförsäkringar FRN 2022-01-11	58,000	58,322	0.5
Länsförsäkringar FRN 2023-10-12	100,000	101,164	0.9
Länsförsäkringar FRN 785 2021-05-18	74,000	74,241	0.6
NCC Treasury FRN 2022-09-30	72,000	71,538	0.6
NIBE Industrier 1% 2021-06-21	50,000	50,088	0.4
Nya SFF FRN 2021-09-01	150,000	150,447	1.3
Nya SFF FRN 2022-02-28	42,000	41,863	0.4
Nya SFF FRN 2022-06-03	120,000	121,003	1.0
Rikshem 0,716% 2022-01-12	52,000	52,236	0.4
Rikshem FRN 2023-07-18	150,000	151,058	1.3
SBAB FRN 2024-06-20	121,000	122,024	1.0
SBAB FRN 2024-10-23	200,000	200,934	1.7
Scania 0,635 % 2022-02-21	200,000	200,366	1.7
Scania 0,865% 2023-01-24	100,000	100,545	0.9
Scania FRN 2022-08-22	150,000	150,233	1.3
SKF FRN 2024-06-10	58,000	58,928	0.5
Tele2 FRN 2022-03-16	100,000	101,436	0.9
Vasakronan FRN 2022-11-29	150,000	151,338	1.3
Volvo Treasury FRN 2022-11-04	100,000	100,132	0.8
Volvo Treasury FRN 2022-12-08	100,000	102,842	0.9
Volvo Treasury FRN 2023-09-28	50,000	50,119	0.4
Volvofinans Bank FRN 2021-06-22	100,000	100,424	0.9
Volvofinans Bank FRN 2023-11-20	30,000	30,208	0.3
Willhem 0,69% 2022-01-11	100,000	100,485	0.9
Willhem FRN 2022-08-26	150,000	150,329	1.3
		5,774,343	48.9

Total listed fixed-income securities		8,844,089	74.9
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	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
UNLISTED FIXED-INCOME SECURITIES			
OTHER			
SKB FRN 2022-11-28	100,000	100,937	0.9
		100,937	0.9
Total unlisted fixed-income securities		100,937	0.9
Total transferable securities		8,945,026	75.8

MONEY MARKET INSTRUMENTS**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
CERTIFICATE			
Atrium Ljungberg AB DI FC 2021-03-22	100,000	99,883	0.8
Castellum DI FC 2021-03-23	150,000	149,822	1.3
Fabege AB DI FC 2021-02-26	50,000	49,960	0.4
HEBA Fastighets AB DI FC 2021-02-10	100,000	99,943	0.8
HEBA Fastighets AB DI FC 2021-03-09	50,000	49,952	0.4
Hennes & Mauritz AB DI FC 2021-04-06	50,000	49,929	0.4
Ikano Bank DI BAC 2021-02-11	180,000	180,045	1.5
Intea Fastigheter AB DI FC 2021-03-15	110,000	109,883	0.9
Nordic Entertainment Group 2021-03-22	100,000	99,883	0.8
Olav Thon Eiendom 2021-04-26	150,000	149,736	1.3
Vasakronan AB DI FC 2021-02-17	100,000	99,933	0.8
Volkswagen Finans Sverige 2021-02-08	75,000	74,960	0.6
Volkswagen Finans Sverige 2021-03-10	100,000	99,900	0.8
Volkswagen Finans Sverige 2021-04-07	75,000	74,893	0.6
Wallenstam AB DI FC 2021-01-28	200,000	199,927	1.7
Total certificate		1,588,650	13.5
Total money market instruments		1,588,650	13.5

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
INTEREST RATE FUTURES			
3M Euro Euribor Future June 2021 ¹⁾	-100	0	0.0
90D Eurodollar Future June 2021 ²⁾	-100	0	0.0
Euro-Bund Future Mar 2021 ³⁾	-200	0	0.0
Euro-Buxl Future Mar 2021 ⁴⁾	-47	0	0.0
Stadshypotek 5Y Future Mar 2021 ⁵⁾	-380	0	0.0
Swe Gov Bond 10Y Future Mar 2021 ⁶⁾	420	0	0.0
US 10Y Note (CBT) Future Mar 2021 ⁷⁾	146	0	0.0
US Long Bond (CBT) Future Mar 2021 ⁸⁾	-90	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 SEK t	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
SEK/EUR ⁹⁾		3,901	0.0
SEK/NOK ¹⁰⁾		-438	0.0
SEK/USD ¹¹⁾		2,182	0.0
		5,645	0.1
Total OTC derivative instruments		5,645	0.1
Total other financial instruments		5,645	0.1
Total holdings in financial instruments		10,539,321	89.3
Net, other assets and liabilities		1,265,929	10.7
Total fund capital		11,805,250	100.0

1) Interest rate futures with underlying exposure of SEK -1 006 228 t, which is equivalent to 8.5% of fund capital.

2) Interest rate futures with underlying exposure of SEK -820 916 t, which is equivalent to 7.0% of fund capital.

3) Interest rate futures with underlying exposure of SEK -357 002 t, which is equivalent to 3.0% of fund capital.

4) Interest rate futures with underlying exposure of SEK -107 044 t, which is equivalent to 0.9% of fund capital.

5) Interest rate futures with underlying exposure of SEK -491 497 t, which is equivalent to 4.2% of fund capital.

6) Interest rate futures with underlying exposure of SEK 670 438 t, which is equivalent to 5.7% of fund capital.

7) Interest rate futures with underlying exposure of SEK 166 522 t, which is equivalent to 1.4% of fund capital.

8) Interest rate futures with underlying exposure of SEK -128 435 t, which is equivalent to 1.1% of fund capital.

9) SEK 212 528 t/EUR -20 750 t, counterparty Citibank Plc.

10) SEK 55 157 t/NOK -58 000 t, counterparty J.P. Morgan Securities.

11) SEK 43 222 t/USD -5 000 t, counterparty Citibank Plc.

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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. 75.8

** 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). 13.5

*** Refers to other financial instruments. 0.1

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Handelsbanken	9.6	Intea Fastigheter AB	2.3
Castellum	5.0	Willhem	2.2
Scania	3.9	Hexagon	2.1
Balder	3.8	Volvo	2.1
Svenska staten	3.7	Ellevio	2.0
Volkswagen	3.4	Rikshem AB	1.7
Nordea	3.3	Länsförsäkringar	1.5
Ikano SA	3.2	HEBA Fastighets AB	1.3
Nya SFF	2.7	Atrium Ljungberg	1.2
SBAB	2.7	Humlegården Fastigheter	1.2
LeasePlan	2.6	Volvofinans Bank	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 Räntestrategi

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

Methods used in sustainability efforts

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/issuers involved in the production or distribution of nuclear weapons are also excluded.

The fund also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies/issuers that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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:

Engagement activities in collaboration with other investors

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainability on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as an investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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

Volvo AB is one example of a holding that has clear guidelines for sustainability and contributes to product development in the form of new fuels and lower energy consumption. Volvo is at an advanced stage in the development of electric mobility and automated systems. Volvo also has a clear focus on roadway safety, which is closely linked to the UN's Sustainable Development Goal 3, Good Health and Well-being, in accordance with Agenda 2030. Volvo AB is highly-ranked in its sustainability efforts relative to its competitors and also has high-quality credit. The fund therefore increased its holdings in the company further during the year, currently making Volvo the fund's largest issue exposure.

Within the same sector, Scania is another company in which the fund increased exposure during the year. Both Volvo and Scania impact the environment, primarily in the form of emissions within the transport sector. Both companies have the potential of setting new standards for the transport sector with product development and innovations, and thereby significantly affecting global emissions. Both of the companies have created green frameworks to be able to issue green bonds, which we expect they will do within the next year.

The Management Company's engagement activities – Dialogues

Targeted dialogues with direct contact between our fund managers and companies

The fund did not engage in any targeted dialogues directly with companies during the year.

Engagement activities in collaboration with other investors

In 2020, the Management Company participated in a total of 125 company dialogues together with other investors. The fund did not invest in any of these companies during the year.

Collaborations and industry initiatives

In 2020, the Management Company participated in initiatives and collaborations that included over 380 companies.



Handelsbanken Räntestrategi Plus

Management report

Investment focus

The fund is an actively-managed fixed income fund. The fund is a special fund (non-UCITS) and differentiates itself from a securities fund by having significant holdings in government securities and covered bonds issued by individual states or issuers. The objective of the fund is to attain a high risk-adjusted return 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 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 which 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. 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. The fund may invest in sustainable, social and green bonds issued by companies involved in power generation from fossil fuels. The fund may invest in derivative instruments as part of the fund's investment focus. The fund may invest a maximum of 10% of the fund capital in fund units. We compare fund performance with Riksbank's fixed interest rate STFIX 3M. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund invests in financial instruments whether or not they are included in the benchmark index. Fund management is partly based on an ongoing assessment of the macroeconomic conditions, as well as on credit market- and company analyses. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 1.0% in 2020*. H1 was dominated by the corona pandemic, where credit spreads initially widened sharply at the end of Q1 and at the beginning of Q2. A substantial amount of emerging market currencies were sold and interest rate curves steepened, while global rates declined when central banks cut rates sharply to stimulate the global economy. The portfolio was negatively affected primarily by wider credit spreads, although the major programs by the central banks to support the credit markets and global fiscal stimulus turned risk sentiment around and both stock markets as well as credit spreads launched a recovery. Investment grade corporate bonds are currently trading at lower levels than prior to the outbreak of Covid-19, which was favorable for the fund's exposure in corporate bonds. Government and swap rates have also declined during the year, which contributed positively. It took a little longer for the recovery to gain momentum for the exposure to emerging markets, although we also noted a rebound for emerging markets during Q3 and Q4. However, the strength of the SEK continued to hold back returns for emerging market bonds. The positions in German and US long-term rates were the strongest contributors to returns during the year, as rates on both markets declined sharply due to major purchases from central banks and significant uncertainty about global economic outlooks. Credit spreads, most notably during H2, also contributed positively to the portfolio due to the rapid recovery. The emerging market exposure was the most negative contributor to returns due to a significant weakening in currencies against the SEK during the year. However, the fund increased

the exposure to emerging markets during Q4 and benefited from the change in sentiment after the US election in November and positive news about the vaccine. We currently have an exposure in Chinese bonds that have a high interest rate differential to the Western world and low volatility in both the currency and interest rates, which provides the potential for good risk-adjusted returns. The fund is retaining a significant overweight in corporate bonds, as further purchases by central banks and a high amount of liquidity seeking returns should support the credit market.

*) 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 characterized 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The average residual fixed interest 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 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

• Highest leverage during the financial year	127.8%
• Lowest leverage during the financial year	17.1%
• Average leverage during the financial year	39.8%

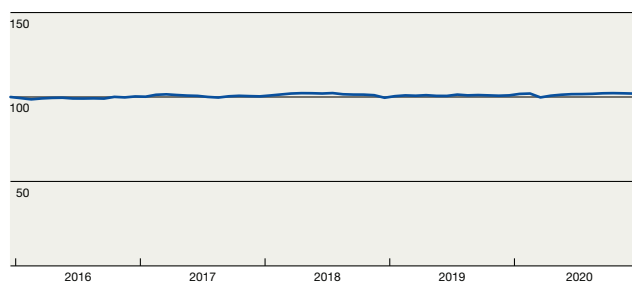
Information

As of August 10, 2020 the fund changed its fund rules.

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

	2020	2019	2018	2017	2016	3/9-31/12 2015	2014	2013	2012	2011
Net asset value, SEK										
Räntestrategi Plus A1	101.23	100.19	98.79	99.60	99.55	99.23	-	-	-	-
Räntestrategi Plus A7	102.19	100.94	99.34	100.00	99.81	99.29	-	-	-	-
Räntestrategi Plus A9	101.04	-	-	-	-	-	-	-	-	-
Räntestrategi Plus B1	96.28	96.23	95.84	96.62	97.54	99.23	-	-	-	-
The fund's total net flow, SEK m	72	1	184	467	-73	1,745	-	-	-	-
Fund capital total, SEK m	2,444	2,346	2,308	2,142	1,674	1,739	-	-	-	-
Räntestrategi Plus A1	15	52	86	77	45	29	-	-	-	-
Räntestrategi Plus A7	2,368	2,260	2,185	2,031	1,594	1,602	-	-	-	-
Räntestrategi Plus A9	25	-	-	-	-	-	-	-	-	-
Räntestrategi Plus B1	36	34	34	34	35	108	-	-	-	-
Number of units, 1000's	23,943	23,260	23,255	21,438	16,779	17,515	-	-	-	-
Räntestrategi Plus A1	151	515	872	770	449	287	-	-	-	-
Räntestrategi Plus A7	23,171	22,392	22,002	20,312	15,972	16,138	-	-	-	-
Räntestrategi Plus A9	245	-	-	-	-	-	-	-	-	-
Räntestrategi Plus B1	377	353	353	356	358	1,090	-	-	-	-
Total returns in %, SEK										
Räntestrategi Plus A1	+1.0	+1.4	-0.8	+0.1	+0.3	-0.8	-	-	-	-
Räntestrategi Plus A7	+1.2	+1.6	-0.7	+0.2	+0.5	-0.7	-	-	-	-
Räntestrategi Plus A9	+1.0	-	-	-	-	-	-	-	-	-
Räntestrategi Plus B1	+1.0	+1.4	-0.8	+0.1	+0.3	-0.8	-	-	-	-
Benchmark rate in %, kr ¹⁾	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-	-
Index including dividends in %, SEK										
Räntestrategi Plus A1	0.0	0.0	0.0	-	-	-	-	-	-	-
Räntestrategi Plus A7	0.0	0.0	0.0	-	-	-	-	-	-	-
Räntestrategi Plus A9	0.0	-	-	-	-	-	-	-	-	-
Räntestrategi Plus B1	0.0	0.0	0.0	-	-	-	-	-	-	-
Tracking error, 2 yrs. % ²⁾										
Räntestrategi Plus A1	2.2	1.8	1.9	-	-	-	-	-	-	-
Räntestrategi Plus A7	2.2	1.8	1.9	1.8	-	-	-	-	-	-
Räntestrategi Plus B1	2.2	1.8	1.9	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Räntestrategi Plus A1	+1.2	+0.3	-0.4	+0.2	-	-	-	-	-	-
Räntestrategi Plus A7	+1.4	+0.5	-0.2	+0.4	-	-	-	-	-	-
Räntestrategi Plus B1	+1.2	+0.3	-0.4	+0.2	-	-	-	-	-	-
Comparison to index including dividends, %	0.0	0.0	0.0	-	-	-	-	-	-	-
Comparison to benchmark rate in %, kr	-	-	0.0	-	-	-	-	-	-	-
Average yearly return, 5 yrs. %										
Räntestrategi Plus A1	+0.4	-	-	-	-	-	-	-	-	-
Räntestrategi Plus A7	+0.6	-	-	-	-	-	-	-	-	-
Räntestrategi Plus B1	+0.4	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	0.0	-	-	-	-	-	-	-	-	-
Dividends per unit, SEK	0.96	0.96	0.00	0.98	1.98	0.00	-	-	-	-

¹⁾ The Fixing Rate 3M was discontinued on 31 December 2019 and as of 1 January 2020, the fund's benchmark rate is SSVX 3M

²⁾ The fund has taken the tracking error that is considered to be appropriate for the purpose of attaining the fund's active return objective. The tracking error has been slightly higher in the past year than in previous years. As a result of the pandemic, 2020 was largely dominated by significant volatility in the fixed income markets. Most notably, credit spreads widened sharply during H1. Central banks used rate cuts and quantitative support programs to support the markets, which resulted in a narrowing of credit spreads in H2. The higher volatility in the markets, particularly for corporate bonds, led to an increase to the tracking error. Interest rate fluctuations also contributed to increased volatility with regard to the fund's positions.

Benchmark: SHB Government Rate Index - 3m SEK

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 Plus, cont.

Fund facts - costs

Max. allowed mgmt. costs in % according to fund rules	
Räntestrategi Plus A1	0.40
Räntestrategi Plus A7	0.20
Räntestrategi Plus A9	0.20
Räntestrategi Plus B1	0.40
Collected mgmt. costs in % of average fund capital	
Räntestrategi Plus A1	0.40
Räntestrategi Plus A7	0.20
Räntestrategi Plus A9	0.20
Räntestrategi Plus B1	0.40
Annual fees in %	
Räntestrategi Plus A1	0.40
Räntestrategi Plus A7	0.20
Räntestrategi Plus A9	0.20
Räntestrategi Plus B1	0.40
Collected performance-based fee in % of average fund capital	0.01
Transaction costs, SEK thousand	311
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Räntestrategi Plus A1	40.31
Räntestrategi Plus A7	24.08
Räntestrategi Plus A9	-
Räntestrategi Plus B1	40.31
Costs in SEK for monthly savings, 100 SEK	
Räntestrategi Plus A1	2.62
Räntestrategi Plus A7	1.48
Räntestrategi Plus A9	-
Räntestrategi Plus B1	2.63

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	1.0
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 % - A1 SEK	2.2	Sharpe ratio - A1 SEK	0.7
Total risk % - A7 SEK	2.2	Sharpe ratio - A7 SEK	0.8
Total risk % - B1 SEK	2.2	Sharpe ratio - B1 SEK	0.7
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	SHB Government Rate Index - 3m SEK	VaR as of the closing date	0.10
Active return % - A1 SEK	1.2	Highest VaR during the financial year	0.14
Active return % - A7 SEK	1.4	Lowest VaR during the financial year	0.06
Active return % - B1 SEK	1.2	Average VaR during the financial year	0.10
Information ratio - A1 SEK	0.5	Duration, years ¹⁾	1.0
Information ratio - A7 SEK	0.6	Spread exposure %	1.4
Information ratio - B1 SEK	0.5		

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 an absolute Value at Risk method.

Income statement, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities [*]	-41,580	48,682
Changes in value for other derivative instruments ^{**}	25,367	-55,808
Changes in value for fund units ^{***}	-6,967	7,896
Interest income	41,918	51,379
Dividends	3,043	4,057
Currency exchange profits and losses, net	10,147	-14,297
Other income	157	1
Total income and changes in value	32,086	41,910
EXPENSES		
Management costs:		
- Remuneration to the Management Company	4,980	4,925
Interest expense	343	14
Other expenses	355	371
Total expenses	5,678	5,310
Net income	26,408	36,600
[*] Details of changes in value		
Capital gains	12,970	34,627
Capital losses	-26,190	-7,328
Unrealised gains/losses	-28,360	21,383
Sum	-41,580	48,682
^{**} Details of changes in value		
Capital gains	52,801	146,046
Capital losses	-26,718	-220,095
Unrealised gains/losses	-716	18,241
Sum	25,367	-55,808
^{***} Details of changes in value		
Capital gains	1,900	4,274
Capital losses	-6,949	-
Unrealised gains/losses	-1,918	3,622
Sum	-6,967	7,896

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	1,350,276	55.3	1,805,189	77.0
Money market instruments	758,987	31.1	364,692	15.5
OTC derivative instruments with positive market value	5,133	0.2	495	0.0
Fund units	46,691	1.9	23,302	1.0
Total financial instruments with positive market value ^{Note 2)}	2,161,087	88.4	2,193,678	93.5
Bank assets and other liquid assets	275,264	11.3	139,158	5.9
Prepaid expenses and accrued income	8,273	0.3	13,549	0.6
Total assets	2,444,624	100.0	2,346,385	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	516	0.0	437	0.0
Total liabilities	516	0.0	523	0.0
Fund capital ^{Note 1)}	2,444,109	100.0	2,345,862	100.0
Other derivative instruments with negative market value ¹⁾	8,408	0.3	4,580	0.2

¹⁾ Cash and cash equivalents SEK 8 408 t

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	2,345,862	2,308,317
Units issued ¹⁾	423,791	167,445
Units redeemed ¹⁾	-351,613	-166,158
Profit according to Income Statement	26,408	36,600
Dividends to unit holders	-339	-342
Fund capital at the close of the period	2,444,109	2,345,862

¹⁾ Of which SEK 37 394 t relates to internal moves between share classes

Handelsbanken Råntestrategi Plus, cont.

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, OTHERS			
Arla FRN 2021-05-31	15,000	15,074	0.6
Millicom FRN 2024-05-15	58,000	57,971	2.4
Stora Enso FRN 2024-02-20	29,000	29,538	1.2
		102,583	4.2
FOREIGN ISSUER, STATE			
IBRD 4% 2025-07-01	470,000	51,282	2.1
Italienska staten 4,75% 2023-08-01	4,000	45,573	1.9
Kinesiska staten 2,2% 2025-07-27	37,500	46,074	1.9
Mexikanska staten 6,5% 2031-05-29	950	45,966	1.9
Portugisiska staten 0,475% 2030-10-18	4,600	48,239	2.0
		237,134	9.7
MORTGAGE			
Länsförsäkringar Hyp 514 1,75% 2021-06-15	59,000	59,749	2.4
Stadshypotek 1587 1,5% 2023-06-01	25,000	25,929	1.1
Stadshypotek 1588 1,5% 2024-03-01	59,000	61,741	2.5
		147,420	6.0
OTHER			
Akelius 1,125% 2021-10-04	43,000	43,155	1.8
Akelius 2,249% 2026-05-01	1,200	12,179	0.5
BillerudKorsnäs FRN 2022-02-21	23,000	23,194	0.9
Castellum 2,125% 2023-11-20	2,000	21,240	0.9
Fabege FRN 2022-09-26	50,000	50,383	2.1
Fastighetspart FRN 2021-09-15	32,000	32,161	1.3
Handelsbanken FRN 2027-11-15	60,000	60,142	2.5
Hexagon 1,125% 2021-05-24	67,000	67,152	2.7
Humlegården Fastigheter 1,5% 2020-06-22	46,000	46,638	1.9
ICA Gruppen FRN 2023-02-28	14,000	13,993	0.6
Intea Fastigheter FRN 2022-07-05	54,000	54,599	2.2
Intrum FRN 2021-11-22	36,000	35,966	1.5
Klarna Bank AB FRN 2022-08-15	70,000	69,903	2.9
Klövern FRN 2021-02-26	50,000	50,025	2.0
Kungsleden 2,375% 2022-03-21	54,000	55,000	2.3
Sagax 2% 2024-01-17	2,000	20,975	0.9
Sagax 2,25% 2025-03-13	1,500	16,051	0.7
SBAB FRN 2024-09-05 Perp Call	40,000	40,969	1.7
SSAB FRN 2024-06-26	31,000	31,243	1.3
Tele2 1,1125% 2024-0515	2,600	27,021	1.1
Tele2 FRN 2022-03-16	50,000	50,718	2.1
Volvo Car FRN 1,741% 2022-03-07	40,000	40,433	1.7
		863,138	35.3
Total listed fixed-income securities		1,350,276	55.3
Total transferable securities		1,350,276	55.3

MONEY MARKET INSTRUMENTS**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
CERTIFICATE			
Castellum DI FC 2021-04-14	50,000	49,923	2.0
FastPartner AB DI FC 2021-03-22	25,000	24,971	1.0
HEBA Fastighets AB DI FC 2021-05-10	50,000	49,899	2.0
Heimstaden Bostad AB DI FC 2021-02-09	50,000	49,973	2.0
Hennes & Mauritz AB DI FC 2021-04-06	100,000	99,859	4.1
Hexagon DI FC 2021-06-17	50,000	49,862	2.0
Humlegården Fastigheter 2021-03-22	70,000	69,918	2.9
Intrum AB DI FC 2021-02-16	25,000	24,984	1.0
Klarna Bank AB DI FC 2021-06-17	50,000	49,862	2.0
Klövern AB DI FC 2021-06-04	70,000	69,825	2.9
Svenskt Stål AB DI FC 2021-03-22	50,000	49,942	2.0
Volkswagen Finans Sverige 2021-01-04	100,000	99,996	4.1
Wallenstam AB DI FC 2021-01-28	70,000	69,974	2.9
Total certificate		758,987	31.1
Total money market instruments		758,987	31.1

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
INTEREST RATE FUTURES			
Euro-Bund Future Mar 2021 ¹⁾	-42	0	0.0
Euro-Buxl Future Mar 2021 ²⁾	-10	0	0.0
Stadshypotek 5Y Future Mar 2021 ³⁾	-80	0	0.0
Swe Gov Bond 10Y Future Mar 2021 ⁴⁾	90	0	0.0
Swe Gov Bond 5Y Future Mar 2021 ⁵⁾	78	0	0.0
US 10Y Note (CBT) Future Mar 2021 ⁶⁾	30	0	0.0
US Long Bond (CBT) Future Mar 2021 ⁷⁾	-25	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 SEK t	% of fund capital
FUND UNITS			
EXCHANGE-TRADED FIXED INCOME FUNDS**			
iShares Emerging Markets Local Gov Bond	94,300	46,691	1.9
		46,691	1.9
Total fund units		46,691	1.9

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
SEK/EUR ⁸⁾		3,783	0.2
SEK/USD ⁹⁾		1,350	0.1
		5,133	0.2
Total OTC derivative instruments		5,133	0.2
Total other financial instruments		51,824	2.1
Total holdings in financial instruments		2,161,087	88.4
Net, other assets and liabilities		283,021	11.6
Total fund capital		2,444,109	100.0

- 1) Interest rate futures with underlying exposure of SEK -74 970 t, which is equivalent to 3.1% of fund capital.
2) Interest rate futures with underlying exposure of SEK -22 775 t, which is equivalent to 0.9% of fund capital.
3) Interest rate futures with underlying exposure of SEK -103 473 t, which is equivalent to 4.2% of fund capital.
4) Interest rate futures with underlying exposure of SEK 143 665 t, which is equivalent to 5.9% of fund capital.
5) Interest rate futures with underlying exposure of SEK 102 424 t, which is equivalent to 4.2% of fund capital.
6) Interest rate futures with underlying exposure of SEK 34 217 t, which is equivalent to 1.4% of fund capital.
7) Interest rate futures with underlying exposure of SEK -35 676 t, which is equivalent to 1.5% of fund capital.
8) SEK 203 864 t/EUR -19 900 t, counterparties Citibank Plc and Skandinaviska Enskilda Banken AB (publ)
9) SEK 64 551 t/USD -7 700 t, counterparties Citibank Plc and Nordea Bank Abp.

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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	6.1	Castellum	2.9
Klarna Holding AB	4.9	Intrum AB	2.5
Tele2	3.2	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

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 excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

Methods used in sustainability efforts

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/issuers involved in the production or distribution of nuclear weapons are also excluded.

The fund also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies/issuers that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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:

Engagement activities in collaboration with other investors

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainalytics on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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 Vasakronan AB, one of Sweden's largest property management companies with focus on commercial property. Vasakronan has established a green framework for its financing of bonds that was reviewed by the independent research institution, Cicero. Cicero gave the framework the second highest rating, Medium Green. Investments within the framework will be financing new production and the reconstruction of properties owned by Vasakronan.

The Management Company's engagement activities – Dialogues

Targeted dialogues with direct contact between our fund managers and companies

The fund did not engage in any targeted dialogues directly with companies during the year.

Engagement activities in collaboration with other investors

In 2020, the Management Company participated in a total of 125 company dialogues together with other investors. The fund did not invest in any of these companies during the year.

Collaborations and industry initiatives

In 2020, the Management Company participated in initiatives and collaborations that included over 380 companies.



Handelsbanken Aktiv 30

Management report

Investment focus

The fund is actively managed, whereby the portfolio 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 intention of increasing the fund's diversification. The fund may invest partly in funds within Handelsbanken, as well as in funds 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. 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. The fund may invest in derivative instruments as part of the investment focus, which can result in leveraging. We compare the fund's performance to an index consisting of Oslo Stock Exchange State Bonds 5.00 Index (42%), Oslo Stock Exchange State Bonds 0.25 Index (28%), Solactive ISS ESG Screened Global Markets Index (15%), Oslo Stock Exchange Mutual Fund Index (9%), SIX SRI Nordic 200 Net Index (6%). The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund is managed based on an investment process that includes the analysis of markets, asset classes and products in which the fund invests. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 7.2% in 2020*. The year was dominated by the corona pandemic which led to a significant slowdown in the global economy and sharp fluctuations in the financial markets. The market swung between concerns about an increased spread of the virus and economic data that was actually stronger than expected. After sharp downturns in Q1, the stock markets rebounded. The World Index rose 16,40% (NOK) during the year. A stronger NOK weighed on the returns of foreign assets. Swedish and Nordic stock markets posted the most strength, while performance in Europe was weaker. Market rates in the US, Europe and Norway fell, which caused bonds to outperform fixed income investments with a shorter duration. The value of emerging market bonds fell during the year. We had an underweight in equities during the winter and spring months. We then gradually increased the proportion of equities and had an overweight in equities during H2. Regionally, we prefer the stock markets in Sweden, Europe and emerging markets. We also have an overweight in the US, while we are neutral in Japan. During the autumn we also invested in the Montanaro Better World Fund, which makes

investments that are considered as having a favorable impact on society in terms of ESG. We have a short duration as well as an overweight in credits and emerging market bonds within the fixed income holdings. We also took a short position in US 10-year government bonds during the autumn. In our alternative holdings we have invested in the Schroder Cat Bond Fund, which invests in catastrophe 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The fixed interest 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 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

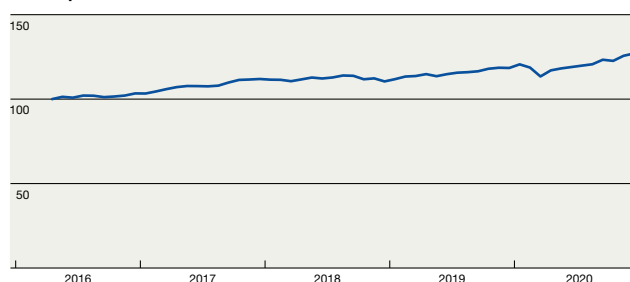
• Highest leverage during the financial year	26.4%
• Lowest leverage during the financial year	12.3%
• Average leverage during the financial year	15.7%

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.

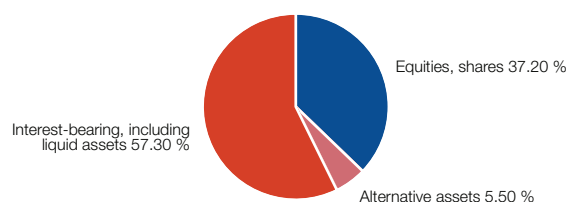
Handelsbanken Aktiv 30, cont.

Fund performance*



* Performance is shown in the fund's base currency.

Market exposure*



* The fund's allocation of investments within the markets as of 31/12/2020, relative to the fund's total assets on this date.

Fund facts - history

	2020	2019	2018	2017	13/4-31/12 2016	2015	2014	2013	2012	2011
Net asset value, NOK	126.80	118.23	110.28	111.72	103.20	-	-	-	-	-
The fund's total net flow, NOK m	-17	29	52	156	107	-	-	-	-	-
Fund capital, NOKm	386	379	327	279	110	-	-	-	-	-
Number of units, 1000's	3,047	3,205	2,963	2,494	1,062	-	-	-	-	-
Total returns in %, NOK	+7.2	+7.2	-1.3	+8.3	+3.2	-	-	-	-	-
Index including dividends in %, NOK	+6.9	+8.4	-0.6	+6.2	+2.8	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾	2.9	0.9	0.9	-	-	-	-	-	-	-
Average yearly return, 2 yrs. % in NOK	+7.2	+2.9	+3.4	-	-	-	-	-	-	-
Comparison to index including dividends, % in NOK	+7.7	+3.7	+2.7	-	-	-	-	-	-	-
Exchange rate NOK/SEK	0.96	1.07	1.02	1.00	1.06	-	-	-	-	-

¹⁾ The fund's realized tracking error increased last year relative to the previous year. During the latter part of the year in general, the fund's exposure in equities was higher than its benchmark index. Within the fund's fixed income investments, the fund had a higher risk than its benchmark index, primarily through credit exposures and emerging market bonds. Overall, the fund had a slightly higher risk than its benchmark index. This, together with a generally high realized volatility (risk) in many of the markets invested by the fund, contributed to the fund's higher realized tracking error.

Benchmark: Oslo Stock Exchange State Bonds 5.00 Index (42%), Oslo Stock Exchange State Bonds 0.25 Index (28%), Solactive ISS ESG Screened Global Markets Index (15%), Oslo Stock Exchange Mutual Fund Index (9%), SIX SRI Nordic 200 Net Index (6%).

Up to 30/04/2019: MSCI All Country World Index Net (15%), VINX Benchmark Cap Net Index SEK (6%), Oslo Stock Exchange Mutual Fund Index (9%), Oslo Stock Exchange State Bonds 5Y Index (42%) and Oslo Stock Exchange State Bonds 0.25Y Index (28%).

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 %	1.13
Transaction costs, NOKt	21
Transaction costs in % of turnover	0.00
Costs in NOK for a one-time subscription, 10 000 NOK	91.34
Costs in NOK for monthly savings, 100 NOK	6.02

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	0.4
Share of turnover conducted via closely-related securities companies in %	5.1
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and return measurements*

Total risk %	5.2	Information ratio	Negative
Total risk in index %	3.3	Sharpe ratio	1.2
Benchmark	Oslo Stock Exchange State Bonds 5.00 Index (42%), Oslo Stock Exchange State Bonds 0.25 Index (28%), Solactive ISS ESG Screened Global Markets Index (15%), Oslo Stock Exchange Mutual Fund Index (9%), SIX SRI Nordic 200 Net Index (6%).	Sharpe ratio in index	2.1

Active return % -0.4

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

Income statement, NOK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	93	-4,065
Changes in value for fund units **	26,461	28,126
Interest income	23	74
Dividends	245	89
Currency exchange profits and losses, net	-1,120	340
Other financial income ¹⁾	1,733	1,686
Other income	0	0
Total income and changes in value	27,436	26,250
EXPENSES		
Management costs:		
- Remuneration to the Management Company	3,258	3,065
Interest expense	28	8
Other expenses	21	21
Total expenses	3,307	3,094
Net income	24,129	23,156

* Details of changes in value

Capital gains	8,162	4,720
Capital losses	-8,599	-9,186
Unrealised gains/losses	529	401
Sum	93	-4,065

** Details of changes in value

Capital gains	15,190	8,173
Capital losses	-1,449	-1,195
Unrealised gains/losses	12,720	21,147
Sum	26,461	28,126

¹⁾ The item consists primarily of discounts for management costs in underlying funds.

Handelsbanken Aktiv 30, cont.

Balance sheet, NOK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	347	0.1	442	0.1
Fund units	371,406	96.1	362,851	95.8
Total financial instruments with positive market value ^{Note 2)}	371,753	96.2	363,293	95.9
Bank assets and other liquid assets	14,247	3.7	15,858	4.2
Prepaid expenses and accrued income	145	0.0	160	0.0
Other assets	620	0.2	64	0.0
Total assets	386,765	100.1	379,375	100.1
LIABILITIES				
OTC derivative instruments with negative market value	1	0.0	-	-
Total financial instruments with negative market value ^{Note 2)}	1	0.0	-	-
Accrued expenses and prepaid income	292	0.1	287	0.1
Other liabilities	80	0.0	138	0.0
Total liabilities	373	0.1	425	0.1
Fund capital ^{Note 1)}	386,391	100.0	378,950	100.0
Other derivative instruments with negative market value ¹⁾	2,346	0.6	1,608	0.4

1) Cash and cash equivalents NOK 2 346 t

Note 1) for Balance sheet

Changes in fund capital, NOK thousand

	2020	2019
Fund capital at beginning of year	378,950	326,791
Units issued	146,147	118,388
Units redeemed	-162,835	-89,385
Profit according to Income Statement	24,129	23,156
Dividends to unit holders	-	-
Fund capital at the close of the period	386,391	378,950

Note 2) for Balance sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value NOK t	% of fund capital
STOCK INDEX FUTURES			
MSCI Emg Mkt Index Future Mar 2021 ¹⁾	14	0	0.0
OMXS30 ESG Future Jan 2021 ²⁾	18	0	0.0
S&P500 Emini Future Mar 2021 ³⁾	2	0	0.0
Stoxx Europe 600 Index Future Mar 2021 ⁴⁾	55	0	0.0
Total stock index futures		0	0.0

INTEREST RATE FUTURES

	Number/Nominal amount in 1000's	Market value NOK t	% of fund capital
US 10Y Note (CBT) Future Mar 2021 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 NOK t	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG Acc World-NOK	127,172	1,774	0.5
Fidelity Sustain Water&Waste Fund I Acc	292,179	3,556	0.9
JPM Europe Small Cap A Acc EUR	2,072	2,494	0.6
JPM Fds Multi-Manager Alternatives	6,585	7,695	2.0
Montanaro Better World Fund	122,647	1,680	0.4
SHB Amerika Småbolag Tema (A1 SEK)	4,899	5,692	1.5
SHB Amerika Tema (A1 NOK)	4,355	5,988	1.5
SHB Asien Tema (A1 NOK)	1,891	1,650	0.4
SHB Emerging Markets Index (A1 SEK)	2,829	519	0.1
SHB Europa Index Criteria (A1 NOK)	48,882	6,588	1.7
SHB Global Högtutdelande (A1 NOK)	6,201	614	0.2
SHB Hållbar Energi (A1 NOK)	4,471	1,863	0.5
SHB Hålsövärd Tema (A1 SEK)	5,006	1,535	0.4
SHB Japan Tema (A1 NOK)	30,548	3,419	0.9
SHB Norden (A1 NOK)	5,044	7,452	1.9
SHB Norden Index Criteria (A1 NOK)	28,493	4,152	1.1
SHB Norden Selektiv (A1 NOK)	4,454	2,245	0.6
SHB Nordiska Småbolag (A1 NOK)	2,583	4,230	1.1
SHB Norge (A1 NOK)	10,465	14,166	3.7
SHB Norge Index (A1 NOK)	129,772	13,871	3.6
SHB Tillväxtmarknad Tema (A1 NOK)	11,384	4,541	1.2
SHB USA Index Criteria (A1 NOK)	23,111	11,685	3.0
UBS Equity SICAV-USA Growth Sustain	2,811	3,330	0.9
		110,740	28.7

	Number/Nominal amount in 1000's	Market value NOK t	% of fund capital
LISTED EQUITY FUNDS**			
XACT Högtutdelande	18,433	2,274	0.6
XACT Norden	19,135	2,882	0.7
XACT OBX	98,441	8,079	2.1
		13,234	3.4
OTHER FUNDS			
JPM Global Macro Sustain C NOK Acc	5,347	5,763	1.5
Schroder GAIA Cat Bond IF Hd EUR	399	5,523	1.4
		11,286	2.9
FIXED INCOME FUNDS			
Alfred Berg Obligasjon	183,886	22,608	5.9
BlueOrchard Ucits EM Sdg Impact Bd Fd H	10,424	11,399	3.0
SHB Høyrente (A1 NOK)	603,099	70,151	18.2
SHB Kort Rente Norge (A1 NOK)	120,044	12,311	3.2
SHB Kredit (A1 NOK)	111,142	11,050	2.9
SHB Obligasjon (A1 NOK)	432,718	59,159	15.3
SHB Råntestrategi Plus (A7 SEK)	49,513	5,275	1.4
UBS Currency Allocation Return Strategy	2,928	1,984	0.5
UI - Aktia EM Frontier Bond+	176,684	17,656	4.6
UI - Aktia EM Local Currency Bond+ - s1	233,245	24,553	6.4
		236,145	61.1
Total fund units		371,406	96.1

	Number/Nominal amount in 1000's	Market value NOK t	% of fund capital
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OTC DERIVATIVE INSTRUMENTS

CURRENCY FUTURES

NOK/EUR ⁶⁾	240	0.1
NOK/SEK ⁷⁾	106	0.0
	346	0.1
Total OTC derivative instruments	346	0.1
Total other financial instruments	371,751	96.2
Total holdings in financial instruments	371,751	96.2
Net, other assets and liabilities	14,640	3.8
Total fund capital	386,391	100.0

- 1) Stock index futures with underlying exposure of NOK 7 721 t, which is equivalent to 2.0% of fund capital.
2) Stock index futures with underlying exposure of NOK 3 458 t, which is equivalent to 0.9% of fund capital.
3) Stock index futures with underlying exposure of NOK 3 210 t, which is equivalent to 0.8% of fund capital.
4) Stock index futures with underlying exposure of NOK 11 480 t, which is equivalent to 3.0% of fund capital.
5) Interest rate futures with underlying exposure of NOK -3 567 t, which is equivalent to 0.9% of fund capital.
6) tNOK 13 313/tEUR -1 246, counterparty Skandinaviska Enskilda Banken AB (publ).
7) tNOK 18 940/tSEK -18 054, counterparties Svenska Handelsbanken AB (publ) och Skandinaviska Enskilda Banken AB (publ).

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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	11.0	Fidelity Funds	1.4
JPMorgan Chase	4.2	UBS	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 Aktiv 30

Sustainability dimensions that are taken into consideration in the management of the fund

The fund takes sustainability dimensions into consideration, such as environmental, social and corporate governance dimensions.

The fund invests in other funds and does not invest directly in companies.

The Management Company also carries out engagement activities in the underlying funds managed by Handelsbanken Fonder that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used for sustainability efforts

Exclusion

In accordance with the Management Company's comprehensive Policy for shareholder engagement and responsible investment, the fund excludes funds with investments in:

- 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.
- companies with turnover in excess of 5% that is derived from the extraction of thermal coal or with turnover in excess of 30% that is derived from coal power generation.

Inclusion

Sustainability is a separate assessment area in the evaluation of the underlying funds and investments. When investments in the assessment are equivalent with regard to returns and risk, we select the investment we consider to be most sustainable. How well sustainability is integrated into the underlying fund is a key factor in the assessment. We also work actively to increase the quantitative metrics in our assessments to increase the transparency of the sustainability dimensions in the portfolio

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 support.

Given that the fund is a fund of funds and thus only invests in other funds, there are no direct engagement efforts with companies. Engagement occurs through direct dialogues with fund management companies and fund managers, collaborations and sector initiatives, as well as through participation in investor networks.

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 Management Company carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder by voting at annual general meetings, working on nomination committees and through dialogues in various forms depending on the fund's character. Read more under each individual fund.



Handelsbanken Aktiv 50

Management report

Investment focus

The fund is actively managed, whereby the portfolio 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 intention of increasing the fund's diversification. The fund may invest partly in funds within Handelsbanken, as well as in funds 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. 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. The fund may invest in derivative instruments as part of the investment focus, which can result in leveraging. We compare the fund's performance to an index consisting of Oslo Stock Exchange State Bonds 5.00 Index (28%), Solactive ISS ESG Screened Global Markets Index (25%), Oslo Stock Exchange State Bonds 0.25 Index (22%), Oslo Stock Exchange Mutual Fund Index (15%) and SIX SRI Nordic 200 Net Index (10%). The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund is managed based on an investment process that includes the analysis of markets, asset classes and products in which the fund invests. Given that the fund is actively managed, returns will deviate from this index over time. The fund may invest in derivative instruments as part of the investment focus, which can result in leveraging. We compare the fund's performance to an index consisting of Oslo Stock Exchange State Bonds 5.00 Index (28%), Solactive ISS ESG Screened Global Markets Index (25%), Oslo Stock Exchange State Bonds 0.25 Index (22%), Oslo Stock Exchange Mutual Fund Index (15%) and SIX SRI Nordic 200 Net Index (10%). Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 9.9% in 2020*. The year was dominated by the corona pandemic which led to a significant slowdown in the global economy and sharp fluctuations in the financial markets. The market swung between concerns about an increased spread of the virus and economic data that was actually stronger than expected. After sharp downturns in Q1, the stock markets rebounded. The World Index rose 16,40% (NOK) during the year. A stronger NOK weighed on the returns of foreign assets. Swedish and Nordic stock markets posted the most strength, while performance in Europe was weaker. Market rates in the US, Europe and Norway fell, which caused bonds to outperform fixed income investments with a shorter duration. The value of emerging market bonds fell during the year. We had an underweight in equities during the winter and spring months. We then gradually increased the proportion of equities and had

an overweight in equities during H2. Regionally, we prefer the stock markets in Sweden, Europe and emerging markets. We also have an overweight in the US, while we are neutral in Japan. During the autumn we also invested in the Montanaro Better World Fund, which makes investments that are considered as having a favorable impact on society in terms of ESG. We have a short duration as well as an overweight in credits and emerging market bonds within the fixed income holdings. We also took a short position in US 10-year government bonds during the autumn. In our alternative holdings we have invested in the Schroder Cat Bond Fund, which invests in catastrophe 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The fixed interest 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 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

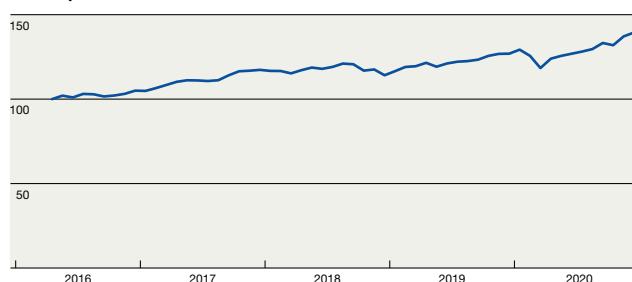
• Highest leverage during the financial year	23.8%
• Lowest leverage during the financial year	10.2%
• Average leverage during the financial year	13.7%

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.

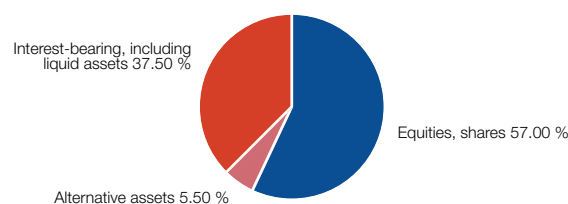
Handelsbanken Aktiv 50, cont.

Fund performance*



* Performance is shown in the fund's base currency.

Market exposure*



* The fund's allocation of investments within the markets as of 31/12/2020, relative to the fund's total assets on this date.

Fund facts - history

	2020	2019	2018	2017	13/4-31/12 2016	2015	2014	2013	2012	2011
Net asset value, NOK	138.91	126.43	113.70	116.88	104.62	-	-	-	-	-
The fund's total net flow, NOK m	33	84	194	459	157	-	-	-	-	-
Fund capital, NOKm	1,132	1,004	825	658	163	-	-	-	-	-
Number of units, 1000's	8,147	7,938	7,260	5,626	1,559	-	-	-	-	-
Total returns in %, NOK	+9.9	+11.2	-2.7	+11.7	+4.6	-	-	-	-	-
Index including dividends in %, NOK	+9.4	+13.1	-1.5	+9.5	+5.2	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾	2.6	0.9	1.0	-	-	-	-	-	-	-
Average yearly return, 2 yrs. % in NOK	+10.5	+4.0	+4.3	-	-	-	-	-	-	-
Comparison to index including dividends, % in NOK	+11.2	+5.6	+3.9	-	-	-	-	-	-	-
Exchange rate NOK/SEK	0.96	1.07	1.02	1.00	1.06	-	-	-	-	-

¹⁾ The fund's realized tracking error increased last year relative to the previous year. During the latter part of the year in general, the fund's exposure in equities was higher than its benchmark index. Within the fund's fixed income investments, the fund had a higher risk than its benchmark index, primarily through credit exposures and emerging market bonds. Overall, the fund had a slightly higher risk than its benchmark index. This, together with a generally high realized volatility (risk) in many of the markets invested by the fund, contributed to the fund's higher realized tracking error.

Benchmark: Oslo Stock Exchange State Bonds 5.00 Index (28%), Solactive ISS ESG Screened Global Markets Index (25%), Oslo Stock Exchange State Bonds 0.25 Index (22%), Oslo Stock Exchange Mutual Fund Index (15%), SIX SRI Nordic 200 Net Index (10%).

Up to 30/04/2019: MSCI All Country World Index Net (25%), VINX Benchmark Cap Net Index SEK (10%), Oslo Stock Exchange Mutual Fund Index (15%), Oslo Stock Exchange State Bonds 5Y Index (28%) and Oslo Stock Exchange State Bonds 0.25Y Index (22%).

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 %	1.28
Transaction costs, NOKt	57
Transaction costs in % of turnover	0.00
Costs in NOK for a one-time subscription, 10 000 NOK	111.44
Costs in NOK for monthly savings, 100 NOK	7.45

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 %	5.3
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and return measurements*

Total risk %	7.4	Information ratio	Negative
Total risk in index %	5.8	Sharpe ratio	1.3
Benchmark	Oslo Stock Exchange State Bonds 5.00 Index (28%), Solactive ISS ESG Screened Global Markets Index (25%), Oslo Stock Exchange State Bonds 0.25 Index (22%), Oslo Stock Exchange Mutual Fund Index (15%), SIX SRI Nordic 200 Net Index (10%).	Sharpe ratio in index	1.8
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, NOK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	2,738	-11,066
Changes in value for fund units **	99,560	107,993
Interest income	32	89
Dividends	861	397
Currency exchange profits and losses, net	-2,693	873
Other financial income ¹⁾	6,432	6,001
Other income	0	0
Total income and changes in value	106,928	104,287
EXPENSES		
Management costs:		
- Remuneration to the Management Company	11,293	9,940
Interest expense	71	13
Other expenses	58	78
Total expenses	11,422	10,031
Net income	95,506	94,256
* Details of changes in value		
Capital gains	22,691	12,502
Capital losses	-21,615	-24,786
Unrealised gains/losses	1,662	1,219
Sum	2,738	-11,066
** Details of changes in value		
Capital gains	37,558	24,691
Capital losses	-3,564	-2,869
Unrealised gains/losses	65,566	86,171
Sum	99,560	107,993

¹⁾ The item consists primarily of discounts for management costs in underlying funds.

Handelsbanken Aktiv 50, cont.

Balance sheet, NOK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	932	0.1	933	0.1
Fund units	1,091,840	96.5	979,475	97.6
Total financial instruments with positive market value ^{Note 2)}	1,092,772	96.6	980,408	97.7
Bank assets and other liquid assets	38,515	3.4	22,875	2.3
Prepaid expenses and accrued income	543	0.1	569	0.1
Other assets	1,020	0.0	945	0.0
Total assets	1,132,850	100.1	1,004,797	100.1
LIABILITIES				
Accrued expenses and prepaid income	1,050	0.1	933	0.1
Other liabilities	1	0.0	304	0.0
Total liabilities	1,051	0.1	1,237	0.1
Fund capital ^{Note 1)}	1,131,799	100.0	1,003,560	100.0
Other derivative instruments with negative market value ¹⁾	7,042	0.6	3,991	0.4

1) Cash and cash equivalents NOK 7 042 t

Note 1) for Balance sheet

Changes in fund capital, NOK thousand

	2020	2019
Fund capital at beginning of year	1,003,560	825,424
Units issued	211,288	217,081
Units redeemed	-178,555	-133,201
Profit according to Income Statement	95,506	94,256
Dividends to unit holders	-	-
Fund capital at the close of the period	1,131,799	1,003,560

Note 2) for Balance sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value NOK t	% of fund capital
STOCK INDEX FUTURES			
MSCI Emg Mkt Index Future Mar 2021 ¹⁾	41	0	0.0
OMXS30 ESG Future Jan 2021 ²⁾	54	0	0.0
S&P500 Emini Future Mar 2021 ³⁾	7	0	0.0
Stoxx Europe 600 Index Future Mar 2021 ⁴⁾	162	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value NOK t	% of fund capital
INTEREST RATE FUTURES			
US 10Y Note (CBT) Future Mar 2021 ⁵⁾	-9	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 NOK t	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG Acc World-NOK	555,702	7,752	0.7
Fidelity Sustain Water&Waste Fund I Acc	1,362,029	16,576	1.5
JPM Europe Small Cap A Acc EUR	10,393	12,512	1.1
JPM Fds Multi-Manager Alternatives	19,375	22,642	2.0
Montanaro Better World Fund	612,446	8,389	0.7
SHB Amerika Småbolag Tema (A1 SEK)	24,006	27,891	2.5
SHB Amerika Tema (A1 NOK)	21,471	29,521	2.6
SHB Asien Tema (A1 NOK)	8,120	7,082	0.6
SHB Emerging Markets Index (A1 SEK)	21,663	3,976	0.4
SHB Europa Index Criteria (A1 NOK)	240,290	32,383	2.9
SHB Global Högutdelande (A1 NOK)	29,085	2,881	0.3
SHB Hållbar Energi (A1 NOK)	22,432	9,346	0.8
SHB Hälsovård Tema (A1 SEK)	27,229	8,350	0.7
SHB Japan Tema (A1 NOK)	149,225	16,702	1.5
SHB Norden (A1 NOK)	24,841	36,699	3.2
SHB Norden Index Criteria (A1 NOK)	132,609	19,323	1.7
SHB Norden Selektiv (A1 NOK)	22,345	11,260	1.0
SHB Nordiska Småbolag (A1 NOK)	12,568	20,586	1.8
SHB Norge (A1 NOK)	51,220	69,337	6.1
SHB Norge Index (A1 NOK)	638,991	68,300	6.0
SHB Tillväxtmarknad Tema (A1 NOK)	54,147	21,600	1.9
SHB USA Index Criteria (A1 NOK)	113,210	57,242	5.1
UBS Equity SICAV-USA Growth Sustain	13,744	16,280	1.4
		526,630	46.5
LISTED EQUITY FUNDS**			
XACT Högutdelande	85,829	10,587	0.9
XACT Norden	89,695	13,508	1.2
XACT OBX	470,330	38,599	3.4
		62,694	5.5

	Number/Nominal amount in 1000's	Market value NOK t	% of fund capital
OTHER FUNDS			
JPM Global Macro Sustain C NOK Acc	16,406	17,682	1.6
Schroder GAIA Cat Bond IF Hd EUR	1,181	16,361	1.4
		34,042	3.0
FIXED INCOME FUNDS			
Alfred Berg Obligasjon	90,649	11,145	1.0
BlueOrchard Uicits EM Sdg Impact Bd Fd H	19,146	20,937	1.8
SHB Høyrente (A1 NOK)	1,203,454	139,983	12.4
SHB Kort Rente Norge (A1 NOK)	272,799	27,976	2.5
SHB Kreditt (A1 NOK)	214,922	21,368	1.9
SHB Obligasjon (A1 NOK)	1,013,351	138,540	12.2
SHB Råntestrategi Plus (A7 SEK)	151,305	16,120	1.4
UBS Currency Allocation Return Strategy	7,961	5,396	0.5
UI - Aktia EM Frontier Bond+	314,688	31,446	2.8
UI - Aktia EM Local Currency Bond+ - s1	527,834	55,563	4.9
		468,473	41.4
Total fund units		1,091,840	96.5

	Number/Nominal amount in 1000's	Market value NOK t	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
NOK/EUR ⁶⁾		681	0.1
NOK/SEK ⁷⁾		252	0.0
		932	0.1
Total OTC derivative instruments		932	0.1
Total other financial instruments		1,092,772	96.6
Total holdings in financial instruments		1,092,772	96.6
Net, other assets and liabilities		39,027	3.5
Total fund capital		1,131,799	100.0

1) Stock index futures with underlying exposure of NOK 22 610 t, which is equivalent to 2.0% of fund capital.

2) Stock index futures with underlying exposure of NOK 10 374 t, which is equivalent to 0.9% of fund capital.

3) Stock index futures with underlying exposure of NOK 11 234 t, which is equivalent to 1.0% of fund capital.

4) Stock index futures with underlying exposure of NOK 33 815 t, which is equivalent to 3.0% of fund capital.

5) Interest rate futures with underlying exposure of NOK -10 702 t, which is equivalent to 0.9% of fund capital.

6) tNOK 38 911/€EUR -3 647, Skandinaviska Enskilda Banken AB (publ).

7) tNOK 44 641/SEK -42 552, counterparties Svenska Handelsbanken (publ) och Skandinaviska Enskilda Banken AB (publ).

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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.

5.5

91.0

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
UI Aktia	7.7	Fidelity Funds	2.2
JPMorgan Chase	4.7	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 that are taken into consideration in the management of the fund

The fund takes sustainability dimensions into consideration, such as environmental, social and corporate governance dimensions.

The fund invests in other funds and does not invest directly in companies.

The Management Company also carries out engagement activities in the underlying funds managed by Handelsbanken Fonder that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used for sustainability efforts

Exclusion

In accordance with the Management Company's comprehensive Policy for shareholder engagement and responsible investment, the fund excludes funds with investments in:

- 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.
- companies with turnover in excess of 5% that is derived from the extraction of thermal coal or with turnover in excess of 30% that is derived from coal power generation.

Inclusion

Sustainability is a separate assessment area in the evaluation of the underlying funds and investments. When investments in the assessment are equivalent with regard to returns and risk, we select the investment we consider to be most sustainable. How well sustainability is integrated into the underlying fund is a key factor in the assessment. We also work actively to increase the quantitative metrics in our assessments to increase the transparency of the sustainability dimensions in the portfolio

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 support.

Given that the fund is a fund of funds and thus only invests in other funds, there are no direct engagement efforts with companies. Engagement occurs through direct dialogues with fund management companies and fund managers, collaborations and sector initiatives, as well as through participation in investor networks.

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 Management Company carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder by voting at annual general meetings, working on nomination committees and through dialogues in various forms depending on the fund's character. Read more under each individual fund.



Handelsbanken Aktiv 70

Management report

Investment focus

The fund is actively managed, whereby the portfolio 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 intention of increasing the fund's diversification. The fund may invest partly in funds within Handelsbanken, as well as in funds 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. 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. The fund may invest in derivative instruments as part of the investment focus, which can result in leveraging. We compare the fund's performance to an index consisting of Solactive ISS ESG Screened Global Markets Index (35%), Oslo Stock Exchange Mutual Fund Index (21%), Oslo Stock Exchange State Bonds 0.25 Index (16%), SIX SRI Nordic 200 Net Index (14%) and Oslo Stock Exchange State Bonds 5.00 Index (14%). The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund is managed based on an investment process that includes the analysis of markets, asset classes and products in which the fund invests. Given that the fund is actively managed, returns will deviate from this index over time. The fund may invest in derivative instruments as part of the investment focus, which can result in leveraging. We compare the fund's performance to an index consisting of Solactive ISS ESG Screened Global Markets Index (35%), Oslo Stock Exchange Mutual Fund Index (21%), Oslo Stock Exchange State Bonds 0.25 Index (16%), SIX SRI Nordic 200 Net Index (14%) and Oslo Stock Exchange State Bonds 5.00 Index (14%). Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 12.8% in 2020*. The year was dominated by the corona pandemic which led to a significant slowdown in the global economy and sharp fluctuations in the financial markets. The market swung between concerns about an increased spread of the virus and economic data that was actually stronger than expected. After sharp downturns in Q1, the stock markets rebounded. The World Index rose 16,40% (NOK) during the year. A stronger NOK weighed on the returns of foreign assets. Swedish and Nordic stock markets posted the most strength, while performance in Europe was weaker. Market rates in the US, Europe and Norway fell, which caused bonds to outperform fixed income investments with a shorter duration. The value of emerging market bonds fell during the year. We had an underweight in equities during the winter and spring months. We then gradually increased the proportion of equities and had

an overweight in equities during H2. Regionally, we prefer the stock markets in Sweden, Europe and emerging markets. We also have an overweight in the US, while we are neutral in Japan. During the autumn we also invested in the Montanaro Better World Fund, which makes investments that are considered as having a favorable impact on society in terms of ESG. We have a short duration as well as an overweight in credits and emerging market bonds within the fixed income holdings. We also took a short position in US 10-year government bonds during the autumn. In our alternative holdings we have invested in the Schroder Cat Bond Fund, which invests in catastrophe 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The fixed interest 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 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

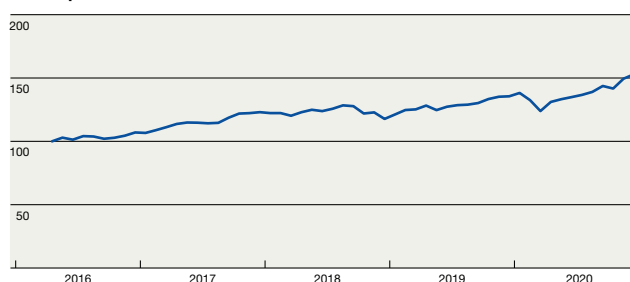
• Highest leverage during the financial year	23.8%
• Lowest leverage during the financial year	9.9%
• Average leverage during the financial year	13.6%

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.

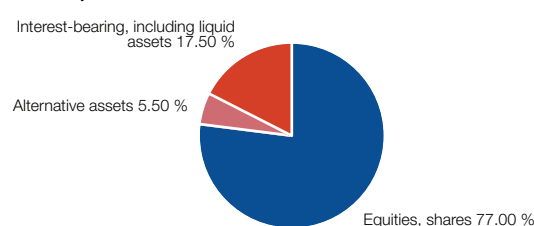
Handelsbanken Aktiv 70, cont.

Fund performance*



* Performance is shown in the fund's base currency.

Market exposure*



* The fund's allocation of investments within the markets as of 31/12/2020, relative to the fund's total assets on this date.

Fund facts - history

	2020	2019	2018	2017	13/4-31/12 2016	2015	2014	2013	2012	2011
Net asset value, NOK	152.28	134.98	117.18	122.50	106.55	-	-	-	-	-
The fund's total net flow, NOK m	54	107	111	1,013	239	-	-	-	-	-
Fund capital, NOKm	1,996	1,720	1,393	1,343	252	-	-	-	-	-
Number of units, 1000's	13,110	12,742	11,886	10,961	2,362	-	-	-	-	-
Total returns in %, NOK	+12.8	+15.2	-4.3	+15.0	+6.5	-	-	-	-	-
Index including dividends in %, NOK	+11.9	+17.9	-2.4	+12.8	+7.6	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾	2.1	1.2	1.3	-	-	-	-	-	-	-
Average yearly return, 2 yrs. % in NOK	+14.0	+5.0	+4.9	-	-	-	-	-	-	-
Comparison to index including dividends, % in NOK	+14.9	+7.3	+5.0	-	-	-	-	-	-	-
Exchange rate NOK/SEK	0.96	1.07	1.02	1.00	1.06	-	-	-	-	-

1) The fund's realized tracking error increased last year relative to the previous year. During the latter part of the year in general, the fund's exposure in equities was higher than its benchmark index. Within the fund's fixed income investments, the fund had a higher risk than its benchmark index, primarily through credit exposures and emerging market bonds. Overall, the fund had a slightly higher risk than its benchmark index. This, together with a generally high realized volatility (risk) in many of the markets invested by the fund, contributed to the fund's higher realized tracking error.

Benchmark: Solactive ISS ESG Screened Global Markets Index (35%), Oslo Stock Exchange Mutual Fund Index (21%), Oslo Stock Exchange State Bonds 0.25 Index (16%), SIX SRI Nordic 200 Net Index (14%), Oslo Stock Exchange State Bonds 5.00 Index (14%).

Up to 30/04/2019: MSCI All Country World Index Net (35%), VINX Benchmark Cap Net Index SEK (14%), Oslo Stock Exchange Mutual Fund Index (21%), Oslo Stock Exchange State Bonds 5Y Index (14%) and Oslo Stock Exchange State Bonds 0.25Y Index (16%).

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 %	1.46
Transaction costs, NOKt	98
Transaction costs in % of turnover	0.00
Costs in NOK for a one-time subscription, 10 000 NOK	131.68
Costs in NOK for monthly savings, 100 NOK	8.90

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 %	5.2
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and return measurements*

Total risk %	9.4	Information ratio	Negative
Total risk in index %	8.3	Sharpe ratio	1.4
Benchmark	Solactive ISS ESG Screened Global Markets Index (35%), Oslo Stock Exchange Mutual Fund Index (21%), Oslo Stock Exchange State Bonds 0.25 Index (16%), SIX SRI Nordic 200 Net Index (14%), Oslo Stock Exchange State Bonds 5.00 Index (14%).	Sharpe ratio in index	1.7
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, NOK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	4,050	-19,174
Changes in value for fund units **	230,805	244,457
Interest income	53	135
Dividends	1,827	1,014
Currency exchange profits and losses, net	-4,235	1,539
Other financial income ¹⁾	13,120	12,529
Other income	0	0
Total income and changes in value	245,619	240,500
EXPENSES		
Management costs:		
- Remuneration to the Management Company	23,132	20,714
Interest expense	144	28
Other expenses	98	125
Total expenses	23,373	20,867
Net income	222,246	219,633
* Details of changes in value		
Capital gains	38,277	21,952
Capital losses	-37,110	-43,223
Unrealised gains/losses	2,883	2,098
Sum	4,050	-19,174
** Details of changes in value		
Capital gains	89,437	50,724
Capital losses	-2,193	-5,220
Unrealised gains/losses	143,560	198,953
Sum	230,805	244,457

1) The item consists primarily of discounts for management costs in underlying funds.

Handelsbanken Aktiv 70, cont.

Balance sheet, NOK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	1,654	0.1	1,765	0.1
Fund units	1,933,487	96.9	1,686,901	98.1
Total financial instruments with positive market value ^{Note 2)}	1,935,141	96.9	1,688,666	98.2
Bank assets and other liquid assets	62,880	3.2	31,936	1.9
Prepaid expenses and accrued income	1,107	0.1	1,174	0.1
Other assets	381	0.0	482	-0.1
Total assets	1,999,509	100.2	1,722,258	100.1
LIABILITIES				
Accrued expenses and prepaid income	2,175	0.1	1,894	0.1
Other liabilities	976	0.1	411	0.0
Total liabilities	3,151	0.2	2,305	0.1
Fund capital ^{Note 1)}	1,996,358	100.0	1,719,953	100.0
Other derivative instruments with negative market value ¹⁾	12,449	0.6	7,097	0.4

1) Cash and cash equivalents NOK 12 449 t

Note 1) for Balance sheet

Changes in fund capital, NOK thousand

	2020	2019
Fund capital at beginning of year	1,719,953	1,392,857
Units issued	312,633	291,329
Units redeemed	-258,474	-183,866
Profit according to Income Statement	222,246	219,633
Dividends to unit holders	-	-
Fund capital at the close of the period	1,996,358	1,719,953

Note 2) for Balance sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value NOK t	% of fund capital
STOCK INDEX FUTURES			
MSCI Emg Mkt Index Future Mar 2021 ¹⁾	73	0	0.0
OMXS30 ESG Future Jan 2021 ²⁾	102	0	0.0
S&P500 Emini Future Mar 2021 ³⁾	12	0	0.0
Stoxx Europe 600 Index Future Mar 2021 ⁴⁾	280	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value NOK t	% of fund capital
INTEREST RATE FUTURES			
US 10Y Note (CBT) Future Mar 2021 ⁵⁾	-16	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 NOK t	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG Acc World-NOK	1,430,972	19,962	1.0
Fidelity Sustain Water&Waste Fund I Acc	3,299,255	40,152	2.0
JPM Europe Small Cap A Acc EUR	24,119	29,034	1.5
JPM Fds Multi-Manager Alternatives	33,840	39,546	2.0
Montanaro Better World Fund	1,469,319	20,127	1.0
SHB Amerika Småbolag Tema (A1 SEK)	59,375	68,984	3.5
SHB Amerika Tema (A1 NOK)	52,811	72,611	3.6
SHB Asien Tema (A1 NOK)	23,545	20,537	1.0
SHB Emerging Markets Index (A1 SEK)	52,641	9,663	0.5
SHB Europa Index Criteria (A1 NOK)	600,549	80,933	4.1
SHB Global Högtutdelande (A1 NOK)	71,383	7,070	0.4
SHB Hållbar Energi (A1 NOK)	58,592	24,412	1.2
SHB Hålsövärd Tema (A1 SEK)	65,544	20,100	1.0
SHB Japan Tema (A1 NOK)	375,348	42,011	2.1
SHB Norden (A1 NOK)	61,520	90,887	4.6
SHB Norden Index Criteria (A1 NOK)	330,879	48,214	2.4
SHB Norden Selektiv (A1 NOK)	54,905	27,668	1.4
SHB Nordiska Småbolag (A1 NOK)	30,386	49,771	2.5
SHB Norge (A1 NOK)	126,367	171,065	8.6
SHB Norge Index (A1 NOK)	1,577,973	168,665	8.4
SHB Tillväxtmarknad Tema (A1 NOK)	139,554	55,671	2.8
SHB USA Index Criteria (A1 NOK)	282,902	143,043	7.2
UBS Equity SICAV-USA Growth Sustain	32,360	38,332	1.9
		1,288,456	64.5
LISTED EQUITY FUNDS**			
XACT Högtutdelande	208,112	25,670	1.3
XACT Norden	221,171	33,308	1.7
XACT OBX	1,130,793	92,803	4.6
		151,780	7.6

	Number/Nominal amount in 1000's	Market value NOK t	% of fund capital
OTHER FUNDS			
JPM Global Macro Sustain C NOK Acc	28,176	30,368	1.5
Schroder GAIA Cat Bond IF Hd EUR	2,067	28,634	1.4
		59,001	3.0

FIXED INCOME FUNDS			
Alfred Berg Obligasjon	203	25	0.0
BlueOrchard Ucits EM Sdg Impact Bd Fd H	16,779	18,348	0.9
SHB Høyrente (A1 NOK)	1,340,748	155,953	7.8
SHB Kort Rente Norge (A1 NOK)	614,396	63,007	3.2
SHB Kreditt (A1 NOK)	184,649	18,358	0.9
SHB Obligasjon (A1 NOK)	319,059	43,620	2.2
SHB Råntestrategi Plus (A7 SEK)	276,267	29,433	1.5
UBS Currency Allocation Return Strategy	15,270	10,349	0.5
UI - Aktia EM Frontier Bond+	272,175	27,198	1.4
UI - Aktia EM Local Currency Bond+ - s1	645,590	67,959	3.4
		434,250	21.8
Total fund units		1,933,487	96.9

	Number/Nominal amount in 1000's	Market value NOK t	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
NOK/EUR ⁶⁾		1,348	0.1
NOK/SEK ⁷⁾		306	0.0
		1,654	0.1
Total OTC derivative instruments		1,654	0.1
Total other financial instruments		1,935,141	96.9
Total holdings in financial instruments		1,935,141	96.9
Net, other assets and liabilities		61,217	3.1
Total fund capital		1,996,358	100.0

1) Stock index futures with underlying exposure of NOK 40 258 t, which is equivalent to 2.0% of fund capital.

2) Stock index futures with underlying exposure of NOK 19 596 t, which is equivalent to 1.0% of fund capital.

3) Stock index futures with underlying exposure of NOK 19 258 t, which is equivalent to 1.0% of fund capital.

4) Stock index futures with underlying exposure of NOK 58 445 t, which is equivalent to 2.9% of fund capital.

5) Interest rate futures with underlying exposure of NOK -19 025 t, which is equivalent to 1.0% of fund capital.

6) tNOK 68 698/tEUR -6 427, Skandinaviska Enskilda Banken AB (publ).

7) tNOK 57 629/tSEK -54 950, counterparties Svenska Handelsbanken AB (publ) och Skandinaviska Enskilda Banken AB (publ).

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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).

7.6

*** Refers to other financial instruments.

89.3

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
JPMorgan Chase	5.0	Fidelity Funds	3.0
UI Aktia	4.8	UBS	2.4

* 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 Aktiv 70

Sustainability dimensions that are taken into consideration in the management of the fund

The fund takes sustainability dimensions into consideration, such as environmental, social and corporate governance dimensions.

The fund invests in other funds and does not invest directly in companies.

The Management Company also carries out engagement activities in the underlying funds managed by Handelsbanken Fonder that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used for sustainability efforts

Exclusion

In accordance with the Management Company's comprehensive Policy for shareholder engagement and responsible investment, the fund excludes funds with investments in:

- 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.
- companies with turnover in excess of 5% that is derived from the extraction of thermal coal or with turnover in excess of 30% that is derived from coal power generation.

Inclusion

Sustainability is a separate assessment area in the evaluation of the underlying funds and investments. When investments in the assessment are equivalent with regard to returns and risk, we select the investment we consider to be most sustainable. How well sustainability is integrated into the underlying fund is a key factor in the assessment. We also work actively to increase the quantitative metrics in our assessments to increase the transparency of the sustainability dimensions in the portfolio

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 support.

Given that the fund is a fund of funds and thus only invests in other funds, there are no direct engagement efforts with companies. Engagement occurs through direct dialogues with fund management companies and fund managers, collaborations and sector initiatives, as well as through participation in investor networks.

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 Management Company carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder by voting at annual general meetings, working on nomination committees and through dialogues in various forms depending on the fund's character. Read more under each individual fund.



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 invests in equity funds globally without being limited to sectors or geographic regions. 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. The fund can invest in derivative instruments as part of the fund's investment focus, which can result in leveraging. We compare the fund's performance with an index consisting of Solactive ISS ESG Screened Global Markets Index NTR (50%), Oslo Stock Exchange Mutual Fund Index (30%), SIX SRI Nordic 200 Net Index (20%). The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund is managed based on an investment process that includes the analysis of markets, asset classes and products in which the fund invests. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 17.6% in 2020*. The year was dominated by the corona pandemic which led to a significant slowdown in the global economy and sharp fluctuations in the financial markets. The market swung between concerns about an increased spread of the virus and economic data that was actually stronger than expected. After sharp downturns in Q1, the stock markets rebounded. The World Index rose 16,40% (NOK) during the year. A stronger NOK weighed on the returns of foreign assets. Swedish and Nordic stock markets posted the most strength, while performance in Europe was weaker. Regionally, we prefer the stock markets in Sweden, Europe and emerging markets. We also have an overweight in the US, while we are neutral in Japan. During the autumn we also invested in the Montanaro Better World Fund, which makes investments that are considered as having a favorable impact on society in terms of ESG.

* 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

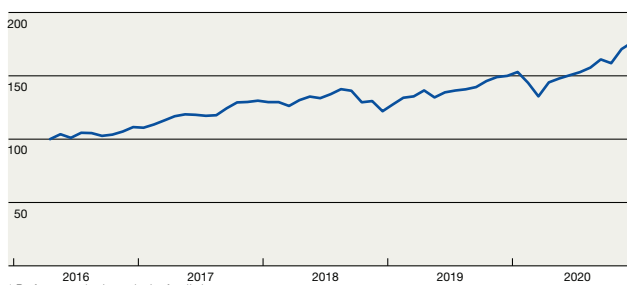
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

• Highest leverage during the financial year	19.6%
• Lowest leverage during the financial year	4.7%
• Average leverage during the financial year	8.7%

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.

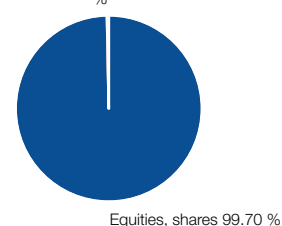
Fund performance*



* Performance is shown in the fund's base currency.

Market exposure*

Interest-bearing, including liquid assets 0.30 %



* The fund's allocation of investments within the markets as of 31/12/2020, relative to the fund's total assets on this date.

Handelsbanken Aktiv 100, cont.

Fund facts - history

	2020	2019	2018	2017	13/4-31/12 2016	2015	2014	2013	2012	2011
Net asset value, NOK	175.39	149.18	121.42	129.69	108.96	-	-	-	-	-
The fund's total net flow, NOK m	427	219	250	475	437	-	-	-	-	-
Fund capital, NOKm	2,524	1,740	1,223	1,062	472	-	-	-	-	-
Number of units, 1000's	14,390	11,663	10,075	8,189	4,334	-	-	-	-	-
Total returns in %, NOK	+17.6	+22.9	-6.4	+19.0	+9.0	-	-	-	-	-
Index including dividends in %, NOK	+15.7	+25.6	-3.7	+18.1	+11.1	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾	1.5	1.6	1.7	-	-	-	-	-	-	-
Average yearly return, 2 yrs. % in NOK	+20.2	+7.2	+5.6	-	-	-	-	-	-	-
Comparison to index including dividends, % in NOK	+20.5	+10.0	+6.6	-	-	-	-	-	-	-
Exchange rate NOK/SEK	0.96	1.07	1.02	1.00	1.06	-	-	-	-	-

¹⁾ The fund's tracking error last year was in line with the previous year. The focus of the fund is 95–100% equities. Overall, the fund had a slightly lower risk than its benchmark index. Despite a generally high realized volatility (risk) in many of the markets invested by the fund, the fund's realized tracking error was nevertheless relatively similar to previous years.

Benchmark: Solactive ISS ESG Screened Global Markets Index NTR (50%), Oslo Stock Exchange Mutual Fund Index (30%), SIX SRI Nordic 200 Net Index (20%).

Up to 30/04/2019: MSCI All Country World Index Net (50%), VINX Benchmark Cap Net Index SEK (20%), Oslo Stock Exchange Mutual Fund Index (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. 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	112
Transaction costs in % of turnover	0.00
Costs in NOK for a one-time subscription, 10 000 NOK	153.11
Costs in NOK for monthly savings, 100 NOK	10.48

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	0.2
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 %	12.2	Information ratio	Negative
Total risk in index %	12.2	Sharpe ratio	1.6
Benchmark	Solactive ISS ESG Screened Global Markets Index NTR (50%), Oslo Stock Exchange Mutual Fund Index (30%), SIX SRI Nordic 200 Net Index (20%).	Sharpe ratio in index	1.6
Active return %	-0.4		

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

Income statement, NOK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments [*]	17,252	1,376
Changes in value for fund units ^{**}	350,476	302,316
Interest income	71	93
Dividends	2,504	1,292
Currency exchange profits and losses, net	-2,079	-340
Other financial income ¹⁾	18,483	15,028
Other income	0	0
Total income and changes in value	386,708	319,765
EXPENSES		
Management costs:		
- Remuneration to the Management Company	29,628	22,386
Interest expense	92	8
Other expenses	125	141
Total expenses	29,845	22,534
Net income	356,863	297,230

* Details of changes in value

Capital gains	50,146	14,307
Capital losses	-36,012	-12,622
Unrealised gains/losses	3,118	-309
Sum	17,252	1,376

** Details of changes in value

Capital gains	94,444	49,794
Capital losses	-685	-5,563
Unrealised gains/losses	256,718	258,085
Sum	350,476	302,316

¹⁾ The item consists primarily of discounts for management costs in underlying funds.

Balance sheet, NOK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	178	0.0	-	-
Fund units	2,457,047	97.4	1,699,227	97.7
Total financial instruments with positive market value ^{Note 2)}	2,457,225	97.4	1,699,227	97.7
Bank assets and other liquid assets	66,441	2.6	39,899	2.3
Prepaid expenses and accrued income	1,717	0.1	1,516	0.1
Other assets	3,496	0.1	2,381	0.1
Total assets	2,528,879	100.2	1,743,023	100.2
LIABILITIES				
Accrued expenses and prepaid income	3,108	0.1	2,190	0.1
Other liabilities	1,963	0.1	970	0.1
Total liabilities	5,071	0.2	3,160	0.2
Fund capital ^{Note 1)}	2,523,808	100.0	1,739,863	100.0
Other derivative instruments with negative market value ¹⁾	15,637	0.6	5,880	0.3

¹⁾ Cash and cash equivalents NOK 15 637 t

Note 1) for Balance sheet

Changes in fund capital, NOK thousand

	2020	2019
Fund capital at beginning of year	1,739,863	1,223,273
Units issued	683,035	421,371
Units redeemed	-255,953	-202,011
Profit according to Income Statement	356,863	297,230
Dividends to unit holders	-	-
Fund capital at the close of the period	2,523,808	1,739,863

Note 2) for Balance sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value NOK t	% of fund capital
STOCK INDEX FUTURES			
OMX Oslo 20 Future Jan 2021 ¹⁾	306	0	0.0
OMXS30 ESG Future Jan 2021 ²⁾	-220	0	0.0
S&P500 Emini Future Mar 2021 ³⁾	30	0	0.0
Stoxx Europe 600 Index Future Mar 2021 ⁴⁾	116	0	0.0
Total stock index futures		0	0.0
Total exchange-traded derivatives		0	0.0

Handelsbanken Aktiv 100, cont.

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value NOK t	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG Acc World-NOK	2,629,648	36,684	1.5
Fidelity Sustain Water&Waste Fund I Acc	5,970,501	72,661	2.9
JPM Europe Small Cap A Acc EUR	42,880	51,618	2.0
Montanaro Better World Fund	2,769,676	37,939	1.5
SHB Amerika Småbolag Tema (A1 SEK)	105,521	122,598	4.9
SHB Amerika Tema (A1 NOK)	94,596	130,063	5.2
SHB Asien Tema (A1 NOK)	42,882	37,404	1.5
SHB Emerging Markets Index (A1 SEK)	100,118	18,378	0.7
SHB Europa Index Criteria (A1 NOK)	1,087,080	146,500	5.8
SHB Global Högutdelande (A1 NOK)	128,792	12,756	0.5
SHB Hållbar Energi (A1 NOK)	100,433	41,845	1.7
SHB Hälsovård Tema (A1 SEK)	120,806	37,046	1.5
SHB Japan Tema (A1 NOK)	681,269	76,252	3.0
SHB Norden (A1 NOK)	109,371	161,581	6.4
SHB Norden Index Criteria (A1 NOK)	604,488	88,083	3.5
SHB Norden Selektiv (A1 NOK)	97,650	49,207	1.9
SHB Nordiska Småbolag (A1 NOK)	55,429	90,790	3.6
SHB Norge (A1 NOK)	227,398	307,832	12.2
SHB Norge Index (A1 NOK)	2,830,823	302,579	12.0
SHB Tillväxtmarknad Tema (A1 NOK)	247,279	98,644	3.9
SHB USA Index Criteria (A1 NOK)	442,044	223,509	8.9
UBS Equity SICAV-USA Growth Sustain	59,835	70,877	2.8
		2,214,846	87.8
LISTED EQUITY FUNDS**			
XACT Högutdelande	395,746	48,814	1.9
XACT Norden	403,822	60,814	2.4
XACT OBX	1,615,385	132,572	5.3
		242,201	9.6
Total fund units		2,457,047	97.4

	Number/Nominal amount in 1000's	Market value NOK t	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
NOK/SEK ⁵⁾		110	0.0
SEK/NOK ⁶⁾		68	0.0
		178	0.0
Total OTC derivative instruments		178	0.0
Total other financial instruments		2,457,225	97.4
Total holdings in financial instruments		2,457,225	97.4
Net, other assets and liabilities		66,583	2.6
Total fund capital		2,523,808	100.0

- 1) Stock index futures with underlying exposure of NOK 26 399 t, which is equivalent to 1.0% of fund capital.
2) Stock index futures with underlying exposure of NOK -42 265 t, which is equivalent to 1.7% of fund capital.
3) Stock index futures with underlying exposure of NOK 48 146 t, which is equivalent to 1.9% of fund capital.
4) Stock index futures with underlying exposure of NOK 24 213 t, which is equivalent to 1.0% of fund capital.
5) INOK 17 900/ISEK -17 053, counterparty Skandinaviska Enskilda Banken AB (publ).
6) ISEK 17 224/INOK -17 900, counterparty Nordea Bank Abp.

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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	4.4

* 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 Aktiv 100

Sustainability dimensions that are taken into consideration in the management of the fund

The fund takes sustainability dimensions into consideration, such as environmental, social and corporate governance dimensions.

The fund invests in other funds and does not invest directly in companies.

The Management Company also carries out engagement activities in the underlying funds managed by Handelsbanken Fonder that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used for sustainability efforts

Exclusion

In accordance with the Management Company's comprehensive Policy for shareholder engagement and responsible investment, the fund excludes funds with investments in:

- 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.
- companies with turnover in excess of 5% that is derived from the extraction of thermal coal or with turnover in excess of 30% that is derived from coal power generation.

Inclusion

Sustainability is a separate assessment area in the evaluation of the underlying funds and investments. When investments in the assessment are equivalent with regard to returns and risk, we select the investment we consider to be most sustainable. How well sustainability is integrated into the underlying fund is a key factor in the assessment. We also work actively to increase the quantitative metrics in our assessments to increase the transparency of the sustainability dimensions in the portfolio

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 support.

Given that the fund is a fund of funds and thus only invests in other funds, there are no direct engagement efforts with companies. Engagement occurs through direct dialogues with fund management companies and fund managers, collaborations and sector initiatives, as well as through participation in investor networks.

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 Management Company carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder by voting at annual general meetings, working on nomination committees and through dialogues in various forms depending on the fund's character. Read more under each individual fund.



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 starting point for investments is to create excess returns in EUR over the long term. The fund's base currency is the EUR. Fund investments are made in a number of funds, including equity, fixed income and alternative funds, as well as in other financial instruments. The fund invests primarily in funds within Handelsbanken as well as in fund that are managed by other fund management companies. The basis for investments is to create excess returns in euro over the long term. The fund's value shall be invested in 5-45% equity funds or other equity-related financial instruments, 45-85% in fixed income funds or other fixed income related financial instruments and 0-20% in funds and other financial instruments with alternative exposure. Alternative exposure refers to exposure through funds or other permitted asset classes that directly or indirectly permit elements of commodities, real estate and other than equities or interest rates for the permitted exposure of a securities fund, with the intent of having diversified characteristics in the fund. International norms and guidelines for the environment, social responsibility and corporate governance are taken into consideration and 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 alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels segments/sectors. However, the fund may invest in companies that are considered to be in transition towards fossil-free energy production. This is applicable to both direct holdings as well as holdings in funds in which the fund invests. With regard to the fund's investments in index derivatives, the fund will primarily invest in sustainability-oriented instruments. In the absence of such instruments, the fund will invest in index derivatives and index products that may include companies that are not permitted in accordance with the aforementioned exclusion criteria. Fund management is adjusted within each interval based on the prevailing market conditions. The fund may invest in derivative instruments as part of the fund's investment focus. We compare fund performance with an index consisting of Solactive Eurozone Government Bond Index TR (40%), Solactive European 3M Interbank Money Market Index (35%), SIX SRI Nordic 200 Net Index (12,5%), Solactive ISS ESG Global Markets (12,5%). The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund is managed based on an investment process that includes the analysis of markets, asset classes and products in which the fund invests. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 4.9% in 2020*. The year was dominated by the corona pandemic which led to a significant slowdown in the global economy and sharp fluctuations in the financial markets. The market swung between concerns about an increased spread of the virus and economic data that was actually stronger than expected. After sharp downturns in Q1, the stock markets rebounded. The World Index rose 9,59% (EUR) during the year. Swedish and Nordic stock markets posted the most strength, while performance in Europe was weaker. Market rates in the US and Europe fell, which caused bonds to outperform fixed income investments with a

shorter duration. The value of emerging market bonds fell during the year. We had an underweight in equities during the winter and spring months. We then gradually increased the proportion of equities and had an overweight in equities during H2. Regionally, we prefer the stock markets in Sweden, Europe and emerging markets. We also have an overweight in the US, while we are neutral in Japan. During the autumn we also invested in the Montanaro Better World Fund, which makes investments that are considered as having a favorable impact on society in terms of ESG. We have a short duration as well as an overweight in credits and emerging market bonds within the fixed income holdings. We also took a short position in US 10-year government bonds during the autumn. In our alternative holdings we have invested in the Schroder Cat Bond Fund, which invests in catastrophe 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The fixed interest 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

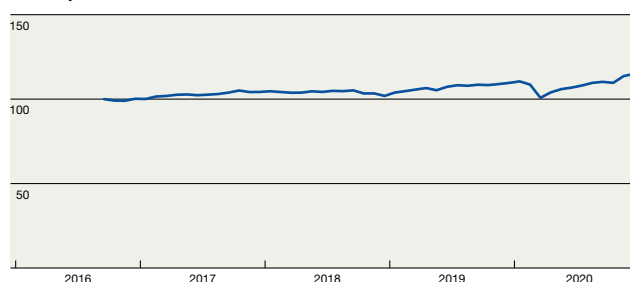
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

• Highest leverage during the financial year	30.9%
• Lowest leverage during the financial year	13.1%
• Average leverage during the financial year	16.6%

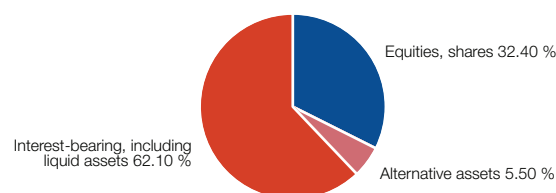
Information

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 31/12/2020, relative to the fund's total assets on this date.

Fund facts - history

	2020	2019	2018	2017	28/9-31/12 2016	2015	2014	2013	2012	2011
Net asset value, EUR	11.49	10.96	10.19	10.42	10.02	-	-	-	-	-
The fund's total net flow, EUR m	2	5	12	10	15	-	-	-	-	-
Fund capital, mEUR	49	44	37	26	15	-	-	-	-	-
Number of units, 1000's	4,270	4,056	3,626	2,473	1,526	-	-	-	-	-
Total returns in %, EUR	+4.9	+7.6	-2.3	+4.0	+0.2	-	-	-	-	-
Index including dividends in %, EUR	+5.5	+9.2	-1.0	+2.3	+0.1	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾	2.7	1.1	1.0	-	-	-	-	-	-	-
Average yearly return, 2 yrs. % in EUR	+6.2	+2.5	+0.8	-	-	-	-	-	-	-
Comparison to index including dividends, % in EUR	+7.3	+4.0	+0.7	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.05	10.51	10.13	9.83	9.58	-	-	-	-	-

1) The fund's realized tracking error increased last year relative to the previous year. During the latter part of the year in general, the fund's exposure in equities was higher than its benchmark index. Within the fund's fixed income investments, the fund had a higher risk than its benchmark index, primarily through credit exposures and emerging market bonds. Overall, the fund had a slightly higher risk than its benchmark index. This, together with a generally high realized volatility (risk) in many of the markets invested by the fund, contributed to the fund's higher realized tracking error.

Benchmark: Solactive Eurozone Government Bond Index TR (40%), Solactive European 3M Interbank Money Market Index (35%), SIX SRI Nordic 200 Net Index (12.5%), Solactive ISS ESG Global Markets (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%).

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 30/04/2019: 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%).

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 %	1.08
Transaction costs, EURt	3
Transaction costs in % of turnover	0.00
Costs in EUR for a one-time subscription, 1 000 EUR	8.89
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	0.4
Share of turnover conducted via closely-related securities companies in %	4.9
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 %	4.9	Sharpe ratio	0.9
Benchmark	Solactive Eurozone Government Bond Index TR (40%), Solactive European 3M Interbank Money Market Index (35%), SIX SRI Nordic 200 Net Index (12.5%), Solactive ISS ESG Global Markets (12.5%).	Sharpe ratio in index	1.6

Active return % -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, EUR thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	59	-499
Changes in value for fund units **	2,505	3,574
Interest income	0	0
Dividends	44	23
Currency exchange profits and losses, net	-93	-32
Other financial income ¹⁾	217	215
Other income	0	0
Total income and changes in value	2,733	3,281
EXPENSES		
Management costs:		
- Remuneration to the Management Company	412	372
Interest expense	3	1
Other expenses	3	3
Total expenses	417	376
Net income	2,316	2,905

* Details of changes in value

Capital gains	979	561
Capital losses	-990	-1,113
Unrealised gains/losses	71	53
Sum	59	-499

** Details of changes in value

Capital gains	1,097	873
Capital losses	-254	-244
Unrealised gains/losses	1,662	2,945
Sum	2,505	3,574

1) The item consists primarily of discounts for management costs in underlying funds.

Handelsbanken Kapitalförvaltning 25, cont.

Balance sheet, EUR thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Fund units	47,763	97.3	43,891	98.8
Total financial instruments with positive market value ^{Note 2)}	47,763	97.3	43,891	98.8
Bank assets and other liquid assets	1,379	2.8	537	1.2
Prepaid expenses and accrued income	19	0.0	40	0.1
Other assets	34	0.1	61	0.1
Total assets	49,195	100.2	44,529	100.2
LIABILITIES				
OTC derivative instruments with negative market value	79	0.2	61	0.1
Total financial instruments with negative market value ^{Note 2)}	79	0.2	61	0.1
Accrued expenses and prepaid income	37	0.1	34	0.1
Other liabilities	1	-0.1	2	0.0
Total liabilities	117	0.2	97	0.2
Fund capital ^{Note 1)}	49,079	100.0	44,432	100.0
Other derivative instruments with negative market value ¹⁾	3,167	6.5	1,941	4.4

1) Cash and cash equivalents EUR 3 167 t

Note 1) for Balance sheet

Changes in fund capital, EUR thousand

	2020	2019
Fund capital at beginning of year	44,432	36,930
Units issued	11,328	13,981
Units redeemed	-8,997	-9,384
Profit according to Income Statement	2,316	2,905
Dividends to unit holders	-	-
Fund capital at the close of the period	49,079	44,432

Note 2) for Balance sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value EUR t	% of fund capital
STOCK INDEX FUTURES			
MSCI Emg Mkt Index Future Mar 2021 ¹⁾	19	0	0.0
OMXS30 ESG Future Jan 2021 ²⁾	28	0	0.0
S&P500 Emini Future Mar 2021 ³⁾	3	0	0.0
Stoxx Europe 600 Index Future Mar 2021 ⁴⁾	75	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value EUR t	% of fund capital
INTEREST RATE FUTURES			
US 10Y Note (CBT) Future Mar 2021 ⁵⁾	-4	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 EUR t	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG Acc World-EUR	13,923	176	0.4
Fidelity Sustainable Water & Waste Fund	30,924	391	0.8
JPM Europe Small Cap A Acc EUR	2,257	259	0.5
JPM Fds Multi-Manager Alternatives	8,989	1,003	2.0
Montanaro Better World Fund	147,192	192	0.4
SHB Amerika Småbolag Tema (A1 SEK)	5,592	620	1.3
SHB Amerika Tema (A1 EUR)	5,110	671	1.4
SHB Asien Tema (A1 EUR)	2,117	176	0.4
SHB Emerging Markets Index (A1 SEK)	6,558	115	0.2
SHB Europa Index Criteria (A1 EUR)	55,781	718	1.5
SHB Global Högtudelande (A1 EUR)	6,552	67	0.1
SHB Hållbar Energi (A1 EUR)	4,523	180	0.4
SHB Hållsövärd Tema (A1 SEK)	6,147	180	0.4
SHB Japan Tema (A1 EUR)	33,564	359	0.7
SHB Norden (A1 EUR)	14,145	1,995	4.1
SHB Norden Index Criteria (A1 EUR)	76,553	1,065	2.2
SHB Norden Selektiv (A1 EUR)	12,792	615	1.3
SHB Nordiska Småbolag (A1 EUR)	7,293	1,140	2.3
SHB Tillväxtmarknad Tema (A1 EUR)	13,172	502	1.0
SHB USA Index Criteria (A1 EUR)	26,140	1,262	2.6
UBS Equity SICAV-USA Growth Sustain	3,150	356	0.7
		12,041	24.5
LISTED EQUITY FUNDS**			
XACT Högtudelande	52,944	623	1.3
XACT Norden	56,262	809	1.6
		1,432	2.9

	Number/Nominal amount in 1000's	Market value EUR t	% of fund capital
OTHER FUNDS			
JPM Global Macro Sustainable I (acc) - EUR	6,775	719	1.5
Schroder GAIA Cat Bond IF Hd EUR	546	722	1.5
UBS (Irl) Investor Selection - Currency Allo.	2,848	260	0.5
		1,701	3.5
FIXED INCOME FUNDS			
BlueOrchard Ucits EM Sdg Impact Bd Fd H	15,394	1,607	3.3
Schroder Intl Selection Fund Sustainable	14,378	1,515	3.1
SHB Euro Corporate Bond Fund (A7 EUR)	70,458	7,794	15.9
SHB Euro Obligation (A1 EUR)	18,297	7,939	16.2
SHB Euro Ranta (A1 EUR)	28,549	5,589	11.4
SHB Kredit (A1 NOK)	168,352	1,598	3.3
SHB Råntestrategi Plus (A7 SEK)	76,316	776	1.6
UI - Aktia EM Frontier Bond+	250,424	2,389	4.9
UI - Aktia EM Local Currency Bond+ - sh	33,035	3,382	6.9
		32,588	66.4
Total fund units		47,763	97.3

	Number/Nominal amount in 1000's	Market value EUR t	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
EUR/NOK ⁶⁾		-45	-0.1
EUR/SEK ⁷⁾		-35	-0.1
		-79	-0.2
Total OTC derivative instruments		-79	-0.2
Total other financial instruments		47,683	97.3
Total holdings in financial instruments		47,683	97.3
Net, other assets and liabilities		1,394	2.7
Total fund capital		49,079	100.0

- 1) Stock index futures with underlying exposure of EUR 1 000 t, which is equivalent to 2.0% of fund capital.
2) Stock index futures with underlying exposure of EUR 513 t, which is equivalent to 1.0% of fund capital.
3) Stock index futures with underlying exposure of EUR 460 t, which is equivalent to 0.9% of fund capital.
4) Stock index futures with underlying exposure of EUR 1 494 t, which is equivalent to 3.0% of fund capital.
5) Interest rate futures with underlying exposure of EUR -454 t, which is equivalent to 0.9% of fund capital.
6) EUR 1 611 t/NOK -17 363 t, counterparty J.P. Morgan Securities.
7) EUR 2 305 t/SEK -23 535 t, counterparty Svenska Handelsbanken AB (publ).

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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.

2.9

94.2

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
UI Aktia	11.8	JPMorgan Chase	4.0
Schroders	4.6	Fidelity Funds	1.2
		UBS	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 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.

The fund invests in other funds and does not invest directly in companies.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used for sustainability efforts

Exclusion

The fund excludes companies in their entirety that are 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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made to the principle of excluding fossil fuels for a period of time if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

The fund invests exclusively in underlying funds that meet the exclusion requirements above.

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

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. This applies to our own funds as well as funds from other fund management companies. Fund investments are selected and followed up in a selection process that includes sustainability criteria at the fund and the fund management company level. The evaluation of a fund management company includes the organization, sustainability, the fund management team and the investment process. It is also possible to invest in funds that invest in companies that are transitioning their business operations in a more sustainable direction, so-called transition companies.

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 support.

Given that the fund is a fund of funds and thus only invests in other funds, there are no direct engagement efforts with companies. Engagement occurs through direct dialogues with fund management companies and fund managers, collaborations and sector initiatives, as well as through participation in investor networks.

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 Management Company carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder by voting at annual general meetings, working on nomination committees and through dialogues in various forms depending on the fund's character. Read more under each individual fund.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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

In recent years we have worked based on enhanced sustainability requirements. This means that the fund excludes* funds with investments in companies where the principal business activities are within controversial sectors. Refer to the description above under the heading *Exclusion*.

During the year we continued to integrate the sustainability efforts into the investment process and improving the measurability in the sustainability efforts has been a high priority. We use a model that was developed in-house to measure our investment exposure against the Sustainable Development Goals, i.e., to what degree a company's business contributes to fulfilling the specific targets in Agenda 2030. The fund's benchmark index reflects our sustainable investment criteria.

We continuously have dialogues with providers who are willing to meet our requirements in existing investments, and in some cases we have also launched new funds together with them that meet the enhanced requirements. During the year we continued to invest in funds with focus on the global sustainable transition.

** 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's base currency is the EUR. Fund investments are made in a number of funds, including equity, fixed income and alternative assets. The fund invests primarily in funds within Handelsbanken as well as in fund that are managed by other fund management companies. Thirty to seventy percent 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. Alternative exposure refers to exposure through funds or other permitted asset classes that directly or indirectly permit elements of commodities, real estate and other than equities or interest rates for the permitted exposure of a securities fund, with the intent of having diversified characteristics in the fund. International norms and guidelines for the environment, social responsibility and corporate governance are taken into consideration and 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 alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels segments/sectors. However, the fund may invest in companies that are considered to be in transition towards fossil-free energy production. This is applicable to both direct holdings as well as holdings in funds in which the fund invests. With regard to the fund's investments in index derivatives, the fund will primarily invest in sustainability-oriented instruments. In the absence of such instruments, the fund will invest in index derivatives and index products that may include companies that are not permitted in accordance with the aforementioned exclusion criteria. The fund may invest in derivative instruments as part of its investment focus, which can result in leveraging. We compare fund performance with 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%), Solactive Eurozone Government Bond Index (25%). The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund is managed based on an investment process that includes the analysis of markets, asset classes and products in which the fund invests. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 8.2% in 2020*. The year was dominated by the corona pandemic which led to a significant slowdown in the global economy and sharp fluctuations in the financial markets. The market swung between concerns about an increased spread of the virus and economic data that was actually stronger than expected. After sharp downturns in Q1, the stock markets rebounded. The World Index rose 9,59% (EUR) during the year. Swedish and Nordic stock markets posted the most strength, while performance in Europe was weaker. Market rates in the US and Europe fell, which caused bonds to outperform fixed income investments with a shorter duration. The value of emerging market bonds fell during the year. We had an underweight in equities during the winter and spring months. We then gradually increased the proportion of equities and had an overweight in equities during H2. Regionally, we prefer the stock markets in Sweden, Europe and emerging markets. We also have an overweight in the US, while we are neutral in Japan. During the autumn we also

invested in the Montanaro Better World Fund, which makes investments that are considered as having a favorable impact on society in terms of ESG. We have a short duration as well as an overweight in credits and emerging market bonds within the fixed income holdings. We also took a short position in US 10-year government bonds during the autumn. In our alternative holdings we have invested in the Schroder Cat Bond Fund, which invests in catastrophe 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 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The fixed interest 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 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

• Highest leverage during the financial year	26.2%
• Lowest leverage during the financial year	10.1%
• Average leverage during the financial year	13.8%

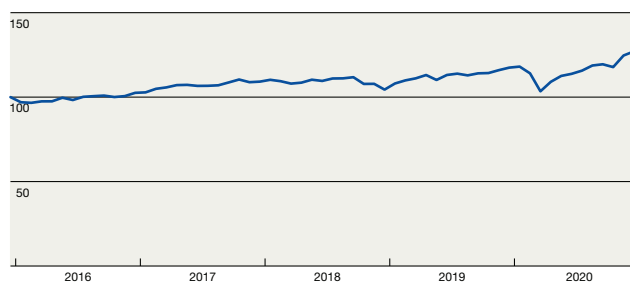
Information

The fund's historical price prior to the launch date is derived from the merger of Placeringsfonden Handelsbanken Aktiv 50 (Finland) and Handelsbanken Balanserad 50 (Sweden), which occurred on September 26, 2014.

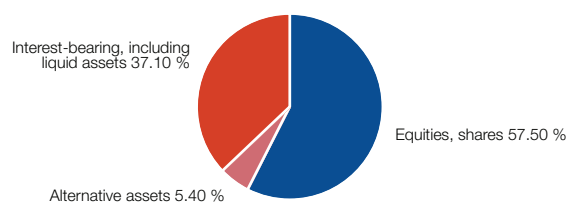
Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Handelsbanken Kapitalförvaltning 50, cont.

Fund performance*



Market exposure*



* The fund's allocation of investments within the markets as of 31/12/2020, relative to the fund's total assets on this date.

Fund facts - history

	2020	2019	2018	2017	2016	2015	26/9-31/12 2014	2013	2012	2011
Net asset value, EUR	22.18	20.50	18.23	19.05	17.89	17.45	16.19	-	-	-
The fund's total net flow, EUR m	1	9	-17	7	62	5	4	-	-	-
Fund capital, mEUR	123	113	92	114	101	37	30	-	-	-
Number of units, 1000's	5,540	5,517	5,055	5,976	5,629	2,116	1,823	-	-	-
Total returns in %, EUR	+8.2	+12.5	-4.3	+6.5	+2.5	+7.8	+8.1	+10.7	+11.4	-8.2
Index including dividends in %, EUR	+8.2	+15.0	-2.5	+4.8	+4.3	+6.6	+10.2	+10.3	+13.9	-4.0
Tracking error, 2 yrs. % ¹⁾	2.3	1.1	1.1	1.2	1.5	1.3	1.1	-	-	-
Average yearly return, 2 yrs. % in EUR	+10.3	+3.7	+0.9	+4.5	+5.1	+7.9	+9.4	+11.1	+1.1	+3.3
Comparison to index including dividends, % in EUR	+11.6	+5.9	+1.1	+4.5	+5.5	+8.4	+10.3	+12.1	+4.6	+5.2
Average yearly return, 5 yrs. % in EUR	+4.9	+4.8	+4.0	+7.1	+8.1	+5.7	+7.3	+10.6	+1.7	-0.2
Comparison to index including dividends, % in EUR	+5.8	+5.5	+4.6	+7.2	+9.1	+7.3	+8.9	+11.4	+3.5	+1.2
Average yearly return, 10 yrs. % in EUR	+5.3	+6.1	+7.3	+4.3	+3.8	+4.5	-	-	-	-
Comparison to index including dividends, % in EUR	+6.5	+7.2	+8.0	+5.4	+5.1	+5.5	-	-	-	-
Exchange rate EUR/SEK	10.05	10.51	10.13	9.83	9.58	9.16	9.47	-	-	-

1) The fund's realized tracking error increased last year relative to the previous year. During the latter part of the year in general, the fund's exposure in equities was higher than its benchmark index. Within the fund's fixed income investments, the fund had a higher risk than its benchmark index, primarily through credit exposures and emerging market bonds. Overall, the fund had a slightly higher risk than its benchmark index. This, together with a generally high realized volatility (risk) in many of the markets invested by the fund, contributed to the fund's higher realized tracking error.

Benchmark: Solactive ISS ESG Screened Global Markets Index (25%), SIX SRI Nordic 200 Net Index (25%), Solactive 3 Month EURIBOR Index (25%), 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%).

Up to 30/04/2019: 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%).

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 %	1.56
Transaction costs, EURt	6
Transaction costs in % of turnover	0.00
Costs in EUR for a one-time subscription, 1 000 EUR	13.78
Costs in EUR for monthly savings, 10 EUR	0.95

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 %	4.7
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and return measurements*

Total risk %	10.7	Information ratio	Negative
Total risk in index %	8.9	Sharpe ratio	1.0
Benchmark	Solactive ISS ESG Screened Global Markets Index (25%), SIX SRI Nordic 200 Net Index (25%), Solactive 3 Month EURIBOR Index (25%), Solactive Eurozone Government Bond Index (25%).	Sharpe ratio in index	1.3
Active return %	-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.

Income statement, EUR thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	127	-1,227
Changes in value for fund units **	9,342	13,574
Interest income	0	-2
Dividends	161	111
Currency exchange profits and losses, net	-220	-35
Other financial income ¹⁾	709	766
Other income	0	0
Total income and changes in value	10,119	13,187
EXPENSES		
Management costs:		
- Remuneration to the Management Company	1,532	1,431
Interest expense	8	1
Other expenses	6	9
Total expenses	1,546	1,441
Net income	8,573	11,746

* Details of changes in value		
Capital gains	2,299	1,396
Capital losses	-2,351	-2,758
Unrealised gains/losses	179	135
Sum	127	-1,227

** Details of changes in value		
Capital gains	4,656	3,310
Capital losses	-605	-495
Unrealised gains/losses	5,290	10,759
Sum	9,342	13,574

1) The item consists primarily of discounts for management costs in underlying funds.

Handelsbanken Kapitalförvaltning 50, cont.

Balance sheet, EUR thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Fund units	119,591	97.3	110,477	97.7
Total financial instruments with positive market value	119,591	97.3	110,477	97.7
Bank assets and other liquid assets	3,482	2.8	2,632	2.3
Prepaid expenses and accrued income	64	0.1	140	0.1
Other assets	8	0.0	100	0.1
Total assets	123,145	100.2	113,349	100.2
LIABILITIES				
OTC derivative instruments with negative market value	127	0.1	95	0.1
Total financial instruments with negative market value	127	0.1	95	0.1
Accrued expenses and prepaid income	145	0.1	133	0.1
Other liabilities	13	0.0	26	0.0
Total liabilities	285	0.2	254	0.2
Fund capital	122,860	100.0	113,095	100.0
Other derivative instruments with negative market value ¹⁾	7,942	6.5	4,791	4.2

1) Cash and cash equivalents EUR 7 942 t

Note 1) for Balance sheet

Changes in fund capital, EUR thousand

	2020	2019
Fund capital at beginning of year	113,095	92,138
Units issued	25,648	25,115
Units redeemed	-24,456	-15,904
Profit according to Income Statement	8,573	11,746
Dividends to unit holders	-	-
Fund capital at the close of the period	122,860	113,095

Note 2) for Balance sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value EUR t	% of fund capital
STOCK INDEX FUTURES			
MSCI Emg Mkt Index Future Mar 2021 ¹⁾	47	0	0.0
OMXS30 ESG Future Jan 2021 ²⁾	71	0	0.0
S&P500 Emini Future Mar 2021 ³⁾	8	0	0.0
Stoxx Europe 600 Index Future Mar 2021 ⁴⁾	186	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value EUR t	% of fund capital
INTEREST RATE FUTURES			
US 10Y Note (CBT) Future Mar 2021 ⁵⁾	-10	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 EUR t	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG Acc World-EUR	69,838	881	0.7
Fidelity Sustainable Water & Waste Fund	146,145	1,850	1.5
JPM Europe Small Cap A Acc EUR	11,527	1,325	1.1
JPM Fds Multi-Manager Alternatives	22,300	2,488	2.0
Montanaro Better World Fund	710,469	929	0.8
SHB Amerika Småbolag Tema (A1 SEK)	27,574	3,058	2.5
SHB Amerika Tema (A1 EUR)	24,976	3,278	2.7
SHB Asien Tema (A1 EUR)	11,563	963	0.8
SHB Emerging Markets Index (A1 SEK)	27,043	474	0.4
SHB Europa Index Criteria (A1 EUR)	278,709	3,585	2.9
SHB Global Högtudelande (A1 EUR)	30,356	312	0.3
SHB Hållbar Energi (A1 EUR)	25,873	1,029	0.8
SHB Hållsövärd Tema (A1 SEK)	30,772	901	0.7
SHB Japan Tema (A1 EUR)	170,035	1,817	1.5
SHB Norden (A1 EUR)	71,465	10,078	8.2
SHB Norden Index Criteria (A1 EUR)	391,127	5,440	4.4
SHB Norden Selektiv (A1 EUR)	64,744	3,114	2.5
SHB Nordiska Småbolag (A1 EUR)	35,872	5,609	4.6
SHB Tillväxtmarknad Tema (A1 EUR)	65,241	2,484	2.0
SHB USA Index Criteria (A1 EUR)	132,235	6,382	5.2
UBS Equity SICAV-USA Growth Sustain	15,267	1,726	1.4
		57,722	47.0
LISTED EQUITY FUNDS**			
XACT Högtudelande	252,958	2,978	2.4
XACT Norden	265,399	3,815	3.1
		6,794	5.5

	Number/Nominal amount in 1000's	Market value EUR t	% of fund capital
OTHER FUNDS			
JPM Global Macro Sustainable I (acc) - EUR	17,120	1,816	1.5
Schroder GAIA Cat Bond IF Hd EUR	1,329	1,757	1.4
UBS (Irl) Investor Selection - Currency Allo.	6,173	565	0.5
		4,137	3.4

FIXED INCOME FUNDS			
BlueOrchard Ucits EM Sdg Impact Bd Fd H	23,770	2,481	2.0
Schroder Intl Selection Fund Sustainable	21,995	2,317	1.9
SHB Euro Corporate Bond Fund (A7 EUR)	100,959	11,168	9.1
SHB Euro Obligation (A1 EUR)	31,113	13,500	11.0
SHB Euro Ranta (A1 EUR)	37,340	7,310	6.0
SHB Kredit (A1 NOK)	261,951	2,486	2.0
SHB Råntestrategi Plus (A7 SEK)	181,963	1,851	1.5
UI - Aktia EM Frontier Bond+	385,351	3,676	3.0
UI - Aktia EM Local Currency Bond+ - sh	60,078	6,150	5.0
		50,939	41.5
Total fund units		119,591	97.3

	Number/Nominal amount in 1000's	Market value EUR t	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
EUR/NOK ⁶⁾		-65	-0.1
EUR/SEK ⁷⁾		-62	-0.1
		-127	-0.1
Total OTC derivative instruments		-127	-0.1
Total other financial instruments		119,465	97.2
Total holdings in financial instruments		119,465	97.2
Net, other assets and liabilities		3,395	2.8
Total fund capital		122,860	100.0

- 1) Stock index futures with underlying exposure of EUR 2 474 t, which is equivalent to 2.0% of fund capital.
2) Stock index futures with underlying exposure of EUR 1 302 t, which is equivalent to 1.1% of fund capital.
3) Stock index futures with underlying exposure of EUR 1 226 t, which is equivalent to 1.0% of fund capital.
4) Stock index futures with underlying exposure of EUR 3 706 t, which is equivalent to 3.0% of fund capital.
5) Interest rate futures with underlying exposure of EUR -1 135 t, which is equivalent to 0.9% of fund capital.
6) EUR 2 335 t/NOK -25 166 t, counterparty J.P. Morgan Securities.
7) EUR 4 563 t/SEK 46 504 t, counterparties Svenska Handelsbanken AB (publ) and Nordea Bank Abp.

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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.

5.5

91.7

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
UI Aktia	8.0	Schroders	3.3
JPMorgan Chase	4.6	Fidelity Funds	2.2
		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 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.

The fund invests in other funds and does not invest directly in companies.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used for sustainability efforts

Exclusion

The fund excludes companies in their entirety that are 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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made to the principle of excluding fossil fuels for a period of time if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

The fund invests exclusively in underlying funds that meet the exclusion requirements above.

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

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. This applies to our own funds as well as funds from other fund management companies. Fund investments are selected and followed up in a selection process that includes sustainability criteria at the fund and the fund management company level. The evaluation of a fund management company includes the organization, sustainability, the fund management team and the investment process. It is also possible to invest in funds that invest in companies that are transitioning their business operations in a more sustainable direction, so-called transition companies.

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 support.

Given that the fund is a fund of funds and thus only invests in other funds, there are no direct engagement efforts with companies. Engagement occurs through direct dialogues with fund management companies and fund managers, collaborations and sector initiatives, as well as through participation in investor networks.

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 Management Company carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder by voting at annual general meetings, working on nomination committees and through dialogues in various forms depending on the fund's character. Read more under each individual fund.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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

In recent years we have worked based on enhanced sustainability requirements. This means that the fund excludes* funds with investments in companies where the principal business activities are within controversial sectors. Refer to the description above under the heading *Exclusion*.

During the year we continued to integrate the sustainability efforts into the investment process and improving the measurability in the sustainability efforts has been a high priority. We use a model that was developed in-house to measure our investment exposure against the Sustainable Development Goals, i.e., to what degree a company's business contributes to fulfilling the specific targets in Agenda 2030. The fund's benchmark index reflects our sustainable investment criteria.

We continuously have dialogues with providers who are willing to meet our requirements in existing investments, and in some cases we have also launched new funds together with them that meet the enhanced requirements. During the year we continued to invest in funds with focus on the global sustainable transition.

** 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 starting point for investments is to create excess returns in EUR over the long term. The fund's base currency is the EUR. Fund investments are made in a number of funds, including equity, fixed income and alternative funds, as well as in other financial instruments. The fund invests primarily in funds within Handelsbanken as well as in fund that are managed by other fund management companies. 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.

Alternative exposure refers to exposure through funds or other permitted asset classes that directly or indirectly permit elements of commodities, real estate and other than equities or interest rates for the permitted exposure of a securities fund, with the intent of having diversified characteristics in the fund. International norms and guidelines for the environment, social responsibility and corporate governance are taken into consideration and 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 alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels segments/sectors. However, the fund may invest in companies that are considered to be in transition towards fossil-free energy production. This is applicable to both direct holdings as well as holdings in funds in which the fund invests. With regard to the fund's investments in index derivatives, the fund will primarily invest in sustainability-oriented instruments. In the absence of such instruments, the fund will invest in index derivatives and index products that may include companies that are not permitted in accordance with the aforementioned exclusion criteria. Fund management is adjusted within each interval based on the prevailing market conditions. The fund may invest in derivative instruments as part of its investment focus, which can result in leveraging. We compare fund performance with an index consisting of Solactive ISS ESG Global Markets (37,5%), SIX SRI Nordic 200 Net Index (37,5%), Solactive European 3M Interbank Money Market Index (15%), Solactive Eurozone Government Bond Index TR (10%). The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund is managed based on an investment process that includes the analysis of markets, asset classes and products in which the fund invests. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 11.7% in 2020*. The year was dominated by the corona pandemic which led to a significant slowdown in the global economy and sharp fluctuations in the financial markets. The market swung between concerns about an increased spread of the virus and economic data that was actually stronger than expected. After sharp downturns in Q1, the stock markets rebounded. The World Index rose 9,59% (EUR) during the year. Swedish and Nordic stock markets posted the most strength, while performance in Europe was weaker. Market rates in the US and Europe fell, which caused bonds to outperform fixed income investments with a

shorter duration. The value of emerging market bonds fell during the year. We had an underweight in equities during the winter and spring months. We then gradually increased the proportion of equities and had an overweight in equities during H2. Regionally, we prefer the stock markets in Sweden, Europe and emerging markets. We also have an overweight in the US, while we are neutral in Japan. During the autumn we also invested in the Montanaro Better World Fund, which makes investments that are considered as having a favorable impact on society in terms of ESG. We have a short duration as well as an overweight in credits and emerging market bonds within the fixed income holdings. We also took a short position in US 10-year government bonds during the autumn. In our alternative holdings we have invested in the Schroder Cat Bond Fund, which invests in catastrophe 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 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The fixed interest 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 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

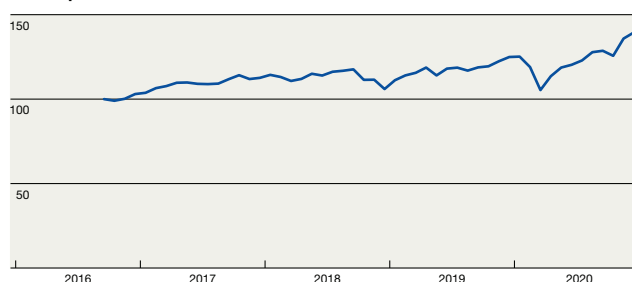
• Highest leverage during the financial year	19.9%
• Lowest leverage during the financial year	7.5%
• Average leverage during the financial year	11.1%

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.

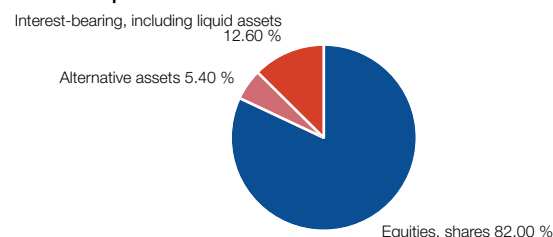
Handelsbanken Kapitalförvaltning 75, cont.

Fund performance*



* Performance is shown in the fund's base currency.

Market exposure*



* The fund's allocation of investments within the markets as of 31/12/2020, relative to the fund's total assets on this date.

Fund facts - history

	2020	2019	2018	2017	28/9-31/12 2016	2015	2014	2013	2012	2011
Net asset value, EUR	13.94	12.48	10.59	11.25	10.29	-	-	-	-	-
The fund's total net flow, EUR m	4	3	-4	4	18	-	-	-	-	-
Fund capital, mEUR	33	25	19	24	19	-	-	-	-	-
Number of units, 1000's	2,374	2,029	1,798	2,168	1,826	-	-	-	-	-
Total returns in %, EUR	+11.7	+17.9	-5.9	+9.3	+2.9	-	-	-	-	-
Index including dividends in %, EUR	+10.8	+21.0	-4.0	+7.2	+3.8	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾	2.1	1.3	1.3	-	-	-	-	-	-	-
Average yearly return, 2 yrs. % in EUR	+14.7	+5.3	+1.4	-	-	-	-	-	-	-
Comparison to index including dividends, % in EUR	+15.8	+7.8	+1.4	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.05	10.51	10.13	9.83	9.58	-	-	-	-	-

1) The fund's realized tracking error increased last year relative to the previous year. During the latter part of the year in general, the fund's exposure in equities was higher than its benchmark index. Within the fund's fixed income investments, the fund had a higher risk than its benchmark index, primarily through credit exposures and emerging market bonds. Overall, the fund had a slightly higher risk than its benchmark index. This, together with a generally high realized volatility (risk) in many of the markets invested by the fund, contributed to the fund's higher realized tracking error.

Benchmark: Solactive ISS ESG Screened Global Markets Index (37.5%), SIX SRI Nordic 200 Net Index (37.5%), Solactive 3 Month EURIBOR Index (15%), 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 30/04/2019: 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 %	1.63
Transaction costs, EURT	2
Transaction costs in % of turnover	0.00
Costs in EUR for a one-time subscription, 1 000 EUR	14.72
Costs in EUR for monthly savings, 10 EUR	1.03

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 %	5.3
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and return measurements*

Total risk %	14.4	Information ratio	Negative
Total risk in index %	13.0	Sharpe ratio	1.0
Benchmark	Solactive ISS ESG Screened Global Markets Index (37.5%), SIX SRI Nordic 200 Net Index (37.5%), Solactive 3 Month EURIBOR Index (15%), Solactive Eurozone Government Bond Index (10%),	Sharpe ratio in index	1.2
Active return %	-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, EUR thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	77	-258
Changes in value for fund units **	3,463	3,923
Interest income	0	0
Dividends	56	37
Currency exchange profits and losses, net	-44	6
Other financial income ¹⁾	223	211
Other income	0	0
Total income and changes in value	3,775	3,919
EXPENSES		
Management costs:		
- Remuneration to the Management Company	416	334
Interest expense	2	0
Other expenses	2	3
Total expenses	420	337
Net income	3,355	3,582
* Details of changes in value		
Capital gains	567	317
Capital losses	-538	-604
Unrealised gains/losses	48	29
Sum	77	-258
** Details of changes in value		
Capital gains	1,287	879
Capital losses	-110	-108
Unrealised gains/losses	2,286	3,152
Sum	3,463	3,923

1) The item consists primarily of discounts for management costs in underlying funds.

Handelsbanken Kapitalförvaltning 75, cont.

Balance sheet, EUR thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Fund units	32,111	97.0	24,687	97.4
Total financial instruments with positive market value ^{Note 2)}	32,111	97.0	24,687	97.4
Bank assets and other liquid assets	1,066	3.2	646	2.6
Prepaid expenses and accrued income	21	0.1	35	0.1
Other assets	3	0.0	10	0.0
Total assets	33,201	100.3	25,378	100.1
LIABILITIES				
OTC derivative instruments with negative market value	17	0.1	11	0.0
Total financial instruments with negative market value ^{Note 2)}	17	0.1	11	0.0
Accrued expenses and prepaid income	41	0.1	32	0.1
Other liabilities	52	0.1	0	0.0
Total liabilities	110	0.3	43	0.1
Fund capital ^{Note 1)}	33,091	100.0	25,335	100.0
Other derivative instruments with negative market value ¹⁾	2,094	6.3	1,456	5.7

1) Cash and cash equivalents EUR 2 094 t

Note 1) for Balance sheet

Changes in fund capital, EUR thousand

	2020	2019
Fund capital at beginning of year	25,335	19,040
Units issued	11,627	7,709
Units redeemed	-7,226	-4,996
Profit according to Income Statement	3,355	3,582
Dividends to unit holders	-	-
Fund capital at the close of the period	33,091	25,335

Note 2) for Balance sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value EUR t	% of fund capital
STOCK INDEX FUTURES			
MSCI Emg Mkt Index Future Mar 2021 ¹⁾	13	0	0.0
OMXS30 ESG Future Jan 2021 ²⁾	18	0	0.0
S&P500 Emini Future Mar 2021 ³⁾	2	0	0.0
Stoxx Europe 600 Index Future Mar 2021 ⁴⁾	49	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value EUR t	% of fund capital
INTEREST RATE FUTURES			
US 10Y Note (CBT) Future Mar 2021 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 EUR t	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG Acc World-EUR	29,635	374	1.1
Fidelity Sustainable Water & Waste Fund	55,689	705	2.1
JPM Europe Small Cap A Acc EUR	4,604	529	1.6
JPM Fds Multi-Manager Alternatives	5,881	656	2.0
Montanaro Better World Fund	277,521	363	1.1
SHB Amerika Småbolag Tema (A1 SEK)	10,945	1,214	3.7
SHB Amerika Tema (A1 EUR)	9,791	1,285	3.9
SHB Asien Tema (A1 EUR)	4,515	376	1.1
SHB Emerging Markets Index (A1 SEK)	10,180	178	0.5
SHB Europa Index Criteria (A1 EUR)	113,450	1,459	4.4
SHB Global Högtudelande (A1 EUR)	11,849	122	0.4
SHB Hållbar Energi (A1 EUR)	10,333	411	1.2
SHB Hållsövärd Tema (A1 SEK)	12,002	351	1.1
SHB Japan Tema (A1 EUR)	71,372	763	2.3
SHB Norden (A1 EUR)	28,974	4,086	12.3
SHB Norden Index Criteria (A1 EUR)	159,949	2,225	6.7
SHB Norden Selektiv (A1 EUR)	25,136	1,209	3.7
SHB Nordiska Småbolag (A1 EUR)	14,273	2,232	6.7
SHB Tillväxtmarknad Tema (A1 EUR)	25,270	962	2.9
SHB USA Index Criteria (A1 EUR)	53,308	2,573	7.8
UBS Equity SICAV-USA Growth Sustain	6,250	707	2.1
		22,779	68.8
LISTED EQUITY FUNDS**			
XACT Högtudelande	102,368	1,205	3.6
XACT Norden	107,700	1,548	4.7
		2,754	8.3

	Number/Nominal amount in 1000's	Market value EUR t	% of fund capital
OTHER FUNDS			
JPM Global Macro Sustainable I (acc) - EUR	4,610	489	1.5
Schroder GAIA Cat Bond IF Hd EUR	362	478	1.4
UBS (Irl) Investor Selection - Currency Allo.	1,652	151	0.5
		1,118	3.4

FIXED INCOME FUNDS			
BlueOrchard Ucits EM Sdg Impact Bd Fd H	2,334	244	0.7
Schroder Intl Selection Fund Sustainable	2,001	211	0.6
SHB Euro Corporate Bond Fund (A7 EUR)	13,913	1,539	4.7
SHB Euro Obligation (A1 EUR)	1,309	568	1.7
SHB Euro Ranta (A1 EUR)	4,107	804	2.4
SHB Kredit (A1 NOK)	25,078	238	0.7
SHB Rantestrategi Plus (A7 SEK)	46,232	470	1.4
UI - Aktia EM Frontier Bond+	38,410	366	1.1
UI - Aktia EM Local Currency Bond+ - sh	9,973	1,021	3.1
		5,461	16.5
Total fund units		32,111	97.0

	Number/Nominal amount in 1000's	Market value EUR t	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
EUR/NOK ⁶⁾		-6	0.0
EUR/SEK ⁷⁾		-11	0.0
		-17	-0.1
Total OTC derivative instruments		-17	-0.1
Total other financial instruments		32,095	97.0
Total holdings in financial instruments		32,095	97.0
Net, other assets and liabilities		996	3.0
Total fund capital		33,091	100.0

1) Stock index futures with underlying exposure of EUR 684 t, which is equivalent to 2.1% of fund capital.
2) Stock index futures with underlying exposure of EUR 330 t, which is equivalent to 1.0% of fund capital.
3) Stock index futures with underlying exposure of EUR 306 t, which is equivalent to 0.9% of fund capital.
4) Stock index futures with underlying exposure of EUR 976 t, which is equivalent to 2.9% of fund capital.
5) Interest rate futures with underlying exposure of EUR -341 t, which is equivalent to 1.0% of fund capital.
6) EUR 204 t/NOK -2 199 t, counterparty J.P. Morgan Securities.
7) EUR 741 t/SEK -7 561 t, counterparty Svenska Handelsbanken AB (publ).

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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.

8.3

88.7

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
JPMorgan Chase	5.1	Fidelity Funds	3.2
UI Aktia	4.2	UBS	2.6
		Schroders	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 Kapitalförvaltning 75

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.

The fund invests in other funds and does not invest directly in companies.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used for sustainability efforts

Exclusion

The fund excludes companies in their entirety that are 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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made to the principle of excluding fossil fuels for a period of time if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

The fund invests exclusively in underlying funds that meet the exclusion requirements above.

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

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. This applies to our own funds as well as funds from other fund management companies. Fund investments are selected and followed up in a selection process that includes sustainability criteria at the fund and the fund management company level. The evaluation of a fund management company includes the organization, sustainability, the fund management team and the investment process. It is also possible to invest in funds that invest in companies that are transitioning their business operations in a more sustainable direction, so-called transition companies.

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 support.

Given that the fund is a fund of funds and thus only invests in other funds, there are no direct engagement efforts with companies. Engagement occurs through direct dialogues with fund management companies and fund managers, collaborations and sector initiatives, as well as through participation in investor networks.

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 Management Company carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder by voting at annual general meetings, working on nomination committees and through dialogues in various forms depending on the fund's character. Read more under each individual fund.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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

In recent years we have worked based on enhanced sustainability requirements. This means that the fund excludes* funds with investments in companies where the principal business activities are within controversial sectors. Refer to the description above under the heading *Exclusion*.

During the year we continued to integrate the sustainability efforts into the investment process and improving the measurability in the sustainability efforts has been a high priority. We use a model that was developed in-house to measure our investment exposure against the Sustainable Development Goals, i.e., to what degree a company's business contributes to fulfilling the specific targets in Agenda 2030. The fund's benchmark index reflects our sustainable investment criteria.

We continuously have dialogues with providers who are willing to meet our requirements in existing investments, and in some cases we have also launched new funds together with them that meet the enhanced requirements. During the year we continued to invest in funds with focus on the global sustainable transition.

** 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 0-25% depending on market conditions. The fixed income portion can fluctuate between 60-100% depending on market conditions. The portion of alternative assets can vary between 0-20% 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. International norms and guidelines for the environment, social responsibility and corporate governance are taken into consideration and 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 alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels segments/sectors. However, the fund may invest in companies that are considered to be in transition towards fossil-free energy production. This is applicable to both direct holdings as well as holdings in funds in which the fund invests. With regard to the fund's investments in index derivatives, the fund will primarily invest in sustainability-oriented instruments. In the absence of such instruments, the fund will invest in index derivatives and index products that may include companies that are not permitted in accordance with the aforementioned exclusion criteria. The fund can invest in derivative instruments as part of the fund's investment focus, which may result in leveraging. We compare fund performance with a composite index consisting of OMRXTBILL (47,5%), HMNI Swe All Government Dur Const 6Y (26,25%), HMNI Swe All Mortgage Dur Const 2.5Y (11,25%), Solactive ISS ESG Global Markets (7,5%), SIX SRI Nordic 200 Net Index (7,5%). The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund is managed based on an investment process that includes the analysis of markets, asset classes and products in which the fund invests. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 1.4% in 2020*. The year was dominated by the corona pandemic which led to a significant slowdown in the global economy and sharp fluctuations in the financial markets. The market swung between concerns about an increased spread of the virus and economic data that was actually stronger than expected. After sharp downturns in Q1, the stock markets rebounded. The World Index rose 4,80% (SEK) during the year. A stronger SEK weighed on the returns of foreign assets. Swedish and Nordic stock markets posted the most strength, while performance in Europe was weaker. Market rates in the US, Europe and Sweden fell, which caused bonds to outperform fixed income investments with a

shorter duration. The value of emerging market bonds fell during the year. We had an underweight in equities during the winter and spring months. We then gradually increased the proportion of equities and had an overweight in equities during H2. Regionally, we prefer the stock markets in Sweden, Europe and emerging markets. We also have an overweight in the US, while we are neutral in Japan. During the autumn we also invested in the Montanaro Better World Fund, which makes investments that are considered as having a favorable impact on society in terms of ESG. We have a short duration as well as an overweight in credits and emerging market bonds within the fixed income holdings. We also took a short position in US 10-year government bonds during the autumn. In our alternative holdings we have invested in the Schroder Cat Bond Fund, which invests in catastrophe 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The fixed interest 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 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

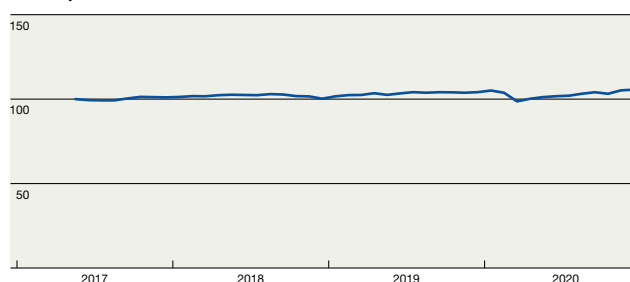
• Highest leverage during the financial year	22.8%
• Lowest leverage during the financial year	0.0%
• Average leverage during the financial year	12.1%

Information

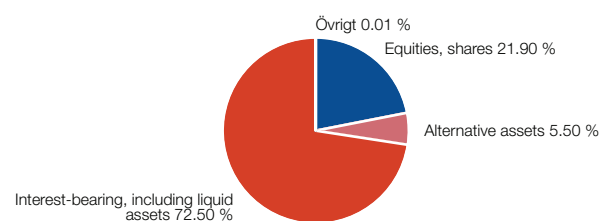
Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Handelsbanken Multi Asset 15, cont.

Fund performance*



Market exposure*



Fund facts - history

	2020	2019	2018	10/5-31/12 2017	2016	2015	2014	2013	2012	2011
Net asset value, SEK	105.59	104.14	100.23	101.03	-	-	-	-	-	-
The fund's total net flow, SEK m	-122	292	874	1,167	-	-	-	-	-	-
Fund capital, mSEK	2,301	2,397	2,023	1,172	-	-	-	-	-	-
Number of units, 1000's	21,790	23,013	20,181	11,606	-	-	-	-	-	-
Total returns in %, SEK	+1.4	+3.9	-0.8	+1.0	-	-	-	-	-	-
Index including dividends in %, SEK	+1.7	+4.8	-0.3	+0.3	-	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾	2.6	0.8	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %	+2.6	+1.5	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+3.3	+2.3	-	-	-	-	-	-	-	-

1) The fund's realized tracking error increased last year relative to the previous year. During the latter part of the year in general, the fund's exposure in equities was higher than its benchmark index. Within the fund's fixed income investments, the fund had a higher risk than its benchmark index, primarily through credit exposures and emerging market bonds. Overall, the fund had a slightly higher risk than its benchmark index. This, together with a generally high realized volatility (risk) in many of the markets invested by the fund, contributed to the fund's higher realized tracking error.

Benchmark: OMRX Treasury Bill Index (47.5%), HMNI Swe All Government Dur Const 6Y (HMSD6) (26.25%), HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) (11.25%), SIX SRI Nordic 200 Net Index (7.5%), Solactive ISS ESG Screened Global Markets Index (7.5%).

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 %	0.96
Transaction costs, SEK thousand	128
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	74.15
Costs in SEK for monthly savings, 100 SEK	4.92

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 %	5.3
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and return measurements*

Total risk %	4.7	Information ratio	Negative
Total risk in index %	2.5	Sharpe ratio	0.6
Benchmark	OMRX Treasury Bill Index (47.5%), HMNI Swe All Government Dur Const 6Y (HMSD6) (26.25%), HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) (11.25%), SIX SRI Nordic 200 Net Index (7.5%), Solactive ISS ESG Screened Global Markets Index (7.5%).	Sharpe ratio in index	1.5
Active return %	-0.6		

* 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, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments [*]	288	-26,980
Changes in value for fund units ^{**}	27,135	120,853
Interest income	-12	-70
Dividends	1,646	737
Currency exchange profits and losses, net	4,049	-4,624
Other financial income ¹⁾	10,216	9,291
Other income	0	0
Total income and changes in value	43,322	99,207
EXPENSES		
Management costs:		
- Remuneration to the Management Company	17,217	16,956
Interest expense	169	19
Other expenses	139	131
Total expenses	17,525	17,106
Net income	25,797	82,101

* Details of changes in value

Capital gains	49,319	31,316
Capital losses	-52,366	-61,233
Unrealised gains/losses	3,335	2,937
Sum	288	-26,980

** Details of changes in value

Capital gains	37,461	30,956
Capital losses	-9,914	-3,047
Unrealised gains/losses	-412	92,944
Sum	27,135	120,853

1) The item consists primarily of discounts for management costs in underlying funds.

Handelsbanken Multi Asset 15, cont.

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Fund units	2,238,684	97.3	2,350,290	98.1
Total financial instruments with positive market value ^{Note 2)}	2,238,684	97.3	2,350,290	98.1
Bank assets and other liquid assets	64,736	2.8	48,298	2.0
Prepaid expenses and accrued income	945	0.0	845	0.0
Other assets	1,243	0.1	2,105	0.1
Total assets	2,305,608	100.2	2,401,538	100.2
LIABILITIES				
OTC derivative instruments with negative market value	513	0.0	732	0.0
Total financial instruments with negative market value ^{Note 2)}	513	0.0	732	0.0
Accrued expenses and prepaid income	1,470	0.1	1,544	0.1
Other liabilities	2,880	0.1	2,644	0.1
Total liabilities	4,863	0.2	4,920	0.2
Fund capital ^{Note 1)}	2,300,744	100.0	2,396,618	100.0
Other derivative instruments with negative market value ¹⁾	14,427	0.6	10,080	0.4

1) Cash and cash equivalents SEK 14 427 t

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	2,396,618	2,022,795
Units issued ¹⁾	908,124	976,092
Units redeemed	-1,029,795	-684,370
Profit according to Income Statement	25,797	82,101
Dividends to unit holders	-	-
Fund capital at the close of the period	2,300,744	2,396,618

Note 2) for Balance sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
STOCK INDEX FUTURES			
MSCI Emg Mkt Index Future Mar 2021 ¹⁾	88	0	0.0
OMXS30 ESG Future Jan 2021 ²⁾	119	0	0.0
S&P500 Emini Future Mar 2021 ³⁾	15	0	0.0
Stoxx Europe 600 Index Future Mar 2021 ⁴⁾	341	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
INTEREST RATE FUTURES			
US 10Y Note (CBT) Future Mar 2021 ⁵⁾	-19	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 SEK t	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG Acc World-SEK	408,366	5,301	0.2
Fidelity Funds - Sustain. Water & Waste AC	1,025,054	10,948	0.5
JPM Europe Small Cap A Acc EUR	6,833	7,890	0.3
JPM Fds Multi-Manager Alternative1	41,764	46,685	2.0
Montanaro Better World Fund	409,585	5,382	0.2
SHB Amerika Småbolag Tema (A1 SEK)	16,673	18,580	0.8
SHB Amerika Tema (A1 SEK)	12,704	16,755	0.7
SHB Asien Tema (A1 SEK)	7,968	6,667	0.3
SHB Emerging Markets Index (A1 SEK)	12,432	2,189	0.1
SHB Europa Index Criteria (A1 SEK)	148,782	19,232	0.8
SHB Global Högtudelande (A1 SEK)	20,238	1,948	0.1
SHB Hållbar Energi (A1 SEK)	18,062	7,218	0.3
SHB Hållsovärd Tema (A1 SEK)	14,992	4,410	0.2
SHB Japan Tema (A1 SEK)	89,261	9,583	0.4
SHB Norden (A1 SEK)	39,832	56,446	2.5
SHB Norden Index Criteria (A1 SEK)	214,785	30,020	1.3
SHB Norden Selektiv (A1 SEK)	34,045	16,455	0.7
SHB Nordiska Småbolag (A1 SEK)	19,808	31,120	1.4
SHB Tillväxtmarknad Tema (A1 SEK)	37,426	14,320	0.6
SHB USA Index Criteria (A1 SEK)	72,398	35,113	1.5
UBS Equity SICAV-USA Growth Sustain	9,872	11,217	0.5
		357,479	15.5
LISTED EQUITY FUNDS**			
XACT Högtudelande	146,110	17,287	0.8
XACT Norden	138,038	19,940	0.9
		37,227	1.6

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
OTHER FUNDS			
JPM Global Macro Sustainable I (acc) SEK H	33,070	35,241	1.5
		35,241	1.5
FIXED INCOME FUNDS			
BlueOrchard Ucits EM Sdg Impact Bd Fd H	82,463	86,496	3.8
Schroder GAIA Cat Bond IF SEK Acc	37,778	34,011	1.5
SHB Företagsobl. IG (A1 SEK)	2,613,664	266,334	11.6
SHB Företagsobligation (A1 SEK)	1,938,132	258,373	11.2
SHB Hållbar Global Obligation (A1 SEK)	818,081	84,873	3.7
SHB Institutionell Kortränta (A1 SEK)	1,383,496	139,495	6.1
SHB Kredit (A1 NOK)	940,063	89,649	3.9
SHB Långränta (A1 SEK)	1,524,574	181,678	7.9
SHB Ränsteavkastning (A1 SEK)	67,637	130,879	5.7
SHB Ränstestrategi (A1 SEK)	2,101,973	218,123	9.5
SHB Ränstestrategi Plus (A7 SEK)	327,734	33,491	1.5
UBS Currency Allocation Return Strategy	19,402	12,613	0.5
UI - Aktia EM Frontier Bond+	1,176,133	112,732	4.9
UI - Aktia EM Local Currency Bond+ - s1	1,584,528	159,990	7.0
		1,808,738	78.6
Total fund units		2,238,684	97.3

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
SEK/NOK ⁶⁾		-513	0.0
		-513	0.0
Total OTC derivative instruments		-513	0.0
Total other financial instruments		2,238,171	97.3
Total holdings in financial instruments		2,238,171	97.3
Net, other assets and liabilities		62,573	2.7
Total fund capital		2,300,744	100.0

1) Stock index futures with underlying exposure of SEK 46 549 t, which is equivalent to 2.0% of fund capital.
2) Stock index futures with underlying exposure of SEK 21 929 t, which is equivalent to 1.0% of fund capital.
3) Stock index futures with underlying exposure of SEK 23 090 t, which is equivalent to 1.0% of fund capital.
4) Stock index futures with underlying exposure of SEK 68 274 t, which is equivalent to 3.0% of fund capital.
5) Interest rate futures with underlying exposure of SEK -21 671 t, which is equivalent to 0.9% of fund capital.
6) SEK 82 644 t/NOK -86 748 t, counterparty Skandinaviska Enskilda Banken AB (publ).

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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.

1.6

95.7

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
UI Aktia	11.9	UBS	1.1
JPMorgan Chase	3.8	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

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 invests in other funds and does not invest directly in companies.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used for sustainability efforts

Exclusion

The fund excludes companies in their entirety that are 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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made to the principle of excluding fossil fuels for a period of time if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

The fund invests exclusively in underlying funds that meet the exclusion requirements above.

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

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. This applies to our own funds as well as funds from other fund management companies. Fund investments are selected and followed up in a selection process that includes sustainability criteria at the fund and the fund management company level. The evaluation of a fund management company includes the organization, sustainability, the fund management team and the investment process. It is also possible to invest in funds that invest in companies that are transitioning their business operations in a more sustainable direction, so-called transition companies.

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 support.

Given that the fund is a fund of funds and thus only invests in other funds, there are no direct engagement efforts with companies. Engagement occurs through direct dialogues with fund management companies and fund managers, collaborations and sector initiatives, as well as through participation in investor networks.

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 Management Company carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder by voting at annual general meetings, working on nomination committees and through dialogues in various forms depending on the fund's character. Read more under each individual fund.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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

In recent years we have worked based on enhanced sustainability requirements. This means that the fund excludes* funds with investments in companies where the principal business activities are within controversial sectors. Refer to the description above under the heading *Exclusion*.

During the year we continued to integrate the sustainability efforts into the investment process and improving the measurability in the sustainability efforts has been a high priority. We use a model that was developed in-house to measure our investment exposure against the Sustainable Development Goals, i.e., to what degree a company's business contributes to fulfilling the specific targets in Agenda 2030. The fund's benchmark index reflects our sustainable investment criteria.

We continuously have dialogues with providers who are willing to meet our requirements in existing investments, and in some cases we have also launched new funds together with them that meet the enhanced requirements. During the year we continued to invest in funds with focus on the global sustainable transition.

** 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 10-35% depending on market conditions. The fixed income portion is normally 55%, but can fluctuate between 40-80% depending on market conditions. The portion of alternative assets is normally 20%, but can vary between 0-30% 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. International norms and guidelines for the environment, social responsibility and corporate governance are taken into consideration and 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 alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels segments/sectors. However, the fund may invest in companies that are considered to be in transition towards fossil-free energy production. This is applicable to both direct holdings as well as holdings in funds in which the fund invests. With regard to the fund's investments in index derivatives, the fund will primarily invest in sustainability-oriented instruments. In the absence of such instruments, the fund will invest in index derivatives and index products that may include companies that are not permitted in accordance with the aforementioned exclusion criteria. The fund can invest in derivative instruments as part of the fund's investment focus, which may result in leveraging. We compare fund performance with a composite index consisting of OMRX Treasury Bill Index (47,5%), HMNI Swe All Government Dur Const 6Y (HMSD6) (19,25%), SIX SRI Nordic 200 Net Index (12,5%), Solactive ISS ESG Screened Global Markets Index (12,5%), HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) (8,25%). The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund is managed based on an investment process that includes the analysis of markets, asset classes and products in which the fund invests. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 2.6% in 2020*. The year was dominated by the corona pandemic which led to a significant slowdown in the global economy and sharp fluctuations in the financial markets. The market swung between concerns about an increased spread of the virus and economic data that was actually stronger than expected. After sharp downturns in Q1, the stock markets rebounded. The World Index rose 4,80% (SEK) during the year. A stronger SEK weighed on the returns of foreign assets. Swedish and Nordic stock markets posted the most strength, while performance in Europe was weaker. Market rates in the US, Europe and Sweden fell, which caused bonds to outperform fixed income investments with a shorter duration. The value of emerging market bonds fell during the year. We had an underweight in equities during the winter and spring months. We then gradually increased the proportion of equities and had an

overweight in equities during H2. Regionally, we prefer the stock markets in Sweden, Europe and emerging markets. We also have an overweight in the US, while we are neutral in Japan. During the autumn we also invested in the Montanaro Better World Fund, which makes investments that are considered as having a favorable impact on society in terms of ESG. We have a short duration as well as an overweight in credits and emerging market bonds within the fixed income holdings. We also took a short position in US 10-year government bonds during the autumn. In our alternative holdings we have invested in the Schroder Cat Bond Fund, which invests in catastrophe 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The fixed interest 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 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

• Highest leverage during the financial year	24.1%
• Lowest leverage during the financial year	0.0%
• Average leverage during the financial year	11.2%

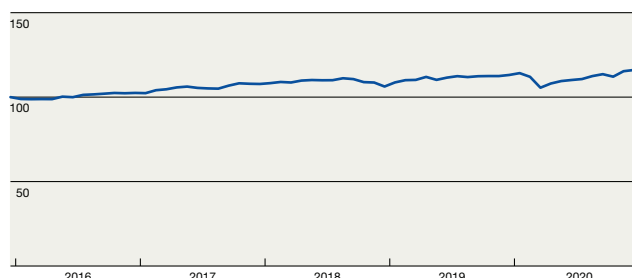
Information

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.

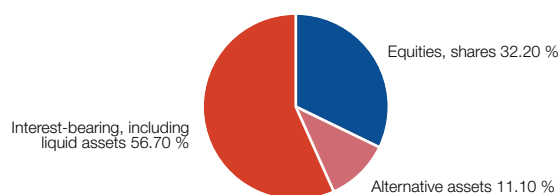
Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Handelsbanken Multi Asset 25, cont.

Fund performance*



Market exposure*



* The fund's allocation of investments within the markets as of 31/12/2020, relative to the fund's total assets on this date.

Fund facts - history

	2020	2019	2018	2017	2016	2015	12/9-31/12 2014	2013	2012	2011
Net asset value, SEK										
Multi Asset 25 A1	160.92	156.83	147.34	149.44	142.08	138.64	135.32	-	-	-
Multi Asset 25 B1	97.15	97.63	94.44	-	-	-	-	-	-	-
Multi Asset 25 B8	97.70	97.99	94.60	99.73	-	-	-	-	-	-
The fund's total net flow, SEK m	-2,722	928	1,671	3,568	302	1,858	541	-	-	-
Fund capital total, SEK m	29,711	31,849	29,040	27,816	10,523	9,971	7,943	-	-	-
Multi Asset 25 A1	29,530	31,642	28,858	27,650	10,523	9,971	7,943	-	-	-
Multi Asset 25 B1	59	60	55	-	-	-	-	-	-	-
Multi Asset 25 B8	122	147	127	166	-	-	-	-	-	-
Number of units, 1000's										
Multi Asset 25 A1	185,363	203,878	197,790	186,693	74,065	71,918	58,698	-	-	-
Multi Asset 25 B1	183,500	201,760	195,864	185,024	74,065	71,918	58,698	-	-	-
Multi Asset 25 B8	611	611	586	-	-	-	-	-	-	-
Multi Asset 25 B8	1,252	1,507	1,340	1,669	-	-	-	-	-	-
Total returns in %, SEK										
Multi Asset 25 A1	+2.6	+6.4	-1.4	+5.2	+2.5	+2.5	+7.7	+6.6	+6.4	-0.9
Multi Asset 25 B1	+2.6	+6.4	-1.4	-	-	-	-	-	-	-
Multi Asset 25 B8	+2.8	+6.7	-1.2	-0.2	-	-	-	-	-	-
Index including dividends in %, SEK										
Multi Asset 25 A1	+2.6	+7.7	-0.6	+2.8	+3.9	+2.3	+8.9	+5.5	+4.6	+1.8
Multi Asset 25 B1	+2.6	+7.7	-0.6	-	-	-	-	-	-	-
Multi Asset 25 B8	+2.6	+7.7	-0.6	-0.1	-	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾										
Multi Asset 25 A1	2.5	0.8	0.9	1.1	1.1	0.9	0.8	1.0	1.2	1.0
Multi Asset 25 B1	2.5	0.8	0.9	-	-	-	-	-	-	-
Multi Asset 25 B8	2.5	0.8	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Multi Asset 25 A1	+4.5	+2.4	+1.8	+3.8	+2.5	+5.0	+7.1	+6.5	+2.7	+1.6
Multi Asset 25 B1	+4.5	+2.4	+1.8	-	-	-	-	-	-	-
Multi Asset 25 B8	+4.7	+2.6	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+5.1	+3.5	+1.1	+3.3	+3.1	+5.6	+7.2	+5.1	+3.2	+3.0
Average yearly return, 5 yrs. %										
Multi Asset 25 A1	+3.0	+3.0	+3.2	+4.9	+5.1	+4.4	+4.7	+4.9	+2.2	+1.4
Multi Asset 25 B1	+3.0	+3.0	+3.2	-	-	-	-	-	-	-
Comparison to index including dividends, %	+3.2	+3.2	+3.4	+4.6	+5.0	+4.6	+5.0	+4.9	+3.3	+3.1
Average yearly return, 10 yrs. %										
Multi Asset 25 A1	+3.7	+3.9	+4.1	+3.5	+3.2	+3.3	-	-	-	-
Multi Asset 25 B1	+3.7	+3.9	+4.1	-	-	-	-	-	-	-
Comparison to index including dividends, %	+3.9	+4.1	+4.1	+4.0	+4.0	+4.0	-	-	-	-
Dividends per unit, SEK										
Multi Asset 25 B1	2.93	2.83	3.99	-	-	-	-	-	-	-
Multi Asset 25 B8	2.94	2.84	3.99	-	-	-	-	-	-	-

1) The fund's realized tracking error increased last year relative to the previous year. During the latter part of the year in general, the fund's exposure in equities was higher than its benchmark index. Within the fund's fixed income investments, the fund had a higher risk than its benchmark index, primarily through credit exposures and emerging market bonds. Overall, the fund had a slightly higher risk than its benchmark index. This, together with a generally high realized volatility (risk) in many of the markets invested by the fund, contributed to the fund's higher realized tracking error.

Benchmark: OMRX Treasury Bill Index (47.5%), HMNI Swe All Government Dur Const 6Y (HMSD6) (19.25%), SIX SRI Nordic 200 Net Index (12.5%), Solactive ISS ESG Screened Global Markets Index (12.5%), HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) (8.25%).

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 30/04/2019: 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.

Handelsbanken Multi Asset 25, cont.

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	1.08
Multi Asset 25 B1	1.08
Multi Asset 25 B8	0.88
Transaction costs, SEK thousand	1,670
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Multi Asset 25 A1	83.95
Multi Asset 25 B1	83.98
Multi Asset 25 B8	64.28
Costs in SEK for monthly savings, 100 SEK	
Multi Asset 25 A1	5.61
Multi Asset 25 B1	5.72
Multi Asset 25 B8	4.38

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 %	5.2
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 SEK	Negative
Total risk % - B1 SEK	6.1	Information ratio - B1 SEK	Negative
Total risk % - B8 SEK	6.1	Information ratio - B8 SEK	Negative
Total risk in index % - A1 SEK	4.1	Sharpe ratio - A1 SEK	0.8
Total risk in index % - B1 SEK	4.1	Sharpe ratio - B1 SEK	0.8
Total risk in index % - B8 SEK	4.1	Sharpe ratio - B8 SEK	0.8
Benchmark	OMRX Treasury Bill Index (47.5%), HMNI Swe All Government Dur Const 6Y (HMSD6) (19.25%), SIX SRI Nordic 200 Net Index (12.5%), Solactive ISS ESG Screened Global Markets Index (12.5%), HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) (8.25%)	Sharpe ratio in index - A1 SEK	1.3
		Sharpe ratio in index - B1 SEK	1.3
		Sharpe ratio in index - B8 SEK	1.3
Active return % - A1 SEK	-0.6		
Active return % - B1 SEK	-0.6		
Active return % - B8 SEK	-0.4		

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

Income statement, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	4,476	-371,937
Changes in value for fund units **	624,518	2,416,393
Interest income	38	-1,180
Dividends	27,793	17,400
Currency exchange profits and losses, net	42,053	-57,992
Other financial income ¹⁾	142,231	146,030
Other income	0	12
Total income and changes in value	841,109	2,148,726
EXPENSES		
Management costs:		
- Remuneration to the Management Company	249,039	262,365
Interest expense	2,616	172
Other expenses	1,878	1,648
Total expenses	253,533	264,185
Net income	587,577	1,884,541
* Details of changes in value		
Capital gains	633,062	440,010
Capital losses	-671,787	-853,431
Unrealised gains/losses	43,201	41,484
Sum	4,476	-371,937
** Details of changes in value		
Capital gains	1,105,616	1,001,288
Capital losses	-98,714	-44,411
Unrealised gains/losses	-382,385	1,459,516
Sum	624,518	2,416,393

¹⁾ The item consists primarily of discounts for management costs in underlying funds.

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Fund units	28,731,254	96.7	31,035,725	97.5
Total financial instruments with positive market value ^{Note 2)}	28,731,254	96.7	31,035,725	97.5
Bank assets and other liquid assets	990,572	3.3	831,772	2.6
Prepaid expenses and accrued income	13,149	0.0	12,407	0.0
Other assets	26,327	0.2	43,001	0.1
Total assets	29,761,302	100.2	31,922,905	100.2
LIABILITIES				
OTC derivative instruments with negative market value	5,005	0.0	7,511	0.0
Total financial instruments with negative market value ^{Note 2)}	5,005	0.0	7,511	0.0
Accrued expenses and prepaid income	21,525	0.1	23,045	0.1
Other liabilities	23,555	0.1	42,922	0.1
Total liabilities	50,085	0.2	73,478	0.2
Fund capital ^{Note 1)}	29,711,217	100.0	31,849,427	100.0
Other derivative instruments with negative market value ¹⁾	187,737	0.6	133,438	0.4

¹⁾ Cash and cash equivalents SEK 187 737 t

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	31,849,427	29,039,711
Units issued ¹⁾	4,495,394	5,769,043
Units redeemed	-7,214,561	-4,838,178
Profit according to Income Statement	587,577	1,884,541
Dividends to unit holders	-6,620	-5,690
Fund capital at the close of the period	29,711,217	31,849,427

Handelsbanken Multi Asset 25, cont.

Note 2) for Balance sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
STOCK INDEX FUTURES			
MSCI Emg Mkt Index Future Mar 2021 ¹⁾	1,149	0	0.0
OMXS30 ESG Future Jan 2021 ²⁾	1,555	0	0.0
S&P500 Emini Future Mar 2021 ³⁾	189	0	0.0
Stoxx Europe 600 Index Future Mar 2021 ⁴⁾	4,444	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
INTEREST RATE FUTURES			
US 10Y Note (CBT) Future Mar 2021 ⁵⁾	-250	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 SEK t	% of fund capital
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FUND UNITS

EQUITY FUNDS

Fidelity First ESG Acc World-SEK	8,298,797	107,718	0.4
Fidelity Funds - Sustain. Water & Waste AC	21,874,546	233,620	0.8
JPM Europe Small Cap A Acc EUR	139,383	160,941	0.5
JPM Fds Multi-Manager Alternative1	1,089,052	1,217,397	4.1
Montanaro Better World Fund	8,830,738	116,027	0.4
SHB Amerika Småbolag Tema (A1 SEK)	326,042	363,351	1.2
SHB Amerika Tema (A1 SEK)	297,501	392,347	1.3
SHB Asien Tema (A1 SEK)	156,850	131,245	0.4
SHB Emerging Markets Index (A1 SEK)	298,863	52,620	0.2
SHB Europa Index Criteria (A1 SEK)	3,252,242	420,401	1.4
SHB Global Högtudelande (A1 SEK)	423,631	40,781	0.1
SHB Hållbar Energi (A1 SEK)	290,956	116,276	0.4
SHB Hälsovård Tema (A1 SEK)	369,247	108,611	0.4
SHB Japan Tema (A1 SEK)	2,100,633	225,521	0.8
SHB Norden (A1 SEK)	859,859	1,218,484	4.1
SHB Norden Index Criteria (A1 SEK)	4,654,900	650,596	2.2
SHB Norden Selektiv (A1 SEK)	797,255	385,341	1.3
SHB Nordiska Småbolag (A1 SEK)	431,882	678,534	2.3
SHB Tillväxtmarknad Tema (A1 SEK)	806,484	308,592	1.0
SHB USA Index Criteria (A1 SEK)	1,582,297	767,401	2.6
UBS Equity SICAV-USA Growth Sustain	188,354	214,009	0.7
		7,909,814	26.6

LISTED EQUITY FUNDS**

XACT Högtudelande	3,155,128	373,295	1.3
XACT Norden	3,194,029	461,383	1.6
		834,678	2.8

OTHER FUNDS

JPM Global Macro Sustainable I (acc) SEK H	842,203	897,494	3.0
		897,494	3.0

FIXED INCOME FUNDS

BlueOrchard Ucits EM Sdg Impact Bd Fd H	777,818	815,861	2.7
Handelsinvest High Yield Bonds engros	10	1	0.0
Schroder GAIA Cat Bond IF SEK Acc	984,444	886,295	3.0
SHB Företagsobl. IG (A1 SEK)	33,036,707	3,366,464	11.3
SHB Företagsobligation (A1 SEK)	18,371,964	2,449,177	8.2
SHB Hållbar Global Obligation (A1 SEK)	7,868,288	816,308	2.7
SHB Institutionell Kortränta (A1 SEK)	11,858,258	1,195,645	4.0
SHB Kortränta (A1 SEK)	2,233	325	0.0
SHB Kortränta SEK (A1 SEK)	3,948	414	0.0
SHB Kreditt (A1 NOK)	8,821,036	841,217	2.8
SHB Långränta (A1 SEK)	13,639,289	1,625,346	5.5
SHB Råteavkastning (A1 SEK)	644,907	1,247,903	4.2
SHB Råtestrategi (A1 SEK)	19,211,345	1,993,570	6.7
SHB Råtestrategi Plus (A7 SEK)	5,778,772	590,533	2.0
UBS Currency Allocation Return Strategy	489,975	318,518	1.1
UI - Aktia EM Frontier Bond+	11,916,472	1,142,194	3.8
UI - Aktia EM Local Currency Bond+ - s1	17,822,103	1,799,498	6.1
		19,089,268	64.3

Total fund units		28,731,254	96.7
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	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
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OTC DERIVATIVE INSTRUMENTS

CURRENCY FUTURES

SEK/NOK ⁶⁾		-5,005	0.0
		-5,005	0.0
Total OTC derivative instruments		-5,005	0.0
Total other financial instruments		28,726,249	96.7
Total holdings in financial instruments		28,726,249	96.7
Net, other assets and liabilities		984,968	3.3
Total fund capital		29,711,217	100.0

1) Stock index futures with underlying exposure of SEK 607 787 t, which is equivalent to 2.0% of fund capital.

2) Stock index futures with underlying exposure of SEK 286 548 t, which is equivalent to 1.0% of fund capital.

3) Stock index futures with underlying exposure of SEK 290 939 t, which is equivalent to 1.0% of fund capital.

4) Stock index futures with underlying exposure of SEK 889 758 t, which is equivalent to 3.0% of fund capital.

5) Interest rate futures with underlying exposure of SEK -285 140 t, which is equivalent to 1.0% of fund capital.

6) SEK 806 033 t/NOK -846 060 t, counterparty Skandinaviska Enskilda Banken AB (publ).

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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

93.9

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
UI Aktia	9.9	UBS	1.8
JPMorgan Chase	7.6	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

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 invests in other funds and does not invest directly in companies.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used for sustainability efforts

Exclusion

The fund excludes companies in their entirety that are 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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made to the principle of excluding fossil fuels for a period of time if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

The fund invests exclusively in underlying funds that meet the exclusion requirements above.

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

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. This applies to our own funds as well as funds from other fund management companies. Fund investments are selected and followed up in a selection process that includes sustainability criteria at the fund and the fund management company level. The evaluation of a fund management company includes the organization, sustainability, the fund management team and the investment process. It is also possible to invest in funds that invest in companies that are transitioning their business operations in a more sustainable direction, so-called transition companies.

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 support.

Given that the fund is a fund of funds and thus only invests in other funds, there are no direct engagement efforts with companies. Engagement occurs through direct dialogues with fund management companies and fund managers, collaborations and sector initiatives, as well as through participation in investor networks.

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 Management Company carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder by voting at annual general meetings, working on nomination committees and through dialogues in various forms depending on the fund's character. Read more under each individual fund.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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

In recent years we have worked based on enhanced sustainability requirements. This means that the fund excludes* funds with investments in companies where the principal business activities are within controversial sectors. Refer to the description above under the heading *Exclusion*.

During the year we continued to integrate the sustainability efforts into the investment process and improving the measurability in the sustainability efforts has been a high priority. We use a model that was developed in-house to measure our investment exposure against the Sustainable Development Goals, i.e., to what degree a company's business contributes to fulfilling the specific targets in Agenda 2030. The fund's benchmark index reflects our sustainable investment criteria.

We continuously have dialogues with providers who are willing to meet our requirements in existing investments, and in some cases we have also launched new funds together with them that meet the enhanced requirements. During the year we continued to invest in funds with focus on the global sustainable transition.

** 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 25-55% depending on market conditions. The fixed income portion can fluctuate between 25-65% depending on market conditions. The portion of alternative assets can vary between 0-30% 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. International norms and guidelines for the environment, social responsibility and corporate governance are taken into consideration and 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 alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels segments/sectors. However, the fund may invest in companies that are considered to be in transition towards fossil-free energy production. This is applicable to both direct holdings as well as holdings in funds in which the fund invests. With regard to the fund's investments in index derivatives, the fund will primarily invest in sustainability-oriented instruments. In the absence of such instruments, the fund will invest in index derivatives and index products that may include companies that are not permitted in accordance with the aforementioned exclusion criteria. The fund can invest in derivative instruments as part of the fund's investment focus, which may result in leveraging. We compare fund performance with a composite index consisting of OMRXTBILL (40%), SIX SRI Nordic 200 Net Index (20%), Solactive ISS ESG Global Markets (20%), HMNI Swe All Government Dur Const 6Y (14%), HMNI Swe All Mortgage Dur Const 2.5Y (6%). The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund is managed based on an investment process that includes the analysis of markets, asset classes and products in which the fund invests. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 4.1% in 2020*. The year was dominated by the corona pandemic which led to a significant slowdown in the global economy and sharp fluctuations in the financial markets. The market swung between concerns about an increased spread of the virus and economic data that was actually stronger than expected. After sharp downturns in Q1, the stock markets rebounded. The World Index rose 4,80% (SEK) during the year. A stronger SEK weighed on the returns of foreign assets. Swedish and Nordic stock markets posted the most strength, while performance in Europe was weaker. Market rates in the US, Europe and Sweden fell, which caused bonds to outperform fixed income investments with a shorter duration. The value of emerging market bonds fell during the year.

We had an underweight in equities during the winter and spring months. We then gradually increased the proportion of equities and had an overweight in equities during H2. Regionally, we prefer the stock markets in Sweden, Europe and emerging markets. We also have an overweight in the US, while we are neutral in Japan. During the autumn we also invested in the Montanaro Better World Fund, which makes investments that are considered as having a favorable impact on society in terms of ESG. We have a short duration as well as an overweight in credits and emerging market bonds within the fixed income holdings. We also took a short position in US 10-year government bonds during the autumn. In our alternative holdings we have invested in the Schroder Cat Bond Fund, which invests in catastrophe 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 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 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The fixed interest 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 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

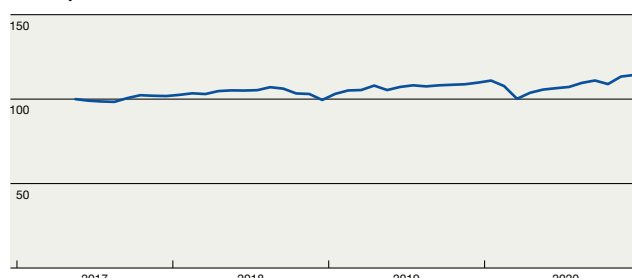
• Highest leverage during the financial year	19.4%
• Lowest leverage during the financial year	0.0%
• Average leverage during the financial year	10.6%

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.

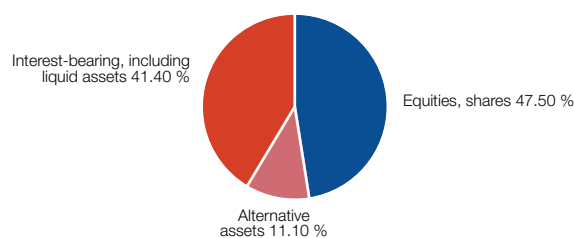
Handelsbanken Multi Asset 40, cont.

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 31/12/2020, relative to the fund's total assets on this date.

Fund facts - history

	2020	2019	2018	10/5-31/12 2017	2016	2015	2014	2013	2012	2011
Net asset value, SEK										
Multi Asset 40 A1	113.88	109.39	99.15	101.46	-	-	-	-	-	-
Multi Asset 40 B8	101.08	100.91	93.85	99.70	-	-	-	-	-	-
The fund's total net flow, SEK m	-1,723	-814	-833	3,762	-	-	-	-	-	-
Fund capital total, SEK m	12,332	13,653	13,136	14,266	-	-	-	-	-	-
Multi Asset 40 A1	12,259	13,582	13,097	14,245	-	-	-	-	-	-
Multi Asset 40 B8	73	71	39	21	-	-	-	-	-	-
Number of units, 1000's	108,375	124,867	132,509	140,619	-	-	-	-	-	-
Multi Asset 40 A1	107,650	124,159	132,092	140,412	-	-	-	-	-	-
Multi Asset 40 B8	725	708	417	207	-	-	-	-	-	-
Total returns in %, SEK										
Multi Asset 40 A1	+4.1	+10.3	-2.3	+1.5	-	-	-	-	-	-
Multi Asset 40 B8	+4.5	+10.7	-2.0	-0.2	-	-	-	-	-	-
Index including dividends in %, SEK										
Multi Asset 40 A1	+3.8	+12.3	-1.0	+0.8	-	-	-	-	-	-
Multi Asset 40 B8	+3.8	+12.3	-1.0	0.0	-	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾										
Multi Asset 40 A1	2.4	0.9	-	-	-	-	-	-	-	-
Multi Asset 40 B8	2.3	0.9	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Multi Asset 40 A1	+7.2	+3.8	-	-	-	-	-	-	-	-
Multi Asset 40 B8	+7.5	+4.1	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+8.0	+5.4	-	-	-	-	-	-	-	-
Dividends per unit, SEK	4.04	2.82	3.99	-	-	-	-	-	-	-

1) The fund's realized tracking error increased last year relative to the previous year. During the latter part of the year in general, the fund's exposure in equities was higher than its benchmark index. Within the fund's fixed income investments, the fund had a higher risk than its benchmark index, primarily through credit exposures and emerging market bonds. Overall, the fund had a slightly higher risk than its benchmark index. This, together with a generally high realized volatility (risk) in many of the markets invested by the fund, contributed to the fund's higher realized tracking error.

Benchmark: OMRX Treasury Bill Index (40%), SIX SRI Nordic 200 Net Index (20%), Solactive ISS ESG Screened Global Markets Index (20%), HMNI Swe All Government Dur Const 6Y (HMSMD6) (14%), HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) (6%).

Up to 30/04/2019: HMNI Swe All Government Dur Const 6Y (HMSMD6) (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	1.46
Multi Asset 40 B8	1.16
Transaction costs, SEK thousand	690
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Multi Asset 40 A1	123.23
Multi Asset 40 B8	93.87
Costs in SEK for monthly savings, 100 SEK	
Multi Asset 40 A1	8.32
Multi Asset 40 B8	6.50

Fund facts - other key figures

Turnover rate	0.4
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*

Total risk % - A1 SEK	8.3	Information ratio - A1 SEK	Negative
Total risk % - B8 SEK	8.3	Information ratio - B8 SEK	Negative
Total risk in index % - A1 SEK	6.5	Sharpe ratio - A1 SEK	0.9
Total risk in index % - B8 SEK	6.5	Sharpe ratio - B8 SEK	1.0
Benchmark	OMRX Treasury Bill Index (40%), SIX SRI Nordic 200 Net Index (20%), Solactive ISS ESG Screened Global Markets Index (20%), HMNI Swe All Government Dur Const 6Y (HMSMD6) (14%), HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) (6%).		
Active return % - A1 SEK	-0.8	Sharpe ratio in index - A1 SEK	1.3
Active return % - B8 SEK	-0.5	Sharpe ratio in index - 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.

Handelsbanken Multi Asset 40, cont.

Income statement, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments ¹	9,350	-165,558
Changes in value for fund units ^{**}	444,667	1,593,682
Interest income	47	-600
Dividends	15,645	12,544
Currency exchange profits and losses, net	16,054	-21,753
Other financial income ¹⁾	72,225	84,063
Other income	0	23
Total income and changes in value	557,988	1,502,401
EXPENSES		
Management costs:		
- Remuneration to the Management Company	153,536	170,661
Interest expense	1,138	133
Other expenses	690	800
Total expenses	155,364	171,594
Net income	402,624	1,330,807
* Details of changes in value		
Capital gains	271,602	197,254
Capital losses	-280,214	-381,715
Unrealised gains/losses	17,962	18,903
Sum	9,350	-165,558
** Details of changes in value		
Capital gains	665,859	667,291
Capital losses	-53,757	-25,029
Unrealised gains/losses	-167,434	951,420
Sum	444,667	1,593,682

1) The item consists primarily of discounts for management costs in underlying funds.

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Fund units	12,027,634	97.5	13,516,704	99.0
Total financial instruments with positive market value ^{Note 2)}	12,027,634	97.5	13,516,704	99.0
Bank assets and other liquid assets	317,152	2.6	152,411	1.1
Prepaid expenses and accrued income	6,902	0.1	7,624	0.1
Other assets	7,087	0.0	8,897	0.0
Total assets	12,358,775	100.2	13,685,636	100.2
LIABILITIES				
OTC derivative instruments with negative market value	1,485	0.0	2,442	0.0
Total financial instruments with negative market value ^{Note 2)}	1,485	0.0	2,442	0.0
Accrued expenses and prepaid income	13,123	0.1	14,515	0.1
Other liabilities	11,765	0.1	15,608	0.1
Total liabilities	26,373	0.2	32,565	0.2
Fund capital ^{Note 1)}	12,332,402	100.0	13,653,071	100.0
Collateral received for OTC derivative instruments	-		5,464	0.0
Other derivative instruments with negative market value ¹⁾	77,699	0.6	58,331	0.4

1) Cash and cash equivalents SEK 77 699 t

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	13,653,071	13,136,210
Units issued ¹⁾	1,142,510	1,415,972
Units redeemed	-2,862,821	-2,229,046
Profit according to Income Statement	402,624	1,330,807
Dividends to unit holders	-2,982	-872
Fund capital at the close of the period	12,332,402	13,653,071

Note 2) for Balance sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
STOCK INDEX FUTURES			
MSCI Emg Mkt Index Future Mar 2021 ¹⁾	479	0	0.0
OMXS30 ESG Future Jan 2021 ²⁾	626	0	0.0
S&P500 Emini Future Mar 2021 ³⁾	79	0	0.0
Stoxx Europe 600 Index Future Mar 2021 ⁴⁾	1,850	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
INTEREST RATE FUTURES			
US 10Y Note (CBT) Future Mar 2021 ⁵⁾	-104	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 SEK t	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG Acc World-SEK	5,869,605	76,187	0.6
Fidelity Funds - Sustain. Water & Waste AC	14,229,664	151,973	1.2
JPM Europe Small Cap A Acc EUR	87,320	100,826	0.8
JPM Fds Multi-Manager Alternative1	452,946	506,325	4.1
Montanaro Better World Fund	5,799,823	76,204	0.6
SHB Amerika Småbolag Tema (A1 SEK)	214,973	239,572	1.9
SHB Amerika Tema (A1 SEK)	197,618	260,621	2.1
SHB Asien Tema (A1 SEK)	103,702	86,773	0.7
SHB Emerging Markets Index (A1 SEK)	216,604	38,137	0.3
SHB Europa Index Criteria (A1 SEK)	2,197,004	283,996	2.3
SHB Global Högtidelande (A1 SEK)	283,917	27,331	0.2
SHB Hållbar Energi (A1 SEK)	196,609	78,572	0.6
SHB Hålsövärd Tema (A1 SEK)	247,169	72,703	0.6
SHB Japan Tema (A1 SEK)	1,400,210	150,325	1.2
SHB Norden (A1 SEK)	571,673	810,104	6.6
SHB Norden Index Criteria (A1 SEK)	3,079,699	430,436	3.5
SHB Norden Selektiv (A1 SEK)	531,211	256,752	2.1
SHB Nordiska Småbolag (A1 SEK)	286,956	450,839	3.7
SHB Tillväxtmarknad Tema (A1 SEK)	544,354	208,291	1.7
SHB USA Index Criteria (A1 SEK)	1,067,307	517,635	4.2
UBS Equity SICAV-USA Growth Sustain	126,983	144,279	1.2
		4,967,882	40.3

LISTED EQUITY FUNDS**

XACT Högtidelande	2,085,416	246,733	2.0
XACT Norden	2,108,295	304,547	2.5
		551,280	4.5

OTHER FUNDS

JPM Global Macro Sustainable I (acc) SEK H	350,425	373,431	3.0
		373,431	3.0

FIXED INCOME FUNDS

BlueOrchard Ucits EM Sdg Impact Bd Fd H	234,908	246,397	2.0
Schroder GAIA Cat Bond IF SEK Acc	410,000	369,123	3.0
SHB Företagsobl. IG (A1 SEK)	11,316,709	1,153,181	9.4
SHB Företagsobligation (A1 SEK)	5,470,402	729,262	5.9
SHB Hållbar Global Obligation (A1 SEK)	2,310,167	239,672	1.9
SHB Institutionell Kortränta (A1 SEK)	3,044,591	306,980	2.5
SHB Kredit (A1 NOK)	2,551,404	243,314	2.0
SHB Långränta (A1 SEK)	3,966,442	472,667	3.8
SHB Råntestategi (A1 SEK)	189,713	367,097	3.0
SHB Råntestategi (A1 SEK)	5,318,582	551,912	4.5
SHB Råntestategi Plus (A7 SEK)	3,600,256	367,910	3.0
UBS Currency Allocation Return Strategy	204,981	133,252	1.1
UI - Aktia EM Frontier Bond+	3,659,422	350,756	2.8
UI - Aktia EM Local Currency Bond+ - s1	5,977,199	603,518	4.9
		6,135,041	49.8

Total fund units		12,027,634	97.5
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	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
SEK/NOK ⁶⁾		-1,485	0.0
		-1,485	0.0
Total OTC derivative instruments		-1,485	0.0
Total other financial instruments		12,026,149	97.5
Total holdings in financial instruments		12,026,149	97.5
Net, other assets and liabilities		306,253	2.5
Total fund capital		12,332,402	100.0

- 1) Stock index futures with underlying exposure of SEK 253 377 t, which is equivalent to 2.1% of fund capital.
2) Stock index futures with underlying exposure of SEK 115 356 t, which is equivalent to 0.9% of fund capital.
3) Stock index futures with underlying exposure of SEK 121 609 t, which is equivalent to 1.0% of fund capital.
4) Stock index futures with underlying exposure of SEK 370 399 t, which is equivalent to 3.0% of fund capital.
5) Interest rate futures with underlying exposure of SEK -118 618 t, which is equivalent to 1.0% of fund capital.
6) SEK 239 125 t/NOK -251 000 t, counterparty Skandinaviska Enskilda Banken AB (publ).

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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.

4.5

93.1

Handelsbanken Multi Asset 40, cont.

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
JPMorgan Chase	7.9	UBS	2.3
UI Aktia	7.7	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

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 invests in other funds and does not invest directly in companies.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used for sustainability efforts

Exclusion

The fund excludes companies in their entirety that are 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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made to the principle of excluding fossil fuels for a period of time if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

The fund invests exclusively in underlying funds that meet the exclusion requirements above.

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

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. This applies to our own funds as well as funds from other fund management companies. Fund investments are selected and followed up in a selection process that includes sustainability criteria at the fund and the fund management company level. The evaluation of a fund management company includes the organization, sustainability, the fund management team and the investment process. It is also possible to invest in funds that invest in companies that are transitioning their business operations in a more sustainable direction, so-called transition companies.

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 support.

Given that the fund is a fund of funds and thus only invests in other funds, there are no direct engagement efforts with companies. Engagement occurs through direct dialogues with fund management companies and fund managers, collaborations and sector initiatives, as well as through participation in investor networks.

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 Management Company carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder by voting at annual general meetings, working on nomination committees and through dialogues in various forms depending on the fund's character. Read more under each individual fund.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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

In recent years we have worked based on enhanced sustainability requirements. This means that the fund excludes* funds with investments in companies where the principal business activities are within controversial sectors. Refer to the description above under the heading *Exclusion*.

During the year we continued to integrate the sustainability efforts into the investment process and improving the measurability in the sustainability efforts has been a high priority. We use a model that was developed in-house to measure our investment exposure against the Sustainable Development Goals, i.e., to what degree a company's business contributes to fulfilling the specific targets in Agenda 2030. The fund's benchmark index reflects our sustainable investment criteria.

We continuously have dialogues with providers who are willing to meet our requirements in existing investments, and in some cases we have also launched new funds together with them that meet the enhanced requirements. During the year we continued to invest in funds with focus on the global sustainable transition.

** 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 35-65% depending on market conditions. The fixed income portion can fluctuate between 15-55% depending on market conditions. The portion of alternative assets can vary between 0-30% 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. International norms and guidelines for the environment, social responsibility and corporate governance are taken into consideration and 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 alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels segments/sectors. However, the fund may invest in companies that are considered to be in transition towards fossil-free energy production. This is applicable to both direct holdings as well as holdings in funds in which the fund invests. With regard to the fund's investments in index derivatives, the fund will primarily invest in sustainability-oriented instruments. In the absence of such instruments, the fund will invest in index derivatives and index products that may include companies that are not permitted in accordance with the aforementioned exclusion criteria. The fund can invest in derivative instruments as part of the fund's investment focus, which may result in leveraging. 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%). The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund is managed based on an investment process that includes the analysis of markets, asset classes and products in which the fund invests. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 5.2% in 2020*. The year was dominated by the corona pandemic which led to a significant slowdown in the global economy and sharp fluctuations in the financial markets. The market swung between concerns about an increased spread of the virus and economic data that was actually stronger than expected. After sharp downturns in Q1, the stock markets rebounded. The World Index rose 4,80% (SEK) during the year. A stronger SEK weighed on the returns of foreign assets. Swedish and Nordic stock markets posted the most strength, while performance in Europe was weaker. Market rates in the US, Europe and Sweden fell, which caused bonds to outperform fixed income investments with a

shorter duration. The value of emerging market bonds fell during the year. We had an underweight in equities during the winter and spring months. We then gradually increased the proportion of equities and had an overweight in equities during H2. Regionally, we prefer the stock markets in Sweden, Europe and emerging markets. We also have an overweight in the US, while we are neutral in Japan. During the autumn we also invested in the Montanaro Better World Fund, which makes investments that are considered as having a favorable impact on society in terms of ESG. We have a short duration as well as an overweight in credits and emerging market bonds within the fixed income holdings. We also took a short position in US 10-year government bonds during the autumn. In our alternative holdings we have invested in the Schroder Cat Bond Fund, which invests in catastrophe 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The fixed interest 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 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

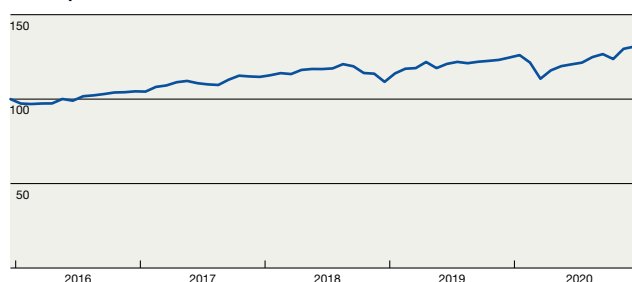
• Highest leverage during the financial year	18.5%
• Lowest leverage during the financial year	0.0%
• Average leverage during the financial year	9.9%

Information

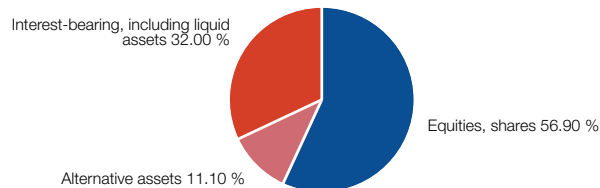
Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Handelsbanken Multi Asset 50, cont.

Fund performance*



Market exposure*



* The fund's allocation of investments within the markets as of 31/12/2020, relative to the fund's total assets on this date.

Fund facts - history

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net asset value, SEK	218.74	207.98	183.99	188.89	174.58	166.91	158.46	141.57	125.24	118.44
The fund's total net flow, SEK m	457	1,429	2,680	1,251	376	3,040	722	450	-20	-
Fund capital, mSEK	24,897	23,345	19,330	17,250	14,761	13,746	6,537	5,161	4,145	3,856
Number of units, 1000's	113,817	112,245	105,062	91,320	84,550	82,356	41,254	36,458	33,099	32,557
Total returns in %, SEK	+5.2	+13.0	-2.6	+8.2	+4.6	+5.3	+11.9	+13.0	+8.5	-7.1
Index including dividends in %, SEK	+4.7	+15.4	-1.3	+5.9	+6.6	+4.4	+13.2	+11.3	+7.5	-2.6
Tracking error, 2 yrs. % ¹⁾	2.3	0.9	1.0	1.4	1.6	1.2	1.1	1.3	1.8	1.9
Average yearly return, 2 yrs. %	+9.0	+4.9	+2.7	+6.4	+5.0	+8.6	+12.5	+10.8	+0.4	+0.1
Comparison to index including dividends, %	+9.9	+6.8	+2.3	+6.3	+5.5	+8.7	+12.2	+9.4	+2.3	+2.2
Average yearly return, 5 yrs. %	+5.6	+5.6	+5.4	+8.6	+8.6	+6.1	+6.6	+7.8	+0.8	0.0
Comparison to index including dividends, %	+6.1	+6.1	+5.7	+8.2	+8.6	+6.6	+7.2	+7.5	+2.0	+1.4
Average yearly return, 10 yrs. %	+5.8	+6.1	+6.6	+4.6	+4.2	+4.5	+5.9	-	-	-
Comparison to index including dividends, %	+6.4	+6.6	+6.6	+5.1	+4.9	+5.0	+6.4	-	-	-
Dividends per unit, SEK	-	-	-	-	-	-	-	-	3.20	2.07

1) The fund's realized tracking error increased last year relative to the previous year. During the latter part of the year in general, the fund's exposure in equities was higher than its benchmark index. Within the fund's fixed income investments, the fund had a higher risk than its benchmark index, primarily through credit exposures and emerging market bonds. Overall, the fund had a slightly higher risk than its benchmark index. This, together with a generally high realized volatility (risk) in many of the markets invested by the fund, contributed to the fund's higher realized tracking error.

Benchmark: OMRX Treasury Bill Index (35%), SIX SRI Nordic 200 Net Index (25%), Solactive ISS ESG Screened Global Markets Index (25%), HMNI Swe All Government Dur Const 6Y (HMSD6) (10.5%), HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) (4.5%).

Up to 30/04/2019: 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%), OMRXTBILL (35%), MSCI All Country World Index Net (25%)

Up to 26/04/2017: HMNI Swe All Government Dur Const 6Y (HMSD6) (17.5%), VINX Benchmark Cap SEK_NI (25%), HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 7.5%, OMRXTBILL (25%), MSCI All Country World Index Net (25%)

Up to 02/01/2014: HMNI Swe All Government Dur Const 6Y (HMSD6) (17.5%), SHB NORDIX Port Nordic Net (NHNXPOR) (25%), HMNI Swe 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 %	1.54
Transaction costs, SEK thousand	1,226
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	132.99
Costs in SEK for monthly savings, 100 SEK	9.04

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 %	5.2
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and return measurements*

Total risk %	9.8	Information ratio	Negative
Total risk in index %	8.2	Sharpe ratio	1.0
Benchmark	OMRX Treasury Bill Index (35%), SIX SRI Nordic 200 Net Index (25%), Solactive ISS ESG Screened Global Markets Index (25%), HMNI Swe All Government Dur Const 6Y (HMSD6) (10.5%), HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) (4.5%).	Sharpe ratio in index	1.3
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, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments [*]	38,916	-263,652
Changes in value for fund units ^{**}	1,172,594	2,994,483
Interest income	-79	-1,045
Dividends	33,609	26,409
Currency exchange profits and losses, net	11,654	-27,245
Other financial income ¹⁾	149,779	157,648
Other income	53	72
Total income and changes in value	1,406,526	2,886,670
EXPENSES		
Management costs:		
- Remuneration to the Management Company	308,123	299,444
Interest expense	1,639	138
Other expenses	1,503	1,356
Total expenses	311,265	300,938
Net income	1,095,261	2,585,732

* Details of changes in value

Capital gains	486,682	308,433
Capital losses	-483,888	-601,467
Unrealised gains/losses	36,121	29,382
Sum	38,916	-263,652

** Details of changes in value

Capital gains	1,072,813	1,039,370
Capital losses	-54,670	-37,536
Unrealised gains/losses	154,451	1,992,649
Sum	1,172,594	2,994,483

1) The item consists primarily of discounts for management costs in underlying funds.

Handelsbanken Multi Asset 50, cont.

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Fund units	24,030,222	96.5	22,531,921	96.5
Total financial instruments with positive market value ^{Note 2)}	24,030,222	96.5	22,531,921	96.5
Bank assets and other liquid assets	883,261	3.6	816,187	3.5
Prepaid expenses and accrued income	13,484	0.1	13,396	0.1
Other assets	29,033	0.0	47,247	0.2
Total assets	24,956,000	100.2	23,408,751	100.3
LIABILITIES				
OTC derivative instruments with negative market value	2,178	0.0	2,948	0.0
Total financial instruments with negative market value ^{Note 2)}	2,178	0.0	2,948	0.0
Accrued expenses and prepaid income	28,361	0.1	26,619	0.1
Other liabilities	28,946	0.1	34,624	0.2
Total liabilities	59,485	0.2	64,191	0.3
Fund capital ^{Note 1)}	24,896,515	100.0	23,344,560	100.0
Collateral received for OTC derivative instruments	-		736	0.0
Other derivative instruments with negative market value ¹⁾	157,848	0.6	94,620	0.4

1) Cash and cash equivalents SEK 157 848 t

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	23,344,560	19,330,262
Units issued ¹⁾	4,705,606	5,077,554
Units redeemed	-4,248,912	-3,648,988
Profit according to Income Statement	1,095,261	2,585,732
Dividends to unit holders	-	-
Fund capital at the close of the period	24,896,515	23,344,560

Note 2) for Balance sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
STOCK INDEX FUTURES			
MSCI Emg Mkt Index Future Mar 2021 ¹⁾	954	0	0.0
OMXS30 ESG Future Jan 2021 ²⁾	1,383	0	0.0
S&P500 Emini Future Mar 2021 ³⁾	157	0	0.0
Stoxx Europe 600 Index Future Mar 2021 ⁴⁾	3,689	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
INTEREST RATE FUTURES			
US 10Y Note (CBT) Future Mar 2021 ⁵⁾	-207	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 SEK t	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG Acc World-SEK	12,770,567	165,762	0.7
Fidelity Funds - Sustain. Water & Waste AC	33,649,412	359,376	1.4
JPM Europe Small Cap A Acc EUR	228,627	263,989	1.1
JPM Fds Multi-Manager Alternative1	903,769	1,010,278	4.1
Montanaro Better World Fund	14,208,993	186,692	0.7
SHB Amerika Småbolag Tema (A1 SEK)	570,517	635,801	2.6
SHB Amerika Tema (A1 SEK)	490,463	646,828	2.6
SHB Asien Tema (A1 SEK)	243,150	203,457	0.8
SHB Emerging Markets Index (A1 SEK)	655,816	115,469	0.5
SHB Europa Index Criteria (A1 SEK)	5,423,646	701,087	2.8
SHB Global Högtudelande (A1 SEK)	657,376	63,282	0.3
SHB Hållbar Energi (A1 SEK)	483,772	193,332	0.8
SHB Hålsövärd Tema (A1 SEK)	588,465	173,093	0.7
SHB Japan Tema (A1 SEK)	3,631,104	389,830	1.6
SHB Norden (A1 SEK)	1,421,497	2,014,368	8.1
SHB Norden Index Criteria (A1 SEK)	7,678,407	1,073,179	4.3
SHB Norden Selektiv (A1 SEK)	1,326,548	641,166	2.6
SHB Nordiska Småbolag (A1 SEK)	714,052	1,121,855	4.5
SHB Tillväxtmarknad Tema (A1 SEK)	1,297,355	496,418	2.0
SHB USA Index Criteria (A1 SEK)	2,663,707	1,291,877	5.2
UBS Equity SICAV-USA Growth Sustain	319,344	362,841	1.5
		12,109,979	48.6

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
LISTED EQUITY FUNDS**			
XACT Högtudelande	5,080,788	601,127	2.4
XACT Norden	5,260,853	759,939	3.1
		1,361,066	5.5
OTHER FUNDS			
JPM Global Macro Sustainable I (acc) SEK H	699,551	745,477	3.0
		745,477	3.0
FIXED INCOME FUNDS			
BlueOrchard Ucits EM Sdg Impact Bd Fd H	363,640	381,426	1.5
Schroder GAIA Cat Bond IF SEK Acc	816,667	735,245	3.0
SHB Företagsobl. IG (A1 SEK)	19,888,096	2,026,611	8.1
SHB Företagsobligation (A1 SEK)	8,400,368	1,119,858	4.5
SHB Hållbar Global Obligation (A1 SEK)	3,470,918	360,096	1.4
SHB Institutionell Kortränta (A1 SEK)	3,645,171	367,535	1.5
SHB Kortränta SEK (A1 SEK)	4,840	508	0.0
SHB Kredit (A1 NOK)	3,852,443	367,388	1.5
SHB Långränta (A1 SEK)	6,229,231	742,316	3.0
SHB Råntestategi (A1 SEK)	284,997	551,473	2.2
SHB Råntestategi (A1 SEK)	7,180,529	745,127	3.0
SHB Råntestategi Plus (A7 SEK)	5,778,671	590,523	2.4
UBS Currency Allocation Return Strategy	417,385	271,329	1.1
UI - Aktia EM Frontier Bond+	4,794,030	459,508	1.8
UI - Aktia EM Local Currency Bond+ - s1	10,842,423	1,094,759	4.4
		9,813,700	39.4
Total fund units		24,030,222	96.5

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
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OTC DERIVATIVE INSTRUMENTS

CURRENCY FUTURES			
SEK/NOK ⁶⁾		-2,178	0.0
		-2,178	0.0
Total OTC derivative instruments		-2,178	0.0
Total other financial instruments		24,028,044	96.5
Total holdings in financial instruments		24,028,044	96.5
Net, other assets and liabilities		868,471	3.5
Total fund capital		24,896,515	100.0

1) Stock index futures with underlying exposure of SEK 504 638 t, which is equivalent to 2.0% of fund capital.
2) Stock index futures with underlying exposure of SEK 254 852 t, which is equivalent to 1.0% of fund capital.
3) Stock index futures with underlying exposure of SEK 241 680 t, which is equivalent to 1.0% of fund capital.
4) Stock index futures with underlying exposure of SEK 738 596 t, which is equivalent to 3.0% of fund capital.
5) Interest rate futures with underlying exposure of SEK -236 096 t, which is equivalent to 0.9% of fund capital.
6) SEK 350 730 t/NOK -368 147 t, counterparty Skandinaviska Enskilda Banken AB (publ).

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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. 91.0

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
JPMorgan Chase	8.2	UBS	2.6
UI Aktia	6.3	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

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 invests in other funds and does not invest directly in companies.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used for sustainability efforts

Exclusion

The fund excludes companies in their entirety that are 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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made to the principle of excluding fossil fuels for a period of time if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

The fund invests exclusively in underlying funds that meet the exclusion requirements above.

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

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. This applies to our own funds as well as funds from other fund management companies. Fund investments are selected and followed up in a selection process that includes sustainability criteria at the fund and the fund management company level. The evaluation of a fund management company includes the organization, sustainability, the fund management team and the investment process. It is also possible to invest in funds that invest in companies that are transitioning their business operations in a more sustainable direction, so-called transition companies.

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 support.

Given that the fund is a fund of funds and thus only invests in other funds, there are no direct engagement efforts with companies. Engagement occurs through direct dialogues with fund management companies and fund managers, collaborations and sector initiatives, as well as through participation in investor networks.

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 Management Company carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder by voting at annual general meetings, working on nomination committees and through dialogues in various forms depending on the fund's character. Read more under each individual fund.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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

In recent years we have worked based on enhanced sustainability requirements. This means that the fund excludes* funds with investments in companies where the principal business activities are within controversial sectors. Refer to the description above under the heading *Exclusion*.

During the year we continued to integrate the sustainability efforts into the investment process and improving the measurability in the sustainability efforts has been a high priority. We use a model that was developed in-house to measure our investment exposure against the Sustainable Development Goals, i.e., to what degree a company's business contributes to fulfilling the specific targets in Agenda 2030. The fund's benchmark index reflects our sustainable investment criteria.

We continuously have dialogues with providers who are willing to meet our requirements in existing investments, and in some cases we have also launched new funds together with them that meet the enhanced requirements. During the year we continued to invest in funds with focus on the global sustainable transition.

** 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 45-75% depending on market conditions. The fixed income portion can fluctuate between 5-45% depending on market conditions. The portion of alternative assets can vary between 0-30% 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. International norms and guidelines for the environment, social responsibility and corporate governance are taken into consideration and 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 alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels segments/sectors. However, the fund may invest in companies that are considered to be in transition towards fossil-free energy production. This is applicable to both direct holdings as well as holdings in funds in which the fund invests. With regard to the fund's investments in index derivatives, the fund will primarily invest in sustainability-oriented instruments. In the absence of such instruments, the fund will invest in index derivatives and index products that may include companies that are not permitted in accordance with the aforementioned exclusion criteria. The fund can invest in derivative instruments as part of the fund's investment focus, which may result in leveraging. We compare fund performance with a composite index consisting of OMRXTBILL (30%), SIX SRI Nordic 200 Net Index (30%), Solactive ISS ESG Global Markets (30%), HMNI Swe All Government Dur Const 6Y (7%), HMNI Swe All Mortgage Dur Const 2.5Y (3%). The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund is managed based on an investment process that includes the analysis of markets, asset classes and products in which the fund invests. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 6.2% in 2020*. The year was dominated by the corona pandemic which led to a significant slowdown in the global economy and sharp fluctuations in the financial markets. The market swung between concerns about an increased spread of the virus and economic data that was actually stronger than expected. After sharp downturns in Q1, the stock markets rebounded. The World Index rose 4,80% (SEK) during the year. A stronger SEK weighed on the returns of foreign assets. Swedish and Nordic stock markets posted the most strength, while performance in Europe was weaker. Market rates in the US, Europe and Sweden fell, which caused bonds to outperform fixed income investments with a shorter duration. The value of emerging market bonds fell during the year.

We had an underweight in equities during the winter and spring months. We then gradually increased the proportion of equities and had an overweight in equities during H2. Regionally, we prefer the stock markets in Sweden, Europe and emerging markets. We also have an overweight in the US, while we are neutral in Japan. During the autumn we also invested in the Montanaro Better World Fund, which makes investments that are considered as having a favorable impact on society in terms of ESG. We have a short duration as well as an overweight in credits and emerging market bonds within the fixed income holdings. We also took a short position in US 10-year government bonds during the autumn. In our alternative holdings we have invested in the Schroder Cat Bond Fund, which invests in catastrophe 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The fixed interest 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 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

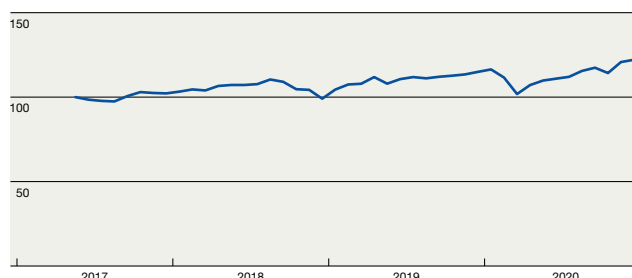
• Highest leverage during the financial year	18.2%
• Lowest leverage during the financial year	0.0%
• Average leverage during the financial year	9.4%

Information

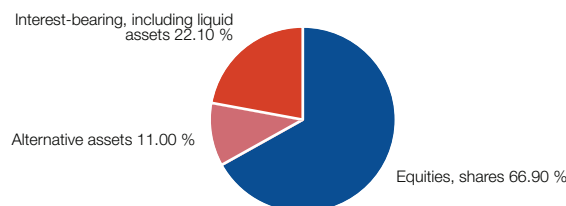
Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Handelsbanken Multi Asset 60, cont.

Fund performance*



Market exposure*



* The fund's allocation of investments within the markets as of 31/12/2020, relative to the fund's total assets on this date.

Fund facts - history

	2020	2019	2018	10/5-31/12 2017	2016	2015	2014	2013	2012	2011
Net asset value, SEK										
Multi Asset 60 A1	121.35	114.25	98.45	101.57	-	-	-	-	-	-
Multi Asset 60 B8	107.75	105.41	93.06	99.61	-	-	-	-	-	-
The fund's total net flow, SEK m	445	1,349	1,553	3,136	-	-	-	-	-	-
Fund capital total, SEK m	12,325	11,251	8,486	7,264	-	-	-	-	-	-
Multi Asset 60 A1	12,305	11,219	8,473	7,256	-	-	-	-	-	-
Multi Asset 60 B8	20	32	13	8	-	-	-	-	-	-
Number of units, 1000's	101,586	98,505	86,206	71,513	-	-	-	-	-	-
Multi Asset 60 A1	101,403	98,202	86,063	71,437	-	-	-	-	-	-
Multi Asset 60 B8	183	303	143	76	-	-	-	-	-	-
Total returns in %, SEK										
Multi Asset 60 A1	+6.2	+16.0	-3.1	+1.6	-	-	-	-	-	-
Multi Asset 60 B8	+6.7	+16.5	-2.7	-0.2	-	-	-	-	-	-
Index including dividends in %, SEK										
Multi Asset 60 A1	+5.4	+18.6	-1.6	+1.2	-	-	-	-	-	-
Multi Asset 60 B8	+5.4	+18.6	-1.6	+0.1	-	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾										
Multi Asset 60 A1	2.2	1.0	-	-	-	-	-	-	-	-
Multi Asset 60 B8	2.2	1.0	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Multi Asset 60 A1	+11.0	+6.1	-	-	-	-	-	-	-	-
Multi Asset 60 B8	+11.5	+6.4	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+11.8	+8.1	-	-	-	-	-	-	-	-
Dividends per unit, SEK	4.22	2.79	3.98	-	-	-	-	-	-	-

1) The fund's realized tracking error increased last year relative to the previous year. During the latter part of the year in general, the fund's exposure in equities was higher than its benchmark index. Within the fund's fixed income investments, the fund had a higher risk than its benchmark index, primarily through credit exposures and emerging market bonds. Overall, the fund had a slightly higher risk than its benchmark index. This, together with a generally high realized volatility (risk) in many of the markets invested by the fund, contributed to the fund's higher realized tracking error.

Benchmark: SIX SRI Nordic 200 Net Index (30%), Solactive ISS ESG Screened Global Markets Index (30%), OMRX Treasury Bill Index (30%), HMNI Swe All Government Dur Const 6Y (HMSD6) (7%), HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) (3%).

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	1.58
Multi Asset 60 B8	1.23
Transaction costs, SEK thousand	622
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Multi Asset 60 A1	137.74
Multi Asset 60 B8	103.63
Costs in SEK for monthly savings, 100 SEK	
Multi Asset 60 A1	9.43
Multi Asset 60 B8	7.27

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 %	5.7
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and return measurements*

Total risk % - A1 SEK	11.3	Information ratio - A1 SEK	Negative
Total risk % - B8 SEK	11.2	Information ratio - B8 SEK	Negative
Total risk in index % - A1 SEK	9.8	Sharpe ratio - A1 SEK	1.0
Total risk in index % - B8 SEK	9.8	Sharpe ratio - B8 SEK	1.1
Benchmark	SIX SRI Nordic 200 Net Index (30%), Solactive ISS ESG Screened Global Markets Index (30%), OMRX Treasury Bill Index (30%), HMNI Swe All Government Dur Const 6Y (HMSD6) (7%), HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) (3%).	Sharpe ratio in index - A1 SEK	1.2
		Sharpe ratio in index - B8 SEK	1.2
Active return % - A1 SEK	-0.8		
Active return % - B8 SEK	-0.4		

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

Handelsbanken Multi Asset 60, cont.

Income statement, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments ¹⁾	22,415	-119,801
Changes in value for fund units ^{**}	664,816	1,590,118
Interest income	-50	-502
Dividends	18,153	13,875
Currency exchange profits and losses, net	871	-6,812
Other financial income ¹⁾	80,039	81,811
Other income	0	54
Total income and changes in value	786,245	1,558,743
EXPENSES		
Management costs:		
- Remuneration to the Management Company	154,864	141,439
Interest expense	762	60
Other expenses	759	594
Total expenses	156,385	142,093
Net income	629,860	1,416,650
* Details of changes in value		
Capital gains	235,919	137,945
Capital losses	-231,424	-270,791
Unrealised gains/losses	17,920	13,045
Sum	22,415	-119,801
** Details of changes in value		
Capital gains	442,608	370,248
Capital losses	-33,387	-19,619
Unrealised gains/losses	255,595	1,239,489
Sum	664,816	1,590,118

1) The items consist primarily of discounts for management expenses in underlying funds.

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Fund units	11,989,310	97.3	10,854,399	96.5
Total financial instruments with positive market value ^{Note 2)}	11,989,310	97.3	10,854,399	96.5
Bank assets and other liquid assets	325,375	2.6	395,663	3.5
Prepaid expenses and accrued income	7,134	0.1	7,342	0.1
Other assets	42,943	0.3	18,587	0.1
Total assets	12,364,762	100.3	11,275,991	100.2
LIABILITIES				
OTC derivative instruments with negative market value	725	0.0	886	0.0
Total financial instruments with negative market value ^{Note 2)}	725	0.0	886	0.0
Accrued expenses and prepaid income	14,511	0.1	13,259	0.1
Other liabilities	24,468	0.2	10,809	0.1
Total liabilities	39,704	0.3	24,954	0.2
Fund capital ^{Note 1)}	12,325,058	100.0	11,251,037	100.0
Other derivative instruments with negative market value ¹⁾	77,763	0.6	44,810	0.4

1) Cash and cash equivalents SEK 77 763 t

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	11,251,037	8,485,984
Units issued ¹⁾	3,016,173	2,903,953
Units redeemed	-2,571,154	-1,555,159
Profit according to Income Statement	629,860	1,416,650
Dividends to unit holders	-858	-391
Fund capital at the close of the period	12,325,058	11,251,037

Note 2) for Balance sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
STOCK INDEX FUTURES			
MSCI Emg Mkt Index Future Mar 2021 ¹⁾	471	0	0.0
OMXS30 ESG Future Jan 2021 ²⁾	677	0	0.0
S&P500 Emini Future Mar 2021 ³⁾	77	0	0.0
Stoxx Europe 600 Index Future Mar 2021 ⁴⁾	1,823	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
INTEREST RATE FUTURES			
US 10Y Note (CBT) Future Mar 2021 ⁵⁾	-103	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 SEK t	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG Acc World-SEK	8,523,456	110,634	0.9
Fidelity Funds - Sustain. Water & Waste AC	19,736,469	210,785	1.7
JPM Europe Small Cap A Acc EUR	133,778	154,469	1.3
JPM Fds Multi-Manager Alternative1	449,083	502,007	4.1
Montanaro Better World Fund	8,327,615	109,417	0.9
SHB Amerika Småbolag Tema (A1 SEK)	335,187	373,542	3.0
SHB Amerika Tema (A1 SEK)	283,899	374,409	3.0
SHB Asien Tema (A1 SEK)	133,914	112,053	0.9
SHB Emerging Markets Index (A1 SEK)	375,604	66,132	0.5
SHB Europa Index Criteria (A1 SEK)	3,354,164	433,576	3.5
SHB Global Högutdelande (A1 SEK)	380,300	36,609	0.3
SHB Hållbar Energi (A1 SEK)	302,017	120,697	1.0
SHB Hälsovård Tema (A1 SEK)	366,277	107,738	0.9
SHB Japan Tema (A1 SEK)	2,077,701	223,059	1.8
SHB Norden (A1 SEK)	857,485	1,215,120	9.9
SHB Norden Index Criteria (A1 SEK)	4,571,050	638,876	5.2
SHB Norden Selektiv (A1 SEK)	761,501	368,059	3.0
SHB Nordiska Småbolag (A1 SEK)	422,985	664,556	5.4
SHB Tillväxtmarknad Tema (A1 SEK)	745,013	285,071	2.3
SHB USA Index Criteria (A1 SEK)	1,566,255	759,621	6.2
UBS Equity SICAV-USA Growth Sustain	196,515	223,281	1.8
		7,089,713	57.5

LISTED EQUITY FUNDS**			
XACT Högutdelande	3,170,105	375,067	3.0
XACT Norden	3,161,962	456,751	3.7
		831,818	6.8

OTHER FUNDS			
JPM Global Macro Sustainable I (acc) SEK H	345,445	368,124	3.0
		368,124	3.0

FIXED INCOME FUNDS			
BlueOrchard Ucits EM Sdg Impact Bd Fd H	116,358	122,049	1.0
Schroder GAIA Cat Bond IF SEK Acc	402,222	362,121	2.9
SHB Företagsobl. IG (A1 SEK)	8,331,531	848,989	6.9
SHB Företagsobligation (A1 SEK)	2,736,909	364,859	3.0
SHB Hållbar Global Obligation (A1 SEK)	1,169,812	121,364	1.0
SHB Institutionell Kortränta (A1 SEK)	1,191,862	120,173	1.0
SHB Kortränta SEK (A1 SEK)	8,595	902	0.0
SHB Kredit (A1 NOK)	1,182,579	112,776	0.9
SHB Långränta (A1 SEK)	2,070,100	246,687	2.0
SHB Räntheavkastning (A1 SEK)	91,952	177,929	1.4
SHB Ränthe Strategi (A1 SEK)	1,503,824	156,053	1.3
SHB Ränthe Strategi Plus (A7 SEK)	3,553,935	363,177	2.9
UBS Currency Allocation Return Strategy	185,692	120,713	1.0
UI - Aktia EM Frontier Bond+	1,640,075	157,201	1.3
UI - Aktia EM Local Currency Bond+ - s1	4,205,840	424,664	3.4
		3,699,655	30.0
Total fund units		11,989,310	97.3

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
SEK/NOK ⁶⁾		-725	0.0
		-725	0.0
Total OTC derivative instruments		-725	0.0
Total other financial instruments		11,988,585	97.3
Total holdings in financial instruments		11,988,585	97.3
Net, other assets and liabilities		336,473	2.7
Total fund capital		12,325,058	100.0

1) Stock index futures with underlying exposure of SEK 249 145 t, which is equivalent to 2.0% of fund capital.
2) Stock index futures with underlying exposure of SEK 124 754 t, which is equivalent to 1.0% of fund capital.
3) Stock index futures with underlying exposure of SEK 118 531 t, which is equivalent to 1.0% of fund capital.
4) Stock index futures with underlying exposure of SEK 364 993 t, which is equivalent to 3.0% of fund capital.
5) Interest rate futures with underlying exposure of SEK -117 478 t, which is equivalent to 1.0% of fund capital.
6) SEK 116 822 t/NOK -122 623 t, counterparty Skandinaviska Enskilda Banken AB (publ).

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

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*** Refers to other financial instruments.

6.8
90.5

Handelsbanken Multi Asset 60, cont.

Compilation, Company and Group exposure*

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* 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

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Methods used for sustainability efforts

Exclusion

The fund excludes companies in their entirety that are 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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made to the principle of excluding fossil fuels for a period of time if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

The fund invests exclusively in underlying funds that meet the exclusion requirements above.

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

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. This applies to our own funds as well as funds from other fund management companies. Fund investments are selected and followed up in a selection process that includes sustainability criteria at the fund and the fund management company level. The evaluation of a fund management company includes the organization, sustainability, the fund management team and the investment process. It is also possible to invest in funds that invest in companies that are transitioning their business operations in a more sustainable direction, so-called transition companies.

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 support.

Given that the fund is a fund of funds and thus only invests in other funds, there are no direct engagement efforts with companies. Engagement occurs through direct dialogues with fund management companies and fund managers, collaborations and sector initiatives, as well as through participation in investor networks.

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 Management Company carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder by voting at annual general meetings, working on nomination committees and through dialogues in various forms depending on the fund's character. Read more under each individual fund.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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

In recent years we have worked based on enhanced sustainability requirements. This means that the fund excludes* funds with investments in companies where the principal business activities are within controversial sectors. Refer to the description above under the heading *Exclusion*.

During the year we continued to integrate the sustainability efforts into the investment process and improving the measurability in the sustainability efforts has been a high priority. We use a model that was developed in-house to measure our investment exposure against the Sustainable Development Goals, i.e., to what degree a company's business contributes to fulfilling the specific targets in Agenda 2030. The fund's benchmark index reflects our sustainable investment criteria.

We continuously have dialogues with providers who are willing to meet our requirements in existing investments, and in some cases we have also launched new funds together with them that meet the enhanced requirements. During the year we continued to invest in funds with focus on the global sustainable transition.

** 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. International norms and guidelines for the environment, social responsibility and corporate governance are taken into consideration and 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 alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels segments/sectors. However, the fund may invest in companies that are considered to be in transition towards fossil-free energy production. This is applicable to both direct holdings as well as holdings in funds in which the fund invests. With regard to the fund's investments in index derivatives, the fund will primarily invest in sustainability-oriented instruments. In the absence of such instruments, the fund will invest in index derivatives and index products that may include companies that are not permitted in accordance with the aforementioned exclusion criteria. The fund can invest in derivative instruments as part of the fund's investment focus, which may result in leveraging. We compare fund performance with a composite index consisting of SIX SRI Nordic 200 Net Index (37,5%), Solactive ISS ESG Global Markets (37,5%), OMRXTBILL (22,5%), HMNI Swe All Government Dur Const 6Y (1,75%), HMNI Swe All Mortgage Dur Const 2.5Y (0,75%). The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund is managed based on an investment process that includes the analysis of markets, asset classes and products in which the fund invests. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 8.0% in 2020*. The year was dominated by the corona pandemic which led to a significant slowdown in the global economy and sharp fluctuations in the financial markets. The market swung between concerns about an increased spread of the virus and economic data that was actually stronger than expected. After sharp downturns in Q1, the stock markets rebounded. The World Index rose 4,80% (SEK) during the year. A stronger SEK weighed on the returns of foreign assets. Swedish and Nordic stock markets posted the most strength, while performance in Europe was weaker. Market rates in the US, Europe and Sweden fell, which caused bonds to outperform fixed income investments with a

shorter duration. The value of emerging market bonds fell during the year. We had an underweight in equities during the winter and spring months. We then gradually increased the proportion of equities and had an overweight in equities during H2. Regionally, we prefer the stock markets in Sweden, Europe and emerging markets. We also have an overweight in the US, while we are neutral in Japan. During the autumn we also invested in the Montanaro Better World Fund, which makes investments that are considered as having a favorable impact on society in terms of ESG. We have a short duration as well as an overweight in credits and emerging market bonds within the fixed income holdings. We also took a short position in US 10-year government bonds during the autumn. In our alternative holdings we have invested in the Schroder Cat Bond Fund, which invests in catastrophe 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The fixed interest 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 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

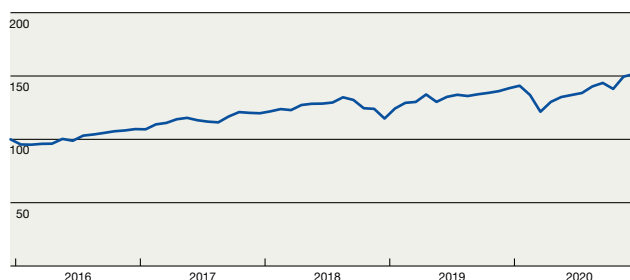
• Highest leverage during the financial year	17.5%
• Lowest leverage during the financial year	0.0%
• Average leverage during the financial year	8.7%

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.

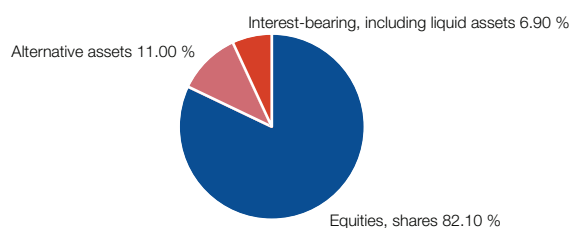
Handelsbanken Multi Asset 75, cont.

Fund performance*



* Performance is shown in the fund's base currency.

Market exposure*



* The fund's allocation of investments within the markets as of 31/12/2020, relative to the fund's total assets on this date.

Fund facts - history

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net asset value, SEK	247.96	229.68	190.47	197.31	176.84	163.61	150.12	129.01	108.43	100.58
The fund's total net flow, SEK m	765	1,315	1,908	1,178	328	415	141	42	-47	-
Fund capital, mSEK	8,821	7,462	5,034	3,397	1,955	1,487	985	721	569	555
Number of units, 1000's	35,575	32,491	26,429	17,217	11,053	9,087	6,562	5,586	5,249	5,520
Total returns in %, SEK	+8.0	+20.6	-3.5	+11.6	+8.1	+9.0	+16.4	+19.0	+11.4	-11.0
Index including dividends in %, SEK	+6.6	+23.6	-2.0	+9.2	+9.3	+6.5	+17.5	+17.4	+10.3	-7.0
Tracking error, 2 yrs. % ¹⁾	2.1	1.2	1.2	1.5	1.9	1.6	1.3	1.6	2.0	2.0
Average yearly return, 2 yrs. %	+14.1	+7.9	+3.8	+9.8	+8.5	+12.6	+17.7	+15.1	-0.5	-0.7
Comparison to index including dividends, %	+14.7	+10.0	+3.4	+9.2	+7.9	+11.9	+17.5	+13.8	+1.3	+1.2
Average yearly return, 5 yrs. %	+8.7	+8.9	+8.1	+12.7	+12.7	+8.4	+8.8	-	-	-
Comparison to index including dividends, %	+9.0	+9.0	+7.9	+11.9	+12.1	+8.6	+9.3	-	-	-
Average yearly return, 10 yrs. %	+8.5	+8.8	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+8.8	+9.1	-	-	-	-	-	-	-	-
Dividends per unit, SEK	-	-	-	-	-	-	-	-	3.49	2.55

1) The fund's realized tracking error increased last year relative to the previous year. During the latter part of the year in general, the fund's exposure in equities was higher than its benchmark index. Within the fund's fixed income investments, the fund had a higher risk than its benchmark index, primarily through credit exposures and emerging market bonds. Overall, the fund had a slightly higher risk than its benchmark index. This, together with a generally high realized volatility (risk) in many of the markets invested by the fund, contributed to the fund's higher realized tracking error.

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 Government Dur Const 6Y (HMSMD6) (1.75%), HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) (0.75%).

Up to 30/04/2019: HMNI Swe All Government Dur Const 6Y (HMSMD6) (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 (HMSMD6) (8.75%), VINX Benchmark Cap SEK_NI (VINXBCAPSEKNI) (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 (HMSMD6) (8.75%), SHB NORDIX Port Nordic Net (NHXPORT) (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 %	1.61
Transaction costs, SEK thousand	436
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	142.56
Costs in SEK for monthly savings, 100 SEK	9.85

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 %	6.2
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and return measurements*

Total risk %	13.4	Information ratio	Negative
Total risk in index %	12.3	Sharpe ratio	1.1
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 Government Dur Const 6Y (HMSMD6) (1.75%), HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) (0.75%).	Sharpe ratio in index	1.2
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, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments ¹⁾	20,258	-75,908
Changes in value for fund units ²⁾	611,712	1,216,059
Interest income	-21	-238
Dividends	15,274	10,986
Currency exchange profits and losses, net	-3,556	-3,541
Other financial income ¹⁾	61,448	59,999
Other income	0	35
Total income and changes in value	705,115	1,207,392
EXPENSES		
Management costs:		
- Remuneration to the Management Company	110,425	93,896
Interest expense	457	48
Other expenses	528	438
Total expenses	111,410	94,382
Net income	593,705	1,113,010

* Details of changes in value

Capital gains	158,695	86,680
Capital losses	-151,300	-170,689
Unrealised gains/losses	12,863	8,101
Sum	20,258	-75,908

** Details of changes in value

Capital gains	311,805	230,311
Capital losses	-16,925	-11,738
Unrealised gains/losses	316,833	997,486
Sum	611,712	1,216,059

1) The item consists primarily of discounts for management costs in underlying funds.

Handelsbanken Multi Asset 75, cont.

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Fund units	8,556,038	97.0	7,203,233	96.5
Total financial instruments with positive market value ^{Note 2)}	8,556,038	97.0	7,203,233	96.5
Bank assets and other liquid assets	267,965	3.0	254,575	3.4
Prepaid expenses and accrued income	5,583	0.1	5,556	0.1
Other assets	11,181	0.1	18,280	0.3
Total assets	8,840,767	100.2	7,481,644	100.3
LIABILITIES				
OTC derivative instruments with negative market value	167	0.0	141	0.0
Total financial instruments with negative market value ^{Note 2)}	167	0.0	141	0.0
Accrued expenses and prepaid income	10,717	0.1	9,070	0.1
Other liabilities	8,941	0.1	10,002	0.2
Total liabilities	19,825	0.2	19,213	0.3
Fund capital ^{Note 1)}	8,820,942	100.0	7,462,431	100.0
Other derivative instruments with negative market value ¹⁾	55,065	0.6	29,175	0.4

1) Cash and cash equivalents SEK 55 065 t

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	7,462,431	5,034,056
Units issued ¹⁾	2,434,271	2,341,085
Units redeemed	-1,669,465	-1,025,720
Profit according to Income Statement	593,705	1,113,010
Dividends to unit holders	-	-
Fund capital at the close of the period	8,820,942	7,462,431

Note 2) for Balance sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
STOCK INDEX FUTURES			
MSCI Emg Mkt Index Future Mar 2021 ¹⁾	334	0	0.0
OMXS30 ESG Future Jan 2021 ²⁾	472	0	0.0
S&P500 Emini Future Mar 2021 ³⁾	55	0	0.0
Stoxx Europe 600 Index Future Mar 2021 ⁴⁾	1,296	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
INTEREST RATE FUTURES			
US 10Y Note (CBT) Future Mar 2021 ⁵⁾	-73	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 SEK t	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG Acc World-SEK	7,505,057	97,416	1.1
Fidelity Funds - Sustain. Water & Waste AC	18,419,851	196,724	2.2
JPM Europe Small Cap A Acc EUR	122,979	142,000	1.6
JPM Fds Multi-Manager Alternative1	317,504	354,921	4.0
Montanaro Better World Fund	7,264,728	95,451	1.1
SHB Amerika Småbolag Tema (A1 SEK)	292,286	325,732	3.7
SHB Amerika Tema (A1 SEK)	264,167	348,386	3.9
SHB Asien Tema (A1 SEK)	122,394	102,414	1.2
SHB Emerging Markets Index (A1 SEK)	310,022	54,585	0.6
SHB Europa Index Criteria (A1 SEK)	2,904,299	375,424	4.3
SHB Global Högtudelande (A1 SEK)	327,230	31,501	0.4
SHB Hållbar Energi (A1 SEK)	251,379	100,460	1.1
SHB Hälsovård Tema (A1 SEK)	294,363	86,585	1.0
SHB Japan Tema (A1 SEK)	2,004,329	215,182	2.4
SHB Norden (A1 SEK)	765,183	1,084,321	12.3
SHB Norden Index Criteria (A1 SEK)	4,191,853	585,878	6.6
SHB Norden Selektiv (A1 SEK)	694,492	335,672	3.8
SHB Nordiska Småbolag (A1 SEK)	385,705	605,985	6.9
SHB Tillväxtmarknad Tema (A1 SEK)	655,612	250,863	2.8
SHB USA Index Criteria (A1 SEK)	1,384,681	671,560	7.6
UBS Equity SICAV-USA Growth Sustain	168,284	191,205	2.2
		6,252,264	70.9
LISTED EQUITY FUNDS**			
XACT Högtudelande	2,857,552	338,088	3.8
XACT Norden	2,787,412	402,646	4.6
		740,734	8.4

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
OTHER FUNDS			
JPM Global Macro Sustainable I (acc) SEK H	245,876	262,018	3.0
		262,018	3.0
FIXED INCOME FUNDS			
BlueOrchard Ucits EM Sdg Impact Bd Fd H	19,602	20,561	0.2
Schroder GAIA Cat Bond IF SEK Acc	286,667	258,086	2.9
SHB Företagsobl. IG (A1 SEK)	2,376,166	242,133	2.7
SHB Företagsobl. (A1 SEK)	444,805	59,297	0.7
SHB Hållbar Global Obligation (A1 SEK)	215,563	22,364	0.3
SHB Kredit (A1 NOK)	206,923	19,733	0.2
SHB Långränta (A1 SEK)	300,184	35,772	0.4
SHB Räntevkastning (A1 SEK)	13,694	26,499	0.3
SHB Räntestrategi (A1 SEK)	392,776	40,759	0.5
SHB Räntestrategi Plus (A7 SEK)	2,551,588	260,747	3.0
UBS Currency Allocation Return Strategy	144,104	93,678	1.1
UI - Aktia EM Frontier Bond+	300,809	28,833	0.3
UI - Aktia EM Local Currency Bond+ - s1	1,907,120	192,562	2.2
		1,301,022	14.8
Total fund units		8,556,038	97.0

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
SEK/NOK ⁶⁾		-167	0.0
		-167	0.0
Total OTC derivative instruments		-167	0.0
Total other financial instruments		8,555,872	97.0
Total holdings in financial instruments		8,555,872	97.0
Net, other assets and liabilities		265,070	3.0
Total fund capital		8,820,942	100.0

1) Stock index futures with underlying exposure of SEK 176 676 t, which is equivalent to 2.0% of fund capital.

2) Stock index futures with underlying exposure of SEK 86 978 t, which is equivalent to 1.0% of fund capital.

3) Stock index futures with underlying exposure of SEK 84 665 t, which is equivalent to 1.0% of fund capital.

4) Stock index futures with underlying exposure of SEK 259 480 t, which is equivalent to 2.9% of fund capital.

5) Interest rate futures with underlying exposure of SEK -83 261 t, which is equivalent to 0.9% of fund capital.

6) SEK 26 866 t/NOK -28 200 t, counterparty Skandinaviska Enskilda Banken AB (publ).

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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

88.6

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
JPMorgan Chase	8.6	UBS	3.3
Fidelity Funds	3.3	UI Aktia	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

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 invests in other funds and does not invest directly in companies.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used for sustainability efforts

Exclusion

The fund excludes companies in their entirety that are 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.

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Follow-up of sustainability work

In recent years we have worked based on enhanced sustainability requirements. This means that the fund excludes* funds with investments in companies where the principal business activities are within controversial sectors. Refer to the description above under the heading Exclusion.

During the year we continued to integrate the sustainability efforts into the investment process and improving the measurability in the sustainability efforts has been a high priority. We use a model that was developed in-house to measure our investment exposure against the Sustainable Development Goals, i.e., to what degree a company's business contributes to fulfilling the specific targets in Agenda 2030. The fund's benchmark index reflects our sustainable investment criteria.

We continuously have dialogues with providers who are willing to meet our requirements in existing investments, and in some cases we have also launched new funds together with them that meet the enhanced requirements. During the year we continued to invest in funds with focus on the global sustainable transition.

** 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 85-115% depending on market conditions. The fixed income portion can fluctuate between 0-20% depending on market conditions. The portion of alternative assets can vary between 0-30% 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. International norms and guidelines for the environment, social responsibility and corporate governance are taken into consideration and 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 alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels segments/sectors. However, the fund may invest in companies that are considered to be in transition towards fossil-free energy production. This is applicable to both direct holdings as well as holdings in funds in which the fund invests. With regard to the fund's investments in index derivatives, the fund will primarily invest in sustainability-oriented instruments. In the absence of such instruments, the fund will invest in index derivatives and index products that may include companies that are not permitted in accordance with the aforementioned exclusion criteria. The fund can invest in derivative instruments as part of the fund's investment focus, which may result in leveraging. We compare fund performance with a composite index consisting of SIX SRI Nordic 200 Net Index (50%), Solactive ISS ESG Screened Global Markets Index (50%). The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund is managed based on an investment process that includes the analysis of markets, asset classes and products in which the fund invests. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 9.7% in 2020*. The year was dominated by the corona pandemic which led to a significant slowdown in the global economy and sharp fluctuations in the financial markets. The market swung between concerns about an increased spread of the virus and economic data that was actually stronger than expected. After sharp downturns in Q1, the stock markets rebounded. The World Index rose 4,80% (SEK) during the year. A stronger SEK weighed on the returns of foreign assets. Swedish and Nordic stock markets posted the most strength, while performance in Europe was weaker. Market rates in the US, Europe and Sweden fell, which caused bonds to outperform fixed income investments with a shorter duration. The value of emerging market bonds fell during the year. We had an underweight in equities during the winter and spring months. We then gradually increased the proportion of equities and had an

overweight in equities during H2. Regionally, we prefer the stock markets in Sweden, Europe and emerging markets. We also have an overweight in the US, while we are neutral in Japan. During the autumn we also invested in the Montanaro Better World Fund, which makes investments that are considered as having a favorable impact on society in terms of ESG. We have an overweight in emerging market bonds. We also took a short position in US 10-year government bonds during the autumn. In our alternative holdings we have invested in the Schroder Cat Bond Fund, which invests in catastrophe 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The fixed interest 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 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

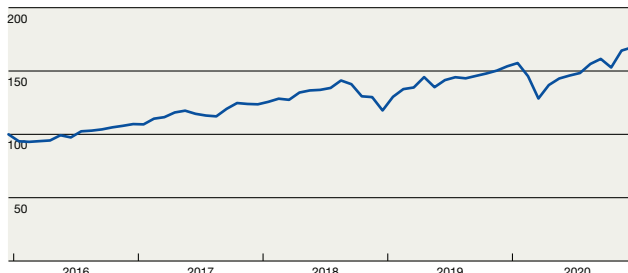
• Highest leverage during the financial year	24.2%
• Lowest leverage during the financial year	2.5%
• Average leverage during the financial year	10.8%

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.

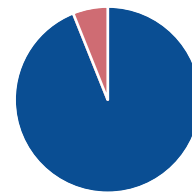
Handelsbanken Multi Asset 100, cont.

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*

Interest-bearing, including liquid assets
-6.90 %

Equities, shares 106.90 %

* The fund's allocation of investments within the markets as of 31/12/2020, relative to the fund's total assets on this date.

Fund facts - history

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net asset value										
Multi Asset 100 A1 - SEK	371.69	338.81	261.97	272.66	238.26	220.41	201.74	168.87	136.62	122.83
Multi Asset 100 A1 - EUR	36.99	32.24	25.85	27.73	24.87	24.07	21.30	-	-	-
Multi Asset 100 A1 - NOK	387.50	318.04	255.86	272.39	225.75	231.41	193.22	-	-	-
The fund's total net flow, SEK m	944	1,356	1,055	1,037	667	907	320	75	-45	-
Fund capital total, SEK m	18,678	16,150	11,343	10,822	8,499	7,181	5,759	-	-	-
Multi Asset 100 A1 - SEK	18,316	15,832	11,114	10,601	8,318	7,010	5,601	4,409	3,501	3,112
Multi Asset 100 A1 - EUR	28	23	16	14	11	11	10	-	-	-
Multi Asset 100 A1 - NOK	89	74	61	80	70	78	56	-	-	-
Number of units, 1000's	50,253	47,666	43,298	39,692	35,672	32,581	28,546	-	-	-
Multi Asset 100 A1 - SEK	49,279	46,728	42,425	38,879	34,909	31,807	27,762	26,109	25,628	25,335
Multi Asset 100 A1 - EUR	744	704	635	520	452	437	492	-	-	-
Multi Asset 100 A1 - NOK	229	234	238	293	311	337	292	-	-	-
Total returns in %										
Multi Asset 100 A1 - SEK	+9.7	+29.3	-3.9	+14.4	+8.1	+9.3	+19.5	+23.6	+14.4	-14.3
Multi Asset 100 A1 - EUR	+14.7	+24.7	-6.8	+11.5	+3.3	+13.0	+11.6	-	-	-
Multi Asset 100 A1 - NOK	+21.8	+24.3	-6.1	+20.7	-2.4	+19.8	+21.1	+36.5	+12.4	-13.8
Index including dividends in %										
Multi Asset 100 A1 - SEK	+8.4	+32.4	-2.7	+12.6	+11.9	+8.4	+22.0	+23.8	+13.2	-11.2
Multi Asset 100 A1 - EUR	+13.3	+27.7	-5.6	+9.7	+7.0	+12.1	+14.0	-	-	-
Multi Asset 100 A1 - NOK	+20.4	+27.2	-4.9	+18.7	+1.0	+18.8	+23.7	+36.7	+11.2	-10.6
Tracking error, 2 yrs. % ¹⁾										
Multi Asset 100 A1 - SEK	1.9	1.5	1.5	1.3	1.8	1.7	1.4	1.7	2.2	1.9
Multi Asset 100 A1 - EUR	1.9	1.5	1.5	1.3	1.8	1.7	1.4	-	-	-
Multi Asset 100 A1 - NOK	1.9	1.5	1.5	1.3	1.8	1.7	1.4	-	-	-
Average yearly return, 2 yrs. %										
Multi Asset 100 A1 - SEK	+19.1	+11.5	+4.9	+11.2	+8.7	+14.2	+21.5	+18.9	-1.0	-1.4
Multi Asset 100 A1 - EUR	+19.6	+7.8	+2.0	+7.3	+8.1	+12.3	+15.6	+19.3	+1.5	+5.8
Multi Asset 100 A1 - NOK	+23.1	+8.1	+6.5	+8.5	+8.1	+20.4	+28.6	+23.9	-1.5	+2.3
Comparison to index including dividends, %										
SEK	+19.8	+13.5	+4.7	+12.3	+10.1	+15.0	+22.9	+18.4	+0.3	+0.1
EUR	+20.3	+9.8	+1.8	+8.3	+9.5	+13.1	+17.0	+18.7	+2.8	+7.4
NOK	+23.8	+10.0	+6.3	+9.5	+9.5	+21.3	+30.1	+23.3	-0.3	+3.8
Average yearly return, 5 yrs. %										
Multi Asset 100 A1 - SEK	+11.0	+10.9	+9.2	+14.8	+14.8	+9.6	+10.5	+13.0	-1.7	-3.1
Multi Asset 100 A1 - EUR	+9.0	+8.6	+6.3	+11.7	+13.1	+9.3	+12.2	+18.0	+0.2	-2.8
Multi Asset 100 A1 - NOK	+10.9	+10.5	+9.9	+18.4	+16.8	+13.9	+14.2	+14.4	-1.4	-3.9
Comparison to index including dividends, %										
SEK	+12.0	+12.0	+10.2	+15.6	+15.7	+10.5	+11.4	+12.6	-1.3	-2.3
EUR	+9.9	+9.7	+7.2	+12.5	+14.0	+10.1	+13.1	+17.6	+0.7	-2.0
NOK	+11.8	+11.5	+10.9	+19.2	+17.7	+14.9	+15.2	+14.0	-0.9	-3.2
Average yearly return, 10 yrs. %										
Multi Asset 100 A1 - SEK	+10.3	+10.7	+11.1	+6.2	+5.5	+5.8	+8.3	-	-	-
Multi Asset 100 A1 - EUR	+9.1	+10.4	+12.0	+5.8	+4.9	+6.1	+7.8	-	-	-
Multi Asset 100 A1 - NOK	+12.4	+12.3	+12.2	+8.1	+5.9	+8.1	+8.8	-	-	-
Comparison to index including dividends, %										
SEK	+11.2	+11.7	+11.4	+6.8	+6.3	+6.3	+8.8	-	-	-
EUR	+10.0	+11.4	+12.3	+6.4	+5.7	+6.6	+8.3	-	-	-
NOK	+13.3	+13.3	+12.5	+8.7	+6.8	+8.6	+9.3	-	-	-
Dividends per unit, SEK	-	-	-	-	-	-	-	-	3.82	2.87
Exchange rate EUR/SEK	10.05	10.51	10.13	9.83	9.58	9.16	9.47	-	-	-
Exchange rate NOK/SEK	0.96	1.07	1.02	1.00	1.06	0.95	1.04	-	-	-

1) The fund's realized tracking error increased last year relative to the previous year. During the latter part of the year in general, the fund's exposure in equities was higher than its benchmark index. Within the fund's fixed income investments, the fund had a higher risk than its benchmark index, primarily through credit exposures and emerging market bonds. Overall, the fund had a slightly higher risk than its benchmark index. This, together with a generally high realized volatility (risk) in many of the markets invested by the fund, contributed to the fund's higher realized tracking error.

Benchmark: SIX SRI Nordic 200 Net Index (50%), Solactive ISS ESG Screened Global Markets Index (50%).

Up to 01/02/2014: SHB NORDIX Port Nordic Net (NHNKPORT) (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.

Handelsbanken Multi Asset 100, cont.

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 %	1.62
Transaction costs, SEK thousand	1,218
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	151.51
Costs in SEK for monthly savings, 100 SEK	10.66

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 % - A1 SEK	17.1	Information ratio - A1 SEK	Negative
Total risk % - A1 EUR	18.1	Information ratio - A1 EUR	Negative
Total risk % - A1 NOK	10.8	Information ratio - A1 NOK	Negative
Total risk in index % - A1 SEK	16.5	Sharpe ratio - A1 SEK	1.1
Total risk in index % - A1 EUR	17.3	Sharpe ratio - A1 EUR	1.1
Total risk in index % - A1 NOK	10.6	Sharpe ratio - A1 NOK	2.0
Benchmark	SIX SRI Nordic 200 Net Index (50%), Solactive ISS ESG Screened Global Markets Index (50%).	Sharpe ratio in index - A1 SEK	1.2
Active return % - A1 SEK	-0.7	Sharpe ratio in index - A1 EUR	1.2
Active return % - A1 EUR	-0.7	Sharpe ratio in index - A1 NOK	2.2
Active return % - A1 NOK	-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, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments	175,915	-6,524
Changes in value for fund units **	1,499,523	3,470,423
Interest income	-32	-704
Dividends	42,179	41,772
Currency exchange profits and losses, net	-36,553	3,237
Other financial income ¹⁾	160,212	166,017
Other income	0	70
Total income and changes in value	1,841,245	3,674,291
EXPENSES		
Management costs:		
- Remuneration to the Management Company	254,238	222,161
Interest expense	1,283	47
Other expenses	1,295	1,155
Total expenses	256,816	223,363
Net income	1,584,429	3,450,928
* Details of changes in value		
Capital gains	341,277	351,643
Capital losses	-210,774	-355,460
Unrealised gains/losses	45,412	-2,707
Sum	175,915	-6,524
** Details of changes in value		
Capital gains	1,128,774	789,621
Capital losses	-8,396	-28,917
Unrealised gains/losses	379,145	2,709,719
Sum	1,499,523	3,470,423

1) The item consists primarily of discounts for management costs in underlying funds.

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	-	-	1,237	0.0
Fund units	18,267,690	97.8	15,854,292	98.2
Total financial instruments with positive market value ^{Note 2)}	18,267,690	97.8	15,855,529	98.2
Bank assets and other liquid assets	430,630	2.3	297,114	1.8
Prepaid expenses and accrued income	14,364	0.1	19,513	0.1
Other assets	14,752	0.1	19,952	0.2
Total assets	18,727,436	100.3	16,192,108	100.3
LIABILITIES				
OTC derivative instruments with negative market value	2,826	0.0	-	-
Total financial instruments with negative market value ^{Note 2)}	2,826	0.0	-	-
Accrued expenses and prepaid income	24,382	0.1	21,035	0.1
Other liabilities	21,920	0.2	21,146	0.2
Total liabilities	49,128	0.3	42,181	0.3
Fund capital ^{Note 1)}	18,678,308	100.0	16,149,927	100.0
Other derivative instruments with negative market value ¹⁾	197,293	1.1	57,663	0.4

1) Cash and cash equivalents SEK 197 293 t

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	16,149,927	11,342,732
Units issued ¹⁾	3,265,514	2,785,908
Units redeemed	-2,321,562	-1,429,641
Profit according to Income Statement	1,584,429	3,450,928
Dividends to unit holders	-	-
Fund capital at the close of the period	18,678,308	16,149,927

Note 2) for Balance sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
STOCK INDEX FUTURES			
MSCI Emg Mkt Index Future Mar 2021 ¹⁾	713	0	0.0
OMXS30 ESG Future Jan 2021 ²⁾	2,453	0	0.0
S&P500 Emini Future Mar 2021 ³⁾	234	0	0.0
Stoxx Europe 600 Index Future Mar 2021 ⁴⁾	4,599	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
INTEREST RATE FUTURES			
US 10Y Note (CBT) Future Mar 2021 ⁵⁾	-155	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 SEK t	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG Acc World-SEK	20,234,514	262,644	1.4
Fidelity Funds - Sustain. Water & Waste AC	51,363,819	548,566	2.9
JPM Europe Small Cap A Acc EUR	335,796	387,734	2.1
Montanaro Better World Fund	22,094,749	290,303	1.6
SHB Amerika Småbolag Tema (A1 SEK)	826,794	921,404	4.9
SHB Amerika Tema (A1 SEK)	741,597	978,026	5.2
SHB Asien Tema (A1 SEK)	341,656	285,882	1.5
SHB Emerging Markets Index (A1 SEK)	785,117	138,235	0.7
SHB Europa Index Criteria (A1 SEK)	5,416,939	700,221	3.7
SHB Global Högutdelande (A1 SEK)	1,089,024	104,834	0.6
SHB Hållbar Energi (A1 SEK)	767,714	306,805	1.6
SHB Hålsövärd Tema (A1 SEK)	911,820	268,206	1.4
SHB Japan Tema (A1 SEK)	5,391,600	578,835	3.1
SHB Norden (A1 SEK)	2,155,913	3,055,090	16.4
SHB Norden Index Criteria (A1 SEK)	9,634,611	1,346,589	7.2
SHB Norden Selektiv (A1 SEK)	1,923,428	929,659	5.0
SHB Nordiska Småbolag (A1 SEK)	1,080,837	1,698,115	9.1
SHB Tillväxtmarknad Tema (A1 SEK)	1,937,013	741,176	4.0
SHB USA Index Criteria (A1 SEK)	3,569,291	1,731,078	9.3
UBS Equity SICAV-USA Growth Sustain	480,732	546,211	2.9
		15,819,610	84.7

Handelsbanken Multi Asset 100, cont.

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
LISTED EQUITY FUNDS**			
XACT Högutdelande	7,727,203	914,235	4.9
XACT Norden	8,092,276	1,168,942	6.3
		2,083,177	11.2
FIXED INCOME FUNDS			
SHB Räntestrategi (A1 SEK)	356	37	0.0
UI - Aktia EM Local Currency Bond+ - s1	3,613,601	364,865	2.0
		364,902	2.0
Total fund units		18,267,690	97.8
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
EUR/SEK ⁶⁾		-2,826	0.0
		-2,826	0.0
Total OTC derivative instruments		-2,826	0.0
Total other financial instruments		18,264,864	97.8
Total holdings in financial instruments		18,264,864	97.8
Net, other assets and liabilities		413,444	2.2
Total fund capital		18,678,308	100.0

1) Stock index futures with underlying exposure of SEK 377 156 t, which is equivalent to 2.0% of fund capital.
2) Stock index futures with underlying exposure of SEK 452 027 t, which is equivalent to 2.4% of fund capital.

3) Stock index futures with underlying exposure of SEK 360 210 t, which is equivalent to 1.9% of fund capital.

4) Stock index futures with underlying exposure of SEK 920 792 t, which is equivalent to 4.9% of fund capital.

5) Interest rate futures with underlying exposure of SEK -176 787 t, which is equivalent to 0.9% of fund capital.

6) 1EUR 29 254/1SEK -297 039, counterparties J.P. Morgan Securities och Nordea Bank Abp.

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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 Multi Asset 100

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.

The fund invests in other funds and does not invest directly in companies.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used for sustainability efforts

Exclusion

The fund excludes companies in their entirety that are 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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made to the principle of excluding fossil fuels for a period of time if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

The fund invests exclusively in underlying funds that meet the exclusion requirements above.

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

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. This applies to our own funds as well as funds from other fund management companies. Fund investments are selected and followed up in a selection process that includes sustainability criteria at the fund and the fund management company level. The evaluation of a fund management company includes the organization, sustainability, the fund management team and the investment process. It is also possible to invest in funds that invest in companies that are transitioning their business operations in a more sustainable direction, so-called transition companies.

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 support.

Given that the fund is a fund of funds and thus only invests in other funds, there are no direct engagement efforts with companies. Engagement occurs through direct dialogues with fund management companies and fund managers, collaborations and sector initiatives, as well as through participation in investor networks.

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 Management Company carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder by voting at annual general meetings, working on nomination committees and through dialogues in various forms depending on the fund's character. Read more under each individual fund.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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

In recent years we have worked based on enhanced sustainability requirements. This means that the fund excludes* funds with investments in companies where the principal business activities are within controversial sectors. Refer to the description above under the heading *Exclusion*.

During the year we continued to integrate the sustainability efforts into the investment process and improving the measurability in the sustainability efforts has been a high priority. We use a model that was developed in-house to measure our investment exposure against the Sustainable Development Goals, i.e., to what degree a company's business contributes to fulfilling the specific targets in Agenda 2030. The fund's benchmark index reflects our sustainable investment criteria.

We continuously have dialogues with providers who are willing to meet our requirements in existing investments, and in some cases we have also launched new funds together with them that meet the enhanced requirements. During the year we continued to invest in funds with focus on the global sustainable transition.

** 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 100-140% depending on market conditions. The fixed income portion can fluctuate between 0-20% depending on market conditions. The portion of alternative assets can vary between 0-30% 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. International norms and guidelines for the environment, social responsibility and corporate governance are taken into consideration and 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 alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels segments/sectors. However, the fund may invest in companies that are considered to be in transition towards fossil-free energy production. This is applicable to both direct holdings as well as holdings in funds in which the fund invests. With regard to the fund's investments in index derivatives, the fund will primarily invest in sustainability-oriented instruments. In the absence of such instruments, the fund will invest in index derivatives and index products that may include companies that are not permitted in accordance with the aforementioned exclusion criteria. The fund can invest in derivative instruments as part of the fund's investment focus, which may result in leveraging. 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%), OMRX Treasury Bill Index (-20%). The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund is managed based on an investment process that includes the analysis of markets, asset classes and products in which the fund invests. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 9.6% in 2020*. The year was dominated by the corona pandemic which led to a significant slowdown in the global economy and sharp fluctuations in the financial markets. The market swung between concerns about an increased spread of the virus and economic data that was actually stronger than expected. After sharp downturns in Q1, the stock markets rebounded. The World Index rose 4,80% (SEK) during the year. A stronger SEK weighed on the returns of foreign assets. Swedish and Nordic stock markets posted the most strength, while performance in Europe was weaker. Market rates in the US, Europe and Sweden fell, which caused bonds to outperform fixed income investments with a

shorter duration. The value of emerging market bonds fell during the year. We had an underweight in equities during the winter and spring months. We then gradually increased the proportion of equities and had an overweight in equities during H2. Regionally, we prefer the stock markets in Sweden, Europe and emerging markets. We also have an overweight in the US, while we are neutral in Japan. During the autumn we also invested in the Montanaro Better World Fund, which makes investments that are considered as having a favorable impact on society in terms of ESG. We have an overweight in emerging market bonds. We also took a short position in US 10-year government bonds during the autumn. In our alternative holdings we have invested in the Schroder Cat Bond Fund, which invests in catastrophe bonds.

*) 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The fixed interest 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 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

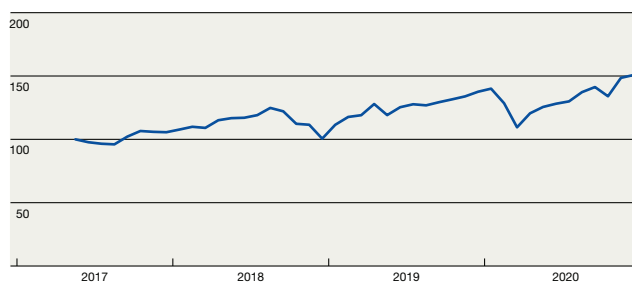
• Highest leverage during the financial year	70.1%
• Lowest leverage during the financial year	43.9%
• Average leverage during the financial year	56.7%

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.

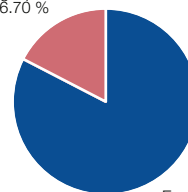
Handelsbanken Multi Asset 120, cont.

Fund performance*



Market exposure*

Interest-bearing, including liquid assets -26.70 %



Equities, shares 126.70 %

* The fund's allocation of investments within the markets as of 31/12/2020, relative to the fund's total assets on this date.

Fund facts - history

	2020	2019	2018	10/5-31/12 2017	2016	2015	2014	2013	2012	2011
Net asset value, SEK	150.10	136.90	100.03	105.09	-	-	-	-	-	-
The fund's total net flow, SEK m	125	201	308	151	-	-	-	-	-	-
Fund capital, mSEK	989	784	412	154	-	-	-	-	-	-
Number of units, 1000's	6,589	5,725	4,119	1,461	-	-	-	-	-	-
Total returns in %, SEK	+9.6	+36.9	-4.8	+5.1	-	-	-	-	-	-
Index including dividends in %, SEK	+9.7	+39.9	-3.2	+2.5	-	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾	2.3	1.7	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %	+22.5	+14.1	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+23.8	+16.3	-	-	-	-	-	-	-	-

1) The fund's realized tracking error increased last year relative to the previous year. During the latter part of the year in general, the fund's exposure in equities was higher than its benchmark index. Within the fund's fixed income investments, the fund had a higher risk than its benchmark index, primarily through credit exposures and emerging market bonds. Overall, the fund had a slightly higher risk than its benchmark index. This, together with a generally high realized volatility (risk) in many of the markets invested by the fund, contributed to the fund's higher realized tracking error.

Benchmark: SIX SRI Nordic 200 Net Index (60%), Solactive ISS ESG Screened Global Markets Index (60%), OMRX Treasury Bill Index (-20%).

Up to 30/04/2019: 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 %	1.68
Transaction costs, SEK thousand	215
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	153.81
Costs in SEK for monthly savings, 100 SEK	11.07

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	0.5
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*

Total risk %	20.9	Information ratio	Negative
Total risk in index %	19.8	Sharpe ratio	1.1
Benchmark	SIX SRI Nordic 200 Net Index (60%), Solactive ISS ESG Screened Global Markets Index (60%), OMRX Treasury Bill Index (-20%).	Sharpe ratio in index	1.2
Active return %	-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.

Income statement, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments ¹⁾	30,387	32,019
Changes in value for fund units ²⁾	68,568	133,574
Interest income	34	134
Dividends	2,509	2,283
Currency exchange profits and losses, net	-16,231	5,151
Other financial income ¹⁾	8,736	7,518
Other income	0	25
Total income and changes in value	94,003	180,704
EXPENSES		
Management costs:		
- Remuneration to the Management Company	13,259	9,835
Interest expense	161	4
Other expenses	231	147
Total expenses	13,651	9,986
Net income	80,352	170,718

* Details of changes in value

Capital gains	93,033	77,909
Capital losses	-68,948	-50,479
Unrealised gains/losses	6,302	4,589
Sum	30,387	32,019

** Details of changes in value

Capital gains	31,981	11,173
Capital losses	-15,812	-2,772
Unrealised gains/losses	52,400	125,173
Sum	68,568	133,574

1) The item consists primarily of discounts for management costs in underlying funds.

Handelsbanken Multi Asset 120, cont.

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	568	0.1	18	0.0
Fund units	928,527	93.9	728,441	93.0
Total financial instruments with positive market value ^{Note 2)}	929,096	94.0	728,459	93.0
Bank assets and other liquid assets	65,759	6.7	56,956	7.3
Prepaid expenses and accrued income	827	0.1	773	0.1
Other assets	3,558	0.2	2,732	0.3
Total assets	999,239	101.0	788,920	100.7
LIABILITIES				
OTC derivative instruments with negative market value	7,656	0.8	3,503	0.5
Total financial instruments with negative market value ^{Note 2)}	7,656	0.8	3,503	0.5
Accrued expenses and prepaid income	1,332	0.1	1,028	0.1
Other liabilities	1,324	0.1	651	0.1
Total liabilities	10,312	1.0	5,182	0.7
Fund capital ^{Note 1)}	988,928	100.0	783,738	100.0
Secured collateral for OTC derivative instruments ¹⁾	579	0.1	2,732	0.3
Other derivative instruments with negative market value ²⁾	32,752	3.3	10,846	1.4

1) Cash and cash equivalents SEK 579 t
2) Cash and cash equivalents SEK 32 752 t

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	783,738	412,002
Units issued ¹⁾	700,401	491,085
Units redeemed	-575,563	-290,067
Profit according to Income Statement	80,352	170,718
Dividends to unit holders	-	-
Fund capital at the close of the period	988,928	783,738

Note 2) for Balance sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
STOCK INDEX FUTURES			
Euro Stoxx 50 Future Mar 2021 ¹⁾	58	0	0.0
MSCI Emg Mkt Index Future Mar 2021 ²⁾	38	0	0.0
OMX Oslo 20 Future Jan 2021 ³⁾	238	0	0.0
OMXS30 ESG Future Jan 2021 ⁴⁾	502	0	0.0
S&P500 Emini Future Mar 2021 ⁵⁾	94	0	0.0
Stoxx Europe 600 Index Future Mar 2021 ⁶⁾	244	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
INTEREST RATE FUTURES			
US 10Y Note (CBT) Future Mar 2021 ⁷⁾	-8	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 SEK t	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG Acc World-SEK	1,293,948	16,795	1.7
Fidelity Funds - Sustain. Water & Waste AC	3,235,388	34,554	3.5
JPM Europe Small Cap A Acc EUR	21,201	24,480	2.5
Montanaro Better World Fund	1,393,679	18,312	1.9
SHB Amerika Småbolag Tema (A1 SEK)	52,552	58,565	5.9
SHB Amerika Tema (A1 SEK)	36,029	47,516	4.8
SHB Asien Tema (A1 SEK)	22,922	19,180	1.9
SHB Emerging Markets Index (A1 SEK)	50,045	8,811	0.9
SHB Europa Index Criteria (A1 SEK)	222,676	28,784	2.9
SHB Global Högutdelande (A1 SEK)	71,436	6,877	0.7
SHB Hållbar Energi (A1 SEK)	47,735	19,077	1.9
SHB Hälsovård Tema (A1 SEK)	61,722	18,155	1.8
SHB Japan Tema (A1 SEK)	338,361	36,326	3.7
SHB Norden (A1 SEK)	126,042	178,611	18.1
SHB Norden Index Criteria (A1 SEK)	102,859	14,376	1.5
SHB Norden Selektiv (A1 SEK)	123,401	59,644	6.0
SHB Nordiska Småbolag (A1 SEK)	68,754	108,019	10.9
SHB Tillväxtmarknad Tema (A1 SEK)	123,722	47,341	4.8
UBS Equity SICAV-USA Growth Sustain	30,737	34,924	3.5
		780,348	78.9

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
LISTED EQUITY FUNDS**			
XACT Högutdelande	480,218	56,816	5.7
XACT Norden	499,455	72,147	7.3
		128,963	13.0

FIXED INCOME FUNDS			
UI - Aktia EM Local Currency Bond+ - s1	190,311	19,216	1.9
		19,216	1.9
Total fund units		928,527	93.9

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
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OTC DERIVATIVE INSTRUMENTS

CURRENCY FUTURES			
DKK/SEK ⁸⁾		-333	0.0
EUR/SEK ⁹⁾		-1,117	-0.1
NOK/SEK ¹⁰⁾		33	0.0
SEK/EUR ¹¹⁾		133	0.0
SEK/USD ¹²⁾		403	0.0
USD/SEK ¹³⁾		-6,205	-0.6
		-7,088	-0.7
Total OTC derivative instruments		-7,088	-0.7
Total other financial instruments		921,440	93.2
Total holdings in financial instruments		921,440	93.2
Net, other assets and liabilities		67,488	6.8
Total fund capital		988,928	100.0

1) Stock index futures with underlying exposure of SEK 20 690 t, which is equivalent to 2.1% of fund capital.
2) Stock index futures with underlying exposure of SEK 20 101 t, which is equivalent to 2.0% of fund capital.
3) Stock index futures with underlying exposure of SEK 19 694 t, which is equivalent to 2.0% of fund capital.
4) Stock index futures with underlying exposure of SEK 92 506 t, which is equivalent to 9.4% of fund capital.
5) Stock index futures with underlying exposure of SEK 144 700 t, which is equivalent to 14.6% of fund capital.
6) Stock index futures with underlying exposure of SEK 48 853 t, which is equivalent to 4.9% of fund capital.
7) Interest rate futures with underlying exposure of SEK -9 124 t, which is equivalent to 0.9% of fund capital.
8) DKK 12 035 t/SEK -16 588 t counterparty Nordea Bank Abp.
9) EUR 5 310 t/SEK -54 503 t, counterparties Svenska Handelsbanken AB (publ) and J.P. Morgan Securities.
10) NOK 5 549 t/SEK -5 287 t, counterparty Skandinaviska Enskilda Banken AB (publ).
11) SEK 7 019 t/EUR -685 t, counterparty Svenska Handelsbanken AB (publ).
12) SEK 8 611 t/USD -1 000 t, counterparty Svenska Handelsbanken AB (publ).
13) USD 15 017 t/SEK -129 471 t, counterparties Svenska Handelsbanken AB (publ) and J.P. Morgan Securities.

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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.

13.0
80.1

Compilation, Company and Group exposure*

Company/Group	% of fund capital
Fidelity Funds	5.2

* 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 120

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.

The fund invests in other funds and does not invest directly in companies.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used for sustainability efforts

Exclusion

The fund excludes companies in their entirety that are 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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made to the principle of excluding fossil fuels for a period of time if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

The fund invests exclusively in underlying funds that meet the exclusion requirements above.

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

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. This applies to our own funds as well as funds from other fund management companies. Fund investments are selected and followed up in a selection process that includes sustainability criteria at the fund and the fund management company level. The evaluation of a fund management company includes the organization, sustainability, the fund management team and the investment process. It is also possible to invest in funds that invest in companies that are transitioning their business operations in a more sustainable direction, so-called transition companies.

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 support.

Given that the fund is a fund of funds and thus only invests in other funds, there are no direct engagement efforts with companies. Engagement occurs through direct dialogues with fund management companies and fund managers, collaborations and sector initiatives, as well as through participation in investor networks.

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 Management Company carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder by voting at annual general meetings, working on nomination committees and through dialogues in various forms depending on the fund's character. Read more under each individual fund.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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

In recent years we have worked based on enhanced sustainability requirements. This means that the fund excludes* funds with investments in companies where the principal business activities are within controversial sectors. Refer to the description above under the heading *Exclusion*.

During the year we continued to integrate the sustainability efforts into the investment process and improving the measurability in the sustainability efforts has been a high priority. We use a model that was developed in-house to measure our investment exposure against the Sustainable Development Goals, i.e., to what degree a company's business contributes to fulfilling the specific targets in Agenda 2030. The fund's benchmark index reflects our sustainable investment criteria.

We continuously have dialogues with providers who are willing to meet our requirements in existing investments, and in some cases we have also launched new funds together with them that meet the enhanced requirements. During the year we continued to invest in funds with focus on the global sustainable transition.

** 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 reducing 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 portfolio 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 in funds within Handelsbanken, as well as in funds managed by other fund management companies. Refer to Portfolio distribution at www.handelsbanken.se/funds for the current distribution. The fund may invest in derivative instruments as part of the fund's investment focus. The fund takes international norms and guidelines for the environment, social responsibility and corporate governance into consideration and applies an exclusion strategy on companies (both direct holdings, as well as holdings in which the fund invests) active within the alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuel areas/sectors. However, the fund may invest in companies considered to be transitioning their business operations from fossil fuel production to renewable energy. This applies to both direct holdings, as well as holdings in funds in which the fund invests. The fund's investments in index derivatives will be primarily invested in sustainability-oriented instruments. In the event such instruments are not available, the fund will invest in index derivatives and index products that may include companies not permitted in accordance with the exclusion criteria stated above. We compare the fund's performance to an index consisting of OMRXTBILL (28.125%), SIX SRI Nordic 200 Net Index (21.875%), Solactive ISS ESG Screened Global Markets Index (21.875%), HMNI Swe All Government Dur Const 6Y (19.6875%) and HMNI Swe All Mortgage Dur Const 2.5Y (8.4375%). The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund is managed based on an investment process that includes the analysis of markets, asset classes and products in which the fund invests. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 3.9% in 2020*. The year was dominated by the corona pandemic which led to a significant slowdown in the global economy and sharp fluctuations in the financial markets. The market swung between concerns about an increased spread of the virus and economic data that was actually stronger than expected. After sharp downturns in Q1, the stock markets rebounded. The World Index rose 4.80% (SEK) during the year. A stronger SEK weighed on the returns of foreign assets. Swedish and Nordic stock markets posted the most strength, while performance in Europe was weaker. Market rates in the US, Europe and Sweden fell, which caused bonds to outperform fixed income investments with a shorter duration. The value of emerging market bonds fell during the year. We had an underweight in equities during the winter and spring months. We then gradually increased the proportion of equities and had an overweight in equities during H2. Regionally, we prefer the stock markets

in Sweden, Europe and emerging markets. We also have an overweight in the US, while we are neutral in Japan. During the autumn we also invested in the Montanaro Better World Fund, which makes investments that are considered as having a favorable impact on society in terms of ESG. We have a short duration as well as an overweight in credits and emerging market bonds within the fixed income holdings. We also took a short position in US 10-year government bonds during the autumn.

*) 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The fixed interest 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 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

• Highest leverage during the financial year	19.8%
• Lowest leverage during the financial year	7.5%
• Average leverage during the financial year	11.3%

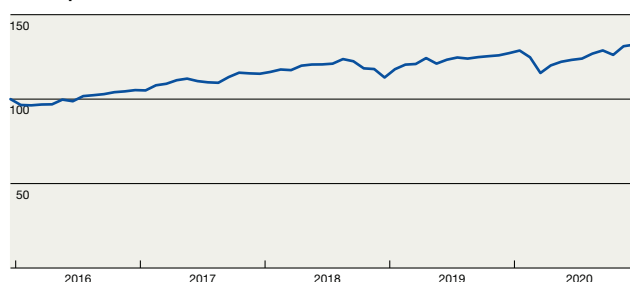
Information

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.

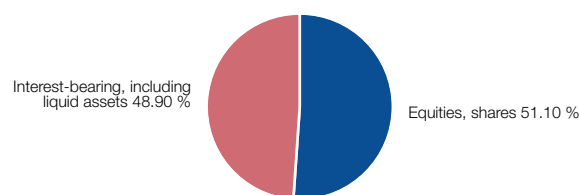
Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Handelsbanken Pension 50 Aktiv, cont.

Fund performance*



Market exposure*



* The fund's allocation of investments within the markets as of 31/12/2020, relative to the fund's total assets on this date.

Fund facts - history

	2020	2019	2018	2017	2016	2015	12/9-31/12 2014	2013	2012	2011
Net asset value, SEK	218.90	210.62	186.70	190.38	174.35	165.52	154.53	-	-	-
The fund's total net flow, SEK m	74	399	392	186	115	199	42	-	-	-
Fund capital, mSEK	3,100	2,915	2,217	1,883	1,549	1,355	1,081	-	-	-
Number of units, 1000's	14,160	13,839	11,873	9,890	8,886	8,189	6,995	-	-	-
Total returns in %, SEK	+3.9	+12.8	-1.9	+9.2	+5.3	+7.1	+16.6	+17.6	+11.6	-10.6
Index including dividends in %, SEK	+4.3	+14.9	-1.1	+6.7	+7.5	+5.5	+16.7	+16.2	+9.8	-6.8
Tracking error, 2 yrs. % ¹⁾	2.3	1.0	1.0	1.4	1.5	1.2	1.2	-	-	-
Average yearly return, 2 yrs. %	+8.3	+5.2	+3.5	+7.2	+6.2	+11.8	+17.1	+14.5	-0.2	-0.6
Comparison to index including dividends, %	+9.5	+6.6	+2.7	+7.1	+6.5	+11.0	+16.4	+12.9	+1.2	+1.3
Average yearly return, 5 yrs. %	+5.7	+6.4	+7.1	+11.1	+11.5	+7.9	+8.6	+10.3	-0.4	-1.6
Comparison to index including dividends, %	+6.3	+6.6	+6.9	+10.4	+11.0	+7.9	+8.8	+9.7	+0.4	-0.3
Average yearly return, 10 yrs. %	+6.8	+7.5	+8.7	+5.2	+4.8	+5.0	-	-	-	-
Comparison to index including dividends, %	+7.1	+7.7	+8.3	+5.3	+5.2	+5.2	-	-	-	-

1) The fund's realized tracking error increased last year relative to the previous year. During the latter part of the year in general, the fund's exposure in equities was higher than its benchmark index. Within the fund's fixed income investments, the fund had a higher risk than its benchmark index, primarily through credit exposures and emerging market bonds. Overall, the fund had a slightly higher risk than its benchmark index. This, together with a generally high realized volatility (risk) in many of the markets invested by the fund, contributed to the fund's higher realized tracking error.

Benchmark: SIX SRI Nordic 200 Net Index (21.875%), Solactive ISS ESG Screened Global Markets Index (21.875%), HMNI Sve Gov Dur Const 6y (HMSD6) (19.6875%), HMNI Sve Mort Dur Const 2.5y (HMSMD25) (8.7375%), OMRXTBILL (28.125%).

Up to 31/12/2016: HMNI Sve All Government Dur Const 6Y (HMSD6) (14.4%), HMNI Sve All Mortgage Dur Const 2.5Y (HMSMD25) (6.2%), VINX Benchmark Cap SEK_NI (29.4%), OMRXTBILL (20.6%), MSCI All Country World Index Net (29.4%).

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 %	1.31
Transaction costs, SEK thousand	166
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	123.02
Costs in SEK for monthly savings, 100 SEK	8.33

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 %	5.4
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 %	7.3	Sharpe ratio	1.0
Benchmark	SIX SRI Nordic 200 Net Index (21.875%), Solactive ISS ESG Screened Global Markets Index (21.875%), HMNI Sve Gov Dur Const 6y (HMSD6) (19.6875%), HMNI Sve Mort Dur Const 2.5y (HMSMD25) (8.7375%), OMRXTBILL (28.125%).	Sharpe ratio in index	1.3
Active return %	-1.2		

* 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, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	6,592	-31,034
Changes in value for fund units **	111,745	343,493
Interest income	7	-144
Dividends	3,966	2,860
Currency exchange profits and losses, net	4,504	-3,496
Other financial income ¹⁾	20,647	20,488
Other income	0	4
Total income and changes in value	147,462	332,171
EXPENSES		
Management costs:		
- Remuneration to the Management Company	36,412	32,962
Interest expense	212	23
Other expenses	190	148
Total expenses	36,814	33,133
Net income	110,648	299,038

* Details of changes in value

Capital gains	61,981	36,069
Capital losses	-59,780	-70,771
Unrealised gains/losses	4,392	3,668
Sum	6,592	-31,034

** Details of changes in value

Capital gains	205,544	131,417
Capital losses	-8,599	-4,569
Unrealised gains/losses	-85,200	216,645
Sum	111,745	343,493

1) The item consists primarily of discounts for management costs in underlying funds.

Handelsbanken Pension 50 Aktiv, cont.

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Fund units	2,990,795	96.5	2,837,819	97.4
Total financial instruments with positive market value	2,990,795	96.5	2,837,819	97.4
Bank assets and other liquid assets	77,269	2.5	84,364	2.9
Prepaid expenses and accrued income	1,864	0.1	1,983	0.1
Other assets	40,792	1.3	1,584	0.0
Total assets	3,110,720	100.4	2,925,750	100.4
LIABILITIES				
OTC derivative instruments with negative market value	516	0.0	603	0.0
Total financial instruments with negative market value	516	0.0	603	0.0
Accrued expenses and prepaid income	3,289	0.1	3,090	0.1
Other liabilities	7,403	0.3	7,225	0.3
Total liabilities	11,208	0.4	10,918	0.4
Fund capital	3,099,511	100.0	2,914,832	100.0
Other derivative instruments with negative market value ¹⁾	19,932	0.6	10,457	0.4

1) Cash and cash equivalents SEK 19 932 t

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	2,914,832	2,216,738
Units issued ¹⁾	401,330	587,910
Units redeemed	-327,299	-188,854
Profit according to Income Statement	110,648	299,038
Dividends to unit holders	-	-
Fund capital at the close of the period	3,099,511	2,914,832

Note 2) for Balance sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
STOCK INDEX FUTURES			
MSCI Emg Mkt Index Future Mar 2021 ¹⁾	120	0	0.0
OMXS30 ESG Future Jan 2021 ²⁾	177	0	0.0
S&P500 Emini Future Mar 2021 ³⁾	20	0	0.0
Stoxx Europe 600 Index Future Mar 2021 ⁴⁾	464	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
INTEREST RATE FUTURES			
US 10Y Note (CBT) Future Mar 2021 ⁵⁾	-26	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 SEK t	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG Acc World-SEK	1,431,301	18,578	0.6
Fidelity Funds - Sustain. Water & Waste AC	3,904,914	41,704	1.3
JPM Europe Small Cap A Acc EUR	20,549	23,727	0.8
Montanaro Better World Fund	1,551,899	20,390	0.7
SHB Amerika Småbolag Tema (A1 SEK)	53,581	59,712	1.9
SHB Amerika Tema (A1 SEK)	49,196	64,880	2.1
SHB Asien Tema (A1 SEK)	22,626	18,932	0.6
SHB Emerging Markets Index (A1 SEK)	53,565	9,431	0.3
SHB Europa Index Criteria (A1 SEK)	550,432	71,152	2.3
SHB Global Högutdelande (A1 SEK)	74,576	7,179	0.2
SHB Hållbar Energi (A1 SEK)	51,755	20,683	0.7
SHB Hållsövd Tema (A1 SEK)	58,247	17,133	0.6
SHB Japan Tema (A1 SEK)	343,357	36,862	1.2
SHB Norden (A1 SEK)	143,295	203,060	6.6
SHB Norden Index Criteria (A1 SEK)	771,353	107,809	3.5
SHB Norden Selektiv (A1 SEK)	126,694	61,235	2.0
SHB Nordiska Småbolag (A1 SEK)	69,163	108,663	3.5
SHB Tillväxtmarknad Tema (A1 SEK)	130,522	49,943	1.6
SHB USA Index Criteria (A1 SEK)	266,565	129,282	4.2
UBS Equity SICAV-USA Growth Sustain	33,516	38,081	1.2
		1,108,438	35.8
LISTED EQUITY FUNDS**			
XACT Högutdelande	519,101	61,417	2.0
XACT Norden	529,514	76,489	2.5
		137,906	4.5

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
FIXED INCOME FUNDS			
BlueOrchard Ucits EM Sdg Impact Bd Fd H	78,690	82,538	2.7
SHB Företagsobl. IG (A1 SEK)	2,308,563	235,244	7.6
SHB Företagsobligation (A1 SEK)	2,115,034	281,956	9.1
SHB Företagsobligation (B5 SEK)	1,175	128	0.0
SHB Hållbar Global Obligation (A1 SEK)	914,106	94,835	3.1
SHB Institutionell Kortränta (A1 SEK)	1,092,801	110,185	3.6
SHB Kredit (A1 NOK)	943,071	89,936	2.9
SHB Långränta (A1 SEK)	1,575,633	187,763	6.1
SHB Ränsteavkastning (A1 SEK)	72,671	140,620	4.5
SHB Ränstrategi (A1 SEK)	2,120,680	220,064	7.1
UI - Aktia EM Frontier Bond+	1,126,076	107,934	3.5
UI - Aktia EM Local Currency Bond+ - s1	1,913,912	193,248	6.2
		1,744,451	56.3
Total fund units		2,990,795	96.5

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
SEK/NOK ⁶⁾		-516	0.0
		-516	0.0
Total OTC derivative instruments		-516	0.0
Total other financial instruments		2,990,279	96.5
Total holdings in financial instruments		2,990,279	96.5
Net, other assets and liabilities		109,233	3.5
Total fund capital		3,099,511	100.0

1) Stock index futures with underlying exposure of SEK 63 476 t, which is equivalent to 2.0% of fund capital.

2) Stock index futures with underlying exposure of SEK 32 617 t, which is equivalent to 1.1% of fund capital.

3) Stock index futures with underlying exposure of SEK 30 787 t, which is equivalent to 1.0% of fund capital.

4) Stock index futures with underlying exposure of SEK 92 900 t, which is equivalent to 3.0% of fund capital.

5) Interest rate futures with underlying exposure of SEK -29 655 t, which is equivalent to 1.0% of fund capital.

6) SEK 83 148 t/NOK -87 277 t, counterparty Skandinaviska Enskilda Banken AB (publ).

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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.

4.5

92.0

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
UI Aktia	9.7	Fidelity Funds	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 Pension 50 Aktiv

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.

The fund invests in other funds and does not invest directly in companies.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used for sustainability efforts

Exclusion

The fund excludes companies in their entirety that are 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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made to the principle of excluding fossil fuels for a period of time if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

The fund invests exclusively in underlying funds that meet the exclusion requirements above.

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

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. This applies to our own funds as well as funds from other fund management companies. Fund investments are selected and followed up in a selection process that includes sustainability criteria at the fund and the fund management company level. The evaluation of a fund management company includes the organization, sustainability, the fund management team and the investment process. It is also possible to invest in funds that invest in companies that are transitioning their business operations in a more sustainable direction, so-called transition companies.

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 support.

Given that the fund is a fund of funds and thus only invests in other funds, there are no direct engagement efforts with companies. Engagement occurs through direct dialogues with fund management companies and fund managers, collaborations and sector initiatives, as well as through participation in investor networks.

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 Management Company carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder by voting at annual general meetings, working on nomination committees and through dialogues in various forms depending on the fund's character. Read more under each individual fund.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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

In recent years we have worked based on enhanced sustainability requirements. This means that the fund excludes* funds with investments in companies where the principal business activities are within controversial sectors. Refer to the description above under the heading *Exclusion*.

During the year we continued to integrate the sustainability efforts into the investment process and improving the measurability in the sustainability efforts has been a high priority. We use a model that was developed in-house to measure our investment exposure against the Sustainable Development Goals, i.e., to what degree a company's business contributes to fulfilling the specific targets in Agenda 2030. The fund's benchmark index reflects our sustainable investment criteria.

We continuously have dialogues with providers who are willing to meet our requirements in existing investments, and in some cases we have also launched new funds together with them that meet the enhanced requirements. During the year we continued to invest in funds with focus on the global sustainable transition.

** 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 reducing 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 portfolio 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 in funds within Handelsbanken, as well as in funds managed by other fund management companies. The fund may invest in derivative instruments as part of the fund's investment focus. The fund takes international norms and guidelines for the environment, social responsibility and corporate governance into consideration and applies an exclusion strategy on companies (both direct holdings, as well as holdings in which the fund invests) active within the alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuel areas/sectors. However, the fund may invest in companies considered to be transitioning their business operations from fossil fuel production to renewable energy. This applies to both direct holdings, as well as holdings in funds in which the fund invests. The fund's investments in index derivatives will be primarily invested in sustainability-oriented instruments. In the event such instruments are not available, the fund will invest in index derivatives and index products that may include companies not permitted in accordance with the exclusion criteria stated above. We compare fund performance with a composite index consisting of SIX SRI Nordic 200 Net Index (40,6250%), Solactive ISS ESG Screened Global Markets Index (40,6250%), OMRXTBILL (9,3750%), HMNI Swe All Government Dur Const 6Y (6,5625%), HMNI Swe All Mortgage Dur Const 2.5Y (2,8125%). The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund is managed based on an investment process that includes the analysis of markets, asset classes and products in which the fund invests. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 8.1% in 2020*. The year was dominated by the corona pandemic which led to a significant slowdown in the global economy and sharp fluctuations in the financial markets. The market swung between concerns about an increased spread of the virus and economic data that was actually stronger than expected. After sharp downturns in Q1, the stock markets rebounded. The World Index rose 4,80% (SEK) during the year. A stronger SEK weighed on the returns of foreign assets. Swedish and Nordic stock markets posted the most strength, while performance in Europe was weaker. Market rates in the US, Europe and Sweden fell, which caused bonds to outperform fixed income investments with a shorter duration. The value of emerging market bonds fell during the year. We had an underweight in equities during the winter and spring months. We then gradually increased the proportion of equities and had an overweight in equities during H2. Regionally, we prefer the stock markets in Sweden, Europe and emerging markets. We also have an overweight in the US, while we are neutral in Japan. During the autumn we also invested in the Montanaro Better World Fund, which makes investments

that are considered as having a favorable impact on society in terms of ESG. We have a short duration as well as an overweight in credits and emerging market bonds within the fixed income holdings. We also took a short position in US 10-year government bonds during the autumn.

*) 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The fixed interest 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 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

• Highest leverage during the financial year	18.3%
• Lowest leverage during the financial year	5.7%
• Average leverage during the financial year	9.4%

Information

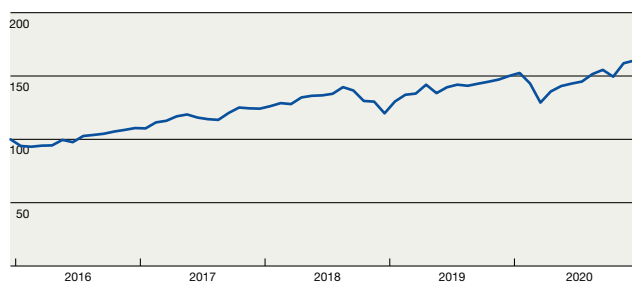
The fund's historical performance prior to the launch date is attributed to the merger between Placeringsfonden Handelsbanken Pension 60 Aktiv (Finland) and Handelsbanken Pension 60 Aktiv (Sweden) that occurred on September 12, 2014.

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.

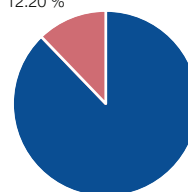
Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Handelsbanken Pension 60 Aktiv, cont.

Fund performance*



Market exposure*

Interest-bearing, including liquid assets
12.20 %

Equities, shares 87.80 %

* The fund's allocation of investments within the markets as of 31/12/2020, relative to the fund's total assets on this date.

Fund facts - history

	2020	2019	2018	2017	2016	2015	12/9-31/12 2014	2013	2012	2011
Net asset value, SEK	298.74	276.45	222.05	228.86	200.64	184.22	165.80	-	-	-
The fund's total net flow, SEK m	732	1,043	824	455	309	348	73	-	-	-
Fund capital, mSEK	8,454	7,096	4,803	4,176	3,241	2,666	2,088	-	-	-
Number of units, 1000's	28,299	25,669	21,629	18,247	16,155	14,472	12,593	-	-	-
Total returns in %, SEK	+8.1	+24.5	-3.0	+14.1	+8.9	+11.1	+20.8	+23.7	+14.8	-14.2
Index including dividends in %, SEK	+7.1	+27.2	-2.3	+11.6	+11.5	+8.4	+22.0	+23.8	+13.2	-11.2
Tracking error, 2 yrs. % ¹⁾	2.0	1.4	1.2	1.4	1.8	1.6	1.3	-	-	-
Average yearly return, 2 yrs. %	+16.0	+9.9	+5.2	+11.5	+10.0	+15.8	+22.2	+19.2	-0.8	-1.2
Comparison to index including dividends, %	+16.7	+11.5	+4.4	+11.6	+9.9	+15.0	+22.9	+18.4	+0.3	+0.1
Average yearly return, 5 yrs. %	+10.2	+10.8	+10.1	+15.6	+15.7	+10.3	+10.8	+13.1	-1.6	-3.0
Comparison to index including dividends, %	+10.6	+10.9	+10.0	+15.3	+15.6	+10.5	+11.4	+12.6	-1.3	-2.3
Average yearly return, 10 yrs. %	+10.2	+10.8	+11.6	+6.7	+5.9	+6.1	-	-	-	-
Comparison to index including dividends, %	+10.6	+11.1	+11.3	+6.7	+6.3	+6.3	-	-	-	-

1) The fund's realized tracking error increased last year relative to the previous year. During the latter part of the year in general, the fund's exposure in equities was higher than its benchmark index. Within the fund's fixed income investments, the fund had a higher risk than its benchmark index, primarily through credit exposures and emerging market bonds. Overall, the fund had a slightly higher risk than its benchmark index. This, together with a generally high realized volatility (risk) in many of the markets invested by the fund, contributed to the fund's higher realized tracking error.

Benchmark: SIX SRI Nordic 200 Net Index (40,6250%), Solactive ISS ESG Screened Global Markets Index (40,6250%), OMRXTBILL (9,3750%), HMNI Swe All Government Dur Const 6Y (6,5625%), HMNI Swe All Mortgage Dur Const 2.5Y (2,8125%).

Up to 31/12/2016: VINX Benchmark Cap SEK_NI (48.1%), MSCI All Country World Index Net (48.1%), OMRXTBILL (1.9%), HMNI Swe All Government Dur Const 6Y (HMSD6) (1.3%), HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) (0.6%),

Up to 30/04/2019: 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%).

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 %	1.29
Transaction costs, SEK thousand	415
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	122.65
Costs in SEK for monthly savings, 100 SEK	8.51

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 %	5.9
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and return measurements*

Total risk %	14.4	Information ratio	Negative
Total risk in index %	13.5	Sharpe ratio	1.1
Benchmark	SIX SRI Nordic 200 Net Index (40,6250%), Solactive ISS ESG Screened Global Markets Index (40,6250%), OMRXTBILL (9,3750%), HMNI Swe All Government Dur Const 6Y (6,5625%), HMNI Swe All Mortgage Dur Const 2.5Y (2,8125%).	Sharpe ratio in index	1.3
Active return %	-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, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	20,677	-76,427
Changes in value for fund units **	612,611	1,327,811
Interest income	-13	-359
Dividends	16,454	13,288
Currency exchange profits and losses, net	1,063	-2,977
Other financial income ¹⁾	68,237	66,735
Other income	0	25
Total income and changes in value	719,030	1,328,096
EXPENSES		
Management costs:		
- Remuneration to the Management Company	92,120	76,714
Interest expense	528	40
Other expenses	473	398
Total expenses	93,121	77,152
Net income	625,909	1,250,944

* Details of changes in value

Capital gains	153,659	75,844
Capital losses	-145,304	-160,175
Unrealised gains/losses	12,322	7,904
Sum	20,677	-76,427

** Details of changes in value

Capital gains	596,615	369,204
Capital losses	-8,168	-11,184
Unrealised gains/losses	24,164	969,791
Sum	612,611	1,327,811

1) The item consists primarily of discounts for management costs in underlying funds.

Handelsbanken Pension 60 Aktiv, cont.

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Fund units	8,141,802	96.3	6,910,175	97.4
Total financial instruments with positive market value ^{Note 2)}	8,141,802	96.3	6,910,175	97.4
Bank assets and other liquid assets	282,679	3.3	184,258	2.6
Prepaid expenses and accrued income	6,203	0.1	6,271	0.1
Other assets	40,887	0.5	4,370	0.0
Total assets	8,471,571	100.2	7,105,074	100.1
LIABILITIES				
OTC derivative instruments with negative market value	473	0.0	400	0.0
Total financial instruments with negative market value ^{Note 2)}	473	0.0	400	0.0
Accrued expenses and prepaid income	8,904	0.1	7,463	0.1
Other liabilities	8,361	0.1	895	0.0
Total liabilities	17,738	0.2	8,758	0.1
Fund capital ^{Note 1)}	8,453,833	100.0	7,096,316	100.0
Other derivative instruments with negative market value ¹⁾	53,319	0.6	27,851	0.4

1) Cash and cash equivalents SEK 53 319 t

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	7,096,316	4,802,786
Units issued ¹⁾	1,096,754	1,229,001
Units redeemed	-365,146	-186,415
Profit according to Income Statement	625,909	1,250,944
Dividends to unit holders	-	-
Fund capital at the close of the period	8,453,833	7,096,316

Note 2) for Balance sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
STOCK INDEX FUTURES			
MSCI Emg Mkt Index Future Mar 2021 ¹⁾	323	0	0.0
OMXS30 ESG Future Jan 2021 ²⁾	458	0	0.0
S&P500 Emini Future Mar 2021 ³⁾	54	0	0.0
Stoxx Europe 600 Index Future Mar 2021 ⁴⁾	1,252	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
INTEREST RATE FUTURES			
US 10Y Note (CBT) Future Mar 2021 ⁵⁾	-76	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 SEK t	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG Acc World-SEK	8,611,073	111,772	1.3
Fidelity Funds - Sustain. Water & Waste AC	18,954,565	202,435	2.4
JPM Europe Small Cap A Acc EUR	121,866	140,715	1.7
Montanaro Better World Fund	7,672,342	100,807	1.2
SHB Amerika Småbolag Tema (A1 SEK)	280,865	313,004	3.7
SHB Amerika Tema (A1 SEK)	260,418	343,442	4.1
SHB Asien Tema (A1 SEK)	127,202	106,437	1.3
SHB Emerging Markets Index (A1 SEK)	274,163	48,272	0.6
SHB Europa Index Criteria (A1 SEK)	2,932,916	379,123	4.5
SHB Företagsobl. Invest. Grade (B5 SEK)	662	66	0.0
SHB Global Högutdelande (A1 SEK)	345,173	33,228	0.4
SHB Hållbar Energi (A1 SEK)	253,178	101,179	1.2
SHB Hälsovård Tema (A1 SEK)	328,200	96,538	1.1
SHB Japan Tema (A1 SEK)	1,787,381	191,891	2.3
SHB Norden (A1 SEK)	749,152	1,061,605	12.6
SHB Norden Index Criteria (A1 SEK)	4,083,000	570,664	6.8
SHB Norden Selektiv (A1 SEK)	670,459	324,056	3.8
SHB Nordiska Småbolag (A1 SEK)	363,765	571,514	6.8
SHB Tillväxtmarknad Tema (A1 SEK)	694,982	265,927	3.1
SHB USA Index Criteria (A1 SEK)	1,417,315	687,387	8.1
UBS Equity SICAV-USA Growth Sustain	173,754	197,420	2.3
		5,847,481	69.2
LISTED EQUITY FUNDS**			
XACT Högutdelande	2,735,025	323,591	3.8
XACT Norden	2,783,674	402,106	4.8
		725,697	8.6

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
FIXED INCOME FUNDS			
BlueOrchard Ucits EM Sdg Impact Bd Fd H	75,392	79,079	0.9
SHB Företagsobl. IG (A1 SEK)	684,560	69,757	0.8
SHB Företagsobligation (A1 SEK)	2,153,832	287,129	3.4
SHB Hållbar Global Obligation (A1 SEK)	949,404	98,497	1.2
SHB Institutionell Kortränta (A1 SEK)	566,749	57,144	0.7
SHB Kortränta (A1 SEK)	46	7	0.0
SHB Kortränta SEK (A1 SEK)	9,331	979	0.0
SHB Kredit (A1 NOK)	860,137	82,027	1.0
SHB Långränta (A1 SEK)	1,595,660	190,149	2.2
SHB Ränteavkastning (A1 SEK)	73,878	142,956	1.7
SHB Ränstrategi (A1 SEK)	1,948,733	202,221	2.4
UI - Aktia EM Frontier Bond+	974,870	93,441	1.1
UI - Aktia EM Local Currency Bond+ - s1	2,626,894	265,237	3.1
		1,568,624	18.6
Total fund units		8,141,802	96.3

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
SEK/NOK ⁶⁾		-473	0.0
		-473	0.0
Total OTC derivative instruments		-473	0.0
Total other financial instruments		8,141,329	96.3
Total holdings in financial instruments		8,141,329	96.3
Net, other assets and liabilities		312,504	3.7
Total fund capital		8,453,833	100.0

1) Stock index futures with underlying exposure of SEK 170 857 t, which is equivalent to 2.0% of fund capital.

2) Stock index futures with underlying exposure of SEK 84 398 t, which is equivalent to 1.0% of fund capital.

3) Stock index futures with underlying exposure of SEK 83 125 t, which is equivalent to 1.0% of fund capital.

4) Stock index futures with underlying exposure of SEK 250 670 t, which is equivalent to 3.0% of fund capital.

5) Interest rate futures with underlying exposure of SEK -86 682 t, which is equivalent to 1.0% of fund capital.

6) SEK 76 217 t/NOK -80 002 t, counterparty Skandinaviska Enskilda Banken AB (publ).

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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.

8.6

87.7

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
UI Aktia	4.2	Fidelity Funds	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 Pension 60 Aktiv

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.

The fund invests in other funds and does not invest directly in companies.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used for sustainability efforts

Exclusion

The fund excludes companies in their entirety that are 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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made to the principle of excluding fossil fuels for a period of time if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

The fund invests exclusively in underlying funds that meet the exclusion requirements above.

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

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. This applies to our own funds as well as funds from other fund management companies. Fund investments are selected and followed up in a selection process that includes sustainability criteria at the fund and the fund management company level. The evaluation of a fund management company includes the organization, sustainability, the fund management team and the investment process. It is also possible to invest in funds that invest in companies that are transitioning their business operations in a more sustainable direction, so-called transition companies.

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 support.

Given that the fund is a fund of funds and thus only invests in other funds, there are no direct engagement efforts with companies. Engagement occurs through direct dialogues with fund management companies and fund managers, collaborations and sector initiatives, as well as through participation in investor networks.

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 Management Company carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder by voting at annual general meetings, working on nomination committees and through dialogues in various forms depending on the fund's character. Read more under each individual fund.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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

In recent years we have worked based on enhanced sustainability requirements. This means that the fund excludes* funds with investments in companies where the principal business activities are within controversial sectors. Refer to the description above under the heading *Exclusion*.

During the year we continued to integrate the sustainability efforts into the investment process and improving the measurability in the sustainability efforts has been a high priority. We use a model that was developed in-house to measure our investment exposure against the Sustainable Development Goals, i.e., to what degree a company's business contributes to fulfilling the specific targets in Agenda 2030. The fund's benchmark index reflects our sustainable investment criteria.

We continuously have dialogues with providers who are willing to meet our requirements in existing investments, and in some cases we have also launched new funds together with them that meet the enhanced requirements. During the year we continued to invest in funds with focus on the global sustainable transition.

** 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 reducing 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 portfolio 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 in funds within Handelsbanken, as well as in funds managed by other fund management companies. The fund may invest in derivative instruments as part of the fund's investment focus. The fund takes international norms and guidelines for the environment, social responsibility and corporate governance into consideration and applies an exclusion strategy on companies (both direct holdings, as well as holdings in which the fund invests) active within the alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuel areas/sectors. However, the fund may invest in companies considered to be transitioning their business operations from fossil fuel production to renewable energy. This applies to both direct holdings, as well as holdings in funds in which the fund invests. The fund's investments in index derivatives will be primarily invested in sustainability-oriented instruments. In the event such instruments are not available, the fund will invest in index derivatives and index products that may include companies not permitted in accordance with the exclusion criteria stated above. We compare fund performance with a composite index consisting of SIX SRI Nordic 200 Net Index (40,6250%), Solactive ISS ESG Screened Global Markets Index (40,6250%), OMRXTBILL (9,3750%), HMNI Swe All Government Dur Const 6Y (6,5625%), HMNI Swe All Mortgage Dur Const 2.5Y (2,8125%). The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund is managed based on an investment process that includes the analysis of markets, asset classes and products in which the fund invests. Given that the fund is actively managed, returns will deviate from this index over time. We compare the fund's performance to an index consisting of SIX SRI Nordic 200 Net Index 50%, Solactive ISS ESG Screened Global Markets Index 50%. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund is managed based on an investment process that includes the analysis of markets, asset classes and products in which the fund invests. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 9.4% in 2020*. The year was dominated by the corona pandemic which led to a significant slowdown in the global economy and sharp fluctuations in the financial markets. The market swung between concerns about an increased spread of the virus and economic data that was actually stronger than expected. After sharp downturns in Q1, the stock markets rebounded. The World Index rose 4,80% (SEK) during the year. A stronger SEK weighed on the returns of foreign assets. Swedish and Nordic stock markets posted the most strength, while performance in Europe was weaker. Market rates in the US, Europe and Sweden fell, which caused bonds to outperform fixed income investments with a shorter duration. The value of emerging market bonds fell during the year. We had an underweight in equities during the winter and spring months. We then gradually increased the proportion of equities and had an overweight in equities during H2. Regionally, we prefer the stock markets

in Sweden, Europe and emerging markets. We also have an overweight in the US, while we are neutral in Japan. During the autumn we also invested in the Montanaro Better World Fund, which makes investments that are considered as having a favorable impact on society in terms of ESG. We have a short duration as well as an overweight in credits and emerging market bonds within the fixed income holdings. We also took a short position in US 10-year government bonds during the autumn.

*) 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The fixed interest 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 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

• Highest leverage during the financial year	19.0%
• Lowest leverage during the financial year	5.7%
• Average leverage during the financial year	8.7%

Information

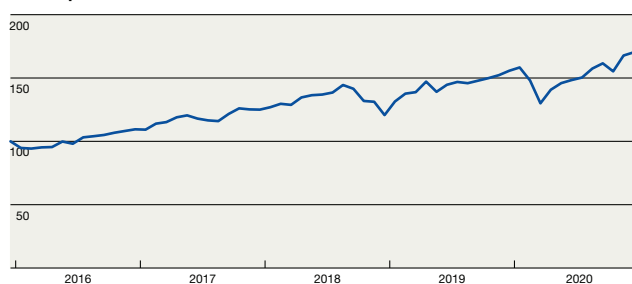
The fund's historical performance prior to the launch date is attributed to the merger between Placeringsfonden Handelsbanken Pension 70 Aktiv (Finland) and Handelsbanken Pension 70 Aktiv (Sweden) that occurred on September 12, 2014.

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.

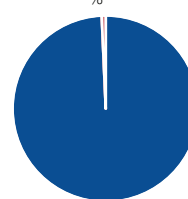
Handelsbanken Pension 70 Aktiv, cont.

Fund performance*



Market exposure*

Interest-bearing, including liquid assets 0.70 %



Equities, shares 99.30 %

* The fund's allocation of investments within the markets as of 31/12/2020, relative to the fund's total assets on this date.

Fund facts - history

	2020	2019	2018	2017	2016	2015	12/9-31/12 2014	2013	2012	2011
Net asset value, SEK	313.79	286.87	222.40	230.33	201.72	184.21	165.84	-	-	-
The fund's total net flow, SEK m	614	716	477	328	258	303	73	-	-	-
Fund capital, mSEK	7,751	6,478	4,422	4,135	3,318	2,771	2,223	-	-	-
Number of units, 1000's	24,700	22,581	19,882	17,954	16,448	15,040	13,403	-	-	-
Total returns in %, SEK	+9.4	+29.0	-3.4	+14.2	+9.5	+11.1	+20.8	+23.8	+14.7	-14.2
Index including dividends in %, SEK	+8.4	+32.4	-2.7	+12.6	+11.9	+8.4	+22.0	+23.8	+13.2	-11.2
Tracking error, 2 yrs. % ¹⁾	2.0	1.6	1.4	1.3	1.7	1.5	1.3	-	-	-
Average yearly return, 2 yrs. %	+18.8	+11.6	+5.0	+11.8	+10.3	+15.8	+22.3	+19.1	-0.8	-1.2
Comparison to index including dividends, %	+19.8	+13.5	+4.7	+12.3	+10.1	+15.0	+22.9	+18.4	+0.3	+0.1
Average yearly return, 5 yrs. %	+11.2	+11.6	+10.1	+15.7	+15.8	+10.3	+10.8	+13.1	-1.6	-3.0
Comparison to index including dividends, %	+12.0	+12.0	+10.2	+15.6	+15.7	+10.5	+11.4	+12.6	-1.3	-2.3
Average yearly return, 10 yrs. %	+10.8	+11.2	+11.6	+6.7	+6.0	+6.1	-	-	-	-
Comparison to index including dividends, %	+11.2	+11.7	+11.4	+6.8	+6.3	+6.3	-	-	-	-

1) The fund's realized tracking error increased last year relative to the previous year. During the latter part of the year in general, the fund's exposure in equities was higher than its benchmark index. Within the fund's fixed income investments, the fund had a higher risk than its benchmark index, primarily through credit exposures and emerging market bonds. Overall, the fund had a slightly higher risk than its benchmark index. This, together with a generally high realized volatility (risk) in many of the markets invested by the fund, contributed to the fund's higher realized tracking error.

Benchmark: SIX SRI Nordic 200 Net Index (50%), 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 %	1.28
Transaction costs, SEK thousand	292
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	122.14
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	0.2
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 %	16.8	Information ratio	Negative
Total risk in index %	16.5	Sharpe ratio	1.1
Benchmark	SIX SRI Nordic 200 Net Index (50%), Solactive ISS ESG Screened Global Markets Index (50%).	Sharpe ratio in index	1.2
Active return %	-1.0		

* 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.

Income statement, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	29,690	-29,698
Changes in value for fund units **	643,677	1,355,834
Interest income	-46	-347
Dividends	17,644	16,191
Currency exchange profits and losses, net	-15,947	1,993
Other financial income ¹⁾	67,978	67,175
Other income	0	39
Total income and changes in value	742,995	1,411,187

EXPENSES

Management costs:		
- Remuneration to the Management Company	83,409	70,323
Interest expense	373	17
Other expenses	329	438
Total expenses	84,111	70,778
Net income	658,884	1,340,409

* Details of changes in value

Capital gains	96,776	137,769
Capital losses	-76,275	-175,467
Unrealised gains/losses	9,189	8,000
Sum	29,690	-29,698

** Details of changes in value

Capital gains	435,855	351,979
Capital losses	-23	-8,937
Unrealised gains/losses	207,845	1,012,792
Sum	643,677	1,355,834

1) The item consists primarily of discounts for management costs in underlying funds.

Handelsbanken Pension 70 Aktiv, cont.

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	-	-	488	0.0
Fund units	7,513,826	97.0	6,336,436	97.8
Total financial instruments with positive market value ^{Note 2)}	7,513,826	97.0	6,336,924	97.8
Bank assets and other liquid assets	269,795	3.5	139,271	2.2
Prepaid expenses and accrued income	6,288	0.1	6,099	0.1
Other assets	3,103	0.0	3,374	0.1
Total assets	7,793,012	100.6	6,485,668	100.1
LIABILITIES				
OTC derivative instruments with negative market value	1,084	0.0	-	-
Total financial instruments with negative market value ^{Note 2)}	1,084	0.0	-	-
Accrued expenses and prepaid income	8,152	0.1	6,801	0.1
Other liabilities	33,181	0.5	938	0.0
Total liabilities	42,417	0.6	7,739	0.1
Fund capital ^{Note 1)}	7,750,595	100.0	6,477,929	100.0
Other derivative instruments with negative market value ¹⁾	37,826	0.5	22,551	0.3

1) Cash and cash equivalents SEK 37 826 t

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	6,477,929	4,421,659
Units issued ¹⁾	896,859	857,543
Units redeemed	-283,077	-141,682
Profit according to Income Statement	658,884	1,340,409
Dividends to unit holders	-	-
Fund capital at the close of the period	7,750,595	6,477,929

Note 2) for Balance sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
STOCK INDEX FUTURES			
OMXS30 ESG Future Jan 2021 ¹⁾	-191	0	0.0
S&P500 Emini Future Mar 2021 ²⁾	98	0	0.0
Stoxx Europe 600 Index Future Mar 2021 ³⁾	1,144	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
INTEREST RATE FUTURES			
US 10Y Note (CBT) Future Mar 2021 ⁴⁾	-64	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 SEK t	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG Acc World-SEK	7,915,322	102,741	1.3
Fidelity Funds - Sustain. Water & Waste AC	20,307,789	216,887	2.8
JPM Europe Small Cap A Acc EUR	135,654	156,636	2.0
Montanaro Better World Fund	8,568,810	112,586	1.5
SHB Amerika Småbolag Tema (A1 SEK)	343,115	382,377	4.9
SHB Amerika Tema (A1 SEK)	298,705	393,935	5.1
SHB Asien Tema (A1 SEK)	140,157	117,277	1.5
SHB Emerging Markets Index (A1 SEK)	360,588	63,488	0.8
SHB Europa Index Criteria (A1 SEK)	2,320,040	299,900	3.9
SHB Global Högutdelande (A1 SEK)	381,836	36,757	0.5
SHB Hållbar Energi (A1 SEK)	332,886	133,032	1.7
SHB Hälsovård Tema (A1 SEK)	378,577	111,356	1.4
SHB Japan Tema (A1 SEK)	2,119,771	227,576	2.9
SHB Norden (A1 SEK)	891,109	1,262,769	16.3
SHB Norden Index Criteria (A1 SEK)	4,039,856	564,634	7.3
SHB Norden Selektiv (A1 SEK)	799,455	386,404	5.0
SHB Nordiska Småbolag (A1 SEK)	461,764	725,482	9.4
SHB Tillväxtmarknad Tema (A1 SEK)	790,925	302,639	3.9
SHB USA Index Criteria (A1 SEK)	1,410,359	684,013	8.8
UBS Equity SICAV-USA Growth Sustain	190,886	216,885	2.8
		6,497,375	83.8
LISTED EQUITY FUNDS**			
XACT Högutdelande	3,177,099	375,895	4.8
XACT Norden	3,384,403	488,883	6.3
		864,777	11.2

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
FIXED INCOME FUNDS			
UI - Aktia EM Local Currency Bond+ - s1	1,502,172	151,674	2.0
		151,674	2.0
Total fund units		7,513,826	97.0

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
EUR/SEK ⁵⁾		-1,084	0.0
		-1,084	0.0
Total OTC derivative instruments		-1,084	0.0
Total other financial instruments		7,512,743	96.9
Total holdings in financial instruments		7,512,743	96.9
Net, other assets and liabilities		237,852	3.1
Total fund capital		7,750,595	100.0

1) Stock index futures with underlying exposure of SEK -35 197 t, which is equivalent to 0.5% of fund capital.

2) Stock index futures with underlying exposure of SEK 150 857 t, which is equivalent to 1.9% of fund capital.

3) Stock index futures with underlying exposure of SEK 229 047 t, which is equivalent to 3.0% of fund capital.

4) Interest rate futures with underlying exposure of SEK -72 996 t, which is equivalent to 0.9% of fund capital.

5) EUR 13 800 t/SEK -139 875 t, counterparty Nordea Bank Abp.

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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).

11.2

*** Refers to other financial instruments.

85.8

Compilation, Company and Group exposure*

Company/Group	% of fund capital
Fidelity Funds	4.1

* 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 70 Aktiv

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.

The fund invests in other funds and does not invest directly in companies.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used for sustainability efforts

Exclusion

The fund excludes companies in their entirety that are 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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made to the principle of excluding fossil fuels for a period of time if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

The fund invests exclusively in underlying funds that meet the exclusion requirements above.

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

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. This applies to our own funds as well as funds from other fund management companies. Fund investments are selected and followed up in a selection process that includes sustainability criteria at the fund and the fund management company level. The evaluation of a fund management company includes the organization, sustainability, the fund management team and the investment process. It is also possible to invest in funds that invest in companies that are transitioning their business operations in a more sustainable direction, so-called transition companies.

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 support.

Given that the fund is a fund of funds and thus only invests in other funds, there are no direct engagement efforts with companies. Engagement occurs through direct dialogues with fund management companies and fund managers, collaborations and sector initiatives, as well as through participation in investor networks.

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 Management Company carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder by voting at annual general meetings, working on nomination committees and through dialogues in various forms depending on the fund's character. Read more under each individual fund.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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

In recent years we have worked based on enhanced sustainability requirements. This means that the fund excludes* funds with investments in companies where the principal business activities are within controversial sectors. Refer to the description above under the heading *Exclusion*.

During the year we continued to integrate the sustainability efforts into the investment process and improving the measurability in the sustainability efforts has been a high priority. We use a model that was developed in-house to measure our investment exposure against the Sustainable Development Goals, i.e., to what degree a company's business contributes to fulfilling the specific targets in Agenda 2030. The fund's benchmark index reflects our sustainable investment criteria.

We continuously have dialogues with providers who are willing to meet our requirements in existing investments, and in some cases we have also launched new funds together with them that meet the enhanced requirements. During the year we continued to invest in funds with focus on the global sustainable transition.

** 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 reducing 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 portfolio 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 in funds within Handelsbanken, as well as in funds managed by other fund management companies. Refer to Portfolio distribution at www.handelsbanken.se/funds for the current distribution. The fund may invest in derivative instruments as part of the fund's investment focus. The fund takes international norms and guidelines for the environment, social responsibility and corporate governance into consideration and applies an exclusion strategy on companies (both direct holdings, as well as holdings in which the fund invests) active within the alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuel areas/sectors. However, the fund may invest in companies considered to be transitioning their business operations from fossil fuel production to renewable energy. This applies to both direct holdings, as well as holdings in funds in which the fund invests. The fund's investments in index derivatives will be primarily invested in sustainability-oriented instruments. In the event such instruments are not available, the fund will invest in index derivatives and index products that may include companies not permitted in accordance with the exclusion criteria stated above. We compare the fund's 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. However, the fund may invest in companies considered to be transitioning their business operations from fossil fuel production to renewable energy. This applies to both direct holdings, as well as holdings in funds in which the fund invests. The fund's investments in index derivatives will be primarily invested in sustainability-oriented instruments. In the event such instruments are not available, the fund will invest in index derivatives and index products that may include companies not permitted in accordance with the exclusion criteria stated above. We compare the fund's performance to an index consisting of SIX SRI Nordic 200 Net Index-50% and Solactive ISS ESG Screened Global Markets Index-50%. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund is managed based on an investment process that includes the analysis of markets, asset classes and products in which the fund invests. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 9.5% in 2020*. The year was dominated by the corona pandemic which led to a significant slowdown in the global economy and sharp fluctuations in the financial markets. The market swung between concerns about an increased spread of the virus and economic data that was actually stronger than expected. After sharp downturns in Q1, the stock markets rebounded. The World Index rose 4,80% (SEK) during the year. A stronger SEK weighed on the returns of foreign assets. Swedish and Nordic stock markets posted the most strength, while performance in Europe was weaker. Market rates in the US, Europe and Sweden fell, which caused bonds to outperform fixed income investments with a shorter duration. The value of emerging market bonds fell during the year. We had an underweight in equities during the winter and spring months.

We then gradually increased the proportion of equities and had an overweight in equities during H2. Regionally, we prefer the stock markets in Sweden, Europe and emerging markets. We also have an overweight in the US, while we are neutral in Japan. During the autumn we also invested in the Montanaro Better World Fund, which makes investments that are considered as having a favorable impact on society in terms of ESG. We have a short duration as well as an overweight in credits and emerging market bonds within the fixed income holdings. We also took a short position in US 10-year government bonds during the autumn.

*) 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The fixed interest 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 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

• Highest leverage during the financial year	18.8%
• Lowest leverage during the financial year	5.4%
• Average leverage during the financial year	8.5%

Information

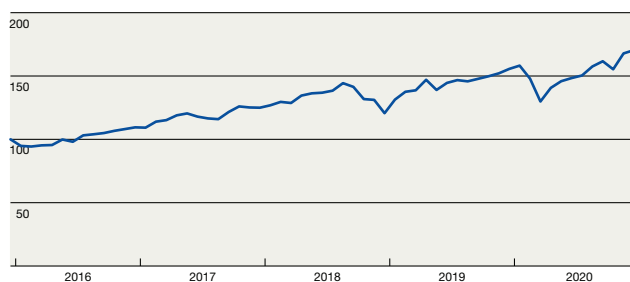
The fund's historical performance prior to the launch date is attributed to the merger between Placeringsfonden Handelsbanken Pension 80 Aktiv (Finland) and Handelsbanken Pension 80 Aktiv (Sweden) that occurred on September 12, 2014.

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.

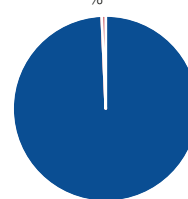
Handelsbanken Pension 80 Aktiv, cont.

Fund performance*



Market exposure*

Interest-bearing, including liquid assets 0.70 %



Equities, shares 99.30 %

* The fund's allocation of investments within the markets as of 31/12/2020, relative to the fund's total assets on this date.

Fund facts - history

	2020	2019	2018	2017	2016	2015	12/9-31/12 2014	2013	2012	2011
Net asset value, SEK	316.09	288.62	223.76	231.80	203.04	185.48	167.04	-	-	-
The fund's total net flow, SEK m	248	269	173	129	92	123	35	-	-	-
Fund capital, mSEK	2,866	2,369	1,610	1,507	1,201	1,006	796	-	-	-
Number of units, 1000's	9,066	8,207	7,197	6,501	5,917	5,425	4,766	-	-	-
Total returns in %, SEK	+9.5	+29.0	-3.5	+14.2	+9.5	+11.0	+20.6	+23.7	+14.6	-14.2
Index including dividends in %, SEK	+8.4	+32.4	-2.7	+12.6	+11.9	+8.4	+22.0	+23.8	+13.2	-11.2
Tracking error, 2 yrs. % ¹⁾	2.1	1.6	1.4	1.2	1.7	1.6	1.3	-	-	-
Average yearly return, 2 yrs. %	+18.9	+11.6	+5.0	+11.8	+10.3	+15.7	+22.1	+19.1	-0.8	-1.3
Comparison to index including dividends, %	+19.8	+13.5	+4.7	+12.3	+10.1	+15.0	+22.9	+18.4	+0.3	+0.1
Average yearly return, 5 yrs. %	+11.3	+11.6	+10.1	+15.7	+15.8	+10.2	+10.8	+13.1	-1.6	-3.0
Comparison to index including dividends, %	+12.0	+12.0	+10.2	+15.6	+15.7	+10.5	+11.4	+12.6	-1.3	-2.3
Average yearly return, 10 yrs. %	+10.7	+11.2	+11.6	+6.7	+6.0	+6.2	-	-	-	-
Comparison to index including dividends, %	+11.2	+11.7	+11.4	+6.8	+6.3	+6.3	-	-	-	-

1) The fund's realized tracking error increased last year relative to the previous year. During the latter part of the year in general, the fund's exposure in equities was higher than its benchmark index. Within the fund's fixed income investments, the fund had a higher risk than its benchmark index, primarily through credit exposures and emerging market bonds. Overall, the fund had a slightly higher risk than its benchmark index. This, together with a generally high realized volatility (risk) in many of the markets invested by the fund, contributed to the fund's higher realized tracking error.

Benchmark: SIX SRI Nordic 200 Net Index (50%), 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 %	1.28
Transaction costs, SEK thousand	107
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	122.22
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	0.2
Share of turnover conducted via closely-related securities companies in %	7.4
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and return measurements*

Total risk %	16.8	Information ratio	Negative
Total risk in index %	16.5	Sharpe ratio	1.1
Benchmark	SIX SRI Nordic 200 Net Index (50%), Solactive ISS ESG Screened Global Markets Index (50%).	Sharpe ratio in index	1.2

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, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	10,002	-11,111
Changes in value for fund units **	243,311	495,364
Interest income	-16	-124
Dividends	6,363	5,835
Currency exchange profits and losses, net	-5,275	592
Other financial income ¹⁾	25,066	24,563
Other income	0	11
Total income and changes in value	279,451	515,130
EXPENSES		
Management costs:		
- Remuneration to the Management Company	30,713	25,705
Interest expense	133	7
Other expenses	122	151
Total expenses	30,968	25,863
Net income	248,483	489,267

* Details of changes in value

Capital gains	35,240	49,991
Capital losses	-28,598	-63,997
Unrealised gains/losses	3,360	2,895
Sum	10,002	-11,111

** Details of changes in value

Capital gains	155,352	126,787
Capital losses	-10	-3,261
Unrealised gains/losses	87,970	371,838
Sum	243,311	495,364

1) The item consists primarily of discounts for management costs in underlying funds.

Handelsbanken Pension 80 Aktiv, cont.

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	-	-	179	0.0
Fund units	2,779,413	97.0	2,314,378	97.7
Total financial instruments with positive market value ^{Note 2)}	2,779,413	97.0	2,314,557	97.7
Bank assets and other liquid assets	99,200	3.5	52,827	2.2
Prepaid expenses and accrued income	2,321	0.1	2,232	0.1
Other assets	1,647	0.0	2,505	0.1
Total assets	2,882,581	100.6	2,372,121	100.1
LIABILITIES				
OTC derivative instruments with negative market value	408	0.0	-	-
Total financial instruments with negative market value ^{Note 2)}	408	0.0	-	-
Accrued expenses and prepaid income	3,008	0.1	2,486	0.1
Other liabilities	13,588	0.5	856	0.0
Total liabilities	17,004	0.6	3,342	0.1
Fund capital ^{Note 1)}	2,865,577	100.0	2,368,779	100.0
Other derivative instruments with negative market value ¹⁾	13,933	0.5	8,239	0.3

1) Cash and cash equivalents SEK 13 933 t

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	2,368,779	1,610,429
Units issued ¹⁾	402,161	358,756
Units redeemed	-153,846	-89,673
Profit according to Income Statement	248,483	489,267
Dividends to unit holders	-	-
Fund capital at the close of the period	2,865,577	2,368,779

Note 2) for Balance sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
STOCK INDEX FUTURES			
OMXS30 ESG Future Jan 2021 ¹⁾	-71	0	0.0
S&P500 Emini Future Mar 2021 ²⁾	36	0	0.0
Stoxx Europe 600 Index Future Mar 2021 ³⁾	421	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
INTEREST RATE FUTURES			
US 10Y Note (CBT) Future Mar 2021 ⁴⁾	-24	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 SEK t	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG Acc World-SEK	3,061,431	39,737	1.4
Fidelity Funds - Sustain. Water & Waste AC	7,758,393	82,860	2.9
JPM Europe Small Cap A Acc EUR	51,484	59,447	2.1
Montanaro Better World Fund	3,182,672	41,817	1.5
SHB Amerika Småbolag Tema (A1 SEK)	126,375	140,836	4.9
SHB Amerika Tema (A1 SEK)	108,094	142,556	5.0
SHB Asien Tema (A1 SEK)	51,475	43,072	1.5
SHB Emerging Markets Index (A1 SEK)	132,024	23,245	0.8
SHB Europa Index Criteria (A1 SEK)	915,096	118,290	4.1
SHB Global Högutdelande (A1 SEK)	140,747	13,549	0.5
SHB Hållbar Energi (A1 SEK)	139,861	55,893	2.0
SHB Hälsovård Tema (A1 SEK)	133,604	39,299	1.4
SHB Japan Tema (A1 SEK)	856,565	91,960	3.2
SHB Norden (A1 SEK)	329,891	467,480	16.3
SHB Norden Index Criteria (A1 SEK)	1,491,137	208,410	7.3
SHB Norden Selektiv (A1 SEK)	279,079	134,888	4.7
SHB Nordiska Småbolag (A1 SEK)	166,232	261,169	9.1
SHB Tillväxtmarknad Tema (A1 SEK)	295,499	113,069	3.9
SHB USA Index Criteria (A1 SEK)	518,879	251,652	8.8
UBS Equity SICAV-USA Growth Sustain	72,269	82,113	2.9
		2,411,344	84.2
LISTED EQUITY FUNDS**			
XACT Högutdelande	1,131,207	133,837	4.7
XACT Norden	1,233,469	178,177	6.2
		312,014	10.9

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
FIXED INCOME FUNDS			
SHB Räntestrategi (A1 SEK)	136	14	0.0
UI - Aktia EM Local Currency Bond+ - s1	555,028	56,041	2.0
		56,055	2.0
Total fund units		2,779,413	97.0

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
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OTC DERIVATIVE INSTRUMENTS**CURRENCY FUTURES**

EUR/SEK ⁵⁾		-408	0.0
		-408	0.0
Total OTC derivative instruments		-408	0.0
Total other financial instruments		2,779,005	97.0
Total holdings in financial instruments		2,779,005	97.0
Net, other assets and liabilities		86,572	3.0
Total fund capital		2,865,577	100.0

1) Stock index futures with underlying exposure of SEK -13 084 t, which is equivalent to 0.5% of fund capital.

2) Stock index futures with underlying exposure of SEK 55 417 t, which is equivalent to 1.9% of fund capital.

3) Stock index futures with underlying exposure of SEK 84 291 t, which is equivalent to 2.9% of fund capital.

4) Interest rate futures with underlying exposure of SEK -27 373 t, which is equivalent to 1.0% of fund capital.

5) EUR 5 200 t/SEK -52 706 t, counterparty Nordea Bank Abp.

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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).

10.9

*** Refers to other financial instruments.

86.1

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

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 invests in other funds and does not invest directly in companies.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used for sustainability efforts

Exclusion

The fund excludes companies in their entirety that are 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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made to the principle of excluding fossil fuels for a period of time if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

The fund invests exclusively in underlying funds that meet the exclusion requirements above.

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

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. This applies to our own funds as well as funds from other fund management companies. Fund investments are selected and followed up in a selection process that includes sustainability criteria at the fund and the fund management company level. The evaluation of a fund management company includes the organization, sustainability, the fund management team and the investment process. It is also possible to invest in funds that invest in companies that are transitioning their business operations in a more sustainable direction, so-called transition companies.

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 support.

Given that the fund is a fund of funds and thus only invests in other funds, there are no direct engagement efforts with companies. Engagement occurs through direct dialogues with fund management companies and fund managers, collaborations and sector initiatives, as well as through participation in investor networks.

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 Management Company carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder by voting at annual general meetings, working on nomination committees and through dialogues in various forms depending on the fund's character. Read more under each individual fund.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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

In recent years we have worked based on enhanced sustainability requirements. This means that the fund excludes* funds with investments in companies where the principal business activities are within controversial sectors. Refer to the description above under the heading *Exclusion*.

During the year we continued to integrate the sustainability efforts into the investment process and improving the measurability in the sustainability efforts has been a high priority. We use a model that was developed in-house to measure our investment exposure against the Sustainable Development Goals, i.e., to what degree a company's business contributes to fulfilling the specific targets in Agenda 2030. The fund's benchmark index reflects our sustainable investment criteria.

We continuously have dialogues with providers who are willing to meet our requirements in existing investments, and in some cases we have also launched new funds together with them that meet the enhanced requirements. During the year we continued to invest in funds with focus on the global sustainable transition.

** 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 reducing 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 portfolio 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 in funds within Handelsbanken, as well as in funds managed by other fund management companies. The fund may invest in derivative instruments as part of the fund's investment focus. The fund takes international norms and guidelines for the environment, social responsibility and corporate governance into consideration and applies an exclusion strategy on companies (both direct holdings, as well as holdings in which the fund invests) active within the alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuel areas/sectors. However, the fund may invest in companies considered to be transitioning their business operations from fossil fuel production to renewable energy. This applies to both direct holdings, as well as holdings in funds in which the fund invests. The fund's investments in index derivatives will be primarily invested in sustainability-oriented instruments. In the event such instruments are not available, the fund will invest in index derivatives and index products that may include companies not permitted in accordance with the exclusion criteria stated above. We compare fund performance with a composite index consisting of SIX SRI Nordic 200 Net Index 50%, Solactive ISS ESG Screened Global Markets Index 50%. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund is managed based on an investment process that includes the analysis of markets, asset classes and products in which the fund invests. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 9.5% in 2020*. The year was dominated by the corona pandemic which led to a significant slowdown in the global economy and sharp fluctuations in the financial markets. The market swung between concerns about an increased spread of the virus and economic data that was actually stronger than expected. After sharp downturns in Q1, the stock markets rebounded. The World Index rose 4,80% (SEK) during the year. A stronger SEK weighed on the returns of foreign assets. Swedish and Nordic stock markets posted the most strength, while performance in Europe was weaker. Market rates in the US, Europe and Sweden fell, which caused bonds to outperform fixed income investments with a shorter duration. The value of emerging market bonds fell during the year. We had an underweight in equities during the winter and spring months.

We then gradually increased the proportion of equities and had an overweight in equities during H2. Regionally, we prefer the stock markets in Sweden, Europe and emerging markets. We also have an overweight in the US, while we are neutral in Japan. During the autumn we also invested in the Montanaro Better World Fund, which makes investments that are considered as having a favorable impact on society in terms of ESG. We have a short duration as well as an overweight in credits and emerging market bonds within the fixed income holdings. We also took a short position in US 10-year government bonds during the autumn.

*) 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. 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 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

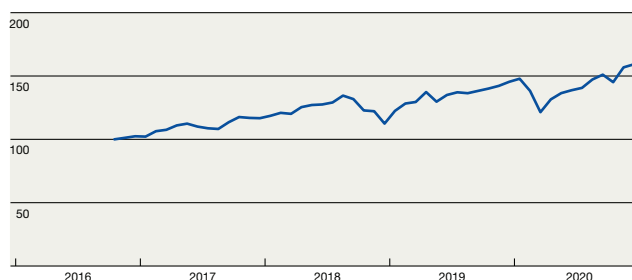
• Highest leverage during the financial year	19.3%
• Lowest leverage during the financial year	5.1%
• Average leverage during the financial year	8.5%

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 Pension 90 Aktiv, cont.

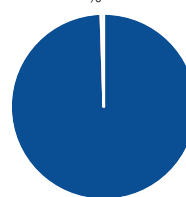
Fund performance*



* Performance is shown in the fund's base currency.

Market exposure*

Interest-bearing, including liquid assets 0.50 %



Equities, shares 99.50 %

* The fund's allocation of investments within the markets as of 31/12/2020, relative to the fund's total assets on this date.

Fund facts - history

	2020	2019	2018	2017	26/10-31/12 2016	2015	2014	2013	2012	2011
Net asset value, SEK	158.94	145.17	112.21	116.47	102.24	-	-	-	-	-
The fund's total net flow, SEK m	92	75	28	14	12	-	-	-	-	-
Fund capital, mSEK	266	150	53	29	13	-	-	-	-	-
Number of units, 1000's	1,676	1,035	473	248	123	-	-	-	-	-
Total returns in %, SEK	+9.5	+29.4	-3.7	+13.9	+2.2	-	-	-	-	-
Index including dividends in %, SEK	+8.4	+32.4	-2.7	+12.6	+3.3	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾	2.0	1.5	1.4	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %	+19.0	+11.6	+4.8	-	-	-	-	-	-	-
Comparison to index including dividends, %	+19.8	+13.5	+4.7	-	-	-	-	-	-	-

1) The fund's realized tracking error increased last year relative to the previous year. During the latter part of the year in general, the fund's exposure in equities was higher than its benchmark index. Within the fund's fixed income investments, the fund had a higher risk than its benchmark index, primarily through credit exposures and emerging market bonds. Overall, the fund had a slightly higher risk than its benchmark index. This, together with a generally high realized volatility (risk) in many of the markets invested by the fund, contributed to the fund's higher realized tracking error.

Benchmark: SIX SRI Nordic 200 Net Index (50%), 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 %	1.28
Transaction costs, SEK thousand	11
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	122.24
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	0.2
Share of turnover conducted via closely-related securities companies in %	9.4
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and return measurements*

Total risk %	16.9	Information ratio	Negative
Total risk in index %	16.5	Sharpe ratio	1.1
Benchmark	SIX SRI Nordic 200 Net Index (50%), Solactive ISS ESG Screened Global Markets Index (50%).	Sharpe ratio in index	1.2
Active return %	-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, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments ¹⁾	1,414	-89
Changes in value for fund units ²⁾	23,341	21,681
Interest income	0	-2
Dividends	499	257
Currency exchange profits and losses, net	-527	-73
Other financial income ¹⁾	1,957	1,177
Other income	0	3
Total income and changes in value	26,685	22,954
EXPENSES		
Management costs:		
- Remuneration to the Management Company	2,424	1,262
Interest expense	6	2
Other expenses	11	7
Total expenses	2,441	1,271
Net income	24,244	21,683

* Details of changes in value

Capital gains	2,941	1,319
Capital losses	-1,868	-1,423
Unrealised gains/losses	342	15
Sum	1,414	-89

** Details of changes in value

Capital gains	3,583	1,660
Capital losses	-1,282	-208
Unrealised gains/losses	21,041	20,229
Sum	23,341	21,681

1) The item consists primarily of discounts for management costs in underlying funds.

Handelsbanken Pension 90 Aktiv, cont.

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	-	-	10	0.0
Fund units	258,584	97.1	145,722	97.0
Total financial instruments with positive market value ^{Note 2)}	258,584	97.1	145,732	97.0
Bank assets and other liquid assets	8,641	3.2	4,264	2.8
Prepaid expenses and accrued income	211	0.1	138	0.1
Other assets	493	0.2	937	0.7
Total assets	267,929	100.6	151,071	100.6
LIABILITIES				
OTC derivative instruments with negative market value	32	0.0	-	-
Total financial instruments with negative market value ^{Note 2)}	32	0.0	-	-
Accrued expenses and prepaid income	274	0.1	155	0.1
Other liabilities	1,223	0.5	688	0.5
Total liabilities	1,529	0.6	843	0.6
Fund capital ^{Note 1)}	266,400	100.0	150,228	100.0
Other derivative instruments with negative market value ¹⁾	161	0.1	48	0.0

1) Cash and cash equivalents SEK 161 t

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	150,228	53,111
Units issued	132,378	92,674
Units redeemed	-40,450	-17,240
Profit according to Income Statement	24,244	21,683
Dividends to unit holders	-	-
Fund capital at the close of the period	266,400	150,228

Note 2) for Balance sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
STOCK INDEX FUTURES			
OMXS30 ESG Future Jan 2021 ¹⁾	-6	0	0.0
S&P500 Emini Future Mar 2021 ²⁾	4	0	0.0
Stoxx Europe 600 Index Future Mar 2021 ³⁾	38	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
INTEREST RATE FUTURES			
US 10Y Note (CBT) Future Mar 2021 ⁴⁾	-2	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 SEK t	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG Acc World-SEK	287,101	3,727	1.4
Fidelity Funds - Sustain. Water & Waste AC	714,802	7,634	2.9
JPM Europe Small Cap A Acc EUR	4,775	5,513	2.1
Montanaro Better World Fund	308,936	4,059	1.5
SHB Amerika Småbolag Tema (A1 SEK)	11,648	12,980	4.9
SHB Amerika Tema (A1 SEK)	10,267	13,540	5.1
SHB Asien Tema (A1 SEK)	4,531	3,792	1.4
SHB Emerging Markets Index (A1 SEK)	11,475	2,020	0.8
SHB Europa Index Criteria (A1 SEK)	80,108	10,355	3.9
SHB Global Högtudelande (A1 SEK)	13,918	1,340	0.5
SHB Hållbar Energi (A1 SEK)	13,595	5,433	2.0
SHB Hålsövärd Tema (A1 SEK)	12,746	3,749	1.4
SHB Japan Tema (A1 SEK)	70,578	7,577	2.8
SHB Norden (A1 SEK)	30,830	43,689	16.4
SHB Norden Index Criteria (A1 SEK)	134,311	18,772	7.0
SHB Norden Selektiv (A1 SEK)	26,605	12,859	4.8
SHB Nordiska Småbolag (A1 SEK)	15,107	23,735	8.9
SHB Tillväxtmarknad Tema (A1 SEK)	27,285	10,440	3.9
SHB USA Index Criteria (A1 SEK)	48,971	23,750	8.9
UBS Equity SICAV-USA Growth Sustain	7,247	8,234	3.1
		223,200	83.8
LISTED EQUITY FUNDS**			
XACT Högtudelande	114,701	13,571	5.1
XACT Norden	115,494	16,683	6.3
		30,254	11.4

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
FIXED INCOME FUNDS			
UI - Aktia EM Local Currency Bond+ - s1	50,814	5,131	1.9
		5,131	1.9
Total fund units		258,584	97.1

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
EUR/SEK ⁵⁾		-32	0.0
		-32	0.0
Total OTC derivative instruments		-32	0.0
Total other financial instruments		258,552	97.1
Total holdings in financial instruments		258,552	97.1
Net, other assets and liabilities		7,848	3.0
Total fund capital		266,400	100.0

1) Stock index futures with underlying exposure of SEK -1 106 t, which is equivalent to 0.4% of fund capital.

2) Stock index futures with underlying exposure of SEK 6 157 t, which is equivalent to 2.3% of fund capital.

3) Stock index futures with underlying exposure of SEK 7 608 t, which is equivalent to 2.9% of fund capital.

4) Interest rate futures with underlying exposure of SEK -2 281 t, which is equivalent to 0.9% of fund capital.

5) EUR 410 t/SEK -4 156 t, counterparty Nordea Bank Abp.

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

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** 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).

11.4

*** Refers to other financial instruments.

85.7

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

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Methods used for sustainability efforts

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The fund also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made to the principle of excluding fossil fuels for a period of time if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

The fund invests exclusively in underlying funds that meet the exclusion requirements above.

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Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. This applies to our own funds as well as funds from other fund management companies. Fund investments are selected and followed up in a selection process that includes sustainability criteria at the fund and the fund management company level. The evaluation of a fund management company includes the organization, sustainability, the fund management team and the investment process. It is also possible to invest in funds that invest in companies that are transitioning their business operations in a more sustainable direction, so-called transition companies.

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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 Management Company carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder by voting at annual general meetings, working on nomination committees and through dialogues in various forms depending on the fund's character. Read more under each individual fund.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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

In recent years we have worked based on enhanced sustainability requirements. This means that the fund excludes* funds with investments in companies where the principal business activities are within controversial sectors. Refer to the description above under the heading *Exclusion*.

During the year we continued to integrate the sustainability efforts into the investment process and improving the measurability in the sustainability efforts has been a high priority. We use a model that was developed in-house to measure our investment exposure against the Sustainable Development Goals, i.e., to what degree a company's business contributes to fulfilling the specific targets in Agenda 2030. The fund's benchmark index reflects our sustainable investment criteria.

We continuously have dialogues with providers who are willing to meet our requirements in existing investments, and in some cases we have also launched new funds together with them that meet the enhanced requirements. During the year we continued to invest in funds with focus on the global sustainable transition.

** 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. 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 in power generation, distribution or services related to fossil fuels in those cases where the company is deemed to be transitioning its operations to more renewable energy. The 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. 45-85% of the fund's value shall be invested in equity funds or other equity-related financial instruments, 15-55% in fixed income funds or other fixed income related financial instruments. The fund may invest in derivative instruments as part of the fund's investment focus. We compare the fund's performance with an index consisting of SIX SRI Sweden Index GI (33,3%), Solactive ISS ESG Global Markets (33,3%), HMNI Swe All Government Dur Const 6Y (23,38%), HMNI Swe All Mortgage Dur Const 2.5Y (10,02%). The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund is managed based on an investment process that includes the analysis of markets, asset classes and products in which the fund invests. The exposure allocation is based on the fund management team's ongoing analysis of market conditions, including the economic cycle, valuations and liquidity. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 8.9% in 2020*. The year was dominated by the corona pandemic which led to a significant slowdown in the global economy and sharp fluctuations in the financial markets. The market swung between concerns about an increased spread of the virus and economic data that was actually stronger than expected. After sharp downturns in Q1, the stock markets rebounded. The World Index rose 4,80% (SEK) during the year. A stronger SEK weighed on the returns of foreign assets. Swedish and Nordic stock markets posted the most strength, while performance in Europe was weaker. Market rates in the US, Europe and Sweden fell, which caused bonds to outperform fixed income investments with a shorter duration. The value of emerging market bonds fell during the year. We had an underweight in equities during the winter and spring months. We then gradually increased the proportion of equities and had an overweight in equities during H2. Regionally, we prefer the stock markets in Sweden, Europe and emerging markets. We also have an overweight in the US, while we are neutral in Japan. During the autumn we also invested in the Montanaro Better World Fund, which makes investments that are considered as having a favorable impact on society in terms of

ESG. We have a short duration as well as an overweight in credits and emerging market bonds within the fixed income holdings. We also took a short position in US 10-year government bonds during the autumn.

*) 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 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 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The fixed interest 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 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

• Highest leverage during the financial year	24.7%
• Lowest leverage during the financial year	6.3%
• Average leverage during the financial year	11.1%

Information

As of September 15, 2020 the fund changed its fund rules.

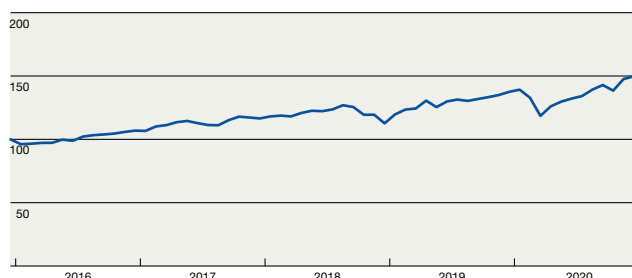
As of March 1, 2020, the fund changed its fund rules. The fund's investment interval for both the equity and interest rate components changed.

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.

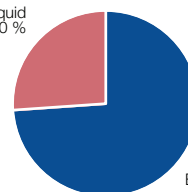
Fund performance*



* 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 26.10 %



Equities, shares 73.90 %

* The fund's allocation of investments within the markets as of 31/12/2020, relative to the fund's total assets on this date.

Fund facts - history

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net asset value, SEK										
Stiftelsefond A1	111.11	102.11	-	-	-	-	-	-	-	-
Stiftelsefond B1	141.53	135.67	114.77	123.59	117.97	114.50	114.37	103.43	92.86	87.69
The fund's total net flow, SEK m	536	983	494	425	131	335	22	68	-22	-
Fund capital total, SEK m	7,169	6,131	4,174	3,852	3,154	2,833	-	-	-	-
Stiftelsefond A1	61	3	-	-	-	-	-	-	-	-
Stiftelsefond B1	7,108	4,051	3,286	3,852	3,154	2,833	2,434	2,110	1,776	1,646
Number of units, 1000's	50,777	45,090	36,330	31,167	26,738	24,744	-	-	-	-
Stiftelsefond A1	552	29	-	-	-	-	-	-	-	-
Stiftelsefond B1	50,225	29,856	28,632	31,167	26,738	24,744	21,285	20,401	19,129	18,765
Total returns in %, SEK	+8.9	+22.1	-3.3	+9.0	+6.9	+3.7	+14.8	+15.2	+9.8	-6.2
Index including dividends in %, SEK	+7.0	+23.4	-1.3	+7.1	+9.3	+4.1	+17.0	+14.8	+9.8	-2.6
Tracking error, 2 yrs. % ¹⁾	2.8	1.5	1.4	1.0	0.9	0.9	1.0	1.0	1.5	1.6
Average yearly return, 2 yrs. %										
Stiftelsefond B1	+15.3	+8.7	+2.7	+7.9	+5.3	+9.1	+15.0	+12.5	+1.5	+1.5
Comparison to index including dividends, %	+14.9	+10.4	+2.9	+8.2	+6.7	+10.4	+15.9	+12.3	+3.4	+4.2
Average yearly return, 5 yrs. %										
Stiftelsefond B1	+8.4	+7.4	+6.0	+9.8	+10.0	+7.2	+8.4	+10.0	+1.9	+0.1
Comparison to index including dividends, %	+8.8	+8.2	+7.1	+10.4	+10.9	+8.4	+9.8	+10.8	+3.1	+1.4
Average yearly return, 10 yrs. %										
Stiftelsefond B1	+7.8	+7.9	+8.0	+5.8	+4.9	+4.9	+6.1	+5.3	+5.1	-
Comparison to index including dividends, %	+8.6	+9.0	+8.9	+6.7	+6.0	+5.8	+7.2	+6.4	+6.2	-
Dividends per unit, SEK	5.43	4.02	4.94	4.72	4.01	4.29	3.88	3.25	3.25	3.40

1) The fund's realized tracking error increased last year relative to the previous year. During the latter part of the year in general, the fund's exposure in equities was higher than its benchmark index. Within the fund's fixed income investments, the fund had a higher risk than its benchmark index, primarily through credit exposures and emerging market bonds. Overall, the fund had a slightly higher risk than its benchmark index. This, together with a generally high realized volatility (risk) in many of the markets invested by the fund, contributed to the fund's higher realized tracking error.

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.

Fund facts - costs

Max. allowed mgmt. costs in % according to fund rules	
Stiftelsefond A1	0.90
Stiftelsefond B1	0.90
Collected mgmt. costs in % of average fund capital	
Stiftelsefond A1	0.90
Stiftelsefond B1	0.90
Annual fees in %	
Stiftelsefond A1	1.06
Stiftelsefond B1	1.06
Transaction costs, SEK thousand	347
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Stiftelsefond A1	88.34
Stiftelsefond B1	88.49
Costs in SEK for monthly savings, 100 SEK	
Stiftelsefond A1	6.15
Stiftelsefond B1	6.32

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 %	5.3
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and return measurements*

Total risk %	13.6	Information ratio	0.2
Total risk in index %	11.5	Sharpe ratio	1.2
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%	Sharpe ratio in index	1.3
Active return %	0.4		

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

Handelsbanken Stiftelsefond, cont.

Income statement, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *		
Changes in value for fund units **	5,540	-31,295
Interest income	545,708	1,038,487
Dividends	-22	-285
Dividends	2,885	233
Currency exchange profits and losses, net	5,641	-9,467
Other financial income ¹⁾	49,456	43,148
Other income	27	563
Total income and changes in value	609,235	1,041,384
EXPENSES		
Management costs:		
- Remuneration to the Management Company	54,222	38,517
Interest expense	642	94
Other expenses	422	74
Total expenses	55,286	38,685
Net income	553,948	1,002,699
* Details of changes in value		
Capital gains	131,737	22,030
Capital losses	-136,870	-61,401
Unrealised gains/losses	10,673	8,076
Sum	5,540	-31,295
** Details of changes in value		
Capital gains	327,318	564,911
Capital losses	-97,024	-5,336
Unrealised gains/losses	315,414	478,912
Sum	545,708	1,038,487

1) The item consists primarily of discounts for management costs in underlying funds.

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	-	-	376	0.0
Fund units	6,966,601	97.2	5,940,104	96.9
Total financial instruments with positive market value ^{Note 2)}	6,966,601	97.2	5,940,480	96.9
Bank assets and other liquid assets	225,043	3.1	195,483	3.2
Prepaid expenses and accrued income	4,625	0.1	4,266	0.1
Other assets	151	0.0	2,086	0.0
Total assets	7,196,420	100.4	6,142,315	100.2
LIABILITIES				
OTC derivative instruments with negative market value	669	0.0	5,850	0.1
Total financial instruments with negative market value ^{Note 2)}	669	0.0	5,850	0.1
Accrued expenses and prepaid income	5,362	0.1	3,604	0.1
Other liabilities	20,945	0.3	1,473	0.0
Total liabilities	26,976	0.4	10,927	0.2
Fund capital ^{Note 1)}	7,169,444	100.0	6,131,388	100.0
Secured collateral for OTC derivative instruments	-		3,804	0.1
Other derivative instruments with negative market value ¹⁾	44,817	0.6	13,288	0.2

1) Cash and cash equivalents SEK 44 817 t

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	6,131,388	4,173,975
Units issued ¹⁾	3,384,950	1,386,974
Units redeemed ¹⁾	-2,646,170	-275,996
Profit according to Income Statement	553,948	1,002,699
Dividends to unit holders	-254,672	-156,264
Fund capital at the close of the period	7,169,444	6,131,388

1) Of which SEK 2 209 132 t relates to internal moves between share classes

Note 2) for Balance sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
STOCK INDEX FUTURES			
MSCI Emg Mkt Index Future Mar 2021 ¹⁾	268	0	0.0
OMXS30 ESG Future Jan 2021 ²⁾	385	0	0.0
S&P500 Emini Future Mar 2021 ³⁾	45	0	0.0
Stoxx Europe 600 Index Future Mar 2021 ⁴⁾	1,061	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
INTEREST RATE FUTURES			
US 10Y Note (CBT) Future Mar 2021 ⁵⁾	-58	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 SEK t	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Cliens Sverige Fokus	726,306	255,536	3.6
Fidelity First ESG Acc World-SEK	4,693,455	60,921	0.8
Fidelity Funds - Sustain. Water & Waste AC	12,846,488	137,200	1.9
JPM Europe Small Cap A Acc EUR	84,334	97,378	1.4
Montanaro Better World Fund	5,224,685	68,647	1.0
SHB Amerika Småbolag Tema (A1 SEK)	211,351	235,536	3.3
SHB Amerika Tema (A1 SEK)	188,632	248,769	3.5
SHB Asien Tema (A1 SEK)	88,361	73,936	1.0
SHB Emerging Markets Index (A1 SEK)	226,555	39,889	0.6
SHB Europa Index Criteria (A1 SEK)	2,173,625	280,974	3.9
SHB Global Högutdelande (A1 SEK)	238,546	22,963	0.3
SHB Hållbar Energi (A1 SEK)	196,858	78,671	1.1
SHB Hälsovård Tema (A1 SEK)	241,049	70,903	1.0
SHB Japan Tema (A1 SEK)	1,348,324	144,754	2.0
SHB Svenska Småbolag (A1 SEK)	317,471	864,341	12.1
SHB Sverige 100 Index Criteria (A1 SEK)	2,707,605	835,289	11.7
SHB Sverige Selektiv (A1 SEK)	875,324	470,085	6.6
SHB Tillväxtmarknad Tema (A1 SEK)	493,437	188,808	2.6
SHB USA Index Criteria (A1 SEK)	1,006,364	488,079	6.8
UBS Equity SICAV-USA Growth Sustain	114,298	129,866	1.8
		4,792,548	66.9
FIXED INCOME FUNDS			
BlueOrchard Ucits EM Sdg Impact Bd Fd H	178,174	186,889	2.6
SHB Företagsobligation (A1 SEK)	4,577,607	610,243	8.5
SHB Hållbar Global Obligation (A1 SEK)	2,967,696	307,888	4.3
SHB Institutionell Kortränta (A1 SEK)	6,313	637	0.0
SHB Kredit (A1 NOK)	1,228,286	117,135	1.6
SHB Långränta (A1 SEK)	4,030,417	480,291	6.7
SHB Råntestrategi (A1 SEK)	2,844	295	0.0
UI - Aktia EM Frontier Bond+	1,481,190	141,972	2.0
UI - Aktia EM Local Currency Bond+ - s1	3,255,457	328,704	4.6
		2,174,053	30.3
Total fund units		6,966,601	97.2

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
SEK/NOK ⁶⁾		-669	0.0
		-669	0.0
Total OTC derivative instruments		-669	0.0
Total other financial instruments		6,965,932	97.2
Total holdings in financial instruments		6,965,932	97.2
Net, other assets and liabilities		203,512	2.8
Total fund capital		7,169,444	100.0

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
SEK/NOK ⁶⁾		-669	0.0
		-669	0.0
Total OTC derivative instruments		-669	0.0
Total other financial instruments		6,965,932	97.2
Total holdings in financial instruments		6,965,932	97.2
Net, other assets and liabilities		203,512	2.8
Total fund capital		7,169,444	100.0

1) Stock index futures with underlying exposure of SEK 141 764 t, which is equivalent to 2.0% of fund capital.

2) Stock index futures with underlying exposure of SEK 70 946 t, which is equivalent to 1.0% of fund capital.

3) Stock index futures with underlying exposure of SEK 69 271 t, which is equivalent to 1.0% of fund capital.

4) Stock index futures with underlying exposure of SEK 212 429 t, which is equivalent to 3.0% of fund capital.

5) Interest rate futures with underlying exposure of SEK -66 152 t, which is equivalent to 0.9% of fund capital.

6) SEK 107 692 t/NOK -113 040 t, counterparty Skandinaviska Enskilda Banken AB (publ).

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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.

97.2

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
UI Aktia	6.6	Fidelity Funds	2.8

* 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 Stiftelsefond

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.

The fund invests in other funds and does not invest directly in companies.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used for sustainability efforts

Exclusion

The fund excludes companies in their entirety that are 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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made to the principle of excluding fossil fuels for a period of time if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

The fund invests exclusively in underlying funds that meet the exclusion requirements above.

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

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. This applies to our own funds as well as funds from other fund management companies. Fund investments are selected and followed up in a selection process that includes sustainability criteria at the fund and the fund management company level. The evaluation of a fund management company includes the organization, sustainability, the fund management team and the investment process. It is also possible to invest in funds that invest in companies that are transitioning their business operations in a more sustainable direction, so-called transition companies.

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 support.

Given that the fund is a fund of funds and thus only invests in other funds, there are no direct engagement efforts with companies. Engagement occurs through direct dialogues with fund management companies and fund managers, collaborations and sector initiatives, as well as through participation in investor networks.

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 Management Company carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder by voting at annual general meetings, working on nomination committees and through dialogues in various forms depending on the fund's character. Read more under each individual fund.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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

In recent years we have worked based on enhanced sustainability requirements. This means that the fund excludes* funds with investments in companies where the principal business activities are within controversial sectors. Refer to the description above under the heading *Exclusion*.

During the year we continued to integrate the sustainability efforts into the investment process and improving the measurability in the sustainability efforts has been a high priority. We use a model that was developed in-house to measure our investment exposure against the Sustainable Development Goals, i.e., to what degree a company's business contributes to fulfilling the specific targets in Agenda 2030. The fund's benchmark index reflects our sustainable investment criteria.

We continuously have dialogues with providers who are willing to meet our requirements in existing investments, and in some cases we have also launched new funds together with them that meet the enhanced requirements. During the year we continued to invest in funds with focus on the global sustainable transition.

** 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 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. The fund may invest in derivative instruments as part of the fund's investment focus. The fund may invest a maximum of 10% of fund capital in fund units. We compare fund performance with Solactive ISS ESG Screened Euro IG Corporate Bond Index. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund invests in financial instruments whether or not they are included in the benchmark index. Fund management is based on an ongoing assessment of the financial- and macroeconomic conditions and results in a strategic and tactical investment focus. Even that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 1.6% in 2020*. The year has been dominated by significant uncertainty on the financial markets and due primarily to the corona pandemic and its negative effects on the economy. Countries throughout Europe have implemented various forms of closures to try to control the spread of the virus. Governments, together with central banks, have launched numerous stimulus and support packages. The uncertainty about how states, companies, households and financial players will manage the crisis remains high, although since several vaccines have been approved for distribution the situation has improved slightly. The European government rates have declined significantly as a result of the major support measures. Credit spreads widened in the spring when the pandemic emerged but has now returned to the levels we saw at the beginning of the year. A contributing factor is the ECB's massive purchase of corporate bonds. The fund began the year with a position for rising rates as monetary stimulus gradually decreased. We then extended the interest rate risk when reports about the virus from China became increasingly alarming. Almost all of the holdings in the fund were initially affected by the sharp value fluctuations in the market during March, although the credit holdings were slightly more defensive than the benchmark index and thus did not post as large of a decline. For the year as a whole, the fund's longer credit holdings were the strongest

contributors to the positive returns, in particular, bonds with high-quality credit. The fund invested in many interesting issues during the year. Most notable is the new sector emerging in the green bond market - the automotive sector. The automotive sector is a sector that has not been successful in reducing its carbon emissions substantially since the 1990s. This is a sector in the EU's Green Deal that definitely needs to reduce its emissions to enable the EU to attain its target of being climate-neutral by 2050. The fund has invested in three green bonds issued by Daimler, Volkswagen and Volvo Cars. The companies have different focus areas but they all have in common a goal to make investments that increase their electrified vehicle fleet and in this manner contribute to reducing carbon emissions. After the ECB's last meeting in December and in conjunction with the positive news about vaccines, we remain positive to credits as an asset class. The fund is positioned for a further narrowing of credit spreads.

*) 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 characterized 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The average residual fixed interest 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 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 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

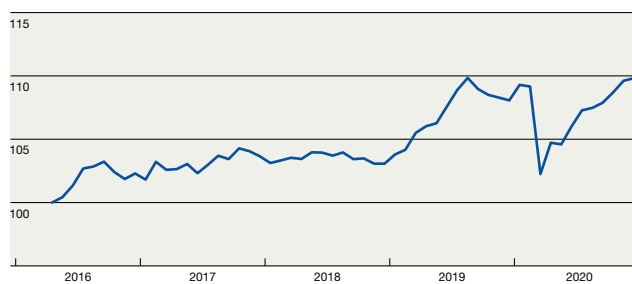
• Highest leverage during the financial year	5.3%
• Lowest leverage during the financial year	0.0%
• Average leverage during the financial year	1.3%

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 Euro Corporate Bond Fund, 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

	2020	2019	2018	2017	20/4-31/12 2016	2015	2014	2013	2012	2011
Net asset value, EUR										
Euro Corporate Bond Fund A1	109.32	107.58	102.61	103.18	101.84	-	-	-	-	-
Euro Corporate Bond Fund A7	110.62	108.58	103.30	103.62	102.01	-	-	-	-	-
Euro Corporate Bond Fund A9	109.55	-	-	-	-	-	-	-	-	-
Euro Corporate Bond Fund A10	110.72	108.46	102.99	-	-	-	-	-	-	-
Euro Corporate Bond Fund B7	103.12	104.31	100.23	101.56	102.01	-	-	-	-	-
The fund's total net flow, EUR m	4	13	56	11	38	-	-	-	-	-
Fund capital total, mEUR	131	124	106	51	39	-	-	-	-	-
Euro Corporate Bond Fund A1	73	81	75	28	20	-	-	-	-	-
Euro Corporate Bond Fund A7	30	19	12	18	14	-	-	-	-	-
Euro Corporate Bond Fund A9	2	-	-	-	-	-	-	-	-	-
Euro Corporate Bond Fund A10	26	24	19	-	-	-	-	-	-	-
Euro Corporate Bond Fund B7	0	0	0	5	5	-	-	-	-	-
Number of units, 1000's	1,195	1,152	1,031	490	380	-	-	-	-	-
Euro Corporate Bond Fund A1	667	750	733	265	195	-	-	-	-	-
Euro Corporate Bond Fund A7	272	179	113	173	134	-	-	-	-	-
Euro Corporate Bond Fund A9	17	-	-	-	-	-	-	-	-	-
Euro Corporate Bond Fund A10	238	221	184	-	-	-	-	-	-	-
Euro Corporate Bond Fund B7	1	2	2	52	51	-	-	-	-	-
Total returns in %										
Euro Corporate Bond Fund A1	+1.6	+4.8	-0.6	+1.3	+1.8	-	-	-	-	-
Euro Corporate Bond Fund A7	+1.9	+5.1	-0.3	+1.6	+2.0	-	-	-	-	-
Euro Corporate Bond Fund A9	+6.4	-	-	-	-	-	-	-	-	-
Euro Corporate Bond Fund A10	+2.1	+5.3	-0.1	-	-	-	-	-	-	-
Euro Corporate Bond Fund B7	+1.9	+5.1	-0.3	+1.6	+2.0	-	-	-	-	-
Index including dividends in %										
Euro Corporate Bond Fund A1	+2.6	+6.1	-1.3	+2.4	+1.8	-	-	-	-	-
Euro Corporate Bond Fund A7	+2.6	+6.1	-1.3	+2.4	+1.8	-	-	-	-	-
Euro Corporate Bond Fund A9	+7.0	-	-	-	-	-	-	-	-	-
Euro Corporate Bond Fund A10	+2.6	+6.1	-1.3	-	-	-	-	-	-	-
Euro Corporate Bond Fund B7	+2.6	+6.1	-1.3	+2.4	+1.8	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾										
Euro Corporate Bond Fund A1	1.2	1.0	1.0	-	-	-	-	-	-	-
Euro Corporate Bond Fund A7	1.2	1.0	1.0	-	-	-	-	-	-	-
Euro Corporate Bond Fund A10	1.2	1.0	1.0	-	-	-	-	-	-	-
Euro Corporate Bond Fund B7	1.2	1.0	1.0	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Euro Corporate Bond Fund A1	+3.2	+2.1	+0.4	-	-	-	-	-	-	-
Euro Corporate Bond Fund A7	+3.5	+2.4	+0.6	-	-	-	-	-	-	-
Euro Corporate Bond Fund A10	+3.7	+2.6	+0.8	-	-	-	-	-	-	-
Euro Corporate Bond Fund B7	+3.5	+2.4	+0.6	-	-	-	-	-	-	-
Comparison to index including dividends, % in EUR	+4.3	+2.4	+0.6	-	-	-	-	-	-	-
Dividends per unit, EUR	3.13	1.00	1.02	2.04	-	-	-	-	-	-
Exchange rate EUR/SEK	10.05	10.51	10.13	9.83	9.58	-	-	-	-	-

¹⁾ The fund has taken the tracking error that is considered to be appropriate for the purpose of attaining the fund's active return objective. The tracking error has been slightly higher in the past year than in previous years. As a result of the pandemic, 2020 was largely dominated by significant volatility in the fixed income markets. Most notably, credit spreads widened sharply during H1. Central banks used rate cuts and quantitative support programs to support the markets, which resulted in a narrowing of credit spreads in H2. The higher volatility in the markets, particularly for corporate bonds, led to an increase to the tracking error. Interest rate fluctuations also contributed to increased volatility with regard to the fund's positions.

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.

Handelsbanken Euro Corporate Bond Fund , cont.

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 A9	0.35
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 A9	0.35
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 A9	0.35
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	6.44
Euro Corporate Bond Fund A7	3.97
Euro Corporate Bond Fund A9	-
Euro Corporate Bond Fund A10	1.99
Euro Corporate Bond Fund B7	3.97
Costs in EUR for monthly savings, 10 EUR	
Euro Corporate Bond Fund A1	0.43
Euro Corporate Bond Fund A7	0.26
Euro Corporate Bond Fund A9	-
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 %	5.3
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and return measurements*

Total risk % - A1 EUR	5.6	Information ratio - A7 EUR	Negative
Total risk % - A7 EUR	5.6	Information ratio - A10 EUR	Negative
Total risk % - A10 EUR	5.6	Information ratio - B7 EUR	Negative
Total risk % - B7 EUR	5.6	Sharpe ratio - A1 EUR	0.6
Total risk in index % - A1 EUR	6.4	Sharpe ratio - A7 EUR	0.7
Total risk in index % - A7 EUR	6.4	Sharpe ratio - A10 EUR	0.7
Total risk in index % - A10 EUR	6.4	Sharpe ratio - B7 EUR	0.7
Total risk in index % - B7 EUR	6.4	Sharpe ratio in index - A1 EUR	0.7
Benchmark	Solactive ISS ESG	Sharpe ratio in index - A7 EUR	0.7
	Screened Euro IG	Sharpe ratio in index - A10 EUR	0.7
	Corporate Bond Index	Sharpe ratio in index - B7 EUR	0.7
Active return % - A1 EUR	-1.1	Duration, years ¹⁾	4.9
Active return % - A7 EUR	-0.9	Spread exposure %	5.9
Active return % - A10 EUR	-0.6		
Active return % - B7 EUR	-0.8		
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.

Income statement, EUR thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	2,447	4,042
Changes in value for other derivative instruments **	-264	305
Interest income	1,543	1,504
Currency exchange profits and losses, net	0	0
Other income	0	10
Total income and changes in value	3,727	5,861
EXPENSES		
Management costs:		
- Remuneration to the Management Company	665	607
Interest expense	0	0
Other expenses	3	7
Total expenses	669	614
Net income	3,058	5,247
* Details of changes in value		
Capital gains	980	748
Capital losses	-226	-345
Unrealised gains/losses	1,693	3,639
Sum	2,447	4,042
** Details of changes in value		
Capital gains	77	420
Capital losses	-248	-199
Unrealised gains/losses	-93	84
Sum	-264	305

Balance sheet, EUR thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	127,016	96.7	118,326	95.2
Total financial instruments with positive market value ^{Note 2)}	127,016	96.7	118,326	95.2
Bank assets and other liquid assets	3,506	2.7	5,116	4.1
Prepaid expenses and accrued income	852	0.7	877	0.7
Total assets	131,374	100.0	124,319	100.0
LIABILITIES				
Accrued expenses and prepaid income	56	0.0	56	0.0
Total liabilities	56	0.0	56	0.0
Fund capital ^{Note 1)}	131,318	100.0	124,263	100.0
Other derivative instruments with negative market value ¹⁾	1,514	1.2	1,562	1.3

1) Cash and cash equivalents EUR 1 514 t

Note 1) for Balance sheet

Changes in fund capital, EUR thousand

	2020	2019
Fund capital at beginning of year	124,263	105,979
Units issued ¹⁾	55,121	36,796
Units redeemed ¹⁾	-51,119	-23,757
Profit according to Income Statement	3,058	5,247
Dividends to unit holders	-5	-2
Fund capital at the close of the period	131,318	124,263

1) Of which EUR 2 171 t relates to internal moves between share classes

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value EUR t	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, OTHERS			
3M Company 1,5% 2031-06-02	1,000	1,151	0.9
Apple 0,5% 2031-11-15	2,500	2,622	2.0
Banco Santander 2,5% 2025-03-18	500	542	0.4
BNP Paribas 0,5% 2025-06-04	200	204	0.2
BNP Paribas 1,125% 2024-08-28	1,000	1,042	0.8
BNP Paribas 1,5% 2028-05-28	1,000	1,107	0.8
Cappgemini SA 0,625% 2025-06-23	900	926	0.7
Citigroup 1,25% 2026-07-06	1,200	1,264	1.0
Coca Cola Company 0,75% 2026-09-22	500	524	0.4
Coca Cola Company 1,625% 2035-03-09	1,000	1,168	0.9
Commerzbank 1% 2026-03-04	1,000	1,047	0.8
Credit Agricole SA 0,125% 2027-12-09	2,300	2,296	1.7
Credit Agro 0,75% 2023-12-05	2,700	2,777	2.1
Credit Suisse 1,25% 2025-07-17	1,000	1,041	0.8
Daimler 0,75% 2030-09-10	545	567	0.4
Danfoss 1,375% 2022-02-23	1,750	1,772	1.3
Elisa 0,25% 2027-09-15	540	543	0.4
Elisa 1,125% 2026-02-26	600	632	0.5
Huhtamäki 1,125% 2026-11-20	1,500	1,511	1.2
IBM 1,2% 2040-02-11	800	857	0.7
ISS Global 2,125% 2024-12-02	1,500	1,582	1.2

Handelsbanken Euro Corporate Bond Fund, cont.

	Number/Nominal amount in 1000's	Market value EUR t	% of fund capital
Jab Holdings 1% 2027-12-20	700	730	0.6
Kemira 1,75% 2024-05-30	2,000	2,057	1.6
Kojamo 1,5% 2024-06-19	1,750	1,827	1.4
Land Hessen-Thuerin 0,375% 2025-05-12	1,000	1,024	0.8
LeasePlan 1,375% 2024-03-07	850	885	0.7
LeasePlan 3,5% 2025-04-09	500	569	0.4
Metso 1,125% 2024-06-13	2,000	2,058	1.6
Mowi ASA FRN 2025-01-31	800	806	0.6
Nasdaq 1,75% 2023-05-19	500	520	0.4
Nasdaq 1,75% 2029-03-28	625	695	0.5
Nestle 0% 2033-03-03	1,750	1,724	1.3
Nestle 1,75% 2037-11-02	1,000	1,251	1.0
Novartis Finance 0% 2028-09-23	1,700	1,709	1.3
OP Corporate Bank 0,375% 2024-02-26	1,000	1,020	0.8
OP Corporate Bank 0,375% 2024-06-19	500	506	0.4
OP Corporate Bank 1,625% 2030-06-09	1,500	1,557	1.2
Orange Telecom 0,125% 2029-09-16	1,100	1,109	0.8
Orsted 1,75% 2027-09-09 Perp Call	2,500	2,563	2.0
Rabobank 0,25% 2026-10-30	1,400	1,427	1.1
SATO 1,375% 2024-05-31	1,000	1,032	0.8
SATO 1,375% 2028-02-24	3,300	3,385	2.6
Stand Chart 0,9% 2027-07-02	1,000	1,047	0.8
Stora Enso 0,625% 2030-12-02	400	407	0.3
Telefonica Emisiones 1,447% 2027-01-22	1,000	1,078	0.8
Telefonica Emisiones 2,932% 2029-10-17	1,000	1,232	0.9
Tennet Holding 0,875% 2030-06-03	600	646	0.5
Tennet Holding 1% 2026-06-13	1,000	1,060	0.8
Tennet Holding 1,375 2029-06-26	1,335	1,486	1.1
Tornator 1,25% 2026-10-14	3,500	3,598	2.7
Transmission Finance 1,5% 2023-05-24	400	414	0.3
TVO 1,125% 2026-03-09	2,500	2,323	1.8
TVO 2,625% 2023-01-13	2,000	2,050	1.6
Upm-Kymmene Oy 0,125% 2028-11-19	1,750	1,744	1.3
Verizon Comm 1,375% 2028-02-01	1,000	1,095	0.8
Verizon Comm 1,625% 2024-03-01	1,000	1,057	0.8
VW Intl Finance 0,875% 2028-09-22	1,300	1,345	1.0
		74,209	56.5
FOREIGN ISSUER, STATE			
Franska staten 1,75% 2039-06-25	500	661	0.5
		661	0.5
OTHER			
Akelius 1,125% 2024-03-14	3,600	3,705	2.8
Akelius 1,75% 2025-02-07	750	793	0.6
Akelius 2,249% 2026-05-01	700	707	0.5
Alfa Laval 0,25% 2024-06-25	1,250	1,254	1.0
Balder 1,125% 2027-01-29	700	709	0.5
Balder 1,875 % 2026-01-23	2,500	2,641	2.0
Castellum 0,75% 2026-09-04	1,000	1,004	0.8
Castellum 2,125% 2023-11-20	500	528	0.4
Essity 0,5% 2030-02-03	1,250	1,276	1.0
Handelsbanken 0,01% 2027-12-02	1,600	1,599	1.2
Handelsbanken 0,5% 2030-02-18	3,000	3,086	2.3
Handelsbanken 1,625% 2029-03-05 FixtoVar	1,500	1,564	1.2
Heimstaden Bostad 1,125% 2026-01-21	1,000	1,035	0.8
Heimstaden Bostad 2,125% 2023-04-05	1,500	1,580	1.2
Hemsö 1% 2026-09-09	2,500	2,639	2.0
Investor 0,375% 2035-10-29	750	750	0.6
Investor 1,5% 2039-06-20	1,010	1,203	0.9
Mölnlycke Holding 0,875% 2029-09-05	2,000	2,064	1.6
Mölnlycke Holding 1,875% 2025-02-28	1,000	1,072	0.8
Rikshem 1,25% 2024-06-28	2,000	2,068	1.6
Sagax 2% 2024-01-17	800	835	0.6
Sagax 2,25% 2025-03-13	2,200	2,343	1.8
Sandvik 3% 2026-06-18	1,700	1,966	1.5
SBAB 0,5% 2025-05-13	700	719	0.5
SCA Hygiene 1,625% 2027-03-30	2,000	2,184	1.7
SKF 1,25% 2025-09-17	1,000	1,056	0.8
Tele2 1,1125% 2024-0515	2,500	2,586	2.0
Tele2 2,125% 2028-05-15	1,000	1,123	0.9
Telia 1,375% 2081-05-11	1,000	1,013	0.8
Telia 2,125% 2034-02-20	1,500	1,811	1.4
Volvo Car 2,125% 2024-04-02	2,000	2,061	1.6
Volvo Car 2,5% 2027-10-07	2,500	2,644	2.0
Volvo Treasury 0,125% 2024-09-17	525	528	0.4
		52,146	39.7
Total listed fixed-income securities		127,016	96.7
Total transferable securities		127,016	96.7

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value EUR t	% of fund capital
INTEREST RATE FUTURES			
Euro-Bund Future Mar 2021 ¹⁾	-55	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0
Total holdings in financial instruments		127,016	96.7
Net, other assets and liabilities		4,302	3.3
Total fund capital		131,318	100.0

1) Interest rate futures with underlying exposure of EUR -9 770 t, which is equivalent to 7.4% of fund capital.

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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).

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*** Refers to other financial instruments.

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Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Handelsbanken	4.7	Sagax	2.4
Volvo Car	3.6	Tennet Holding	2.4
Akelius	3.4	Nestle	2.3
Sato	3.4	BNP Paribas	1.8
Teollisuuden Voima	3.4	Telefónica	1.7
Tele2	2.9	Investor	1.5
Balder	2.5	Coca Cola Company	1.3
Mölnlycke Holdings	2.4	Castellum	1.2
OP Corporate Bank	2.4	Elisa Communications	0.9
		Nasdaq	0.9

* 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 Euro Corporate Bond Fund

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

Methods used in sustainability efforts

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/issuers involved in the production or distribution of nuclear weapons are also excluded.

The fund also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies/issuers that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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:

Engagement activities in collaboration with other investors

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainability on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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

2020 will be remembered at the very least as an unusual year – major closures throughout the world as a result of the pandemic, political uncertainty associated with the US presidential election and lengthy negotiations with Brexit. Despite the turbulent markets, sustainability has made great strides forward among companies and countries. Many nations have disclosed plans to become carbon neutral and an increasing number of companies have set scientific targets for paving the way towards climate neutrality. 2020 was also the year we began to see more concrete proposals for moving towards a climate-neutral EU by 2050. With the launch of its "Green Deal", the EU has developed an action plan to achieve this goal. The transport sector has not been successful in reducing its emissions since the 1990s and currently accounts for approximately 20% of the EU's carbon emissions. Thus, we welcome the auto sector into the green bond market with great interest. After the summer, several major auto manufacturers announced that they were now prepared to issue green bonds. The fund invested in the green bonds issued in EUR by Volkswagen, Daimler and Volvo Cars. The green frameworks differ between the three companies but all have the common goal of using liquidity to increase their electrified vehicle fleets. Volkswagen and Volvo Cars have gone so far as to communicate their climate goals of becoming climate-neutral by 2050 and 2040, respectively, for the carbon footprint of each company at the Group level, which have both been approved by the Science Based targets initiative (SBTi). We view this as very positive.

The Management Company's engagement activities - Dialogues

Targeted dialogues with direct contact between our fund managers and companies

The fund did not engage in any targeted dialogues directly with companies during the year.

Engagement activities in collaboration with other investors

In 2020, the Management Company participated in a total of 125 company dialogues together with other investors. The fund invested in one of these companies.

A dialogue was conducted with Verizon for alleged failure to respect trade union rights in the US.

Collaborations and industry initiatives

In 2020, the Management Company participated in initiatives and collaborations that included over 380 companies.



Handelsbanken Euro Obligation

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 interest-bearing securities denominated in euro. The fund's assets shall be invested in interest-bearing securities 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 is between two and ten years. 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 fund may invest in derivative instruments as part of its investment focus. The fund may invest a maximum of 10% of the fund capital in fund units. We compare the fund's performance with that of Solactive Eurozone Government Bond Index. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund invests in financial instruments whether or not they are included in the benchmark index. Fund management is based on an ongoing assessment of the financial- and macroeconomic conditions and results in a strategic and tactical investment focus. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 4.8% in 2020*. The markets have been dominated by the spread of the corona virus and the negative effects on the economy during the year. Countries within the eurozone have implemented various levels of closures to control the spread of the virus. Governments have tried to counteract the negative effects of the closures by launching economic stimulus packages and the European Central Bank has implemented massive support measures through a new temporary QE program, PEPP. Uncertainty about the negative effects on the economies remains high, although positive news about the vaccine has helped to improve risk sentiment in H2. A Brexit agreement was finalized in the 11th hour at the end of December that will enable the UK to leave the EU with a trade agreement at year-end. We began the year with a position for rising interest rates. The positioning was based on a view that European rates were too low and that there was a risk for a higher duration and inflation premium, which could cause overall interest rates to rise. Given that concerns increased about the spread of the corona virus, we adjusted the position for interest rates to decline instead. This was accomplished by adjusting to an overweight in Germany, as well as taking a position for declining rates in Belgium and France. Volatility was at its peak in March when the periphery government rates, such as those in Italy, Spain and Portugal, rose sharply at the same time the rates in Germany and France declined. To lower the risk in the portfolio we took a position for rising rates in Italy. During the summer and autumn we retained the position for declining rates as we expected volatility to be linked to a second wave of the virus during the autumn, as well as due to concerns about the US presidential election and Brexit. After positive news about the vaccine and the completion of the US presidential election, we adjusted the position at the beginning of November for rates to rise instead, most notably in Germany and the Netherlands. We adjusted our position in Italy over a number of stages during the autumn

and moved from an underweight to overweight, while we took profits in our strategic overweight in Portugal. The fund continued to increase its holdings in green bonds. During the year this proportion increased from approximately 11% to just over 20%. We invested in Germany's first green bond, among others, 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 characterized 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The average fixed interest 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 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

• Highest leverage during the financial year	35.2%
• Lowest leverage during the financial year	3.8%
• Average leverage during the financial year	14.2%

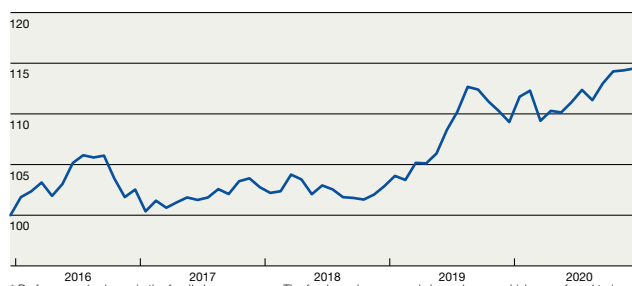
Information

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

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 Euro Obligation, 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

	2020	2019	2018	2017	2016	2015	26/9-31/12 2014	2013	2012	2011
Net asset value										
Euro Obligation A1 - SEK	4,359.99	4,348.80	3,952.19	3,829.20	3,723.65	3,471.03	3,539.65	-	-	-
Euro Obligation A1 - EUR	433.89	413.86	389.95	389.48	388.61	379.01	373.67	-	-	-
Euro Obligation A9 - EUR	434.60	-	-	-	-	-	-	-	-	-
Euro Obligation A10 - EUR	438.88	416.95	391.29	-	-	-	-	-	-	-
The fund's total net flow, EUR m	-47	-20	63	-1	-5	-55	28	-	-	-
Fund capital total, mEUR	78	121	132	69	70	73	126	-	-	-
Euro Obligation A1 - SEK	406	512	413	425	361	332	754	-	-	-
Euro Obligation A1 - EUR	36	60	73	26	32	37	46	-	-	-
Euro Obligation A9 - EUR	0	-	-	-	-	-	-	-	-	-
Euro Obligation A10 - EUR	1	12	18	-	-	-	-	-	-	-
Number of units, 1000's	179	293	339	177	179	192	337	-	-	-
Euro Obligation A1 - SEK	93	118	104	111	97	96	213	-	-	-
Euro Obligation A1 - EUR	82	145	188	66	82	96	124	-	-	-
Euro Obligation A9 - EUR	1	-	-	-	-	-	-	-	-	-
Euro Obligation A10 - EUR	3	30	46	-	-	-	-	-	-	-
Total returns in %										
Euro Obligation A1 - SEK	+0.3	+10.0	+3.2	+2.8	+7.3	-1.9	+22.0	+6.8	+5.9	+1.6
Euro Obligation A1 - EUR	+4.8	+6.1	+0.1	+0.2	+2.5	+1.4	+13.9	+3.5	+9.9	+3.0
Euro Obligation A9 - EUR	+3.9	-	-	-	-	-	-	-	-	-
Euro Obligation A10 - EUR	+5.3	+6.6	+0.5	-	-	-	-	-	-	-
Index including dividends in %										
Euro Obligation A1 - SEK	+0.3	+10.7	+4.1	+2.8	+8.0	-1.7	+21.1	+5.5	+6.9	+2.0
Euro Obligation A1 - EUR	+4.9	+6.8	+1.0	+0.2	+3.2	+1.6	+13.1	+2.2	+10.9	+3.4
Euro Obligation A9 - EUR	+3.7	-	-	-	-	-	-	-	-	-
Euro Obligation A10 - EUR	+4.9	+6.8	+1.0	-	-	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾										
Euro Obligation A1 - SEK	0.6	0.4	0.4	0.6	0.8	0.7	0.6	-	-	-
Euro Obligation A1 - EUR	0.6	0.4	0.4	0.6	0.8	0.7	0.6	0.7	0.8	1.0
Euro Obligation A10 - EUR	0.6	0.4	0.4	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Euro Obligation A1 - SEK	+5.0	+6.6	+3.0	+5.0	+2.6	+9.4	+14.1	+6.3	+3.7	-5.2
Euro Obligation A1 - EUR	+5.5	+3.1	+0.2	+1.4	+2.0	+7.5	+8.6	+6.6	+6.4	+1.7
Euro Obligation A10 - EUR	+5.9	+3.5	+0.6	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+5.4	+7.4	+3.4	+5.4	+3.0	+9.1	+13.0	+6.2	+4.5	-4.7
EUR	+5.9	+3.9	+0.6	+1.7	+2.4	+7.2	+7.6	+6.5	+7.1	+2.2
Average yearly return, 5 yrs. %										
Euro Obligation A1 - SEK	+4.7	+4.2	+6.4	+7.1	+7.7	+6.6	+4.4	-0.2	+3.2	+3.0
Euro Obligation A1 - EUR	+2.7	+2.1	+3.5	+4.2	+6.1	+6.2	+6.0	+4.3	+5.2	+3.4
Euro Obligation A10 - EUR	+3.2	+2.5	+3.9	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+5.1	+4.7	+6.6	+6.9	+7.7	+6.5	+4.4	-0.1	+3.7	+3.6
EUR	+3.2	+2.5	+3.7	+4.0	+6.1	+6.2	+6.0	+4.3	+5.7	+3.9
Average yearly return, 10 yrs. %										
Euro Obligation A1 - SEK	+5.6	+4.3	+3.1	+5.1	+5.3	-	-	-	-	-
Euro Obligation A1 - EUR	+4.5	+4.0	+3.9	+4.7	+4.7	+4.4	+4.7	+4.1	+4.1	+4.0
Euro Obligation A10 - EUR	+4.9	+4.4	+4.3	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+5.8	+4.5	+3.2	+5.3	+5.7	-	-	-	-	-
EUR	+4.7	+4.3	+4.0	+4.9	+5.0	+4.7	+5.0	+4.5	+4.7	+4.6
Exchange rate EUR/SEK	10.05	10.51	10.13	9.83	9.58	9.16	9.47	-	-	-

1) The fund has taken the tracking error that is considered to be appropriate for the purpose of attaining the fund's active return objective. The tracking error has been slightly higher in the past year than in previous years. As a result of the pandemic, 2020 was largely dominated by significant volatility in the fixed income markets. Most notably, credit spreads widened sharply during H1. Central banks used rate cuts and quantitative support programs to support the markets. The higher volatility in the markets, particularly for periphery government bonds, led to an increase to the tracking error.

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.

Handelsbanken Euro Obligation, cont.

Fund facts - costs

Max. allowed mgmt. costs in % according to fund rules	
Euro Obligation A1	0.60
Euro Obligation A9	0.30
Euro Obligation A10	0.20
Collected mgmt. costs in % of average fund capital	
Euro Obligation A1	0.60
Euro Obligation A9	0.30
Euro Obligation A10	0.20
Annual fees in %	
Euro Obligation A1	0.60
Euro Obligation A9	0.30
Euro Obligation A10	0.20
Transaction costs, EURt	2
Transaction costs in % of turnover	0.00
Costs in EUR for a one-time subscription, 1 000 EUR	
Euro Obligation A1	6.13
Euro Obligation A9	-
Euro Obligation A10	2.05
Costs in EUR for monthly savings, 10 EUR	
Euro Obligation A1	0.40
Euro Obligation A9	-
Euro Obligation A10	0.13

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

Risk and return measurements*

Total risk % - A1 SEK	6.6	Information ratio - A1 EUR	Negative
Total risk % - A1 EUR	4.2	Information ratio - A10 EUR	0.1
Total risk % - A10 EUR	4.2	Sharpe ratio - A1 SEK	0.8
Total risk in index % - A1 SEK	6.7	Sharpe ratio - A1 EUR	1.4
Total risk in index % - A1 EUR	4.3	Sharpe ratio - A10 EUR	1.5
Total risk in index % - A10 EUR	4.3	Sharpe ratio in index - A1 SEK	0.9
Benchmark	Solactive Eurozone Government Bond Index	Sharpe ratio in index - A1 EUR	1.4
Active return % - A1 SEK	-0.4	Sharpe ratio in index - A10 EUR	1.4
Active return % - A1 EUR	-0.4	Duration, years ¹⁾	9.1
Active return % - A10 EUR	0.1	Spread exposure %	4.9
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, EUR thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	2,316	5,885
Changes in value for other derivative instruments [*]	-549	118
Interest income	2,532	3,756
Dividends	-	73
Currency exchange profits and losses, net	-33	14
Other income	0	0
Total income and changes in value	4,267	9,846
EXPENSES		
Management costs:		
- Remuneration to the Management Company	606	772
Interest expense	4	2
Other expenses	8	16
Total expenses	618	790
Net income	3,649	9,056
* Details of changes in value		
Capital gains	2,026	4,749
Capital losses	-1,844	-853
Unrealised gains/losses	2,134	1,989
Sum	2,316	5,885
** Details of changes in value		
Capital gains	728	819
Capital losses	-1,112	-839
Unrealised gains/losses	-165	138
Sum	-549	118

Balance sheet, EUR thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	72,728	93.8	110,409	91.0
Total financial instruments with positive market value ^{Note 2)}	72,728	93.8	110,409	91.0
Bank assets and other liquid assets	4,176	5.4	9,707	8.0
Prepaid expenses and accrued income	690	0.9	1,291	1.1
Other assets	-1	0.0	-	-
Total assets	77,593	100.1	121,407	100.1
LIABILITIES				
Accrued expenses and prepaid income	40	0.1	58	0.1
Total liabilities	40	0.1	58	0.1
Fund capital ^{Note 1)}	77,554	100.0	121,349	100.0
Other derivative instruments with negative market value ¹⁾	929	1.2	4,048	3.3

¹⁾ Cash and cash equivalents EUR 929 t

Note 1) for Balance sheet

Changes in fund capital, EUR thousand

	2020	2019
Fund capital at beginning of year	121,349	132,233
Units issued ¹⁾	84,070	87,021
Units redeemed ¹⁾	-131,514	-106,961
Profit according to Income Statement	3,649	9,056
Dividends to unit holders	-	-
Fund capital at the close of the period	77,554	121,349

¹⁾ Of which EUR 416 t relates to internal moves between share classes

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value EUR t	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, STATE			
Belgiska staten 1,25% 2033-04-22	2,700	3,205	4.1
Belgiska staten 1,45% 2037-06-22	50	62	0.1
Belgiska staten 1,6% 2047-06-22	1,100	1,468	1.9
Belgiska staten 2,6% 2024-06-22	1,050	1,172	1.5
Belgiska staten 5,5% 2028-03-28	1,270	1,838	2.4
Finska staten 0,875% 2025-09-15	1,050	1,130	1.5
Finska staten 1,125% 2034-04-15	300	355	0.5
Franska staten 0,25% 2026-11-25	2,000	2,102	2.7
Franska staten 0,75% 2028-05-25	1,600	1,754	2.3
Franska staten 1% 2025-11-25	2,000	2,165	2.8
Franska staten 1,75% 2039-06-25	4,900	6,477	8.4
Franska staten 2,5% 2025-10-30	1,800	2,300	3.0
Franska staten 4% 2055-04-25	850	1,844	2.4
Franska staten 4,25% 2023-10-25	390	445	0.6
Holländska staten 2,75% 2047-01-15	200	358	0.5
Holländska staten 0% 2030-07-15	100	105	0.1
Irlandska staten 1,35% 2031-03-18	1,000	1,173	1.5
Italienska staten 2,45% 2050-09-01	800	1,000	1.3
Italienska staten 3,45% 2048-03-01	900	1,325	1.7
Italienska staten 4,75% 2023-08-01	1,460	1,655	2.1
Italienska staten 5% 2040-09-01	1,700	2,851	3.7
Italienska staten 6% 2031-05-01	2,450	3,785	4.9
Italienska staten 7,25% 2026-11-01	2,770	3,929	5.1
Nederländska staten 0,5% 2026-07-15	500	533	0.7
Nederländska staten 4% 2037-01-15	100	172	0.2
Österrikiska staten 0,75% 2026-10-20	850	920	1.2
Österrikiska staten 1,5% 2047-02-20	600	830	1.1
Portugisiska staten 3,875% 2030-02-15	1,200	1,627	2.1
Portugisiska staten 0,475% 2030-10-18	700	731	0.9
Portugisiska staten 2,875% 2025-10-15	300	348	0.4
Portugisiska staten 4,1% 2037-04-15	700	1,107	1.4
Spanska staten 1,25% 2030-10-31	1,600	1,789	2.3
Spanska staten 1,95% 2026-04-30	2,200	2,479	3.2
Spanska staten 2,9% 2046-10-31	800	1,200	1.5
Spanska staten 4,4% 2023-10-31	850	970	1.3
Spanska staten 4,9% 2040-07-30	580	1,049	1.4
Spanska staten 6% 2029-01-31	2,780	4,164	5.4
Tyska staten 0% 2025-10-10	200	207	0.3
Tyska staten 0% 2030-08-15	6,500	6,894	8.9
Tyska staten 1% 2025-08-15	1,500	1,624	2.1
Tyska staten 1,25% 2048-08-15	750	1,058	1.4
Tyska staten 1,5% 2024-05-15	250	269	0.3
Tyska staten 4,75% 2034-07-04	1,300	2,256	2.9
		72,728	93.8
Total listed fixed-income securities		72,728	93.8
Total transferable securities		72,728	93.8

Handelsbanken Euro Obligation, cont.

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value EUR t	% of fund capital
INTEREST RATE FUTURES			
Euro-BTP Future Mar 2021 ¹⁾	3	0	0.0
Euro-Bund Future Mar 2021 ²⁾	-25	0	0.0
Euro-Buxl Future Mar 2021 ³⁾	-3	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0
Total holdings in financial instruments		72,728	93.8
Net, other assets and liabilities		4,826	6.2
Total fund capital		77,554	100.0

1) Interest rate futures with underlying exposure of EUR 456 t, which is equivalent to 0.6% of fund capital.

2) Interest rate futures with underlying exposure of EUR -4 441 t, which is equivalent to 5.7% of fund capital.

3) Interest rate futures with underlying exposure of EUR -680 t, which is equivalent to 0.9% of fund capital.

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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.

93.8

** 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.

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Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Franska staten	22.2	Belgiska staten	10.0
Italienska staten	18.8	Portugisiska staten	4.8
Tyska staten	15.9	Österrikiska staten	2.3
Spanska staten	15.1	Finska staten	2.0
		Nederländska staten	1.5

* 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 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.

The fund is not permitted to invest in corporate credits due to its investment focus, which by definition means that controversial sectors are excluded.

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 bombs, 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 war materials, 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.

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.

Sustainability analysis is an integral 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.

Follow-up of sustainability work

Inclusion

The fund continued to increase its holdings in green bonds and during 2020 the proportion of green bonds increased from approximately 11% to just over 20%. During the year we invested in Germany's first green bond and the fund also has holdings in French and Belgium green bonds. The investments finance a number of green projects in these countries, including a project for the transition to renewable energy in Germany, to reduce carbon emissions in Belgium and to increase biodiversity in France. The framework for these programs is considered to be credible and effective by independent institutions such as Sustainalytics.



The fund's base currency

Handelsbanken Euro Ränta

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 interest-bearing securities issued by states and companies that are denominated in euro. The average residual fixed interest duration for the fund's investments may be a maximum of one year. The fund invests in fixed income securities denominated in EUR and issued by states and companies. These shall have a minimum credit rating of BBB- according to Standard & Poor's or Baa3 according to Moody's scale. The fund may also invest in securities lacking an official credit rating that we deem have 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. The fund may invest in derivative instruments as part of its investment focus. The fund may invest a maximum of 10% of the fund capital in fund units. We compare the fund's performance with that of Solactive 3 Month EURIBOR Index. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund invests in financial instruments whether or not they are included in the benchmark index. Fund management is based on an ongoing assessment of the financial- and macroeconomic conditions and results in a strategic and tactical investment focus. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 0.2% in 2020*. The appreciation of the SEK against the EUR was the primary negative contribution to returns during the year. Credit spreads widened sharply during Q1 with the spread of the corona virus in Europe given great uncertainty about economic outlooks and a rapid weakening of liquidity in the market. The fund was positioned defensively in the pandemic and held a high proportion of cash and an explicit exposure to corporate bonds with high-quality credit. Central banks responded quickly by injecting liquidity into the market and increasing the purchases of corporate bonds to support the market in Q2. Risk sentiment in the stock markets and credit markets rebounded relatively quickly as a result of monetary and fiscal measures, and the fund increased the risk during the period by utilizing cash holdings to purchase bonds at attractive levels. Credit spreads then narrowed rapidly during H2 and are currently trading at the lowest levels since the end of 2017. Short-term government rates and swap rates have also declined during the year, although during high volatility, which contributed positively to returns together with narrowing credit spreads. The longer fixed interest bonds, which benefitted from lower rates and spreads, were the strongest contributors to returns in the year. Bonds purchased during Q2 at high spreads were the very best contributors. One example is the Finnish real estate company Sato, which issued a bond in April at mid-swap +260bp. This bond is currently trading at mid-swap +58bp. Slightly negative contributors to returns were the shorter bonds that were traded at negative rates and did not benefit from the downturn in rates to the same extent due to the shorter duration. The fund has been overweight in bonds with high-quality credit throughout the year but

increased the risk slightly during Q4 after good news about vaccines that resulted in more positive outlooks for an economic recovery in 2021. The fund took a position for higher government rates in Germany at year-end, given the severely depressed rates. In addition, outlooks for an economic recovery, together with higher inflation from base effects via higher commodity prices in 2021 should result in slightly higher interest rates in the eurozone.

*) 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 characterized 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The average fixed interest duration over time for holdings in the fund shall be less than 1 year. 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 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

• Highest leverage during the financial year	22.9%
• Lowest leverage during the financial year	0.0%
• Average leverage during the financial year	3.1%

Information

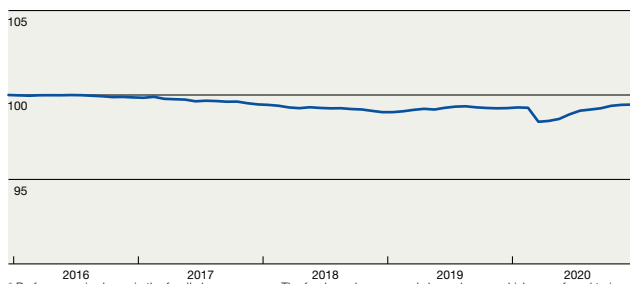
The fund's historical performance prior to the launch date is attributed to the merger between Placeringsfonden Handelsbanken Euro Ränta (Finland) and Handelsbanken Euro Ränta (Sweden) that occurred on September 26, 2014.

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.

Handelsbanken Euro Ranta, cont.

Fund performance*



Fund facts - history

	2020	2019	2018	2017	2016	2015	26/9-31/12 2014	2013	2012	2011
Net asset value										
Euro Ranta A1 - SEK	1,967.31	2,052.87	1,975.26	1,925.03	1,883.98	1,803.23	1,869.82	-	-	-
Euro Ranta A1 - EUR	195.78	195.37	194.90	195.80	196.62	196.90	197.39	-	-	-
Euro Ranta A9 - EUR	195.89	-	-	-	-	-	-	-	-	-
Euro Ranta A10 - EUR	196.69	195.98	195.21	-	-	-	-	-	-	-
The fund's total net flow, EUR m	-71	70	74	-61	-6	39	-14	-	-	-
Fund capital total, mEUR	133	204	133	59	121	127	88	-	-	-
Euro Ranta A1 - SEK	156	170	145	265	39	39	30	-	-	-
Euro Ranta A1 - EUR	93	138	86	16	95	103	73	-	-	-
Euro Ranta A9 - EUR	7	-	-	-	-	-	-	-	-	-
Euro Ranta A10 - EUR	18	41	23	-	-	-	-	-	-	-
Number of units, 1000's	681	1,044	683	301	613	643	446	-	-	-
Euro Ranta A1 - SEK	79	83	73	138	21	21	16	-	-	-
Euro Ranta A1 - EUR	475	706	443	84	482	523	369	-	-	-
Euro Ranta A9 - EUR	34	-	-	-	-	-	-	-	-	-
Euro Ranta A10 - EUR	93	209	120	-	-	-	-	-	-	-
Total returns in %										
Euro Ranta A1 - SEK	-4.2	+3.9	+2.6	+2.2	+4.5	-3.6	+7.0	+3.3	-2.3	-0.2
Euro Ranta A1 - EUR	+0.2	+0.2	-0.5	-0.4	-0.1	-0.3	-0.1	+0.1	+1.4	+1.2
Euro Ranta A9 - EUR	+0.3	-	-	-	-	-	-	-	-	-
Euro Ranta A10 - EUR	+0.4	+0.4	-0.3	-	-	-	-	-	-	-
Index including dividends in %										
Euro Ranta A1 - SEK	-4.8	+3.3	+2.9	+2.2	+4.4	-3.3	+7.3	+3.3	-3.0	0.0
Euro Ranta A1 - EUR	-0.4	-0.4	-0.2	-0.4	-0.3	0.0	+0.2	+0.1	+0.6	+1.3
Euro Ranta A9 - EUR	-0.4	-	-	-	-	-	-	-	-	-
Euro Ranta A10 - EUR	-0.4	-0.4	-0.2	-	-	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾										
Euro Ranta A1 - SEK	0.7	0.2	0.2	0.1	0.1	0.1	0.2	-	-	-
Euro Ranta A1 - EUR	0.7	0.2	0.2	0.1	0.1	0.1	0.2	0.3	0.3	0.3
Euro Ranta A10 - EUR	0.7	0.2	0.2	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Euro Ranta A1 - SEK	-0.2	+3.3	+2.4	+3.3	+0.4	+1.6	+5.1	+0.5	-1.2	-5.6
Euro Ranta A1 - EUR	+0.2	-0.1	-0.4	-0.3	-0.2	-0.2	0.0	+0.7	+1.3	+1.3
Euro Ranta A10 - EUR	+0.4	+0.1	-0.2	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	-0.8	+3.1	+2.6	+3.3	+0.4	+1.8	+5.3	+0.1	-1.5	-5.8
EUR	-0.4	-0.3	-0.3	-0.3	-0.1	+0.1	+0.2	+0.4	+1.0	+1.0
Average yearly return, 5 yrs. %										
Euro Ranta A1 - SEK	+1.8	+1.9	+2.5	+2.6	+1.7	+0.8	-0.8	-2.7	-3.6	-
Euro Ranta A1 - EUR	-0.1	-0.2	-0.3	-0.2	+0.2	+0.5	+0.8	+1.6	-1.7	-1.6
Euro Ranta A10 - EUR	+0.1	0.0	0.0	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+1.5	+1.8	+2.6	+2.7	+1.6	+0.8	-1.0	-3.4	-0.1	-
EUR	-0.3	-0.2	-0.1	-0.1	+0.1	+0.5	+0.6	+0.9	+1.8	+2.6
Average yearly return, 10 yrs. %										
Euro Ranta A1 - SEK	+1.3	+0.5	-0.2	-0.5	-	-	-	-	-	-
Euro Ranta A1 - EUR	+0.2	+0.3	+0.7	-0.9	-0.7	-0.5	-0.3	-0.1	+0.1	+0.3
Euro Ranta A10 - EUR	+0.4	+0.6	+1.0	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+1.2	+0.4	-0.4	+1.3	-	-	-	-	-	-
EUR	+0.1	+0.2	+0.4	+0.9	+1.3	+1.7	+1.9	+2.1	+2.3	+2.6
Exchange rate EUR/SEK	10.05	10.51	10.13	9.83	9.58	9.16	9.47	-	-	-

1) The fund has taken the tracking error that is considered to be appropriate for the purpose of attaining the fund's active return objective. The tracking error has been slightly higher in the past year than in previous years. As a result of the pandemic, 2020 was largely dominated by significant volatility in the fixed income markets. Most notably, credit spreads widened sharply during H1. Central banks used rate cuts and quantitative support programs to support the markets, which resulted in a narrowing of credit spreads in H2. The higher volatility in the markets, particularly for corporate bonds, led to an increase to the tracking error. Interest rate fluctuations also contributed to increased volatility with regard to the fund's positions.

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.

Handelsbanken Euro Ranta, cont.

Fund facts - costs

Max. allowed mgmt. costs in % according to fund rules	
Euro Ranta A1	0.20
Euro Ranta A9	0.10
Euro Ranta A10	0.05
Collected mgmt. costs in % of average fund capital	
Euro Ranta A1	0.20
Euro Ranta A9 ¹⁾	0.10
Euro Ranta A10	0.05
Annual fees in %	
Euro Ranta A1	0.20
Euro Ranta A9	0.10
Euro Ranta A10	0.05
Transaction costs, EURt	2
Transaction costs in % of turnover	0.00
Costs in EUR for a one-time subscription, 1 000 EUR	
Euro Ranta A1	1.99
Euro Ranta A9	-
Euro Ranta A10	0.50
Costs in EUR for monthly savings, 10 EUR	
Euro Ranta A1	0.13
Euro Ranta A9	-
Euro Ranta A10	0.03

1) On June 17, 2020, the management fee was changed from 0,20% to 0,10% for the shareclass

Fund facts - other key figures

Turnover rate	1.3
Share of turnover conducted via closely-related securities companies in %	9.6
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and return measurements*

Total risk % - A1 SEK	4.7	Information ratio - A1 EUR	0.9
Total risk % - A1 EUR	0.7	Information ratio - A10 EUR	1.1
Total risk % - A10 EUR	0.7	Sharpe ratio - A1 SEK	0.0
Total risk in index % - A1 SEK	4.8	Sharpe ratio - A1 EUR	0.8
Total risk in index % - A1 EUR	0.0	Sharpe ratio - A10 EUR	1.0
Total risk in index % - A10 EUR	0.0	Sharpe ratio in index - A1 SEK	-0.1
Benchmark Solactive 3 Month EURIBOR Index		Sharpe ratio in index - A1 EUR	-2.8
		Sharpe ratio in index - A10 EUR	-2.8
Active return % - A1 SEK	0.6	Duration, months ¹⁾	5.8
Active return % - A1 EUR	0.6	Spread exposure %	0.6
Active return % - A10 EUR	0.8		
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, EUR thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	-651	-716
Changes in value for other derivative instruments	-60	125
Interest income	1,293	1,217
Dividends	-	20
Currency exchange profits and losses, net	-64	-1
Other income	1	0
Total income and changes in value	519	645
EXPENSES		
Management costs:		
- Remuneration to the Management Company	297	265
Interest expense	1	0
Other expenses	19	24
Total expenses	317	289
Net income	202	356
* Details of changes in value		
Capital gains	317	84
Capital losses	-1,302	-1,050
Unrealised gains/losses	334	249
Sum	-651	-716
** Details of changes in value		
Capital gains	31	183
Capital losses	-110	-58
Unrealised gains/losses	19	-
Sum	-60	125

Balance sheet, EUR thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	104,686	78.5	124,953	61.2
Money market instruments	9,993	7.5	45,039	22.0
Total financial instruments with positive market value ^{Note 2)}	114,678	86.0	169,992	83.2
Bank assets and other liquid assets	18,004	13.5	33,694	16.5
Prepaid expenses and accrued income	754	0.6	664	0.3
Other assets	1	-0.1	497	0.3
Total assets	133,437	100.0	204,847	100.3
LIABILITIES				
Accrued expenses and prepaid income	21	0.0	29	0.0
Other liabilities	-	-	500	0.3
Total liabilities	21	0.0	529	0.3
Fund capital ^{Note 1)}	133,416	100.0	204,318	100.0
Other derivative instruments with negative market value ¹⁾	809	0.6	-	-

1) Cash and cash equivalents 809 tEUR

Note 1) for Balance sheet

Changes in fund capital, EUR thousand

	2020	2019
Fund capital at beginning of year	204,318	133,475
Units issued ¹⁾	149,958	132,083
Units redeemed ¹⁾	-221,062	-61,596
Profit according to Income Statement	202	356
Dividends to unit holders	-	-
Fund capital at the close of the period	133,416	204,318

1) Of which EUR 15 389 t relates to internal moves between share classes

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value EUR t	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, OTHERS			
Ålandsbanken 0,5% 2021-09-13	4,000	4,016	3.0
AstraZeneca 0,25% 2021-05-12	2,000	2,001	1.5
BMW Finance 0,125% 2021-11-29	2,000	2,009	1.5
BMW Finance FRN 2021-08-16	4,000	4,009	3.0
Danfoss 1,375% 2022-02-23	3,500	3,545	2.7
Danone 2,25% 2021-11-15	2,000	2,032	1.5
Jab Holdings 2,125% 2022-09-16	500	520	0.4
Kemira 2,25% 2022-05-13	3,000	3,071	2.3
LeasePlan 1% 2023-05-02	1,500	1,535	1.2
LeasePlan 1, % 2022-02-25	2,500	2,534	1.9
Nasdaq 1,75% 2023-05-19	1,625	1,689	1.3
Nordea Bank 2% 2021-02-17	2,000	2,006	1.5
OP Corporate Bank 5,75% 2022-02-28	3,000	3,199	2.4
OP Corporate Bank FRN 2021-05-22	2,900	2,906	2.2
SATO 2,25% 2023-04-07	3,000	3,137	2.4
SATO 2,375 2021-03-24	3,000	3,005	2.3
Telenor 2,75% 2022-06-27	200	209	0.2
Volkswagen Bank 0,375% 2022-07-05	2,000	2,013	1.5
Volkswagen Leasing 0,5% 2022-06-20	3,000	3,025	2.3
VVO Yhtymä 1,625% 2310017	2,000	2,083	1.6
		48,542	36.4

OTHER			
Akellius 1,5% 2023-01-23	4,150	4,222	3.2
Alfa Laval 1,375% 2022-09-12	3,000	3,063	2.3
Balder 1,125% 2022-03-14	5,000	5,059	3.8
Castellum 2,125% 2023-11-20	2,000	2,114	1.6
Ericsson 1,875% 2024-03-01	1,000	1,052	0.8
Essity 0,625% 2022-03-28	2,000	2,017	1.5
Heimstaden Bostad 1,75% 2021-12-07	3,000	3,048	2.3
Hemsö FRN 2021-03-19	5,000	5,004	3.8
Sagax 2% 2024-01-17	2,000	2,087	1.6
SBAB 0,25% 2022-09-07	1,000	1,008	0.8
SCA 0,5% CB 2021-05-26	3,000	3,008	2.3
Scania 0,125% 2023-02-13	3,000	3,005	2.3
Scania 0,5% 2023-10-06	1,500	1,517	1.1
Scania FRN 2021-03-17	2,000	2,001	1.5
Scania FRN 2021-08-27	2,000	2,003	1.5
SKF 1.625% 221202	2,200	2,262	1.7
Tele2 1,1125% 2024-0515	1,000	1,034	0.8
Volvo Treasury 0,1% 2022-05-24	1,000	1,003	0.8
Volvo Treasury FRN 2021-08-09	2,000	2,003	1.5
Volvo Treasury FRN 2021-09-13	2,000	2,005	1.5
Volvo Treasury FRN 2021-11-01	2,000	2,006	1.5
Volvo Treasury FRN 2021-12-10	2,000	2,006	1.5
		52,527	39.4

Total listed fixed-income securities **101,070** **75.8**

Handelsbanken Euro Rånta, cont.

	Number/Nominal amount in 1000's	Market value EUR t	% of fund capital
UNLISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, OTHERS			
DNA 2,875% 2021-03-12	3,597	3,616	2.7
		3,616	2.7
Total unlisted fixed-income securities		3,616	2.7
Total transferable securities		104,686	78.5

MONEY MARKET INSTRUMENTS**

	Number/Nominal amount in 1000's	Market value EUR t	% of fund capital
CERTIFICATE			
Hexagon DI FC 2021-02-24	5,000	4,994	3.7
Hexagon DI FC 2021-05-14	5,000	4,998	3.7
Total certificate		9,993	7.5
Total money market instruments		9,993	7.5

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value EUR t	% of fund capital
INTEREST RATE FUTURES			
Euro-Bobl Future Mar 2021 ¹⁾	-72	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0
Total holdings in financial instruments		114,678	86.0
Net, other assets and liabilities		18,738	14.0
Total fund capital		133,416	100.0

1) Interest rate futures with underlying exposure of EUR -9 733 t, which is equivalent to 7.3% of fund capital.

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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.

78.5

** 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).

7.5

*** Refers to other financial instruments.

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Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Hexagon AB	7.5	OP Corporate Bank	4.6
Scania	6.4	BMW	4.5
Volvo	6.0	Volkswagen	3.8
Sato	4.7	LeasePlan	3.1

* 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 Euro Ränta

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

Methods used in sustainability efforts

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/issuers involved in the production or distribution of nuclear weapons are also excluded.

The fund also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies/issuers that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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:

Engagement activities in collaboration with other investors

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainability on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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

Volvo AB is one example of a holding that has clear guidelines for sustainability and contributes to product development in the form of new fuels and lower energy consumption. Volvo is at an advanced stage in the development of electric mobility and automated systems. Volvo also has a clear focus on roadway safety, which is closely linked to the UN's Sustainable Development Goal 3, Good Health and Well-being. Volvo AB is highly-ranked in its sustainability efforts relative to its competitors and also has high-quality credit. The fund therefore increased its holdings in the company further during the year, currently making Volvo the fund's largest issue exposure.

Within the same sector, Scania is another company in which the fund increased exposure during the year. Both Volvo and Scania impact the environment, primarily in Scope 3 in the form of emissions by the transport sector. Both companies have the potential of setting new standards for the transport sector with product development and innovations, and thereby significantly affecting global emissions. Both Scania and Volvo have created green frameworks to be able to issue green bonds, which we expect they will do within the next year.

The Management Company's engagement activities - Dialogues

Targeted dialogues with direct contact between our fund managers and companies

The fund did not engage in any targeted dialogues during the year, although ongoing dialogues with companies occur on a continuous basis. The dialogue with Ericsson is one such example. At the end of 2019, the company

announced the payment of USD 1.06 billion to US authorities to resolve allegations of bribery. The investigation by US authorities is based on "kickbacks" to politicians for government contracts. Ericsson responded in 2018 by terminating 50 employees from various departments that were related to the investigation. In our opinion, the company has made clear efforts and taken significant steps as a result of the investigation. The efforts have been made to strengthen the control functions, train personnel and improve whistleblower routines. The measures also included systems and processes to evaluate and monitor opposition and collaborators. We expect transparent communication from Ericsson regarding the implementation and the effects of the measures going forward. Ericsson was added to the fund after the company was upgraded to investment grade by Standard & Poor's. Ericsson also received a higher sustainability rating from MSCI given that the company continues to integrate its leading position in communication equipment and sustainable technology applications. These include energy efficient 5-G solutions, smart grids and efficiency optimization through cloud services.

Engagement activities in collaboration with other investors

In 2020, the Management Company participated in a total of 125 company dialogues together with other investors. The fund invested in one of these companies.

A dialogue was conducted with Ericsson regarding allegations of bribery in a number of countries in Asia.

Collaborations and industry initiatives

In 2020, the Management Company participated in initiatives and collaborations that included over 380 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. 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. 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. The fund can invest in derivative instruments as part of the fund's investment focus, which may result in leveraging. We compare fund performance with an index consisting of OMRX Treasury Bill Index (37%), HMNI Swe All Gov DurConst 6Y (19%), NOMX Credit SEK Total Return Index (14%), JP Morgan EM GBI Diversified Index (10%), Solactive Eurozone Government Bond Index (9%), Solactive 3 Month Money Market Index (6%), OMRX Real (5%). The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund is managed based on an investment process that includes the analysis of markets, asset classes and products in which the fund invests. The exposure allocation is based on the fund management team's ongoing analysis of market conditions, including the economic cycle, valuations and liquidity. Given that the fund is actively-managed, returns will deviate from this index over time. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund fell 2.4% in 2020*. The year was dominated by the corona pandemic which led to a significant slowdown in the global economy and sharp fluctuations in the financial markets. The market swung between concerns about an increased spread of the virus and economic data that was actually stronger than expected. A stronger SEK weighed on the returns of foreign assets. Market rates in the US, Europe and Sweden fell, which caused bonds to outperform fixed income investments with a shorter duration. Our holdings in the Hållbar Global Obligation and Råntestategi funds posted the most strength, while performance in the Tillväxtmarknadsobligation fund lagged. We have a short duration as well as an overweight in credits and emerging market bonds within the fixed income holdings. We also took a short position in US 10-year government bonds during the autumn.

*) 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 characterized 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The fixed interest duration in the holdings of 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. 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 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

• Highest leverage during the financial year	38.5%
• Lowest leverage during the financial year	8.7%
• Average leverage during the financial year	23.7%

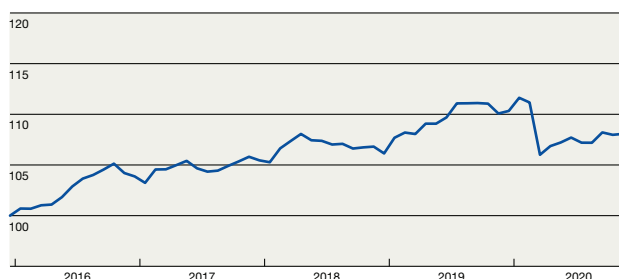
Information

As of 1 Mars 2020 the fund changed its fund rules. The fund is now managed with increased sustainability requirements.

As of June 1 2020, the fund changed its index from NOMX credit SEK Total Return to Solactive SEK Short IG Credit Index.

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 Ränta, cont.

Fund facts - history

	2020	2019	2018	2017	2016	2015	15/1-31/12 2014	2013	2012	2011
Net asset value, SEK										
Flexibel Ränta A1	112.41	115.16	110.78	110.07	108.42	104.38	105.61	-	-	-
Flexibel Ränta A8	113.59	116.20	111.61	110.73	108.90	104.68	105.76	-	-	-
Flexibel Ränta A9	97.45	-	-	-	-	-	-	-	-	-
Flexibel Ränta A10	113.69	116.00	111.15	-	-	-	-	-	-	-
Flexibel Ränta B1	97.28	102.20	99.29	-	-	-	-	-	-	-
Flexibel Ränta B8	97.70	102.49	99.42	99.62	101.04	99.25	102.97	-	-	-
The fund's total net flow, SEK m	-1,569	-101	-784	-144	-1,333	1,367	5,976	-	-	-
Fund capital total, SEK m	3,914	5,613	5,489	6,222	6,273	7,344	6,108	-	-	-
Flexibel Ränta A1	2,431	3,224	2,896	3,032	3,339	3,893	3,510	-	-	-
Flexibel Ränta A8	612	1,206	1,120	2,705	2,541	3,063	2,401	-	-	-
Flexibel Ränta A9	484	-	-	-	-	-	-	-	-	-
Flexibel Ränta A10	98	640	951	-	-	-	-	-	-	-
Flexibel Ränta B1	37	174	166	-	-	-	-	-	-	-
Flexibel Ränta B8	253	272	258	486	393	388	197	-	-	-
Number of units, 1000's	35,806	49,187	49,985	56,849	58,023	70,465	57,854	-	-	-
Flexibel Ränta A1	21,627	27,996	26,140	27,543	30,802	37,300	33,237	-	-	-
Flexibel Ränta A8	5,386	10,376	10,034	24,428	23,336	29,256	22,702	-	-	-
Flexibel Ränta A9	4,970	-	-	-	-	-	-	-	-	-
Flexibel Ränta A10	860	5,517	8,557	-	-	-	-	-	-	-
Flexibel Ränta B1	378	1,704	1,669	-	-	-	-	-	-	-
Flexibel Ränta B8	2,585	2,649	2,596	4,878	3,885	3,909	1,915	-	-	-
Total returns in %, SEK										
Flexibel Ränta A1	-2.4	+4.0	+0.6	+1.5	+3.9	-1.2	+5.6	-	-	-
Flexibel Ränta A8	-2.2	+4.1	+0.8	+1.7	+4.0	-1.0	+5.8	-	-	-
Flexibel Ränta A9	-2.6	-	-	-	-	-	-	-	-	-
Flexibel Ränta A10	-2.0	+4.4	+1.1	-	-	-	-	-	-	-
Flexibel Ränta B1	-2.4	+4.0	+0.6	-	-	-	-	-	-	-
Flexibel Ränta B8	-2.2	+4.1	+0.8	+1.6	+3.9	-1.2	+5.6	-	-	-
Index including dividends in %, SEK										
Flexibel Ränta A1	-1.1	+3.3	+0.6	+0.8	+4.0	-0.8	+6.7	-	-	-
Flexibel Ränta A8	-1.1	+3.3	+0.6	+0.8	+4.0	-0.8	+6.7	-	-	-
Flexibel Ränta A9	-1.2	-	-	-	-	-	-	-	-	-
Flexibel Ränta A10	-1.1	+3.3	+0.6	-	-	-	-	-	-	-
Flexibel Ränta B1	-1.1	+3.3	+0.6	-	-	-	-	-	-	-
Flexibel Ränta B8	-1.1	+3.3	+0.6	+0.8	+4.0	-0.8	+6.7	-	-	-
Tracking error, 2 yrs. % ¹⁾										
Flexibel Ränta A1	2.7	0.8	0.5	0.9	1.2	-	-	-	-	-
Flexibel Ränta A8	2.7	0.8	0.5	1.1	1.3	-	-	-	-	-
Flexibel Ränta A10	2.7	0.8	0.5	-	-	-	-	-	-	-
Flexibel Ränta B1	2.7	0.8	0.5	-	-	-	-	-	-	-
Flexibel Ränta B8	2.7	0.8	0.5	1.1	1.3	-	-	-	-	-
Average yearly return, 2 yrs. %										
Flexibel Ränta A1	+0.7	+2.3	+1.1	+2.7	+1.3	-	-	-	-	-
Flexibel Ränta A8	+0.9	+2.4	+1.2	+2.8	+1.5	-	-	-	-	-
Flexibel Ränta A10	+1.1	+2.7	+1.5	-	-	-	-	-	-	-
Flexibel Ränta B1	+0.7	+2.3	+1.1	-	-	-	-	-	-	-
Flexibel Ränta B8	+0.9	+2.4	+1.2	+2.7	+1.3	-	-	-	-	-
Comparison to index including dividends, %	+1.1	+2.0	+0.7	+2.4	+1.6	-	-	-	-	-
Average yearly return, 5 yrs. %										
Flexibel Ränta A1	+1.5	+1.7	-	-	-	-	-	-	-	-
Flexibel Ränta A8	+1.6	+1.9	-	-	-	-	-	-	-	-
Flexibel Ränta A10	+1.9	+2.2	-	-	-	-	-	-	-	-
Flexibel Ränta B1	+1.5	+1.7	-	-	-	-	-	-	-	-
Flexibel Ränta B8	+1.6	+1.8	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+1.5	+1.6	-	-	-	-	-	-	-	-
Dividends per unit, SEK										
Flexibel Ränta B1	2.56	0.99	1.00	-	-	-	-	-	-	-
Flexibel Ränta B8	2.56	0.99	1.00	3.03	1.99	2.57	2.64	-	-	-

1) The fund's realized tracking error increased last year relative to the previous year. Within the fund's fixed income investments, the fund had a higher risk than its benchmark index, primarily through credit exposures and emerging market bonds. Overall, the fund had a slightly higher risk than its benchmark index. This, together with a generally high realized volatility (risk) in many of the markets invested by the fund, contributed to the fund's higher realized tracking error.

Benchmark: OMRX Treasury Bill Index (37%), HMNI Swe All Gov Dur Const 6Y (19%), NOMX Credit SEK Total Return Index (14%), JP Morgan EM GBI Diversified Index (10%), Solactive Eurozone Government Bond Index (9%), Solactive 3 Month Money Market Index (6%), OMRX Real (5%).

Up to 31/05/2018: OMRX Treasury Bill Index (37%), HMNI Swe All Gov Dur Const 6Y (19%), NOMX Credit SEK Total Return Index (14%), JP Morgan EM Diversified Index (10%), Barclays Euro Government Bond Index (9%), EURIBOR (6%), OMRX Real Return Bond Index (5%).

Up to 28/02/2019: OMRX Treasury Bill Index (37%), HMNI Swe All Gov Dur Const 6Y (19%), NOMX Credit SEK Total Return Index (14%), JP Morgan EM GBI Diversified Index (10%), Barclays Euro Government Bond Index (9%), Bloomberg Barclays Euro Treasury 0-12 Months (6%), OMRX Real Return Bond Index (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.

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 A9	0.30
Flexibel Ränta A10	0.20
Flexibel Ränta B1	0.60
Flexibel Ränta B8	0.45
Collected mgmt. costs in % of average fund capital	
Flexibel Ränta A1	0.60
Flexibel Ränta A8	0.45
Flexibel Ränta A9	0.30
Flexibel Ränta A10	0.20
Flexibel Ränta B1	0.60
Flexibel Ränta B8	0.45
Annual fees in %	
Flexibel Ränta A1	0.79
Flexibel Ränta A8	0.64
Flexibel Ränta A9	0.49
Flexibel Ränta A10	0.39
Flexibel Ränta B1	0.79
Flexibel Ränta B8	0.64
Transaction costs, SEK thousand	460
Transaction costs in % of turnover	0.01
Costs in SEK for a one-time subscription, 10 000 SEK	
Flexibel Ränta A1	58.98
Flexibel Ränta A8	44.26
Flexibel Ränta A9	-
Flexibel Ränta A10	19.70
Flexibel Ränta B1	58.97
Flexibel Ränta B8	44.26
Costs in SEK for monthly savings, 100 SEK	
Flexibel Ränta A1	3.88
Flexibel Ränta A8	2.91
Flexibel Ränta A9	-
Flexibel Ränta A10	1.30
Flexibel Ränta B1	3.94
Flexibel Ränta B8	2.96

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	0.2
Share of turnover conducted via closely-related securities companies in %	1.2
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and return measurements*

Total risk % - A1 SEK	4.1	Information ratio - A8 SEK	Negative
Total risk % - A8 SEK	4.1	Information ratio - A10 SEK	0.0
Total risk % - A10 SEK	4.1	Information ratio - B1 SEK	Negative
Total risk % - B1 SEK	4.1	Information ratio - B8 SEK	Negative
Total risk % - B8 SEK	4.1	Sharpe ratio - A1 SEK	0.3
Total risk in index % - A1 SEK	2.1	Sharpe ratio - A8 SEK	0.3
Total risk in index % - A8 SEK	2.1	Sharpe ratio - A10 SEK	0.4
Total risk in index % - A10 SEK	2.1	Sharpe ratio - B1 SEK	0.3
Total risk in index % - B1 SEK	2.1	Sharpe ratio - B8 SEK	0.3
Total risk in index % - B8 SEK	2.1	Sharpe ratio in index - A1 SEK	0.7
Benchmark	OMRX Treasury Bill Index (37%), HMNI Swe All Gov DurConst 6Y (19%), NOMX Credit SEK Total Return Index (14%), JP Morgan EM GBI Diversified Index (10%), Solactive Eurozone Government Bond Index (9%), Solactive 3 Month Money Market Index (6%), OMRX Real (5%).	Sharpe ratio in index - A8 SEK	0.7
Active return % - A1 SEK	-0.4	Sharpe ratio in index - A10 SEK	0.7
Active return % - A8 SEK	-0.2	Sharpe ratio in index - B1 SEK	0.7
Active return % - A10 SEK	0.0	Sharpe ratio in index - B8 SEK	0.7
Active return % - B1 SEK	-0.4	Duration, years ¹⁾	2.8
Active return % - B8 SEK	-0.2	Spread exposure % ²⁾	N/A
Information ratio - A1 SEK	Negative		

¹⁾ As of the balance sheet date.

²⁾ ÖVERSÄTT S: All information som krävs för att beräkna måttet är inte tillgänglig för bolaget, och därmed kan inte en tillförlitlig siffra presenteras.

* 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, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	-11,635	-17,038
Changes in value for fund units **	-175,723	238,517
Interest income	141	-208
Dividends	26,871	31,838
Currency exchange profits and losses, net	38,436	-21,456
Other financial income ¹⁾	17,733	20,793
Other income	0	1
Total income and changes in value	-104,177	252,447
EXPENSES		
Management costs:		
- Remuneration to the Management Company	23,800	28,140
Interest expense	422	28
Other expenses	460	28
Total expenses	24,681	28,196
Net income	-128,858	224,251
* Details of changes in value		
Capital gains	637	25,889
Capital losses	-10,823	-53,404
Unrealised gains/losses	-1,449	10,477
Sum	-11,635	-17,038
** Details of changes in value		
Capital gains	64,041	121,647
Capital losses	-74,302	-18,479
Unrealised gains/losses	-165,462	135,350
Sum	-175,723	238,517

¹⁾ The item consists primarily of discounts for management costs in underlying funds.

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	-	-	1,163	0.0
Fund units	3,810,312	97.3	5,565,224	99.3
Total financial instruments with positive market value ^{Note 2)}	3,810,312	97.3	5,566,387	99.3
Bank assets and other liquid assets	95,396	2.4	61,339	1.1
Prepaid expenses and accrued income	1,302	0.0	1,888	0.0
Other assets	22,332	0.7	2,399	0.1
Total assets	3,929,342	100.4	5,632,013	100.5
LIABILITIES				
OTC derivative instruments with negative market value	2,820	0.1	11,677	0.3
Total financial instruments with negative market value ^{Note 2)}	2,820	0.1	11,677	0.3
Accrued expenses and prepaid income	1,777	0.1	2,454	0.0
Other liabilities	10,415	0.2	5,270	0.2
Total liabilities	15,012	0.4	19,401	0.5
Fund capital ^{Note 1)}	3,914,330	100.0	5,612,612	100.0
Secured collateral for OTC derivative instruments	-		5,359	0.1
Other derivative instruments with negative market value ¹⁾	360	0.0	1,848	0.0

¹⁾ Cash and cash equivalents SEK 360 t

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	5,612,612	5,489,211
Units issued ¹⁾	1,508,186	1,636,063
Units redeemed ¹⁾	-3,063,002	-1,731,538
Profit according to Income Statement	-128,858	224,251
Dividends to unit holders	-14,608	-5,375
Fund capital at the close of the period	3,914,330	5,612,612

¹⁾ Of which SEK 728 111 t relates to internal moves between share classes

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 SEK t	% of fund capital
INTEREST RATE FUTURES			
US 10Y Note (CBT) Future Mar 2021 ¹⁾	-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 SEK t	% of fund capital
FUND UNITS			
EXCHANGE-TRADED FIXED INCOME FUNDS**			
iShares Emerging Markets Local Gov Bond	786,200	389,275	9.9
		389,275	9.9
FIXED INCOME FUNDS			
BlueOrchard Ucits EM Sdg Impact Bd Fd H	181,040	189,895	4.9
Handelsinvest Virksomhedsobligationer	405,293	59,364	1.5
Schroder Intl Selection Fund Sustainable	92,579	97,995	2.5
SHB Euro Corporate Bond Fund (A7 EUR)	52,903	58,804	1.5
SHB Euro Obligation (A1 SEK)	18,104	78,933	2.0
SHB Euro Ränta (A1 EUR)	99,143	195,045	5.0
SHB Företagsobl. IG (A1 SEK)	3,651,909	372,132	9.5
SHB Företagsobligation (A1 SEK)	2,952,984	393,664	10.1
SHB Hållbar Global Obligation (A1 SEK)	1,885,469	195,611	5.0
SHB Institutionell Kortränta (A1 SEK)	390,765	39,400	1.0
SHB Kredit (A1 NOK)	2,061,255	196,571	5.0
SHB Långränta (A1 SEK)	2,212,072	263,605	6.7
SHB Råntevkastning (A1 SEK)	107,138	207,313	5.3
SHB Råntestrategi (A1 SEK)	5,102,429	529,481	13.5
SHB Realränta (A1 SEK)	671,532	78,755	2.0
UI - Aktia EM Frontier Bond+	2,174,079	208,385	5.3
UI - Aktia EM Local Currency Bond+ - s1	2,536,223	256,082	6.5
		3,421,037	87.4
Total fund units		3,810,312	97.3

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
EUR/SEK ²⁾		-1,466	0.0
SEK/NOK ³⁾		-1,354	0.0
		-2,820	-0.1
Total OTC derivative instruments		-2,820	-0.1
Total other financial instruments		3,807,492	97.3
Total holdings in financial instruments		3,807,492	97.3
Net, other assets and liabilities		106,838	2.7
Total fund capital		3,914,330	100.0

¹⁾ Interest rate futures with underlying exposure of SEK -38 779 t, which is equivalent to 1.0% of fund capital.

²⁾ EUR 9 349 t/SEK -95 487 t, counterparty J.P. Morgan Securities.

³⁾ SEK 218 086 t/NOK -228 916 t, counterparty Skandinaviska Enskilda Banken AB (publ).

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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.

9.9
87.3

Compilation, Company and Group exposure*

Company/Group	% of fund capital
UI Aktia	11.8

* 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 Flexibel Ränta

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.

The fund invests in other funds and does not invest directly in companies.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

The Management Company also carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder that include dialogues with companies, voting at annual general meetings and working on nomination committees.

Methods used for sustainability efforts

Exclusion

The fund excludes companies in their entirety that are 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 also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made to the principle of excluding fossil fuels for a period of time if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

The fund invests exclusively in underlying funds that meet the exclusion requirements above.

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

Inclusion

An extensive analysis is conducted in which sustainability dimensions and financial factors are taken into account prior to each investment decision. This applies to our own funds as well as funds from other fund management companies. Fund investments are selected and followed up in a selection process that includes sustainability criteria at the fund and the fund management company level. The evaluation of a fund management company includes the organization, sustainability, the fund management team and the investment process. It is also possible to invest in funds that invest in companies that are transitioning their business operations in a more sustainable direction, so-called transition companies.

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 support.

Given that the fund is a fund of funds and thus only invests in other funds, there are no direct engagement efforts with companies. Engagement occurs through direct dialogues with fund management companies and fund managers, collaborations and sector initiatives, as well as through participation in investor networks.

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 Management Company carries out engagement activities in the underlying funds that are managed by Handelsbanken Fonder by voting at annual general meetings, working on nomination committees and through dialogues in various forms depending on the fund's character. Read more under each individual fund.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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

In recent years we have worked based on enhanced sustainability requirements. This means that the fund excludes* funds with investments in companies where the principal business activities are within controversial sectors. Refer to the description above under the heading *Exclusion*.

During the year we continued to integrate the sustainability efforts into the investment process and improving the measurability in the sustainability efforts has been a high priority. We use a model that was developed in-house to measure our investment exposure against the Sustainable Development Goals, i.e., to what degree a company's business contributes to fulfilling the specific targets in Agenda 2030. The fund's benchmark index reflects our sustainable investment criteria.

We continuously have dialogues with providers who are willing to meet our requirements in existing investments, and in some cases we have also launched new funds together with them that meet the enhanced requirements. During the year we continued to invest in funds with focus on the global sustainable transition.

** 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 Baa3 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. The fund may invest in derivative instruments as part of its investment focus. The fund may invest a maximum of 10% of the fund capital in fund units. We compare the fund's performance with NOMX Credit SEK Total Return. The index reflects a portfolio of corporate and municipal bonds issued in SEK. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund invests in financial instruments whether or not they are included in the benchmark index. Fund management is partly based on an ongoing assessment of the macroeconomic conditions, as well as on credit market- and company analyses. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 0.7% in 2020*. An eventful year in the credit market has finally come to an end and, unsurprisingly, the corona pandemic dominated the market performance of nearly all of the fund's company exposures to various extents. The year began with strong risk sentiment that turned to extreme risk aversion in March, which then improved significantly just one month later. Swedish credit spreads within the Investment Grade universe widened by almost 100bp in just a few days in March. European and US credit indices had corresponding spread movements, and in some cases even wider spreads. The fund's basic construction with stable and strong credit ratings helped to mitigate the downturn, while the interest rate risk benefited from the declining rates. Although the fund did not have exposure in the companies and sectors that were most affected by the closed borders and trading, all of the fund's holdings were impacted by the general risk sentiment. Due to the fund's good liquidity, we were able to gradually increase the credit exposure at very attractive levels throughout the spring, predominately in green and sustainable issues and issuers with high credit ratings. The rapid monetary and fiscal stimulus, including purchases of credits, then contributed to a gradual improvement in the market and a normalization

of credit spreads. The fund's high exposure to banking and financials contributed positively as a sector, while most of the real estate companies lagged until after the summer before performance improved again. We managed the significant rate fluctuations with dynamic duration management and the fund balanced higher credit risks with an overweight in longer interest rate duration, which was a successful strategy given market performance. We believe the fund's high exposure to sustainable and green bonds is of substantial value. This is a market that will become even more significant in the coming year when additional stimulus will be targeting this market at the same time as demand in the market increases. The fund's green (environmental improvements) and sustainable (environmental and social economical improvements) holdings currently total almost 30% (SEK 4 billion) at year-end.

*) 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 normally characterized 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The average residual fixed interest 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 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

• Highest leverage during the financial year	55.6%
• Lowest leverage during the financial year	3.6%
• Average leverage during the financial year	26.7%

Information

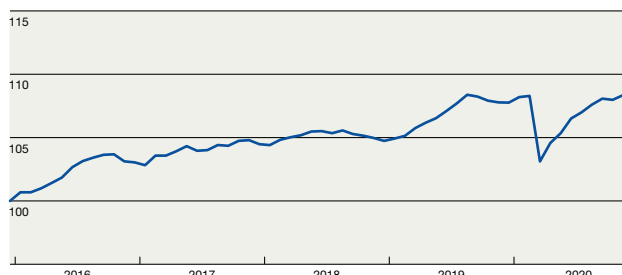
As of June 1 2020, the fund changed its index from NOMX credit SEK Total Return to Solactive SEK Short IG Credit Index.

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

Handelsbanken Företagsobligation, cont.

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

	2020	2019	2018	2017	2016	2015	10/10-31/12 2014	2013	2012	2011
Net asset value, SEK										
Företagsobligation A1	133.31	132.39	128.68	128.36	126.60	122.86	123.95	-	-	-
Företagsobligation A9	101.01	-	-	-	-	-	-	-	-	-
Företagsobligation A10	136.16	134.21	129.48	-	-	-	-	-	-	-
Företagsobligation B1	107.59	110.13	108.12	-	-	-	-	-	-	-
Företagsobligation B5	108.98	111.06	108.55	109.42	111.32	109.72	113.59	-	-	-
The fund's total net flow, SEK m	5,746	-598	-5,016	1,879	-2,620	385	2,700	-	-	-
Fund capital total, SEK m	13,361	7,526	7,925	12,887	10,844	13,133	12,883	-	-	-
Företagsobligation A1	10,943	5,699	5,198	9,651	8,017	8,700	7,408	-	-	-
Företagsobligation A9	358	-	-	-	-	-	-	-	-	-
Företagsobligation A10	278	135	164	-	-	-	-	-	-	-
Företagsobligation B1	1,338	642	1,180	-	-	-	-	-	-	-
Företagsobligation B5	444	499	628	3,236	2,827	4,432	5,475	-	-	-
Number of units, 1000's	104,181	59,308	65,299	104,762	88,722	111,214	107,964	-	-	-
Företagsobligation A1	82,083	43,048	40,399	75,187	63,322	70,816	59,761	-	-	-
Företagsobligation A9	3,543	-	-	-	-	-	-	-	-	-
Företagsobligation A10	2,040	1,007	1,264	-	-	-	-	-	-	-
Företagsobligation B1	12,437	5,829	10,910	-	-	-	-	-	-	-
Företagsobligation B5	4,077	4,491	5,787	29,575	25,400	40,399	48,203	-	-	-
Total returns in %, SEK										
Företagsobligation A1	+0.7	+2.9	+0.2	+1.4	+3.0	-0.9	+5.0	+3.5	+7.0	+6.2
Företagsobligation A9	+1.0	-	-	-	-	-	-	-	-	-
Företagsobligation A10	+1.5	+3.7	+1.0	-	-	-	-	-	-	-
Företagsobligation B1	+0.7	+2.9	+0.2	-	-	-	-	-	-	-
Företagsobligation B5	+1.1	+3.3	+0.7	+1.9	+3.5	-0.4	+5.4	+3.8	+7.3	+6.6
Index including dividends in %, SEK										
Företagsobligation A1	+1.7	+1.4	-0.1	+1.3	+3.0	+0.4	+6.2	+2.8	+6.2	+8.1
Företagsobligation A9	+1.5	-	-	-	-	-	-	-	-	-
Företagsobligation A10	+1.7	+1.4	-0.1	-	-	-	-	-	-	-
Företagsobligation B1	+1.7	+1.4	-0.1	-	-	-	-	-	-	-
Företagsobligation B5	+1.7	+1.4	-0.1	+1.3	+3.0	+0.4	+6.2	+2.8	+6.2	+8.1
Tracking error, 2 yrs. % ¹⁾										
Företagsobligation A1	2.0	0.4	0.2	0.5	0.7	0.6	0.5	0.6	0.7	-
Företagsobligation A10	2.0	0.4	0.2	-	-	-	-	-	-	-
Företagsobligation B1	2.0	0.4	0.2	-	-	-	-	-	-	-
Företagsobligation B5	2.0	0.4	0.2	0.5	0.7	0.6	0.4	-	-	-
Average yearly return, 2 yrs. %										
Företagsobligation A1	+1.8	+1.6	+0.8	+2.2	+1.1	+2.0	+4.2	+5.2	+6.6	-
Företagsobligation A10	+2.5	+2.3	+1.6	-	-	-	-	-	-	-
Företagsobligation B1	+1.8	+1.6	+0.8	-	-	-	-	-	-	-
Företagsobligation B5	+2.2	+2.0	+1.3	+2.7	+1.5	+2.5	+4.6	+5.6	+7.0	-
Comparison to index including dividends, %	+1.6	+0.7	+0.6	+2.2	+1.7	+3.3	+4.5	+4.5	+7.1	-
Average yearly return, 5 yrs. %										
Företagsobligation A1	+1.6	+1.3	+1.7	+2.4	+3.5	+4.1	-	-	-	-
Företagsobligation A10	+2.4	+2.1	+2.5	-	-	-	-	-	-	-
Företagsobligation B1	+1.6	+1.3	+1.7	-	-	-	-	-	-	-
Företagsobligation B5	+2.1	+1.8	+2.2	+2.8	+3.9	+4.5	-	-	-	-
Comparison to index including dividends, %	+1.5	+1.2	+2.2	+2.7	+3.7	+4.7	-	-	-	-
Average yearly return, 10 yrs. %										
Företagsobligation A1	+2.9	-	-	-	-	-	-	-	-	-
Företagsobligation A10	+3.6	-	-	-	-	-	-	-	-	-
Företagsobligation B1	+2.9	-	-	-	-	-	-	-	-	-
Företagsobligation B5	+3.3	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+3.1	-	-	-	-	-	-	-	-	-
Dividends per unit, SEK										
Företagsobligation B1	3.30	1.08	1.64	-	-	-	-	-	-	-
Företagsobligation B5	3.33	1.09	1.64	3.90	2.19	3.41	-	-	-	-

1) The fund has taken the tracking error that is considered to be appropriate for the purpose of attaining the fund's active return objective. The tracking error has been slightly higher in the past year than in previous years. As a result of the pandemic, 2020 was largely dominated by significant volatility in the fixed income markets. Most notably, credit spreads widened sharply during H1. Central banks used rate cuts and quantitative support programs to support the markets, which resulted in a narrowing of credit spreads in H2. The higher volatility in the markets, particularly for corporate bonds, led to an increase to the tracking error. Senior and subordinated credits had high volatility periodically, which contributed to a higher tracking error. Interest rate fluctuations also contributed to increased volatility with regard to the fund's positions.

Benchmark: Solactive SEK Short IG Credit Index

Up to 31/05/2020: 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 A9	0.50
Företagsobligation A10	0.20
Företagsobligation B1	0.95
Företagsobligation B5	0.50
Collected mgmt. costs in % of average fund capital	
Företagsobligation A1	0.95
Företagsobligation A9	0.50
Företagsobligation A10	0.20
Företagsobligation B1	0.95
Företagsobligation B5	0.50
Annual fees in %	
Företagsobligation A1	0.95
Företagsobligation A9	0.50
Företagsobligation A10	0.20
Företagsobligation B1	0.95
Företagsobligation B5	0.50
Transaction costs, SEK thousand	892
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Företagsobligation A1	94.41
Företagsobligation A9	-
Företagsobligation A10	19.95
Företagsobligation B1	94.41
Företagsobligation B5	49.80
Costs in SEK for monthly savings, 100 SEK	
Företagsobligation A1	6.23
Företagsobligation A9	-
Företagsobligation A10	1.31
Företagsobligation B1	6.34
Företagsobligation B5	3.34

Fund facts - other key figures

Turnover rate	0.3
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	4.0	Information ratio - A10 SEK	0.5
Total risk % - A10 SEK	4.0	Information ratio - B1 SEK	0.1
Total risk % - B1 SEK	4.0	Information ratio - B5 SEK	0.3
Total risk % - B5 SEK	4.0	Sharpe ratio - A1 SEK	0.5
Total risk in index % - A1 SEK	2.1	Sharpe ratio - A10 SEK	0.7
Total risk in index % - A10 SEK	2.1	Sharpe ratio - B1 SEK	0.5
Total risk in index % - B1 SEK	2.1	Sharpe ratio - B5 SEK	0.7
Total risk in index % - B5 SEK	2.1	Sharpe ratio in index - A1 SEK	0.9
Benchmark Solactive SEK Short IG Credit Index		Sharpe ratio in index - A10 SEK	0.9
Active return % - A1 SEK	0.2	Sharpe ratio in index - B1 SEK	0.9
Active return % - A10 SEK	1.0	Sharpe ratio in index - B5 SEK	0.9
Active return % - B1 SEK	0.2	Duration, years ¹⁾	1.8
Active return % - B5 SEK	0.7	Spread exposure %	4.3
Information ratio - A1 SEK	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, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	7,203	93,723
Changes in value for other derivative instruments **	6,281	59,632
Interest income	165,224	101,286
Currency exchange profits and losses, net	19,786	1,331
Other income	80	3
Total income and changes in value	198,574	255,975
EXPENSES		
Management costs:		
- Remuneration to the Management Company	97,797	54,845
Interest expense	364	64
Other expenses	1,093	743
Total expenses	99,255	55,652
Net income	99,319	200,323
* Details of changes in value		
Capital gains	10,982	28,358
Capital losses	-50,466	-4,413
Unrealised gains/losses	46,687	69,777
Sum	7,203	93,723
** Details of changes in value		
Capital gains	55,199	146,971
Capital losses	-50,208	-77,497
Unrealised gains/losses	1,290	-9,842
Sum	6,281	59,632

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	13,113,682	98.2	7,132,659	94.8
OTC derivative instruments with positive market value	9,058	0.1	109	0.0
Total financial instruments with positive market value ^{Note 2)}	13,122,740	98.2	7,132,768	94.8
Bank assets and other liquid assets	204,188	1.5	368,997	4.9
Prepaid expenses and accrued income	43,951	0.3	29,491	0.4
Other assets	1	0.1	-	-
Total assets	13,370,880	100.1	7,531,256	100.1
LIABILITIES				
Accrued expenses and prepaid income	10,249	0.1	5,299	0.1
Total liabilities	10,249	0.1	5,299	0.1
Fund capital ^{Note 1)}	13,360,630	100.0	7,525,957	100.0
Collateral received for OTC derivative instruments ¹⁾	570	0.0	-	-
Other derivative instruments with negative market value ²⁾	23,472	0.2	1,978	0.0

¹⁾ Cash and cash equivalents SEK 570 t²⁾ Cash and cash equivalents SEK 23 472 t

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	7,525,957	7,925,016
Units issued ¹⁾	8,722,263	3,084,728
Units redeemed ¹⁾	-2,937,419	-3,659,465
Profit according to Income Statement	99,319	200,323
Dividends to unit holders	-49,490	-24,645
Fund capital at the close of the period	13,360,630	7,525,957

¹⁾ Of which SEK 649 380 t relates to internal moves between share classes

Handelsbanken Företagsobligation, cont.

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, MORTGAGE			
DNB Boligkreditt 0,75% 2024-01-31	50,000	50,976	0.4
		50,976	0.4
FOREIGN ISSUER, OTHERS			
Aktia Bank Oyj FRN 2025-09-10	130,000	130,714	1.0
BMW Finance FRN 2023-06-19	50,000	50,133	0.4
BNP Paribas 0,5% 2025-06-04	2,000	20,462	0.2
Danske Bank FRN 2023-01-25	140,000	139,486	1.0
DNB Bank FRN 2022-11-01	100,000	100,818	0.8
DNB Bank FRN 2030-05-28	56,000	58,398	0.4
Jyske Bank A/S 0,375% 2025-10-15	4,000	40,411	0.3
Jyske Bank FRN 2023-09-07	111,000	111,908	0.8
LeasePlan 0,7275% 2021-05-03	45,000	44,990	0.3
LeasePlan FRN 2022-07-05	136,000	135,407	1.0
Millicom FRN 2024-05-15	150,000	149,925	1.1
Mowi ASA FRN 2025-01-31	1,400	14,181	0.1
Nordea Bank 1,125% 2023-06-27	150,000	152,276	1.1
Nordea Bank FRN 2023-06-27	44,000	44,313	0.3
Olav Thon Eiendom FRN 2022-05-10	90,000	89,324	0.7
OP Corporate Bank FRN 2030-06-03	120,000	123,319	0.9
Santander Consumer Bk FRN 2022-09-19	80,000	80,016	0.6
Santander Consumer Bk FRN 2023-05-12	67,000	66,849	0.5
Statnett SF 0,518% 2023-06-30	19,000	19,069	0.1
Stora Enso 1,875% 2024-02-20	83,000	85,532	0.6
Stora Enso 2,375% 2025-04-29	120,000	126,356	0.9
Telenor 1,125% 2024-03-19	50,000	50,870	0.4
Tornator 1,25% 2026-10-14	3,900	40,284	0.3
TVO FRN 2022-02-15	50,000	49,656	0.4
TVO FRN 2024-10-29	150,000	141,117	1.1
VW Financial Services NV FRN 2023-01-21	118,000	118,054	0.9
VW Intl Finance 0,875% 2028-09-22	4,000	41,587	0.3
		2,225,454	16.7
FOREIGN ISSUER, STATE			
NIB 0,125% 2023-04-11	20,000	20,028	0.1
		20,028	0.2
MORTGAGE			
SBAB 0,75% 2024-03-28	90,000	91,947	0.7
Stadshypotek 1590 1% 2025-09-03	1,100,000	1,144,704	8.6
		1,236,651	9.3
OTHER			
Akelius 1,125% 2021-10-04	50,000	50,181	0.4
Akelius 2,249% 2026-05-01	2,400	24,357	0.2
Akelius FRN 2023-10-03	38,000	38,449	0.3
Akelius FRN 2024-11-12	77,000	76,998	0.6
Assa Abloy 1% 2024-04-02	50,000	50,780	0.4
Atrium Ljungberg 1,668% 2024-08-21	8,000	8,135	0.1
Atrium Ljungberg FRN 2022-03-21	10,000	10,051	0.1
Atrium Ljungberg FRN 2024-08-21	56,000	56,430	0.4
Balder FRN 2023-02-06	140,000	139,460	1.0
Balder FRN 2024-03-06	22,000	22,336	0.2
Balder FRN 2024-06-05	172,000	174,508	1.3
BillerudKorsnäs FRN 2022-02-21	20,000	20,169	0.2
Bluestep FRN 2022-09-12	76,000	76,682	0.6
Bluestep FRN 2023-04-27	50,000	50,739	0.4
Bluestep FRN 2025-10-08	10,000	10,280	0.1
Bonava AB FRN 2024-03-11	67,500	67,713	0.5
Castellum 1,203% 2025-02-21	142,000	141,976	1.1
Castellum 1,875% 2021-10-04	130,000	131,245	1.0
Castellum FRN 2022-04-14	5,000	5,048	0.0
Castellum FRN 2024-03-28	28,000	28,550	0.2
Castellum FRN 2025-08-19	66,000	67,515	0.5
Electrolux 1,103% 2024-03-27	96,000	97,894	0.7
Electrolux FRN 2023-04-06	54,000	55,861	0.4
Ellevio 2,875% 2025-02-12	69,000	71,333	0.5
Ellevio FRN 2024-02-28	110,000	112,739	0.8
Ellevio FRN 2027-06-11	40,000	40,947	0.3
Epiroc AB FRN 2026-05-18	100,000	100,473	0.8
Fabege FRN 2022-09-26	51,000	51,391	0.4
Fabege FRN 2023-08-30	32,000	32,221	0.2
Fabege FRN 2023-10-03	30,000	30,439	0.2
Fabege FRN 2024-02-21	32,000	32,354	0.2
Fabege FRN 2024-06-22	10,000	10,214	0.1
Fabege FRN 2024-09-10	48,000	48,228	0.4
Fabege FRN 2025-09-22	50,000	49,900	0.4
Fastighets AB Stenvalvet FRN 2024-02-05	50,000	49,801	0.4
Fastighetspart FRN 2021-09-15	98,000	98,494	0.7
FastPartner AB FRN 2023-05-24	65,000	65,980	0.5
Fortum Värme 1,75% 2022-05-18	149,000	151,956	1.1
Handelsbanken 1% 2025-04-15	2,000	21,085	0.2
Handelsbanken 1,41% 2027-11-15	194,000	195,715	1.5
Heimstaden Bostad 1,125% 2026-01-21	2,200	22,885	0.2
Heimstaden Bostad 2,125% 2023-04-05	9,000	95,251	0.7
Heimstaden Bostad FRN 2022-05-26	30,000	30,470	0.2
Heimstaden Bostad FRN 2025-02-25	16,000	16,148	0.1
Hemsö FRN 2025-02-11	86,000	86,050	0.6
Hexagon FRN 2024-11-26	100,000	99,661	0.7
Hexagon FRN 2025-09-17	44,000	44,442	0.3
Holmen 0,73% 2024-10-29	100,000	100,348	0.8
Holmen FRN 2025-08-28	42,000	42,064	0.3
Hufvudstaden 1,2% 2021-12-08	25,000	25,125	0.2
Humlegården Fastigheter FRN 2024-10-07	78,000	78,397	0.6
Humlegården Fastigheter FRN 2025-09-22	160,000	160,243	1.2
Husqvarna FRN 2023-02-14	30,000	30,136	0.2
ICA Gruppen FRN 2025-02-28	36,000	35,900	0.3

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
Ikano Bank FRN 2022-05-16	12,000	11,982	0.1
Ikano Bank FRN 2022-10-17	6,000	5,979	0.0
Industrivärden 0,75% 2025-02-20	60,000	60,252	0.5
Indutrade 1,75% 2023-02-23	63,000	63,644	0.5
Intea Fastigheter FRN 2022-07-05	140,000	141,554	1.1
Intea Fastigheter FRN 2025-09-01	74,000	74,335	0.6
Investment AB Latour FRN 2025-03-27	78,000	78,879	0.6
Jernhusen AB 0% 2025-09-23	30,000	29,951	0.2
Kinnevik FRN 2025-02-19	124,000	123,546	0.9
Klarna Bank AB FRN 2021-06-23	50,000	50,019	0.4
Klarna Bank AB FRN 2022-08-15	100,000	99,861	0.7
Klöver FRN 2024-04-16	110,000	110,190	0.8
Kungsleden 2,375% 2022-03-21	86,000	87,593	0.7
Kungsleden FRN 2022-03-21	26,000	26,373	0.2
Kungsleden FRN 2023-03-07	20,000	20,338	0.2
Kungsleden FRN 2025-08-27	100,000	100,944	0.8
Kungsleden FRN 2026-09-25	28,000	27,809	0.2
Landshypotek FRN 2024-10-16	38,000	38,446	0.3
Länsförsäkringar FRN 2024-09-13	47,000	47,218	0.4
Länsförsäkringar FRN Perp	154,000	161,397	1.2
Länsförsäkringar FRN Perp	44,000	44,399	0.3
Lifco FRN 2023-03-02	46,000	46,171	0.3
LKAB 0,875% 2025-03-10	10,000	10,040	0.1
LKAB FRN 2025-03-10	36,000	35,943	0.3
Lundbergs 0,825% 2024-12-06	150,000	151,574	1.1
Lundbergs 1,337% 2023-10-24	100,000	102,581	0.8
Lundbergs FRN 2025-05-20	90,000	91,677	0.7
NCC Treasury FRN 2022-09-30	70,000	69,551	0.5
NCC Treasury FRN 2024-09-30	90,000	88,850	0.7
NIBE Industrier FRN 2022-04-11	60,000	60,458	0.5
NIBE Industrier FRN 2023-09-04	76,000	76,113	0.6
NIBE Industrier FRN 2024-06-03	74,000	74,052	0.6
Nobina FRN 2024-02-13	20,000	20,396	0.2
Nya SFF FRN 2021-09-01	78,000	78,232	0.6
Nya SFF FRN 2022-02-28	34,000	33,889	0.3
Nya SFF FRN 2022-05-10	10,000	10,029	0.1
Nya SFF FRN 2024-03-11	50,000	49,458	0.4
Rikshem 0,828% 2025-02-03	34,000	34,225	0.3
Rikshem 1,25% 2022-02-22	80,000	80,880	0.6
Rikshem FRN 2023-07-18	150,000	151,058	1.1
Rodamco 0,85% 2021-10-20	25,000	24,933	0.2
Sagax 2,25% 2025-03-13	7,000	74,903	0.6
Sagax FRN 2023-06-16	37,000	36,822	0.3
SBAB 3,67% 2025-03-05 Perp Call	24,000	24,240	0.2
SBAB FRN 2024-06-20	85,000	85,719	0.6
SBAB FRN 2024-09-05 Perp Call	248,000	254,007	1.9
SBAB FRN 2030-06-03	48,000	49,597	0.4
SCA FRN 2025-09-23	92,000	92,131	0.7
Scania 0,865% 2023-01-24	100,000	100,545	0.8
Scania FRN 2023-04-24	77,000	80,147	0.6
Scania FRN 2025-04-17	180,000	195,331	1.5
Sinch AB FRN 2024-11-27	75,000	75,815	0.6
SKF FRN 2024-06-10	182,000	184,912	1.4
Södra Skogsägarna FRN 2021-06-07	20,000	20,093	0.2
Sparbanken Skåne FRN 2024-10-21	32,000	32,080	0.2
SSAB FRN 2024-06-26	130,000	131,018	1.0
Stockholm Exergi FRN 2023-09-11	20,000	20,090	0.2
Stockholm Exergi FRN 2027-09-17	30,000	29,930	0.2
Sveaskog 1,1% 2022-09-26	95,000	96,417	0.7
Sveaskog 1,125% 2024-10-16	40,000	40,938	0.3
Swedavia 1,21% 2025-05-26	40,000	40,834	0.3
Swedavia FRN Perp	110,000	108,482	0.8
Swedbank FRN 2023-05-04	50,000	50,755	0.4
Swedbank FRN 2025-09-16	100,000	100,695	0.8
Tele2 FRN 2025-06-10	77,000	78,831	0.6
Tele2 FRN 2027-11-03	64,000	64,465	0.5
Telia 1,125% 2025-06-10	100,000	101,889	0.8
Telia 1,375% 2081-05-11	2,500	25,435	0.2
Telia FRN 2077-10-04	75,000	76,757	0.6
Vacse FRN 2024-06-03	150,000	153,825	1.2
Vasakronan 0,64% 2025-09-02	20,000	20,000	0.1
Vasakronan FRN 2025-06-03	50,000	51,050	0.4
Volvo Car 2,5% 2027-10-07	7,000	74,384	0.6
Volvo Car FRN 1,741% 2022-03-07	200,000	202,164	1.5
Volvo Treasury 2,313% 2024-05-06	150,000	158,018	1.2
Volvo Treasury FRN 2022-12-08	26,000	26,739	0.2
Volvo Treasury FRN 2023-09-28	100,000	100,237	0.8
Volvo Treasury FRN 2023-12-13	105,000	106,572	0.8
Volvofinans Bank FRN 2022-05-16	65,000	65,521	0.5
Volvofinans Bank FRN 2022-10-20	90,000	92,228	0.7
Wallenstam FRN 2021-05-24	50,000	50,019	0.4
Wihlborg FRN 2021-09-29	70,000	70,296	0.5
Wilhelm 1,103% 2023-09-03	2,000	2,038	0.0
Wilhelm FRN 2022-06-08	4,000	4,047	0.0
		9,580,573	71.7
Total listed fixed-income securities		13,113,682	98.2
Total transferable securities		13,113,682	98.2

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
INTEREST RATE FUTURES			
Swe Gov Bond 10Y Future Mar 2021 ¹⁾	100	0	0.0
Swe Gov Bond 2Y Future Mar 2021 ²⁾	2,000	0	0.0
Swe Gov Bond 5Y Future Mar 2021 ³⁾	250	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

Handelsbanken Företagsobligation, cont.

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
SEK/EUR ⁴⁾		9,058	0.1
		9,058	0.1
Total OTC derivative instruments		9,058	0.1
Total other financial instruments		9,058	0.1
Total holdings in financial instruments		13,122,740	98.2
Net, other assets and liabilities		237,890	1.8
Total fund capital		13,360,630	100.0

1) Interest rate futures with underlying exposure of SEK 159 628 t, which is equivalent to 1.2% of fund capital.

2) Interest rate futures with underlying exposure of 235 SEK 2 257 t, which is equivalent to 16.9% of fund capital.

3) Interest rate futures with underlying exposure of SEK 328 281 t, which is equivalent to 2.5% of fund capital.

4) SEK 461 559 t/EUR -45 000 t, counterparty Skandinaviska Enskilda Banken AB (publ).

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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).

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*** Refers to other financial instruments.

0.1

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Handelsbanken	10.3	Nordea	1.4
Lundbergs	3.7	Nya SFF	1.4
SBAB	3.4	LeasePlan	1.3
Scania	2.9	NCC AB	1.2
Castellum	2.8	Swedbank AB	1.2
Svenska staten	2.7	Volkswagen	1.2
Balder	2.5	Volvofinans Bank	1.2
Kungsleden	2.1	Electrolux	1.1
Volvo Car	2.1	EQT AB	1.1
Rikshem AB	2.0	Klarna Holding AB	1.1
Fabege	1.9	Tele2	1.1
Länsförsäkringar	1.9	Akelius	1.0
Volvo	1.8	Sveaskog	1.0
Intea Fastigheter AB	1.7	Telia Company AB	1.0
NIBE Industrier	1.7	Sagax	0.9
DNB	1.6	Atrium Ljungberg	0.6
Ellevio	1.6	Akelius Foundation	0.5
Stora Enso	1.5	Fredensborg	0.5
Teollisuuden Voima	1.5	Vasakronan	0.5
		Ikano SA	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.

Handelsbanken Företagsobligation

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

Methods used in sustainability efforts

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/issuers involved in the production or distribution of nuclear weapons are also excluded.

The fund also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies/issuers that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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:

Engagement activities in collaboration with other investors

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainability on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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 past year the fund intensified the management of investments in the companies and sectors that have a clear target of being at the forefront of the transition to a more sustainable society. Investments in companies that have good administrative order regarding sustainability risks and leading positions in the sustainability efforts within their sectors result in an increase in customers and higher customer satisfaction, at the same time as company risks are reduced. One example of such an investment is LKAB. The mining company is owned by the Swedish government and created a very ambitious green bond framework in the past year. LKAB is the largest iron ore producer in Europe and has a market share of 80% in Europe. Last year, the company created a very ambitious green bond framework. The fund increased investments in a 5-year green bond that finances measures to reduce carbon emissions within the company, which is active within a sector that accounts for significant carbon emissions worldwide. The green bond finances projects within SUM and HYBRIT, among others. SUM is an acronym for Sustainable Underground Mining and is a collaborative project between LKAB, ABB, Combitech, Epiroc and Sandvik. The collaboration aims to create an industry standard for carbon-free, digitalized and automated underground mining operations, whereby the involved parties contribute with measures to reduce carbon emissions within each area of expertise. The goal is to achieve carbon-free extraction of iron ore deeper in the mines in Kiruna and Malmberget by 2030. HYBRIT is also partly financed by the green bond that is a collaborative project between LKAB, Vattenfall and SSAB, with the goal of producing fossil-free steel-making production by 2035. Steel-making production currently creates major carbon emissions and although the emissions per ton of steel are already lower in Sweden relative to global figures, HYBRIT has the potential of reducing Sweden's total carbon emissions by 10% until 2045. The method replaces coal with fossil-free electricity and hydrogen in steel production, which results in the replacement of carbon emissions with water. Both SUM and HYBRIT are projects that actively contribute to lower carbon emissions

and together will result in an even greater reduction in carbon emissions. It is extremely positive to see an increasing number of issuers creating sustainable frameworks with high ambition levels. This promotes investments that contribute to reducing carbon emissions and a more diversified credit portfolio with a sustainable focus.

The Management Company's engagement activities - Dialogues

Targeted dialogues with direct contact between our fund managers and companies

The fund engaged in one targeted dialogue during the year.

Sveaskog is Sweden's largest forest owner, which places heavy demands on how forests can be utilized in the best possible manner. Forests are a renewable natural resource with a wide range of applications and are a crucial component of the global climate change. At the same time, we need to ensure the preservation of the biodiversity in our Swedish forests and show consideration for the forest's range of applications. During the year we had a dialogue with the company regarding logging activities in areas that are important for reindeer herding.

Engagement activities in collaboration with other investors

In 2020, the Management Company participated in a total of 125 company dialogues together with other investors. The fund invested in one of these companies.

A dialogue was conducted with Swedbank regarding their management of risks associated with money laundering.

Collaborations and industry initiatives

In 2020, the Management Company participated in initiatives and collaborations that included over 380 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 and commercial paper. A maximum of 2% of the fund's value may have exposure to currency risk in EUR. The average duration (residual maturity) of the fund will normally be approximately 2 years. The average duration of the fund's investments 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. The fund may invest in derivative instruments as part of the fund's investment focus. 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 Solactive SEK Short IG Credit Index. The index reflects a portfolio of corporate and municipal bonds issued in SEK. The aim of including the OMRX Treasury Bill in the benchmark index is to lower the index duration to be in line with the fund's investment focus. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund invests in financial instruments whether or not they are included in the benchmark index. Fund management is partly based on an ongoing assessment of the macroeconomic conditions, as well as on credit market- and company analyses. Given that the fund is actively managed, returns will deviate from these indexes over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 0.6% in 2020*. An eventful year in the credit market has finally come to an end and, unsurprisingly, the corona pandemic dominated the market performance of nearly all of the fund's company exposures to various extents. The year began with strong risk sentiment that turned to extreme risk aversion in March, which then improved significantly just one month later. Swedish credit spreads within the Investment Grade universe widened by almost 100bp in just a few days in March. European and US credit indices had corresponding spread movements, and in some cases even wider spreads. The fund's basic construction with stable company exposures and strong credit ratings helped to mitigate the downturn, while the interest rate risk benefited from the declining rates. Although the fund did not have exposure in the companies and sectors that were most affected by the closed borders and trading, all of the fund's holdings were impacted by the general risk sentiment. Due to the fund's good liquidity, we were able to gradually increase the credit exposure at very attractive levels throughout the spring, predominately in green and sustainable issues and issuers with high credit ratings. The rapid monetary and fiscal stimulus, including purchases of credits, then contributed to a gradual improvement in the market and a normalization of credit spreads. The fund's high exposure to

banking and financials contributed positively as a sector, while most of the real estate companies lagged until after the summer before performance improved again. We managed the significant rate fluctuations with dynamic duration management and the fund balanced higher credit risks with an overweight in longer interest rate duration, which was a successful strategy given market performance. We believe the fund's high exposure to sustainable and green bonds is of substantial value. This is a market that will become even more significant in the coming year when additional stimulus will be targeting this market at the same time as demand in the market increases. The fund's green (environmental improvements) and sustainable (environmental and social economical improvements) holdings currently total just over 22% (almost SEK 6 billion) at year-end.

* 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 normally characterized 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The average residual fixed interest 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 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

• Highest leverage during the financial year	14.7%
• Lowest leverage during the financial year	0.0%
• Average leverage during the financial year	9.3%

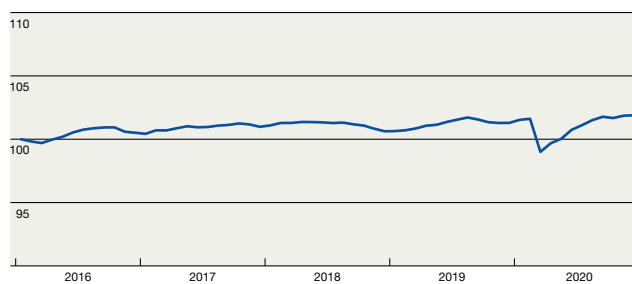
Information

As of June 1, the fund changed its index from NOMX credit SEK Total Return to Solactive SEK Short IG Credit Index (45%).

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

	2020	2019	2018	2017	12/1-31/12 2016	2015	2014	2013	2012	2011
Net asset value, SEK										
Företagsobligation Investment Grade A1	101.90	101.30	100.64	100.99	100.52	-	-	-	-	-
Företagsobligation Investment Grade A9	100.83	-	-	-	-	-	-	-	-	-
Företagsobligation Investment Grade A10	103.06	102.04	100.97	-	-	-	-	-	-	-
Företagsobligation Investment Grade B1	99.40	99.31	99.66	-	-	-	-	-	-	-
Företagsobligation Investment Grade B5	100.12	99.78	99.87	100.47	100.76	-	-	-	-	-
The fund's total net flow, SEK m	-355	4,527	4,536	9,127	8,478	-	-	-	-	-
Fund capital total, SEK m	26,582	26,818	22,141	17,686	8,502	-	-	-	-	-
Företagsobligation Investment Grade A1	21,572	21,766	17,348	14,782	6,389	-	-	-	-	-
Företagsobligation Investment Grade A9	21	-	-	-	-	-	-	-	-	-
Företagsobligation Investment Grade A10	3,415	3,458	2,321	-	-	-	-	-	-	-
Företagsobligation Investment Grade B1	1,482	800	632	-	-	-	-	-	-	-
Företagsobligation Investment Grade B5	93	91	134	2,904	2,113	-	-	-	-	-
Number of units, 1000's	260,872	264,755	220,114	175,269	84,529	-	-	-	-	-
Företagsobligation Investment Grade A1	211,694	214,863	172,385	146,366	63,556	-	-	-	-	-
Företagsobligation Investment Grade A9	204	-	-	-	-	-	-	-	-	-
Företagsobligation Investment Grade A10	33,136	33,890	22,984	-	-	-	-	-	-	-
Företagsobligation Investment Grade B1	14,912	8,059	6,343	-	-	-	-	-	-	-
Företagsobligation Investment Grade B5	926	911	1,337	28,903	20,973	-	-	-	-	-
Total returns in %, SEK										
Företagsobligation Investment Grade A1	+0.6	+0.7	-0.4	+0.5	+0.5	-	-	-	-	-
Företagsobligation Investment Grade A9	+0.8	-	-	-	-	-	-	-	-	-
Företagsobligation Investment Grade A10	+1.0	+1.1	0.0	-	-	-	-	-	-	-
Företagsobligation Investment Grade B1	+0.6	+0.7	-0.4	-	-	-	-	-	-	-
Företagsobligation Investment Grade B5	+0.8	+0.9	-0.1	+0.7	+0.8	-	-	-	-	-
Index including dividends in %, SEK										
Företagsobligation Investment Grade A1	+0.7	+0.3	-0.5	+0.2	+0.8	-	-	-	-	-
Företagsobligation Investment Grade A9	+0.6	-	-	-	-	-	-	-	-	-
Företagsobligation Investment Grade A10	+0.7	+0.3	-0.5	-	-	-	-	-	-	-
Företagsobligation Investment Grade B1	+0.7	+0.3	-0.5	-	-	-	-	-	-	-
Företagsobligation Investment Grade B5	+0.7	+0.3	-0.5	+0.2	+0.8	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾										
Företagsobligation Investment Grade A1	1.2	0.2	0.3	-	-	-	-	-	-	-
Företagsobligation Investment Grade A10	1.2	0.2	0.3	-	-	-	-	-	-	-
Företagsobligation Investment Grade B1	1.2	0.2	0.3	-	-	-	-	-	-	-
Företagsobligation Investment Grade B5	1.2	0.2	0.3	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Företagsobligation Investment Grade A1	+0.6	+0.2	+0.1	-	-	-	-	-	-	-
Företagsobligation Investment Grade A10	+1.0	+0.6	+0.5	-	-	-	-	-	-	-
Företagsobligation Investment Grade B1	+0.6	+0.2	+0.1	-	-	-	-	-	-	-
Företagsobligation Investment Grade B5	+0.9	+0.4	+0.3	-	-	-	-	-	-	-
Comparison to index including dividends, %	+0.5	-0.1	-0.2	-	-	-	-	-	-	-
Dividends per unit, SEK										
Företagsobligation Investment Grade B1	0.50	1.00	0.50	-	-	-	-	-	-	-
Företagsobligation Investment Grade B5	0.50	1.00	0.50	1.01	-	-	-	-	-	-

1) The fund has taken the tracking error that is considered to be appropriate for the purpose of attaining the fund's active return objective. The tracking error has been slightly higher in the past year than in previous years. As a result of the pandemic, 2020 was largely dominated by significant volatility in the fixed income markets. Most notably, credit spreads widened sharply during H1. Central banks used rate cuts and quantitative support programs to support the markets, which resulted in a narrowing of credit spreads in H2. The higher volatility in the markets, particularly for corporate bonds, led to an increase to the tracking error. Senior credits had high volatility periodically, which contributed to a higher tracking error. Interest rate fluctuations also contributed to increased volatility with regard to the fund's positions.

Benchmark: OMRX Treasury Bill Index (55%), Solactive SEK Short IG Credit Index (45%)

Up to 31/05/2020: 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.

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 A9	0.30
Företagsobligation Investment Grade A10	0.20
Företagsobligation Investment Grade B1	0.60
Företagsobligation Investment Grade B5	0.35
Collected mgmt. costs in % of average fund capital	
Företagsobligation Investment Grade A1	0.60
Företagsobligation Investment Grade A9	0.30
Företagsobligation Investment Grade A10	0.20
Företagsobligation Investment Grade B1	0.60
Företagsobligation Investment Grade B5	0.35
Annual fees in %	
Företagsobligation Investment Grade A1	0.60
Företagsobligation Investment Grade A9	0.30
Företagsobligation Investment Grade A10	0.20
Företagsobligation Investment Grade B1	0.60
Företagsobligation Investment Grade B5	0.35
Transaction costs, SEK thousand	729
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Företagsobligation Investment Grade A1	59.92
Företagsobligation Investment Grade A9	-
Företagsobligation Investment Grade A10	20.01
Företagsobligation Investment Grade B1	59.92
Företagsobligation Investment Grade B5	34.99
Costs in SEK for monthly savings, 100 SEK	
Företagsobligation Investment Grade A1	3.93
Företagsobligation Investment Grade A9	-
Företagsobligation Investment Grade A10	1.31
Företagsobligation Investment Grade B1	3.94
Företagsobligation Investment Grade B5	2.30

Fund facts - other key figures

Turnover rate	0.3
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 % - A1 SEK	2.1	Information ratio - A10 SEK	0.4
Total risk % - A10 SEK	2.1	Information ratio - B1 SEK	0.1
Total risk % - B1 SEK	2.1	Information ratio - B5 SEK	0.3
Total risk % - B5 SEK	2.1	Sharpe ratio - A1 SEK	0.5
Total risk in index % - A1 SEK	0.9	Sharpe ratio - A10 SEK	0.7
Total risk in index % - A10 SEK	0.9	Sharpe ratio - B1 SEK	0.5
Total risk in index % - B1 SEK	0.9	Sharpe ratio - B5 SEK	0.6
Total risk in index % - B5 SEK	0.9	Sharpe ratio in index - A1 SEK	1.0
Benchmark OMRX Treasury Bill Index (55%), Solactive SEK Short IG Credit Index (45%)		Sharpe ratio in index - A10 SEK	1.0
		Sharpe ratio in index - B1 SEK	1.0
		Sharpe ratio in index - B5 SEK	1.0
		Duration, years ¹⁾	1.1
Active return % - A1 SEK	0.1	Spread exposure %	1.9
Active return % - A10 SEK	0.5		
Active return % - B1 SEK	0.1		
Active return % - B5 SEK	0.4		
Information ratio - A1 SEK	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, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities [*]	310	66,257
Changes in value for other derivative instruments ^{**}	21,436	-18,146
Interest income	236,353	-228,952
Currency exchange profits and losses, net	-56	-196
Other income	15	2
Total income and changes in value	258,057	276,869
EXPENSES		
Management costs:		
- Remuneration to the Management Company	137,117	122,967
Interest expense	419	422
Other expenses	1,171	1,029
Total expenses	138,707	124,418
Net income	119,350	152,451
[*] Details of changes in value		
Capital gains	7,537	17,074
Capital losses	-56,906	-73,560
Unrealised gains/losses	49,679	122,743
Sum	310	66,257
^{**} Details of changes in value		
Capital gains	67,668	45,819
Capital losses	-45,256	-62,112
Unrealised gains/losses	-976	-1,853
Sum	21,436	-18,146

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	23,954,422	90.1	25,329,407	94.5
Money market instruments	50,010	0.2	539,056	2.0
Total financial instruments with positive market value ^{Note 2)}	24,004,432	90.3	25,868,463	96.5
Bank assets and other liquid assets	2,542,241	9.6	884,696	3.3
Prepaid expenses and accrued income	47,423	0.2	77,109	0.3
Other assets	1	-0.1	-	-
Total assets	26,594,097	100.0	26,830,268	100.1
LIABILITIES				
Accrued expenses and prepaid income	11,930	0.0	12,088	0.1
Total liabilities	11,930	0.0	12,088	0.1
Fund capital ^{Note 1)}	26,582,166	100.0	26,818,180	100.0
Other derivative instruments with negative market value ¹⁾	39,686	0.1	157	0.0

1) Cash and cash equivalents SEK 39 686 t

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	26,818,180	22,140,803
Units issued ¹⁾	5,846,864	9,799,393
Units redeemed ¹⁾	-6,194,650	-5,253,932
Profit according to Income Statement	119,350	152,451
Dividends to unit holders	-7,578	-20,535
Fund capital at the close of the period	26,582,166	26,818,180

1) Of which SEK 638 634 t relates to internal moves between share classes

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, MORTGAGE			
DNB Boligkreditt 0,75% 2024-01-31	80,000	81,562	0.3
DNB Boligkreditt FRN 2025-09-03 Fung	300,000	308,052	1.2
		389,614	1.5
FOREIGN ISSUER, OTHERS			
Aktia Bank Oyj FRN 2025-09-10	150,000	150,824	0.6
Aria FRN 2021-05-31	156,000	156,769	0.6
BMW Finance FRN 2023-06-19	150,000	150,399	0.6
BNP Paribas 0,5% 2025-06-04	5,900	60,364	0.2
Danske Bank FRN 2023-01-25	230,000	229,156	0.9
DNB Bank FRN 2022-07-18	300,000	302,142	1.1
DNB Bank FRN 2022-11-01	200,000	201,636	0.8
DNB Bank FRN 2030-05-28	84,000	87,598	0.3
Jyske Bank FRN 2023-09-07	57,000	57,466	0.2
LeasePlan 0,7275% 2021-05-03	55,000	54,987	0.2
LeasePlan 0,79% 2021-01-28	230,000	230,007	0.9
LeasePlan FRN 2021-01-05	200,000	200,054	0.8
LeasePlan FRN 2022-07-05	100,000	99,564	0.4
Nordea Bank 0,36% 2021-06-14	250,000	250,260	0.9

Handelsbanken Företagsobligation Investment Grade, cont.

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
Nordea Bank 1,125% 2023-06-27	202,000	205,064	0.8
Nordea Bank FRN 2023-05-19	250,000	253,933	1.0
Olav Thon Eiendom FRN 2021-09-03	100,000	99,573	0.4
Olav Thon Eiendom FRN 2022-05-10	106,000	105,204	0.4
OP Corporate Bank FRN 2022-05-18	300,000	301,677	1.1
OP Corporate Bank FRN 2030-06-03	85,000	87,351	0.3
Santander Consumer Bk 2021-10-18	270,000	270,281	1.0
Santander Consumer Bk FRN 2022-09-19	100,000	100,020	0.4
Santander Consumer Bk FRN 2023-05-12	110,000	109,751	0.4
Statnett SF 0,518% 2023-06-30	24,000	24,088	0.1
Stora Enso 1,875% 2024-02-20	178,000	183,429	0.7
Telenor 1,125% 2024-03-19	50,000	50,870	0.2
Telenor FRN 2021-09-20	250,000	250,310	0.9
VW Financial Services NV FRN 2023-01-21	156,000	156,072	0.6
		4,428,847	16.7
FOREIGN ISSUER, STATE			
NIB 0,125% 2023-04-11	40,000	40,055	0.2
		40,055	0.2
GOVERNMENT			
Borås stad FRN 2023-11-01	50,000	51,023	0.2
Göteborgs stad 0,214% 2025-09-24	43,000	43,044	0.2
		94,067	0.4
MORTGAGE			
SBAB 0,75% 2024-03-28	260,000	265,624	1.0
Stadshypotek 1586 4,5% 2022-09-21	100,000	107,798	0.4
Stadshypotek 1590 1% 2025-09-03	1,000,000	1,040,640	3.9
		1,414,062	5.3
OTHER			
Akademiska Hus FRN 2024-06-20	131,000	133,592	0.5
Akelius 1,125% 2021-10-04	117,000	117,422	0.4
Akelius FRN 2024-11-12	73,000	72,999	0.3
Assa Abloy 1% 2024-04-02	85,000	86,326	0.3
Atrium Ljungberg FRN 2022-03-21	125,000	125,638	0.5
Atrium Ljungberg FRN 2023-07-07	250,000	250,760	0.9
Balder 0,743% 2021-07-02	200,000	200,130	0.8
Balder FRN 2023-01-19	48,000	48,097	0.2
Balder FRN 2023-02-06	216,000	215,166	0.8
Balder FRN 2024-03-06	68,000	69,040	0.3
Balder FRN 2024-06-05	252,000	255,674	1.0
Balder FRN 2025-04-08	24,000	24,065	0.1
BillerudKorsnäs 0,7% 2021-01-04	150,000	150,000	0.6
BillerudKorsnäs FRN 2022-02-21	280,000	282,360	1.1
Bluestep FRN 2022-09-12	86,000	86,771	0.3
Bluestep FRN 2023-04-27	100,000	101,477	0.4
Bluestep FRN 2025-10-08	12,000	12,336	0.0
Castellum 0,81% 2021-07-09	192,000	192,238	0.7
Castellum FRN 2021-10-04	170,000	171,712	0.6
Castellum FRN 2022-04-14	26,000	26,251	0.1
Castellum FRN 2022-07-05	90,000	90,153	0.3
Castellum FRN 2023-03-06	124,000	123,345	0.5
Castellum FRN 2025-08-19	50,000	51,148	0.2
Electrolux 1,103% 2024-03-27	35,000	35,691	0.1
Electrolux FRN 2022-06-17	195,000	196,328	0.7
Electrolux FRN 2023-04-06	61,000	63,102	0.2
Ellevio FRN 2023-12-09	97,000	99,449	0.4
Epiroc AB FRN 2026-05-18	40,000	40,189	0.2
Fabege FRN 2021-08-30	25,000	25,069	0.1
Fabege FRN 2022-06-16	46,000	46,362	0.2
Fabege FRN 2022-09-26	185,000	186,417	0.7
Fabege FRN 2023-10-03	30,000	30,439	0.1
Fabege FRN 2024-02-21	34,000	34,376	0.1
Fabege FRN 2024-06-22	36,000	36,770	0.1
Fabege FRN 2024-09-10	74,000	74,351	0.3
Handelsbanken 1,41% 2027-11-15	389,000	392,439	1.5
Heimstaden Bostad FRN 2022-05-26	250,000	253,913	1.0
Hemsö 1,375% 2021-06-03	26,000	26,129	0.1
Hemsö FRN 2021-06-03	120,000	120,455	0.5
Hemsö FRN 2023-02-13	100,000	100,866	0.4
Hemsö FRN 2023-04-04	350,000	353,290	1.3
Hemsö FRN 2025-02-11	150,000	150,087	0.6
Hemsö FRN 2025-11-25	50,000	50,009	0.2
Hexagon 1,125% 2021-05-24	145,000	145,329	0.5
Hexagon FRN 2021-05-24	163,000	163,292	0.6
Hexagon FRN 2024-11-26	98,000	97,668	0.4
Hexagon FRN 2025-09-17	38,000	38,382	0.1
Holmen FRN 2025-08-28	54,000	54,083	0.2
Hufvudstaden 1,2% 2021-12-08	200,000	201,002	0.8
Hufvudstaden 1,31% 2023-06-28	50,000	50,522	0.2
Humlegården Fastigheter FRN 2024-10-07	198,000	199,008	0.7
Humlegården Fastigheter FRN 2025-09-22	178,000	178,271	0.7
Husqvarna FRN 2023-02-14	85,000	85,384	0.3
ICA Gruppen FRN 2023-02-28	72,000	71,964	0.3
Ikano Bank FRN 2021-10-15	124,000	123,943	0.5
Ikano Bank FRN 2022-05-16	2,000	1,997	0.0
Ikano Bank FRN 2022-10-17	130,000	129,555	0.5
Ikano Bank FRN 2022-11-28	100,000	99,593	0.4
Industrivärden FRN 2022-02-28	96,000	96,244	0.4
Industrivärden FRN 2023-02-20	122,000	121,811	0.5
Indutrade 1,75% 2023-02-23	5,000	5,051	0.0
Intea Fastigheter FRN 2022-07-05	173,000	174,920	0.7
Intea Fastigheter FRN 2025-09-01	74,000	74,335	0.3
Investment AB Latour FRN 2023-03-27	226,000	226,780	0.9
Jernhusen 0,938% 2024-04-18	54,000	55,045	0.2
Jernhusen FRN 2021-10-18	64,000	64,284	0.2
Kinnevik FRN 2025-02-19	150,000	149,451	0.6
Kungsleden 2,06% 2021-10-11	20,000	20,192	0.1
Kungsleden FRN 2022-03-21	168,000	170,407	0.6
Landshypotek FRN 2024-10-16	110,000	111,290	0.4
Länsförsäkringar 0,554% 2021-11-30	150,000	150,533	0.6
Länsförsäkringar 0,7275% 2022-03-07	90,000	90,572	0.3
Länsförsäkringar 0,73% 2021-10-13	250,000	251,105	0.9

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
Länsförsäkringar FRN 2024-09-13	143,000	143,662	0.5
Länsförsäkringar FRN Perp	74,000	77,554	0.3
Länsförsäkringar FRN Perp	44,000	44,399	0.2
Lifco FRN 2023-03-02	46,000	46,171	0.2
LKAB 0,875% 2025-03-10	60,000	60,239	0.2
LKAB FRN 2025-03-10	50,000	49,921	0.2
Lundbergs 1,337% 2023-10-24	50,000	51,291	0.2
NCC Treasury FRN 2022-09-30	128,000	127,180	0.5
NCC Treasury FRN 2024-09-30	30,000	29,617	0.1
NIBE Industrier 1% 2021-06-21	240,000	240,420	0.9
NIBE Industrier FRN 2022-04-11	160,000	161,222	0.6
NIBE Industrier FRN 2024-06-03	160,000	160,112	0.6
Nya SFF FRN 2021-09-01	62,000	62,185	0.2
Nya SFF FRN 2022-02-28	140,000	139,544	0.5
Nya SFF FRN 2024-03-11	62,000	61,328	0.2
PostNord FRN 2022-03-14	64,000	64,175	0.2
Rikshem 1,16% 2022-10-19	200,000	202,908	0.8
Rikshem FRN 2022-02-22	95,000	95,781	0.4
Rikshem FRN 2023-03-13	372,000	372,357	1.4
Rikshem FRN 2023-05-08	150,000	149,981	0.6
Rodamco 0,85% 2021-10-20	75,000	74,798	0.3
Sagax FRN 2023-06-16	38,000	37,817	0.1
SBAB FRN 2021-06-23	50,000	50,178	0.2
SBAB FRN 2024-06-20	242,000	244,047	0.9
SBAB FRN 2030-06-03	82,000	84,728	0.3
SCA 0,375% 2021-05-24	118,000	118,070	0.4
SCA FRN 2025-09-23	94,000	94,133	0.4
Scania 0,455% 210504	85,000	85,024	0.3
Scania 0,635 % 2022-02-21	100,000	100,183	0.4
Scania 1,125% 2021-09-06	85,000	85,394	0.3
Scania FRN 2021-09-06	129,000	129,682	0.5
Scania FRN 2022-08-22	500,000	500,775	1.9
Skandiabanken 0,535% 2022-11-04	150,000	150,728	0.6
SKF FRN 2024-06-10	176,000	178,816	0.7
Södra Skogsägarna FRN 2021-06-07	20,000	20,093	0.1
Sparbanken Skåne 0,5% 2021-02-15	170,000	170,061	0.6
Sparbanken Skåne FRN 2024-10-21	104,000	104,259	0.4
Specialfastigheter 0,31% 2023-07-24	50,000	50,238	0.2
Stockholm Exergi 0,893% 2026-09-11	50,000	49,796	0.2
Stockholm Exergi FRN 2023-09-11	36,000	36,161	0.1
Stockholm Exergi FRN 2027-09-17	62,000	61,856	0.2
Sveaskog 1,1% 2022-09-26	71,000	72,059	0.3
Swedavia 0,7125% 2021-05-17	100,000	100,177	0.4
Swedbank FRN 2023-05-04	442,000	448,674	1.7
Tele2 FRN 2021-05-11	125,000	125,611	0.5
Tele2 FRN 2022-03-16	350,000	355,026	1.3
Tele2 FRN 2025-06-10	100,000	102,378	0.4
Tele2 FRN 2027-11-03	25,000	25,182	0.1
Telia 1,125% 2025-06-10	80,000	81,511	0.3
Vacse FRN 2022-06-07	84,000	84,999	0.3
Vacse FRN 2024-06-03	84,000	86,142	0.3
Vasakronan FRN 2022-11-29	300,000	302,676	1.1
Vasakronan FRN 2024-09-11	145,000	146,396	0.6
Vasakronan FRN 2025-12-08	200,000	199,364	0.7
Volvo Treasury 2,313% 2024-05-06	50,000	52,673	0.2
Volvo Treasury FRN 2022-11-04	400,000	400,528	1.5
Volvo Treasury FRN 2022-12-08	74,000	76,103	0.3
Volvo Treasury FRN 2023-09-28	200,000	200,474	0.8
Volvo Treasury FRN 2023-12-13	155,000	157,320	0.6
Volvofinans Bank FRN 2022-05-16	65,000	65,521	0.2
Volvofinans Bank FRN 2022-10-20	108,000	110,674	0.4
Volvofinans Bank FRN 2023-11-20	134,000	134,930	0.5
Wallenstam FRN 2021-05-24	74,000	74,027	0.3
Wilhelm 0,69% 2022-01-11	300,000	301,455	1.1
Wilhelm FRN 2022-06-08	58,000	58,684	0.2
Wilhelm FRN 2022-08-26	150,000	150,329	0.6
Wilhelm FRN 2023-05-26	200,000	202,604	0.8
		17,486,840	65.8
Total listed fixed-income securities		23,853,485	89.7

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
UNLISTED FIXED-INCOME SECURITIES			
OTHER			
SKB FRN 2022-11-28	100,000	100,937	0.4
		100,937	0.4
Total unlisted fixed-income securities		100,937	0.4
Total transferable securities		23,954,422	90.1

MONEY MARKET INSTRUMENTS**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
CERTIFICATE			
Ikano Bank DI BAC 2021-02-01	50,000	50,010	0.2
Total certificate		50,010	0.2
Total money market instruments		50,010	0.2

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
INTEREST RATE FUTURES			
Swe Gov Bond 10Y Future Mar 2021 ¹⁾	200	0	0.0
Swe Gov Bond 2Y Future Mar 2021 ²⁾	2,000	0	0.0
Swe Gov Bond 5Y Future Mar 2021 ³⁾	1,000	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

Handelsbanken Företagsobligation Investment Grade, cont.

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
Total holdings in financial instruments		24,004,432	90.3
Net, other assets and liabilities		2,577,734	9.7
Total fund capital		26,582,166	100.0

1) Interest rate futures with underlying exposure of SEK 319 256 t, which is equivalent to 1.2% of fund capital.
 2) Interest rate futures with underlying exposure of 235 SEK 2 257 t, which is equivalent to 8.5% of fund capital.
 3) Interest rate futures with underlying exposure of 123 SEK 1 313 t, which is equivalent to 4.9% of fund capital.

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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. 90.1

** 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). 0.2

*** Refers to other financial instruments. -

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Handelsbanken	5.8	Hexagon	1.5
DNB	3.7	Atrium Ljungberg	1.4
Scania	3.4	OP Corporate Bank	1.4
Balder	3.2	Santander Group	1.4
Rikshem AB	3.2	Telenor	1.1
Volvo	3.2	Volvofinans Bank	1.1
Länsförsäkringar	2.8	Electrolux	1.0
Nordea	2.7	Hufvudstaden	1.0
Willhem	2.7	Intea Fastigheter AB	1.0
Castellum	2.4	Sparbanken Skåne	1.0
Vasakronan	2.4	Industrivärden	0.9
Hemsö	2.3	Nya SFF	0.9
LeasePlan	2.3	Olav Thon Eiendomsselskap	0.8
Tele2	2.3	Akelius	0.7
NIBE Industrier	2.1	EQT AB	0.7
SBAB	2.1	Kungsleden	0.7
Svenska staten	2.0	NCC AB	0.6
BillerudKorsnäs	1.7	Vacse	0.6
Fabege	1.6	Jernhusen	0.4
Ikano SA	1.6	Lundbergs	0.4
		Stockholm Exergi	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

Företagsobligation Investment Grade

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

Methods used in sustainability efforts

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/issuers involved in the production or distribution of nuclear weapons are also excluded.

The fund also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies/issuers that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

Follow-up of sustainability work

Inclusion

During the past year the fund intensified the management of investments in the companies and sectors that have a clear target of being at the forefront of the transition to a more sustainable society. Investments in companies that have good administrative order regarding sustainability risks and leading positions in the sustainability efforts within their sectors result in an increase in customers and higher customer satisfaction, at the same time as company risks are reduced. One example of such an investment is LKAB. The mining company is owned by the Swedish government and created a very ambitious green bond framework in the past year. LKAB is the largest iron ore producer in Europe and has a market share of 80% in Europe. Last year, the company created a very ambitious green bond framework. The fund increased investments in a 5-year green bond that finances measures to reduce carbon emissions within the company, which is active within a sector that accounts for significant carbon emissions worldwide. The green bond finances projects within SUM and HYBRIT, among others. SUM is an acronym for Sustainable Underground Mining and is a collaborative project between LKAB, ABB, Combitech, Epiroc and Sandvik. The collaboration aims to create an industry standard for carbon-free, digitalized and automated underground mining operations, whereby the involved parties contribute with measures to reduce carbon emissions within each area of expertise. The goal is to achieve carbon-free extraction of iron ore deeper in the mines in Kiruna and Malmberget by 2030. HYBRIT is also partly financed by the green bond that is a collaborative project between LKAB, Vattenfall and SSAB, with the goal of producing fossil-free steel-making production by 2035.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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:

Engagement activities in collaboration with other investors

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainability on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as an investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% of the turnover in the company in which investments are made may relate to the business operations applicable to the specified product or service.*

Steel-making production currently creates major carbon emissions and although the emissions per ton of steel are already lower in Sweden relative to global figures, HYBRIT has the potential of reducing Sweden's total carbon emissions by 10% until 2045. The method replaces coal with fossil-free electricity and hydrogen in steel production, which results in the replacement of carbon emissions with water. Both SUM and HYBRIT are projects that actively contribute to lower carbon emissions and together will result in an even greater reduction in carbon emissions. It is extremely positive to see an increasing number of issuers creating sustainable frameworks with high ambition levels. This promotes investments that contribute to reducing carbon emissions and a more diversified credit portfolio with a sustainable focus.

The Management Company's engagement activities - Dialogues

Targeted dialogues with direct contact between our fund managers and companies

The fund engaged in one targeted dialogue during the year.

Sveaskog is Sweden's largest forest owner, which places heavy demands on how forests can be utilized in the best possible manner. Forests are a renewable natural resource with a wide range of applications and are a crucial component of the global climate change. At the same time, we need to ensure the preservation of the biodiversity in our Swedish forests and show consideration for the forest's range of applications. During the year we had a dialogue with the company regarding logging activities in areas that are important for reindeer herding.



Handelsbanken Företagsobligation Investment Grade (NOK)

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 in interest-bearing financial instruments issued in SEK and EUR 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 remaining duration of fund investments may total a maximum of five years. Fund assets may invest in interest-bearing financial instruments with a minimum rating of BBB- from S&P or corresponding 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 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. The fund may invest in derivative instruments as part of its investment focus. The fund may invest a maximum of 10% of the fund capital in fund units. We compare the fund's performance with NOMX Credit SEK Total Return Index. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund invests in financial instruments whether or not they are included in the benchmark index. Fund management is partly based on an ongoing assessment of the macroeconomic conditions, as well as on credit market- and company analyses. As the fund is actively managed the performance will over time deviate from this index. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 1.9% in 2020*. An eventful year in the credit market has finally come to an end and, unsurprisingly, the corona pandemic dominated the market performance of nearly all of the fund's company exposures to various extents. The year began with strong risk sentiment that turned to extreme risk aversion in March, which then improved significantly just one month later. Swedish credit spreads within the Investment Grade universe widened by almost 100bp in just a few days in March. European and US credit indices had corresponding spread movements, and in some cases even wider spreads. The fund's basic construction with stable and strong credit ratings helped to mitigate the downturn, while the interest rate risk benefited from the declining rates. Although the fund did not have exposure in the companies and sectors that were most affected by the closed borders and trading, all of the fund's holdings were impacted by the general risk sentiment. Due to the fund's good liquidity, we were able to gradually increase the credit exposure at very attractive levels throughout the spring, predominately in green and sustainable issues and issuers with high credit ratings. The rapid monetary and fiscal stimulus, including purchases of credits, then contributed to a gradual improvement in the market and a normalization of credit spreads. The fund's high exposure to banking and financials contributed positively as a sector, while most of the real estate companies lagged until after the summer before performance improved again. We managed the significant rate fluctuations with dynamic duration

management and the fund balanced higher credit risks with an overweight in longer interest rate duration, which was a successful strategy given market performance. We believe the fund's high exposure to sustainable and green bonds is of substantial value. This is a market that will become even more significant in the coming year when additional stimulus will be targeting this market at the same time as demand in the market increases. The fund's green (environmental improvements) and sustainable (environmental and social economical improvements) holdings currently total just over 40%.

*) Refer to fund statistics for comparable index.

Significant risks

An investment in the fund is normally characterized 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The average residual fixed interest 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 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

• Highest leverage during the financial year	215.2%
• Lowest leverage during the financial year	86.9%
• Average leverage during the financial year	123.9%

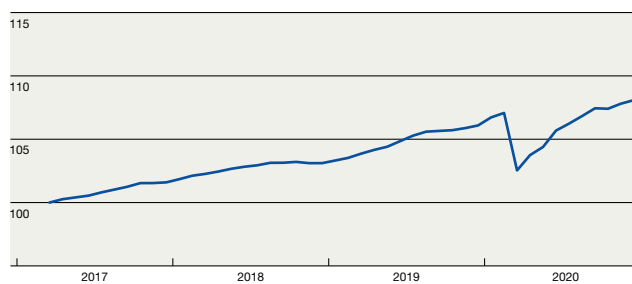
Information

As of June 1, 2020, the fund changed its index from NOMX credit SEK Total Return to Solactive SEK Short IG Credit Index as a result of a change in the index provider.

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

	2020	2019	2018	29/3-31/12 2017	2016	2015	2014	2013	2012	2011
Net asset value, NOK	107.88	105.88	102.91	101.40	-	-	-	-	-	-
The fund's total net flow, NOK m	-235	-57	325	1,421	-	-	-	-	-	-
Fund capital, NOKm	1,572	1,783	1,787	1,439	-	-	-	-	-	-
Number of units, 1000's	14,571	16,837	17,364	14,192	-	-	-	-	-	-
Total returns in %, NOK	+1.9	+2.9	+1.5	+1.4	-	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾	10.5	6.9	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. % in NOK	+2.4	+2.2	-	-	-	-	-	-	-	-
Comparison to index including dividends, % in NOK	+4.4	-3.1	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	0.96	1.07	1.02	1.00	-	-	-	-	-	-

1) The fund has taken the tracking error that is considered to be appropriate for the purpose of attaining the fund's active return objective. The tracking error has been slightly higher in the past year than in previous years. As a result of the pandemic, 2020 was largely dominated by significant volatility in the fixed income markets. Most notably, credit spreads widened sharply during H1. Central banks used rate cuts and quantitative support programs to support the markets, which resulted in a narrowing of credit spreads in H2. The higher volatility in the markets, particularly for corporate bonds, led to an increase to the tracking error. Senior credits had high volatility periodically, which contributed to a higher tracking error. Interest rate fluctuations also contributed to increased volatility with regard to the fund's positions. Note that since the fund's base currency is NOK and the benchmark index is calculated in SEK, the Tracking Error risk measurement that is shown in the table will be impacted by currency risk and will thereby be at a higher level.

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	181
Transaction costs in % of turnover	0.00
Costs in NOK for a one-time subscription, 10 000 NOK	20.02
Costs in NOK for monthly savings, 100 NOK	1.31

Fund facts - other key figures

Turnover rate	0.6
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 %	3.5	Sharpe ratio	0.4
Total risk in index %	8.4	Sharpe ratio in index	0.4
Benchmark	55% OMRX Treasury Bill Index och 45% NOMX Credit SEK Total Return Index	Duration, years ¹⁾	2.0
		Spread exposure %	4.0
Active return %	-2.0		
Information ratio	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, NOK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities [*]	177,661	-57,058
Changes in value for other derivative instruments ^{**}	4,020	2,818
Interest income	21,289	18,639
Currency exchange profits and losses, net	-175,247	92,337
Other income	0	21
Total income and changes in value	27,723	56,757
EXPENSES		
Management costs:		
- Remuneration to the Management Company	3,143	3,661
Interest expense	381	55
Other expenses	181	21
Total expenses	3,704	3,737
Net income	24,018	53,020
* Details of changes in value		
Capital gains	109,572	8,220
Capital losses	-13,907	-57,418
Unrealised gains/losses	81,995	-7,860
Sum	177,661	-57,058
** Details of changes in value		
Capital gains	13,050	60,101
Capital losses	-9,329	-57,052
Unrealised gains/losses	299	-231
Sum	4,020	2,818

Handelsbanken Företagsobligation Investment Grade (NOK), cont.

Balance sheet, NOK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	1,556,574	99.0	1,708,263	95.9
OTC derivative instruments with positive market value	67	0.1	23,530	1.3
Total financial instruments with positive market value ^{Note 2)}	1,556,641	99.2	1,731,793	97.2
Bank assets and other liquid assets	13,556	0.9	47,043	2.6
Prepaid expenses and accrued income	3,503	0.2	4,183	0.2
Total assets	1,573,700	100.3	1,783,019	100.0
LIABILITIES				
OTC derivative instruments with negative market value	1,582	0.2	-	-
Total financial instruments with negative market value ^{Note 2)}	1,582	0.2	-	-
Accrued expenses and prepaid income	275	0.0	306	0.0
Other liabilities	1	0.1	-	-
Total liabilities	1,858	0.3	306	0.0
Fund capital ^{Note 1)}	1,571,842	100.0	1,782,713	100.0
Collateral received for OTC derivative instruments	-	-	5,721	0.3
Secured collateral for OTC derivative instruments ¹⁾	434	0.0	-	-
Other derivative instruments with negative market value ²⁾	6,566	0.4	708	0.0

1) Cash and cash equivalents NOK 434 t
2) Cash and cash equivalents NOK 6 566 t

Note 1) for Balance sheet

Changes in fund capital, NOK thousand

	2020	2019
Fund capital at beginning of year	1,782,713	1,787,016
Units issued	140,111	665,682
Units redeemed	-375,000	-723,005
Profit according to Income Statement	24,018	53,020
Dividends to unit holders	-	-
Fund capital at the close of the period	1,571,842	1,782,713

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value NOK t	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, MORTGAGE			
DNB Boligkreditt 0,75% 2024-01-31	10,000	10,629	0.7
		10,629	0.7
FOREIGN ISSUER, OTHERS			
Aktia Bank Oyj FRN 2025-09-10	20,000	20,965	1.3
DNB Bank FRN 2024-06-27 Perp Call	20,000	20,445	1.3
DNB Bank FRN 2030-05-28	8,000	8,429	0.5
Eidsiva Energi FRN 2025-10-02	14,000	14,052	0.9
Entra ASA FRN 2024-03-20	35,000	35,193	2.2
LeasePlan FRN 2022-07-05	14,000	14,532	0.9
Nordea Bank 1,125% 2023-06-27	10,000	10,584	0.7
Nordea Bank FRN 2023-09-18	20,000	20,186	1.3
Nordea Bank FRN 2025-05-19	10,000	10,175	0.6
Norsk Hydro FRN 2023-05-15	20,000	20,871	1.3
Olav Thon Eiendom FRN 2022-05-10	4,000	4,139	0.3
OP Corporate Bank FRN 2030-06-03	20,000	21,428	1.4
Santander Consumer Bk FRN 2023-05-12	25,000	26,005	1.7
Sparebank 1 Oestlandet FRN 2026-09-17	20,000	20,098	1.3
Sparebank 1 SMN FRN Perp	13,000	13,201	0.8
Sparebank 1 SMN FRN Perp	4,500	4,548	0.3
Statnett SF 0,518% 2023-06-30	15,000	15,695	1.0
Stora Enso 1,875% 2024-02-20	20,000	21,487	1.4
Tine FRN 2023-02-28	25,000	25,114	1.6
Tomra FRN 2024-11-14	17,000	17,000	1.1
VW Financial Services NV FRN 2023-04-14	30,000	31,293	2.0
		375,438	23.9
FOREIGN ISSUER, STATE			
IBRD 1,75 2024-11-06	30,000	31,118	2.0
NIB 0,125% 2023-04-11	4,000	4,176	0.3
		35,293	2.3
MORTGAGE			
Stadshypotek 1588 1,5% 2024-03-01	10,000	10,910	0.7
		10,910	0.7
OTHER			
Akeliu FRN 2024-11-12	15,000	15,638	1.0
Assa Abloy 1% 2024-04-02	15,000	15,882	1.0
Atrium Ljungberg FRN 2022-03-21	15,000	15,718	1.0
Balder FRN 2023-02-06	20,000	20,770	1.3
Balder FRN 2024-06-05	4,000	4,231	0.3
Bluestep FRN 2022-09-12	14,000	14,727	0.9
Bluestep FRN 2025-10-08	2,000	2,143	0.1
Castellum FRN 2025-08-19	20,000	21,329	1.4

	Number/Nominal amount in 1000's	Market value NOK t	% of fund capital
Electrolux 1,103% 2024-03-27	19,000	20,199	1.3
Electrolux FRN 2023-04-06	4,000	4,314	0.3
Ellevio FRN 2027-06-11	10,000	10,672	0.7
Epiroc AB FRN 2026-05-18	21,000	21,997	1.4
Fabege FRN 2023-08-30	10,000	10,498	0.7
Fabege FRN 2023-10-03	14,000	14,809	0.9
Fabege FRN 2024-06-22	20,000	21,297	1.4
Fastighets AB Stenvalvet FRN 2024-02-05	20,000	20,768	1.3
Handelsbanken 1,41% 2027-11-15	15,000	15,776	1.0
Heimstaden Bostad FRN 2022-05-26	20,000	21,177	1.3
Heimstaden Bostad FRN 2025-02-25	4,000	4,209	0.3
Hemsö FRN 2025-02-11	14,000	14,604	0.9
Hexagon FRN 2024-11-26	16,000	16,624	1.1
Hexagon FRN 2025-09-17	6,000	6,318	0.4
Holmen FRN 2025-08-28	10,000	10,441	0.7
Humlegården Fastigheter FRN 2024-10-07	20,000	20,957	1.3
Humlegården Fastigheter FRN 2025-09-22	24,000	25,059	1.6
Husqvarna FRN 2023-02-14	5,000	5,236	0.3
ICA Gruppen FRN 2025-02-28	12,000	12,476	0.8
Ikano Bank FRN 2022-10-17	10,000	10,390	0.7
Industrivärden 0,75% 2025-02-20	10,000	10,469	0.7
Indutrade 1,75% 2023-02-23	10,000	10,532	0.7
Intea Fastigheter FRN 2022-07-05	20,000	21,082	1.3
Intea Fastigheter FRN 2025-09-01	12,000	12,567	0.8
Investment AB Latour FRN 2025-03-27	20,000	21,086	1.3
Jernhusen AB 0% 2025-09-23	20,000	20,817	1.3
Kinnevik FRN 2025-02-19	14,000	14,542	0.9
Kungsleden FRN 2025-08-27	30,000	31,572	2.0
Landshypotek FRN 2024-10-16	20,000	21,095	1.3
Länsförsäkringar FRN 2024-09-13	20,000	20,947	1.3
Länsförsäkringar FRN Perp	20,000	21,852	1.4
Länsförsäkringar FRN Perp	4,000	4,208	0.3
Lifco FRN 2023-03-02	10,000	10,464	0.7
LKAB FRN 2025-03-10	18,000	18,736	1.2
NCC Treasury FRN 2022-09-30	20,000	20,717	1.3
NIBE Industrier FRN 2024-06-03	16,000	16,692	1.1
Nya SFF 1,295% 2021-09-01	8,000	8,374	0.5
Nya SFF FRN 2021-09-01	16,000	16,730	1.1
Nya SFF FRN 2024-03-11	12,000	12,375	0.8
PostNord FRN 2022-03-14	2,000	2,091	0.1
Rikshem 0,828% 2025-02-03	15,000	15,742	1.0
Rikshem FRN 2023-03-13	2,000	2,087	0.1
Sagax FRN 2023-06-16	25,000	25,938	1.7
SBAB FRN 2021-06-23	10,000	10,462	0.7
SBAB FRN 2024-06-20	20,000	21,027	1.3
SBAB FRN 2030-06-03	11,000	11,850	0.8
SCA FRN 2025-09-23	14,000	14,616	0.9
Scania FRN 2023-01-24	30,000	29,842	1.9
Scania FRN 2025-04-17	15,000	16,970	1.1
SKF FRN 2024-06-10	20,000	21,185	1.3
Södra Skogsägarna FRN 2021-06-07	20,000	20,948	1.3
Sparbanken Skåne FRN 2024-10-21	10,000	10,451	0.7
Stockholm Exergi FRN 2023-09-11	10,000	10,472	0.7
Stockholm Exergi FRN 2027-09-17	6,000	6,241	0.4
Sveaskog 1,125% 2024-10-16	10,000	10,670	0.7
Swedavia FRN Perp	20,000	20,563	1.3
Swedbank FRN 2023-05-04	8,000	8,466	0.5
Tele2 FRN 2025-06-10	9,000	9,606	0.6
Tele2 FRN 2027-11-03	6,000	6,301	0.4
Telia 1,125% 2025-06-10	20,000	21,245	1.4
Vacse FRN 2024-06-03	26,000	27,797	1.8
Volvo Treasury 2,313% 2024-05-06	2,000	2,197	0.1
Volvo Treasury FRN 2022-02-11	36,000	36,083	2.3
Volvo Treasury FRN 2023-12-13	10,000	10,582	0.7
Volvofinans Bank FRN 2022-05-16	15,000	15,763	1.0
Volvofinans Bank FRN 2022-10-20	2,000	2,137	0.1
Wallenstam FRN 2021-05-24	16,000	16,687	1.1
Willhem FRN 2022-06-08	3,000	3,165	0.2
		1,124,303	71.5
Total listed fixed-income securities		1,556,574	99.0
Total transferable securities		1,556,574	99.0

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value NOK t	% of fund capital
INTEREST RATE FUTURES			
Swe Gov Bond 10Y Future Mar 2021 ¹⁾	5	0	0.0
Swe Gov Bond 2Y Future Mar 2021 ²⁾	300	0	0.0
Swe Gov Bond 5Y Future Mar 2021 ³⁾	200	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 NOK t	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
NOK/SEK ⁴⁾		-1,582	-0.1
SEK/NOK ⁵⁾		67	0.0
		-1,515	-0.1
Total OTC derivative instruments		-1,515	-0.1
Total other financial instruments		-1,515	-0.1
Total holdings in financial instruments		1,555,059	98.9
Net, other assets and liabilities		16,783	1.1
Total fund capital		1,571,842	100.0

1) Interest rate futures with underlying exposure of NOK 8 321 t, which is equivalent to 0.5% of fund capital.

2) Interest rate futures with underlying exposure of NOK 352 990 t, which is equivalent to 22.5% of fund capital.

3) Interest rate futures with underlying exposure of NOK 273 798 t, which is equivalent to 17.4% of fund capital.

4) tNOK 1 241 000/tSEK -1 191 233, counterparties Nordea Bank Abp och Skandinaviska Enskilda Banken AB (publ).

5) tSEK 15 409/tNOK -16 000, counterparty Svenska Handelsbanken AB (publ).

Handelsbanken Företagsobligation Investment Grade (NOK), cont.

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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).

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*** Refers to other financial instruments.

-0.1

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Svenska staten	5.5	SBAB	2.0
Fabege	3.0	Handelsbanken	1.7
Länsförsäkringar	3.0	Balder	1.6
Scania	3.0	Electrolux	1.6
Volvo	3.0	Fredensborg	1.6
Nordea	2.6	Rikshem AB	1.1
DNB	2.5	Sparebank 1 SMN	1.1
Nya SFF	2.4	Volvofinans Bank	1.1
Intea Fastigheter AB	2.1	EQT AB	1.0
		Tele2	1.0

* 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

Företagsobligation Investment Grade (NOK)

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

Methods used in sustainability efforts

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/issuers involved in the production or distribution of nuclear weapons are also excluded.

The fund also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies/issuers that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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:

Engagement activities in collaboration with other investors

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainability on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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 past year the fund intensified the management of investments in the companies and sectors that have a clear target of being at the forefront of the transition to a more sustainable society. Investments in companies that have good administrative order regarding sustainability risks and leading positions in the sustainability efforts within their sectors result in an increase in customers and higher customer satisfaction, at the same time as company risks are reduced. One example of such an investment is LKAB. The mining company is owned by the Swedish government and created a very ambitious green bond framework in the past year. LKAB is the largest iron ore producer in Europe and has a market share of 80% in Europe. Last year, the company created a very ambitious green bond framework. The fund increased investments in a 5-year green bond that finances measures to reduce carbon emissions within the company, which is active within a sector that accounts for significant carbon emissions worldwide. The green bond finances projects within SUM and HYBRIT, among others. SUM is an acronym for Sustainable Underground Mining and is a collaborative project between LKAB, ABB, Combitech, Epiroc and Sandvik. The collaboration aims to create an industry standard for carbon-free, digitalized and automated underground mining operations, whereby the involved parties contribute with measures to reduce carbon emissions within each area of expertise. The goal is to achieve carbon-free extraction of iron ore deeper in the mines in Kiruna and Malmberget by 2030. HYBRIT is also partly financed by the green bond that is a collaborative project between LKAB, Vattenfall and SSAB, with the goal of producing fossil-free steel-making

production by 2035. Steel-making production currently creates major carbon emissions and although the emissions per ton of steel are already lower in Sweden relative to global figures, HYBRIT has the potential of reducing Sweden's total carbon emissions by 10% until 2045. The method replaces coal with fossil-free electricity and hydrogen in steel production, which results in the replacement of carbon emissions with water. Both SUM and HYBRIT are projects that actively contribute to lower carbon emissions and together will result in an even greater reduction in carbon emissions. It is extremely positive to see an increasing number of issuers creating sustainable frameworks with high ambition levels. This promotes investments that contribute to reducing carbon emissions and a more diversified credit portfolio with a sustainable focus.

The Management Company's engagement activities - Dialogues

Targeted dialogues with direct contact between our fund managers and companies

The fund engaged in one targeted dialogue during the year.

Seaskog is Sweden's largest forest owner, which places heavy demands on how forests can be utilized in the best possible manner. Forests are a renewable natural resource with a wide range of applications and are a crucial component of the global climate change. At the same time, we need to ensure the preservation of the biodiversity in our Swedish forests and show consideration for the forest's range of applications. During the year we had a dialogue with the company regarding logging activities in areas that are important for reindeer herding.



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 Solactive Global Green and Social Bond Investment Grade TR SEK Hedged Index (60%), OMRX T-Bill (40%). The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund invests in financial instruments whether or not they are included in the benchmark index. Fund management is partly based on an ongoing assessment of the macroeconomic conditions, as well as on credit market- and company analyses. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 2.1% in 2020*. The year has been dominated by significant uncertainty on the financial markets and due primarily to the corona pandemic and its negative effects on the economy. Countries throughout the world have implemented various forms of closures to try to control the spread of the virus. Governments, together with central banks, have launched numerous stimulus and support packages. The uncertainty about how states, companies, households and financial players will manage the crisis remains high, although since several vaccines have been approved for distribution the outlooks have improved slightly. The European, US and Swedish government rates have declined significantly as a result of the major support measures. We began the year with a position for rising rates as monetary stimulus was expected to be gradually decreased. We then extended the interest rate risk when reports about the virus from China became increasingly alarming. Almost all of the holdings in the fund were initially affected by the sharp value fluctuations in the market during March. Due to the fund's high portion of green and sustainable bonds with high-quality credit we could maintain the fund's good liquidity. Fund returns benefited as the risk appetite rebounded and the market returned to a more normal state. The fund's overweight and exposure in longer durations, as well as in bonds issued by companies, positively contributed to returns during the autumn. The ECB continued to purchase large volumes of corporate bonds after the summer and the Swedish Riksbank has begun to do the same. This has definitely led to a narrowing of credit spreads, which contributed positively to returns. After the ECB's last meeting in December and in conjunction with the positive news about vaccines, we remain positive to credits as an asset class and, in particular, in sustainable investments. The market for sustainable bonds continued to grow during the year. The pandemic has certainly had an impact and many investments in the climate and the environment have had to give way in favor of investments in bonds with a more social focus, such as different forms of pandemic bonds. The fund

invested in two pandemic bonds: one issued by the Nordic Investment Bank and one by BBVA. The common factor shared by both is that the investments contribute to financing the extension of credit and supporting industry, society and healthcare in the Nordic Investment Bank's member states and in Spain. In addition, we have seen a new sector emerge in the green bond market during the autumn – the automotive sector. The automotive sector is a sector that accounts for a relatively high proportion of the carbon emissions worldwide and is also a sector within the EU that has not reduced its carbon emissions significantly since the 1990s. It is therefore of great interest to see several major international auto manufacturers establish green frameworks to contribute to the reduction of emissions by increasing the share of electrified vehicles. This is also in line with the EU's target of being climate-neutral by 2050. The fund participated in the issues of green bonds by Daimler and Volkswagen, which both have in common a goal to increase their electrified vehicle fleet. During the year we have successfully tried to diversify our geographic exposure and in the autumn the fund invested in a social bond issued by Korea Land and Housing, which is wholly-owned by the South Korean government. The financing aims to assist individuals/households with lower incomes in obtaining proper housing.

*) 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 characterized 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The average residual fixed interest 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 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

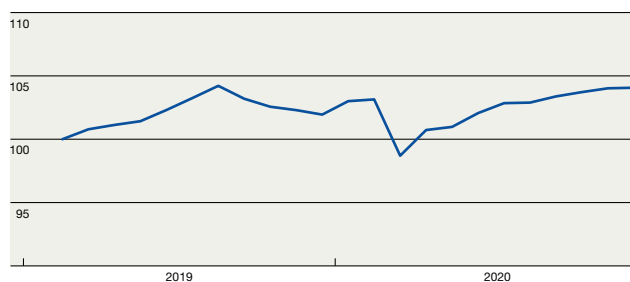
• Highest leverage during the financial year	115.7%
• Lowest leverage during the financial year	0.0%
• Average leverage during the financial year	55.1%

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 Hållbar Global Obligation, 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

	2020	20/2-31/12 2019	2018	2017	2016	2015	2014	2013	2012	2011
Net asset value, SEK										
Hållbar Global Obligation A1	103.75	101.63	-	-	-	-	-	-	-	-
Hållbar Global Obligation A9	102.05	-	-	-	-	-	-	-	-	-
Hållbar Global Obligation A10	100.30	-	-	-	-	-	-	-	-	-
Hållbar Global Obligation B1	102.72	101.63	-	-	-	-	-	-	-	-
The fund's total net flow, SEK m	2,564	2,347	-	-	-	-	-	-	-	-
Fund capital total, SEK m	4,949	2,328	-	-	-	-	-	-	-	-
Hållbar Global Obligation A1	3,112	2,325	-	-	-	-	-	-	-	-
Hållbar Global Obligation A9	90	-	-	-	-	-	-	-	-	-
Hållbar Global Obligation A10	1,684	-	-	-	-	-	-	-	-	-
Hållbar Global Obligation B1	63	3	-	-	-	-	-	-	-	-
Number of units, 1000's	48,283	22,909	-	-	-	-	-	-	-	-
Hållbar Global Obligation A1	29,992	22,879	-	-	-	-	-	-	-	-
Hållbar Global Obligation A9	885	-	-	-	-	-	-	-	-	-
Hållbar Global Obligation A10	16,794	-	-	-	-	-	-	-	-	-
Hållbar Global Obligation B1	611	30	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Hållbar Global Obligation A1	+2.1	+1.6	-	-	-	-	-	-	-	-
Hållbar Global Obligation A9	+2.1	-	-	-	-	-	-	-	-	-
Hållbar Global Obligation A10	+0.3	-	-	-	-	-	-	-	-	-
Hållbar Global Obligation B1	+2.1	+1.6	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Hållbar Global Obligation A1	+2.9	+2.8	-	-	-	-	-	-	-	-
Hållbar Global Obligation A9	+2.6	-	-	-	-	-	-	-	-	-
Hållbar Global Obligation A10	+0.3	-	-	-	-	-	-	-	-	-
Hållbar Global Obligation B1	+2.9	+2.8	-	-	-	-	-	-	-	-
Dividends per unit, SEK	1.02	-	-	-	-	-	-	-	-	-

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 A9	0.25
Hållbar Global Obligation A10	0.20
Hållbar Global Obligation B1	0.50
Collected mgmt. costs in % of average fund capital	
Hållbar Global Obligation A1	0.50
Hållbar Global Obligation A9	0.25
Hållbar Global Obligation A10	0.20
Hållbar Global Obligation B1	0.50
Annual fees in %	
Hållbar Global Obligation A1	0.50
Hållbar Global Obligation A9	0.25
Hållbar Global Obligation A10	0.20
Hållbar Global Obligation B1	0.50
Transaction costs, SEK thousand	92
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Hållbar Global Obligation A1	50.18
Hållbar Global Obligation A9	-
Hållbar Global Obligation A10	-
Hållbar Global Obligation B1	50.18
Costs in SEK for monthly savings, 100 SEK	
Hållbar Global Obligation A1	3.29
Hållbar Global Obligation A9	-
Hållbar Global Obligation A10	-
Hållbar Global Obligation B1	3.31

Fund facts - other key figures

Turnover rate	0.1
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*

Forecasted total risk	2.5	Duration, years ¹⁾	4.3
		Spread exposure %	3.9

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.

Handelsbanken Hållbar Global Obligation, cont.

Income statement, SEK thousand

	2020	20/2-31/12 2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	-33,097	-37,439
Changes in value for other derivative instruments **	-7,813	2,135
Changes in value for fund units ***	-899	-291
Interest income	24,146	6,527
Dividends	-	6
Currency exchange profits and losses, net	89,470	14,599
Other income	9	38
Total income and changes in value	71,816	-14,425
EXPENSES		
Management costs:		
- Remuneration to the Management Company	14,291	3,793
Interest expense	582	11
Other expenses	156	25
Total expenses	15,028	3,829
Net income	56,788	-18,254
* Details of changes in value		
Capital gains	372	1,101
Capital losses	-2,387	-929
Unrealised gains/losses	-31,083	-37,611
Sum	-33,097	-37,439
** Details of changes in value		
Capital gains	7,825	5,092
Capital losses	-13,051	-4,860
Unrealised gains/losses	-2,588	1,903
Sum	-7,813	2,135
*** Details of changes in value		
Unrealised gains/losses	-899	-291
Sum	-899	-291

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	4,525,311	91.4	2,154,662	92.5
OTC derivative instruments with positive market value	42,985	0.9	14,685	0.6
Fund units	55,823	1.1	11,144	0.5
Total financial instruments with positive market value ^{Note 2)}	4,624,120	93.4	2,180,491	93.6
Bank assets and other liquid assets	314,668	6.4	140,769	6.1
Prepaid expenses and accrued income	12,132	0.3	8,210	0.4
Total assets	4,950,920	100.0	2,329,470	100.1
LIABILITIES				
OTC derivative instruments with negative market value	44	0.0	222	0.0
Total financial instruments with negative market value ^{Note 2)}	44	0.0	222	0.0
Accrued expenses and prepaid income	1,657	0.0	976	0.0
Total liabilities	1,701	0.0	1,198	0.1
Fund capital ^{Note 1)}	4,949,219	100.0	2,328,272	100.0
Collateral received for OTC derivative instruments ¹⁾	2,182	0.0	20,070	0.9
Other derivative instruments with negative market value ²⁾	13,505	0.3	6,241	0.3

1) Cash and cash equivalents SEK 2 182 t

2) Cash and cash equivalents SEK 13 505 t

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	2,328,272	-
Units issued ¹⁾	2,933,971	2,407,475
Units redeemed ¹⁾	-369,781	-60,949
Profit according to Income Statement	56,788	-18,254
Dividends to unit holders	-31	-
Fund capital at the close of the period	4,949,219	2,328,272

1) Of which SEK 20 565 t relates to internal moves between share classes

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
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LISTED FIXED-INCOME SECURITIES

FOREIGN ISSUER, MORTGAGE			
DNB Boligkreditt 0,75% 2024-01-31	8,000	8,156	0.2
		8,156	0.2

FOREIGN ISSUER, OTHERS			
Ahold 0,25% 2025-06-26	4,900	50,217	1.0
Apple 0,5% 2031-11-15	4,000	42,150	0.9
Banco Bilbao Viz Arg 0,75% 2025-06-04	800	8,348	0.2
BNP Paribas 0,5% 2025-06-04	2,500	25,578	0.5
BNP Paribas 1,125% 2024-08-28	1,000	10,470	0.2
Credit Agricole SA 0,125% 2027-12-09	7,700	77,239	1.6
Credit Agro 0,75% 2023-12-05	2,500	25,836	0.5
Daimler 0,75% 2030-09-10	10,045	104,997	2.1
KfW 0% 2028-09-15	19,500	203,140	4.1
KfW 1,375% 2028-02-02	50,000	53,320	1.1
Koninklijke Philips 0,5% 2026-05-22	6,500	67,386	1.4
Korea Land&Hous Corp 0,625% 2023-11-03	8,000	66,032	1.3
La Banque Postale 1,375% 2029-04-24	5,600	61,543	1.2
LeasePlan 1,375% 2024-03-07	5,000	52,326	1.1
Nordea Bank 0,375% 2026-05-28	2,500	25,817	0.5
Novartis Finance 0% 2028-09-23	2,900	29,296	0.6
Oesterreichische Kontrollbank 0% 2026-10-08	2,800	28,815	0.5
OP Corporate Bank 0,375% 2024-02-26	2,400	24,598	0.5
Orange Telecom 0,125% 2029-09-16	8,000	81,024	1.6
Orsted 1,5% 2029-11-26	5,000	56,442	1.1
PostNL 0,625% 2026-09-23	2,500	26,040	0.5
Rabobank 0,25% 2026-10-30	4,200	43,029	0.9
Santander Consumer Bk 0,3% 2026-10-04	2,500	25,599	0.5
SNCF 0,75% 2036-05-25	1,400	15,239	0.3
SNCF 2,25% 2047-12-20	2,500	35,146	0.7
Stand Chart 0,9% 2027-07-02	3,600	37,870	0.8
Statnett SF 0,518% 2023-06-30	15,000	15,055	0.3
Stora Enso 0,625% 2030-12-02	1,000	10,221	0.2
Stora Enso 1,875% 2024-02-20	19,000	19,580	0.4
Telefonica Emisiones 1,069% 2024-02-05	5,000	52,004	1.1
Tennet Holding 0,875% 2030-06-03	5,000	54,060	1.1
Tennet Holding 1,25% 2033-10-24	1,000	11,369	0.2
Tennet Holding 1,375 2029-06-26	2,800	31,310	0.6
Terna 1% 2026-04-10	4,300	45,608	0.9
Tomra FRN 2024-11-14	17,000	16,306	0.3
Tornator 1,25% 2026-10-14	7,000	72,304	1.5
Upm-Kymmene Oy 0,125% 2028-11-19	13,000	130,200	2.6
Verizon Comm 1,5% 2030-09-18	5,000	40,304	0.8
Verizon Comm 3,875% 2029-02-08	1,750	16,900	0.3
VW Intl Finance 0,875% 2028-09-22	7,900	82,135	1.7
VW Intl Finance 1,25% 2032-09-23	5,000	53,368	1.1
		1,928,223	39.0

FOREIGN ISSUER, STATE			
ADB 0,29% 2028-10-13	50,000	49,288	1.0
ADB 0,295% 2026-07-08	100,000	100,009	2.0
ADB 0,37% 2023-06-26	50,000	50,400	1.0
AFDB 0,375% 2024-04-11	24,000	24,128	0.5
Belgiska staten 1,25% 2033-04-22	5,000	59,643	1.2
EBRD 2026-09-10	25,000	24,525	0.5
EIB 1% 2042-11-14	3,000	37,258	0.8
EIB 1,125% 2032-11-15	1,500	17,657	0.4
EIB1,5% 2047-11-15	1,400	19,442	0.4
Eurofima 0,1% 2030-05-20	2,000	20,513	0.4
Flemish Community 1,5% 2044-04-11	300	3,745	0.1
Franska staten 1,75% 2039-06-25	13,000	172,672	3.5
IBRD 0,4325 2026-11-12	50,000	50,458	1.0
Irlandska staten 1,35% 2031-03-18	3,000	35,358	0.7
Land Nordrhein-Westfalen 0,5% 2039-11-25	400	4,381	0.1
NIB 0,125% 2023-04-11	16,000	16,022	0.3
Tyska staten 0% 2030-08-15	4,500	47,962	1.0
		733,460	14.8

GOVERNMENT			
Göteborgs stad 0,214% 2025-09-24	80,000	80,082	1.6
Göteborgs stad FRN 2026-11-18	45,000	47,451	1.0
Lunds Kommun FRN 2023-10-24	76,000	77,536	1.6
Östersunds kommun FRN 2024-09-18	51,000	52,804	1.1
Östersunds kommun FRN 2025-06-23	100,000	103,042	2.1
Statsobligation 0,125% 2030-09-09	63,750	64,749	1.3
Vellinge 0,8075% 2023-11-24	25,000	25,536	0.5
		451,201	9.1

MORTGAGE			
SBAB 0,75% 2024-03-28	10,000	10,216	0.2
		10,216	0.2

OTHER			
Balder FRN 2024-06-05	70,000	71,021	1.4
Castellum 2,125% 2022-01-18	49,000	49,756	1.0
Castellum FRN 2021-10-04	22,000	22,222	0.4
Castellum FRN 2024-09-10	66,000	66,564	1.3
Electrolux 1,103% 2024-03-27	25,000	25,493	0.5
Ellevio 1,728% 2027-06-11	20,000	20,575	0.4
Fabege FRN 2022-09-26	9,000	9,069	0.2
Fabege FRN 2024-02-21	16,000	16,177	0.3
Fabege FRN 2024-09-10	18,000	18,085	0.4
Fortum Värme 1,75% 2022-05-18	9,000	9,179	0.2
Handelsbanken 0,01% 2027-12-02	8,000	80,339	1.6
Handelsbanken 0,375 % 2023-07-03	2,500	25,560	0.5
Hemsö FRN 2025-02-11	50,000	50,029	1.0
Humlegården Fastigheter FRN 2024-10-07	46,000	46,234	0.9
Humlegården Fastigheter FRN 2027-09-22	46,000	46,111	0.9
Jernhusen 0,938% 2024-04-18	26,000	26,503	0.5

Handelsbanken Hållbar Global Obligation, cont.

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
Jernhusen 2025-04-23	8,000	8,312	0.2
Kommuninvest 0,25% 2027-11-26	100,000	99,670	2.0
Kommuninvest 0,375% 2024-03-27	50,000	50,455	1.0
Landshypotek 0,615% 2025-11-18	30,000	30,539	0.6
LKAB 0,875% 2025-03-10	40,000	40,159	0.8
NCC Treasury FRN 2024-09-30	66,000	65,157	1.3
Nobina FRN 2024-02-13	20,000	20,396	0.4
Rikshem 0,828% 2025-02-03	31,000	31,205	0.6
Rikshem FRN 2025-02-03	24,000	23,972	0.5
SBAB 0,5% 2025-05-13	500	5,159	0.1
SBAB FRN 2024-06-20	13,000	13,110	0.3
SKF 0,875% 2029-11-15	4,200	44,721	0.9
Specialfastigheter 1,125% 2024-11-28	30,000	31,050	0.6
Stockholm Exergi 0,893% 2026-09-11	44,000	43,820	0.9
Stockholm Exergi 1,085% 2027-09-17	16,000	15,920	0.3
Sveaskog 1,1% 2022-09-26	20,000	20,298	0.4
Sveaskog 1,125% 2024-10-16	26,000	26,610	0.5
Vacse FRN 2022-06-07	6,000	6,071	0.1
Vacse FRN 2024-06-03	22,000	22,561	0.5
Vasakronan 0,64% 2025-09-02	100,000	100,002	2.0
Vasakronan 1,083% 2022-05-24	9,000	9,109	0.2
Vasakronan FRN 2025-04-24	30,000	30,276	0.6
Wallenstam FRN 2021-09-02	22,000	21,985	0.4
		1,343,474	27.2
Total listed fixed-income securities		4,474,730	90.4

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
UNLISTED FIXED-INCOME SECURITIES			
OTHER			
SKB FRN 2023-09-29	50,000	50,581	1.0
		50,581	1.0
Total unlisted fixed-income securities		50,581	1.0
Total transferable securities		4,525,311	91.4

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
INTEREST RATE FUTURES			
Euro-Bund Future Mar 2021 ¹⁾	-260	0	0.0
Euro-Buxl Future Mar 2021 ²⁾	31	0	0.0
Swe Gov Bond 5Y Future Mar 2021 ³⁾	-400	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 SEK t	% of fund capital
FUND UNITS			
FIXED INCOME FUNDS			
Lyxor Green Bond DR UCITS ETF Hd EUR-A	100,000	55,823	1.1
		55,823	1.1
Total fund units		55,823	1.1

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
SEK/EUR ⁴⁾		37,378	0.8
SEK/NOK ⁵⁾		-44	0.0
SEK/USD ⁶⁾		5,607	0.1
		42,942	0.9
Total OTC derivative instruments		42,942	0.9
Total other financial instruments		98,765	2.0
Total holdings in financial instruments		4,624,076	93.4
Net, other assets and liabilities		325,143	6.6
Total fund capital		4,949,219	100.0

1) Interest rate futures with underlying exposure of SEK -464 102 t, which is equivalent to 9.4% of fund capital.

2) Interest rate futures with underlying exposure of SEK 70 604 t, which is equivalent to 1.4% of fund capital.

3) Interest rate futures with underlying exposure of SEK -525 249 t, which is equivalent to 10.6% of fund capital.

4) SEK 2 355 960 t/EUR -230 000 t, counterparties Citibank Plc, J.P. Morgan Securities, Nordea Bank Abp and Skandinaviska Enskilda Banken AB (publ).

5) SEK 16 251 t/NOK -17 000 t, counterparty Skandinaviska Enskilda Banken AB (publ).

6) SEK 128 725 t/USD -15 000 t, counterparties Svenska Handelsbanken AB (publ) and J.P. Morgan Securities.

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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. 91.4

** 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. 2.0

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Franska staten	5.7	Vasakronan	2.8
KfW	5.2	Volkswagen	2.8
Asian Development Bank	4.0	Castellum	2.7
Svenska staten	4.0	Göteborgs stad	2.6
Kommuninvest	3.0	Handelsbanken	2.1

Company/Group	% of fund capital	Company/Group	% of fund capital
Tennet Holding	1.9	BNP Paribas	0.7
EIB	1.6	Vacse	0.6
Rikshem AB	1.1	SBAB	0.5
Fabege	0.9		
Sveaskog	0.9		

* 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 Hållbar Global 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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

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 used in sustainability efforts

Exclusion

The fund exclude 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/issuers involved in the production or distribution of nuclear weapons are also excluded.

The fund also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, uranium, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies/issuers that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

The Management Company's engagement activities - Dialogues

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 support. We engage in 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 companies

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainalytics on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as an investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

The Management Company's engagement activities - Corporate governance

Annual General Meetings and Nomination committees

The Management Company normally votes at general meetings in those companies where ownership exceeds 0.5% or at general meetings where the company concerned is identified as falling short in its sustainability efforts/corporate governance work. In general, the Management Company also supports shareholder proposals that seek to promote corporate sustainability, including greater transparency in recording and the reporting of the company's climate impact, as well as its work with human rights and labor law.

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..

Handelsbanken Fonder deltar i alla valberedningar där vi har tillräckligt stort ägande för att erbjudas en plats. Utanför Norden är det dock ovanligt med valberedningar och styrelsesammansättningen kan endast påverkas genom röstning på bolagsstämman.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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

Hållbar Global Obligation is a so-called impact fund. The fund invests in sustainable bonds that are issued for the specific purpose of financing improvements to the environment, climate, poverty, or one of the other 17 Sustainable Development Goals adopted by the UN.

2020 was a turbulent year to say the least, with major closures throughout the world as a result of the corona pandemic. Investment flows shifted from focusing primarily on investments related to the climate and the environment to investments with social benefits. Many of the bonds had a clear focus on assisting companies or public institutions that were hit hard by the pandemic. Corona, Covid-19 or Pandemic bonds have existed using several different names. The fund invested in two such bonds: one issued by NIB (Nordic Investment Bank) and the other by the Spanish bank BBVA. Common to both of these bonds is that the financing is targeted to lending to support companies/public institutions in NIB's member states and Spain, respectively. 2020 was also the year we began to see more concrete proposals for how the EU will move towards becoming climate-neutral by 2050. Through the launch of its "Green Deal", the EU has created an action plan to reach this goal.

The transport sector has been a sector that has not reduced its carbon emissions significantly since the 1990s and currently represents about 20% of the EU's carbon emissions. It is therefore of great interest that we welcome the automotive sector into the green bond market. After the summer, several major international auto manufacturers announced that they were prepared to issue green bonds. The fund invested in the green bonds issued by Volkswagen and Daimler. The green frameworks differ slightly between the two companies but

both have the common goal of using the liquidity to increase their electrified vehicle fleets. Volkswagen has gone so far as to set a climate target for the Group to become carbon neutral by 2050, which has been approved by the Science Based Targets initiative (SBTi). We view this as a very positive addition.

The Management Company's engagement activities - Dialogues

Targeted dialogues with direct contact between our fund managers and companies

The fund engaged in one targeted dialogue directly with a company during the year.

The fund engaged in a dialogue with Sveaskog regarding their sustainability efforts and the management of logging activities in proximity to reindeer herding. We are confident that the company is managing these issues in a responsible manner and will be following the developments going forward.

Engagement activities in collaboration with other investors

In 2020, the Management Company participated in a total of 125 company dialogues together with other investors. The fund invested in one of these companies.

A dialogue was conducted with Verizon due to their alleged failure to respect trade union rights in the US.

Collaborations and industry initiatives

Portfolio Manager: KEVIN LIANG

BASE CURRENCY



Handelsbanken Høyrente

Management report

Investment focus

The fund is actively managed, whereby the portfolio 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 sound Nordic banks and financial institutions, as well as in senior loans in companies with high-quality credit, corporate bonds and subordinated loans. A maximum of 50% of the fund's value may be invested in interest-bearing securities issued by issuers not domiciled in Norway. The assets stated above can 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 rate duration of one year, but can 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-) in accordance with S&P or the Ba segment (Ba1/Ba2/Ba3) in accordance with Moody's. The remainder shall be within the so-called Investment grade segment. Derivative instruments may be used as part of the fund's investment focus. The fund may invest a maximum of 10% of the fund capital in fund units. The fund may invest in derivative instruments as part of the fund's investment focus. The fund may invest a maximum of 10% of fund capital in fund units. We compare the fund's performance with ST1X, a government bond index with a fixed duration of 0.25 years. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund invests in financial instruments whether or not they are included in the benchmark index. Fund management is based on an ongoing assessment of the financial- and macroeconomic conditions and results in a strategic and tactical investment focus. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund fell 0.1% in 2020*. The Norwegian credit market began the year on a positive note. Sentiment became increasingly negative when the corona pandemic in Asia received a great deal of attention. The market came to a standstill in mid-March when several European countries implemented closures to control the spread of the virus. The Norwegian economy was hit harder due to a sharp decline in oil prices and a record depreciation of the currency that occurred when uncertainty hit the market. Norges Bank responded decisively by cutting the key rate to zero and implementing the purchase of bonds through the government bond fund (SOF). These measures led to the gradual normalization of the credit market. The issues market reopened again in April. Credit spreads on bond loans have returned to the same level as at the beginning of the year, while spreads in high yield bonds widened during the year. Investments in investment grade bonds were the strongest contributors to 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 characterized 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The average residual fixed interest duration over time for holdings in the fund shall be shorter 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'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 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

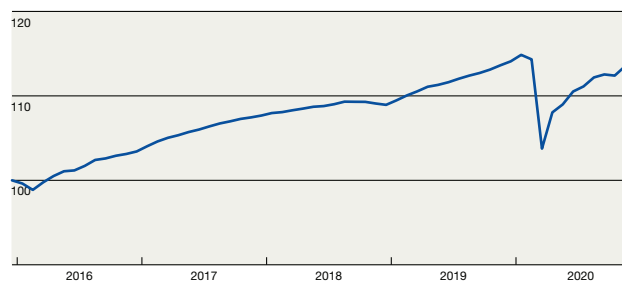
• Highest leverage during the financial year	60.3%
• Lowest leverage during the financial year	0.0%
• Average leverage during the financial year	45.3%

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

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 Høyrente, cont.

Fund facts - history

	2020	2019	2018	24/8-31/12 2017	2016	2015	2014	2013	2012	2011
Net asset value										
Høyrente A1 - SEK	111.57	124.05	113.84	-	-	-	-	-	-	-
Høyrente A1 - NOK	116.32	116.45	111.19	109.90	-	-	-	-	-	-
Høyrente A10 - NOK	117.30	117.08	111.46	-	-	-	-	-	-	-
The fund's total net flow, NOK m	115	-1,894	563	501	-	-	-	-	-	-
Fund capital total, mNOK	6,786	6,652	8,156	7,494	-	-	-	-	-	-
Høyrente A1 - SEK	8	14	14	-	-	-	-	-	-	-
Høyrente A1 - NOK	5,528	5,660	7,074	7,494	-	-	-	-	-	-
Høyrente A10 - NOK	1,250	978	1,068	-	-	-	-	-	-	-
Number of units, 1000's	58,253	57,078	73,330	68,196	-	-	-	-	-	-
Høyrente A1 - SEK	72	116	120	-	-	-	-	-	-	-
Høyrente A1 - NOK	47,525	48,609	63,628	68,196	-	-	-	-	-	-
Høyrente A10 - NOK	10,655	8,353	9,582	-	-	-	-	-	-	-
Total returns in %										
Høyrente A1 - SEK	-10.1	+9.0	+3.5	-	-	-	-	-	-	-
Høyrente A1 - NOK	-0.1	+4.7	+1.2	+4.1	+3.4	+1.5	+2.6	+5.6	+6.7	-
Høyrente A10 - NOK	+0.2	+5.0	+1.5	-	-	-	-	-	-	-
Index including dividends in %										
Høyrente A1 - SEK	-9.4	+5.2	+2.8	-	-	-	-	-	-	-
Høyrente A1 - NOK	+0.6	+1.2	+0.5	+0.5	+0.5	+0.9	+1.3	+1.6	+1.5	-
Høyrente A10 - NOK	+0.6	+1.2	+0.5	-	-	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾										
Høyrente A1 - SEK	8.0	0.6	0.7	-	-	-	-	-	-	-
Høyrente A1 - NOK	8.0	0.6	0.7	1.2	-	-	-	-	-	-
Høyrente A10 - NOK	8.0	0.6	0.7	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Høyrente A1 - SEK	-1.0	+6.2	+1.1	-	-	-	-	-	-	-
Høyrente A1 - NOK	+2.3	+2.9	+2.6	+3.8	+2.5	+2.1	+4.1	+6.1	-	-
Høyrente A10 - NOK	+2.6	+3.2	+2.9	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	-2.4	+4.0	-1.0	-	-	-	-	-	-	-
NOK	+0.9	+0.8	+0.5	+0.5	+0.7	+1.1	+1.5	+1.6	-	-
Average yearly return, 5 yrs. %										
Høyrente A1 - SEK	+2.8	+3.4	+1.9	-	-	-	-	-	-	-
Høyrente A1 - NOK	+2.6	+3.0	+2.6	+3.4	+3.9	-	-	-	-	-
Høyrente A10 - NOK	+3.0	+3.3	+2.9	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+0.8	+1.1	+0.1	-	-	-	-	-	-	-
NOK	+0.7	+0.7	+0.8	+1.0	+1.2	-	-	-	-	-
Exchange rate NOK/SEK	0.96	1.07	1.02	1.00	-	-	-	-	-	-

1) The fund has taken the tracking error that is considered to be appropriate for the purpose of attaining the fund's active return objective. The tracking error has been slightly higher in the past year than in previous years. As a result of the pandemic, 2020 was largely dominated by significant volatility in the fixed income markets. Most notably, credit spreads widened sharply during H1. Central banks used rate cuts and quantitative support programs to support the markets, which resulted in a narrowing of credit spreads in H2. The higher volatility in the markets, particularly for corporate bonds, led to an increase to the tracking error. Senior and subordinated credits had high volatility periodically, which contributed to a higher tracking error. Interest rate fluctuations also contributed to increased volatility with regard to the fund's positions.

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
Costs in NOK for a one-time subscription, 10 000 NOK	
Høyrente A1	48.84
Høyrente A10	19.57
Costs in NOK for monthly savings, 100 NOK	
Høyrente A1	3.27
Høyrente A10	1.31

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 SEK	15.7	Information ratio - A1 NOK	0.2
Total risk % - A1 NOK	7.8	Information ratio - A10 NOK	0.2
Total risk % - A10 NOK	7.8	Sharpe ratio - A1 SEK	0.0
Total risk in index % - A1 SEK	9.3	Sharpe ratio - A1 NOK	0.2
Total risk in index % - A1 NOK	0.3	Sharpe ratio - A10 NOK	0.2
Total risk in index % - A10 NOK	0.3	Sharpe ratio in index - A1 SEK	-0.2
Benchmark	ST1X	Sharpe ratio in index - A1 NOK	0.0
Active return % - A1 SEK	1.3	Sharpe ratio in index - A10 NOK	0.0
Active return % - A1 NOK	1.4	Duration, months ¹⁾	8.8
Active return % - A10 NOK	1.7	Spread exposure %	7.2
Information ratio - A1 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.

Income statement, NOK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	21,886	106,025
Interest income	208,177	277,698
Currency exchange profits and losses, net	-186,430	44,570
Other income	6,527	473
Total income and changes in value	50,160	428,766
EXPENSES		
Management costs:		
- Remuneration to the Management Company	30,395	38,553
Interest expense	551	152
Other expenses	152	324
Total expenses	31,097	39,029
Net income	19,062	389,737
* Details of changes in value		
Capital gains	150,094	98,315
Capital losses	-184,296	-50,504
Unrealised gains/losses	56,089	58,213
Sum	21,886	106,025

Handelsbanken Heyrente, cont.

Balance sheet, NOK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	6,459,988	95.2	6,404,551	96.3
OTC derivative instruments with positive market value	20,943	0.3	53,470	0.8
Total financial instruments with positive market value ^{Note 2)}	6,480,931	95.5	6,458,021	97.1
Bank assets and other liquid assets	287,408	4.2	153,946	2.3
Prepaid expenses and accrued income	31,153	0.5	42,638	0.6
Other assets	-	-	1	0.0
Total assets	6,799,492	100.2	6,654,606	100.0
LIABILITIES				
OTC derivative instruments with negative market value	10,596	0.2	-	-
Total financial instruments with negative market value ^{Note 2)}	10,596	0.2	-	-
Accrued expenses and prepaid income	2,593	0.0	2,565	0.0
Total liabilities	13,189	0.2	2,565	0.0
Fund capital ^{Note 1)}	6,786,303	100.0	6,652,041	100.0
Collateral received for OTC derivative instruments	-	-	19,136	0.3
Secured collateral for OTC derivative instruments ¹⁾	561	0.0	-	-

1) Cash and cash equivalents NOK 561 t

Note 1) for Balance sheet

Changes in fund capital, NOK thousand

	2020	2019
Fund capital at beginning of year	6,652,041	8,156,020
Units issued	3,780,100	2,341,706
Units redeemed	-3,664,900	-4,235,422
Profit according to Income Statement	19,062	389,737
Dividends to unit holders	-	-
Fund capital at the close of the period	6,786,303	6,652,041

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value NOK t	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, MORTGAGE			
DNB Boligkredit FRN 2021-11-11	50,000	50,091	0.7
DNB Boligkredit FRN 2024-10-16	14,000	14,049	0.2
DNB Boligkredit FRN 2025-11-24	50,000	49,959	0.7
Eika Boligkred FRN Perp	18,000	18,428	0.3
Obos Banken FRN 2024-08-29	18,000	18,099	0.3
Oslo Bolig FRN 2023-09-13	55,000	55,196	0.8
		205,822	3.0

FOREIGN ISSUER, OTHERS

Adevinta ASA 2,625% 2025-11-15	4,500	48,124	0.7
Agder Energi FRN 2025-10-14	30,000	30,123	0.4
Allianz SE 3.5% Perp	2,400	20,962	0.3
Arla Finance FRN 2023-07-23	40,000	41,954	0.6
Aurskog Sparebank FRN 2021-10-25	16,000	16,063	0.2
Aurskog Sparebank FRN 2024-03-15	34,000	34,068	0.5
Aurskog Sparebank FRN 2025-09-02	10,000	10,026	0.1
Austevoll FRN 2023-06-21	19,000	18,913	0.3
Banco Santander 4,375% Perp	12,000	125,900	1.9
Bank Norwegian FRN 2022-03-29	42,000	42,170	0.6
Bank Norwegian FRN 2022-12-12	50,000	50,465	0.7
Bank Norwegian FRN 2023-12-12	116,000	117,345	1.7
Barclays FRN 2023-09-14	50,000	51,896	0.8
Benchmark Hold FRN 2023-06-21	85,000	83,513	1.2
BKK AS FRN 2021-10-06	5,000	5,012	0.1
BKK AS FRN 2026-01-16	40,000	40,019	0.6
BN Bank 2,15% 2023-06-29	5,000	5,141	0.1
BN Bank FRN 2024-11-06	30,000	30,116	0.4
BNP Paribas 4,5% Perp	4,000	34,377	0.5
BNP Paribas FRN 2030-02-21	30,000	29,335	0.4
British Telecom 1,874% 2080-08-18	2,000	20,586	0.3
Danske Bank FRN 2023-01-25	46,000	47,781	0.7
Digiplex No 2 FRN 2024-04-30	100,000	100,500	1.5
DNB Bank 4,875% Perp	6,300	55,883	0.8
DNB Bank 6,5% Perp	7,000	62,740	0.9
DNB Bank FRN 2021-06-27 Perp Call	17,000	17,280	0.3
DNB Bank FRN 2022-07-18	50,000	50,203	0.7
DNB Bank FRN 2022-11-01	6,000	6,007	0.1
DNB Bank FRN 2030-05-28	44,000	46,357	0.7
Eidsiva Energi FRN 2025-10-02	50,000	50,185	0.7
Entra ASA FRN 2021-06-02	15,000	15,040	0.2
Entra ASA FRN 2022-10-14	12,000	12,037	0.2
Erste Bank 3,375% Perp	3,000	29,723	0.4
Erste Group Bank AG 4,25% Perp	12,000	130,070	1.9
Fana Sparebank FRN 2022-04-06	20,000	20,108	0.3
Fana Sparebank FRN 2023-05-09	20,000	20,032	0.3
Fana Sparebank FRN 2024-12-11	10,000	10,031	0.1
Gjensidige Bank FRN 2022-09-22	20,000	20,100	0.3

	Number/Nominal amount in 1000's	Market value NOK t	% of fund capital
Gjensidige Fors FRN 2044-10-03	22,000	22,232	0.3
Gjensidige Fors FRN Perp	85,000	86,020	1.3
GLX Holding FRN 2023-12-08	100,000	100,125	1.5
Grieg Seafood FRN 2025-06-25	55,000	53,178	0.8
Haugaland Kraft FRN 2022-09-02	20,000	20,016	0.3
Hexagon FRN 2023-03-15	89,000	89,223	1.3
Landkredit Bank FRN 2021-10-12	25,000	25,127	0.4
LeasePlan FRN 2021-06-07	50,000	50,023	0.7
LeasePlan FRN 2023-08-07	50,000	50,001	0.7
Link Mobility Group 3,375% 2025-12-15	5,000	52,642	0.8
Mandatum Life Insur 1,875% 2024-10-04	7,400	79,447	1.2
Nordea Bank 5,25% Perp	16,400	142,996	2.1
Nordea Bank FRN 2021-06-15	15,000	15,012	0.2
Nordea Bank FRN 2022-09-05	26,000	25,996	0.4
NorgesGruppen FRN 2024-02-12	9,000	9,068	0.1
NorgesGruppen FRN 2026-09-08	24,000	24,432	0.4
Norled FRN 2024-11-27	34,000	34,000	0.5
Norsk Hydro FRN 2023-05-15	70,000	73,049	1.1
Nykredit FRN 2023-01-20	50,000	52,368	0.8
Obos Banken FRN 2027-05-18	11,000	11,100	0.2
Obos Banken FRN Perp	17,000	16,789	0.2
Olav Thon Eiendom FRN 2021-03-08	35,000	36,461	0.5
Olav Thon Eiendom FRN 2022-09-26	25,000	25,028	0.4
OP Corporate Bank FRN 2030-06-03	100,000	107,138	1.6
Orkla FRN 2022-02-14	10,000	10,044	0.1
Pelagia Holding AS FRN 2025-12-08	48,500	48,403	0.7
Posten Norge FRN 2021-09-28	125,000	125,348	1.8
Sbanken ASA FRN 2030-06-17	47,000	47,770	0.7
Sbanken ASA FRN Perp	47,000	46,966	0.7
Schibsted FRN 2021-05-06	15,000	15,030	0.2
Schibsted FRN 2023-06-22	40,000	40,549	0.6
Schibsted FRN 2023-10-23	58,000	60,361	0.9
Sparebank 1 BV FRN 2021-08-30	26,000	26,121	0.4
Sparebank 1 Nord-Norge FRN 2022-06-15	20,000	20,161	0.3
Sparebank 1 Nord-Norge FRN Perp	10,000	10,142	0.1
Sparebank 1 Østfold Aker FRN 2022-04-07	25,000	25,141	0.4
Sparebank 1 Ostlandet FRN Perp	22,000	22,211	0.3
Sparebank 1 SMN 5% 2025-01-26	44,000	46,040	0.7
Sparebank 1 SMN FRN 2026-11-17	48,000	48,164	0.7
Sparebank 1 SMN FRN 2028-09-04	65,000	65,880	1.0
Sparebank 1 SMN FRN Perp	10,000	10,098	0.1
Sparebank 1 SMN FRN Perp	4,000	4,062	0.1
Sparebank 1 SR 2,04% 2022-02-11	7,000	7,110	0.1
Sparebank Hedmark FRN 2021-04-16	50,000	50,127	0.7
Sparebank More FRN 2023-12-12	10,000	10,013	0.1
Sparebank More FRN Perp	46,300	46,846	0.7
Sparebank More FRN Perp	26,000	26,527	0.4
Sparebank Ost FRN 2023-09-18 Perp Call	41,000	41,793	0.6
Sparebank Ost FRN 2024-07-04 Perp Call	21,000	21,536	0.3
Sparebank Sogn&Fjordane FRN 2025-08-28	25,000	25,046	0.4
Sparebank Sor FRN 2021-06-29 Perp Call	35,000	35,611	0.5
Sparebank Sor FRN 2022-09-28	3,000	3,035	0.0
Sparebank Sor FRN 2022-11-11	33,000	33,188	0.5
Sparebank Telemark FRN 2026-11-10	20,000	20,259	0.3
Sparebank Vest FRN 2023-09-12 Perp	9,000	9,150	0.1
Sparebanken More FRN 2024-07-15	15,000	15,038	0.2
Sparebanken Telemark FRN 2022-01-20	15,000	15,091	0.2
Sparebanken Telemark FRN 2025-08-18	10,000	10,030	0.1
Sparebanken Vest 2022-06-30	81,000	81,482	1.2
Sparebanken Vest FRN 2021-06-04	20,000	20,023	0.3
Statnett SF FRN 2023-06-30	20,000	20,101	0.3
Storebrand Bank FRN 2022-05-23	31,000	31,497	0.5
Storebrand Bank FRN 2023-03-13 Perp Call	11,000	11,082	0.2
Storebrand Bank FRN 2024-03-25 Perp Call	100,000	102,466	1.5
Storebrand Bank FRN 2047-11-21	26,000	27,054	0.4
Storebrand FRN 2050-06-19	48,000	47,989	0.7
Thon Holding FRN 2021-04-22	70,000	70,108	1.0
TietoEvyry 2% 2025-06-17	6,500	70,256	1.0
Tine FRN 2023-02-28	20,000	20,091	0.3
Tryg Forsikring FRN 2023-03-20	95,000	99,041	1.5
Yara 2,55 2021-12-17	10,000	10,167	0.1
Yara FRN 2022-12-13	7,000	7,034	0.1
		4,412,939	65.0
MORTGAGE			
Stadshypotek FRN 2022-04-08 CB	25,000	25,223	0.4
Stadshypotek FRN 2025-06-24	50,000	50,321	0.7
		75,543	1.1
OTHER			
Bewi Group FRN 2022-04-19	11,500	122,830	1.8
Epiroc AB FRN 2026-05-18	37,000	38,757	0.6
Handelsbanken 5,25% Perp	20,789	178,751	2.6
Hexagon FRN 2024-11-26	102,000	105,979	1.6
Hoist Finance AB 7,75% Perp	500	4,627	0.1
ICA Gruppen FRN 2025-02-28	8,000	8,317	0.1
IF Skadeförsäkr FRN 2046-12-01	74,000	77,806	1.1
Indutrade FRN 2023-02-23	14,000	14,548	0.2
Indutrade FRN 2024-09-26	50,000	51,718	0.8
Investment AB Latour FRN 2023-03-27	24,000	25,107	0.4
Kinnevik FRN 2025-02-19	18,000	18,697	0.3
Länsförsäkringar FRN 2024-11-06	20,000	20,940	0.3
Länsförsäkringar FRN 2028-03-01	50,000	52,241	0.8
Länsförsäkringar FRN Perp	30,000	32,779	0.5
Länsförsäkringar FRN Perp	22,000	23,144	0.3
Lifco FRN 2023-03-02	24,000	25,114	0.4
Loomis FRN 2023-09-18	80,000	82,688	1.2
NIBE Industrier FRN 2022-04-11	70,000	73,536	1.1
NIBE Industrier FRN 2023-09-04	50,000	52,205	0.8
Nordic Entertainment FRN 2024-05-23	34,000	35,598	0.5
SBAB FRN 2024-09-05 Perp Call	110,000	117,457	1.7
SBAB FRN 2030-06-03	55,000	59,248	0.9
SEB 5,125% Perp	15,000	133,797	2.0
SEB 5,625% Perp	10,000	88,128	1.3

Handelsbanken Heyrente, cont.

	Number/Nominal amount in 1000's	Market value NOK t	% of fund capital
Sinch AB FRN 2024-11-27	28,750	30,299	0.4
SKF FRN 2024-06-10	44,000	46,606	0.7
Stockholm Exergi FRN 2027-09-17	14,000	14,562	0.2
Swedavia FRN Perp	15,000	15,422	0.2
Tele2 FRN 2025-06-10	22,000	23,481	0.3
Tele2 FRN 2027-11-03	32,000	33,604	0.5
Telia 1,375% 2081-05-11	3,800	40,306	0.6
Telia FRN 2077-10-04	25,000	26,674	0.4
Trelleborg Treasury FRN 2024-10-17	66,000	68,526	1.0
		1,743,491	25.7
Total listed fixed-income securities		6,437,795	94.9

	Number/Nominal amount in 1000's	Market value NOK t	% of fund capital
UNLISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, OTHERS			
Aker BP 5,875% 2025-03-31	2,500	22,193	0.3
		22,193	0.3
Total unlisted fixed-income securities		22,193	0.3
Total transferable securities		6,459,988	95.2

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value NOK t	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
NOK/EUR ¹⁾		8,610	0.1
NOK/SEK ²⁾		-10,596	-0.2
NOK/USD ³⁾		12,333	0.2
		10,347	0.2
Total OTC derivative instruments		10,347	0.2
Total other financial instruments		10,347	0.2
Total holdings in financial instruments		6,470,335	95.3
Net, other assets and liabilities		315,968	4.7
Total fund capital		6,786,303	100.0

1) tNOK 738 690/tEUR -69 500, counterparty Skandinaviska Enskilda Banken AB (publ).

2) tNOK 1 533 502/tSEK -1 480 000, counterparties Svenska Handelsbanken AB (publ) och Nordea Bank Abp.

3) tNOK 761 690/tUSD -87 500, counterparty Skandinaviska Enskilda Banken AB (publ).

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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.

0.2

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
DNB	5.1	Sparebank More	1.2
Handelsbanken	3.7	Svenska staten	1.1
SEB	3.3	Indutrade	1.0
Hexagon	2.9	BNP Paribas, France	0.9
Nordea	2.7	Olav Thon Eiendomsselskap	0.9
Storebrand	2.6	Sparebanken Ost	0.9
Sparebank 1 SMN	2.5	Aurskog Sparebank	0.8
Bank Norwegian	2.3	Tele2	0.8
Länsförsäkringar	1.9	BKK AS	0.7
NIBE Industrier	1.9	Fana Sparebank	0.7
Schibsted	1.7	BN Banken	0.5
Gjensidige	1.6	Obos Banken	0.5
Sparebanken Vest	1.6	Sparebanken Sor	0.5
LeasePlan	1.4	Entra	0.4
Sbanken ASA	1.4	Sparebanken Telemark	0.3
		Yara Intl	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 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 used in sustainability efforts

Exclusion

In accordance with the Management Company's policy for shareholder engagement and responsible investment, the fund and its index exclude investments in:

- Companies/issuers involved in production or distribution of weapons banned under international law, such as cluster bombs, anti-personnel mines, biological and chemical weapons.
- Companies/issuers involved in production or distribution of nuclear weapons.
- Companies/issuers with turnover exceeding 5% that is attributed to coal mining or with turnover exceeding 30% that is attributed to coal power generation.

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

Inclusion

Inför varje investeringsbeslut görs en omfattande analys där hållbarhetsaspekter likväl som finansiella aspekter vägs in. För oss är hållbarhetsfrågor särskilt viktiga för att fatta bättre investeringsbeslut som kan generera en långsiktigt god avkastning. Som ett komplement till egen analys och kunskap om bolagen har vi tillgång till extern ESG-analys. Förvaltarna analyserar hållbarhet dels genom bolagets hållbarhetsprestanda (HUR de bedriver sin verksamhet) och dels genom bolagets produkter och tjänster (VAD). Hållbarhetsanalysen är en integrerad del av dokumentationen för våra investeringar och omfattar både hållbarhetsrisker och möjligheter.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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 companies

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainalytics on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as an investors have the possibility of participating with the companies concerned.

Follow-up of sustainability work

Inclusion

The fund invested in a green bond in Agder Energi. The framework has been verified by CICERO. Agder Energi's green bond will be used to finance new hydropower production capacity. The reduction of carbon emissions as a result of the implementation of the project is estimated at 35,487 tonnes annually.

The Management Company's engagement activities - Corporate governance

Engagement activities in collaboration with other investors

The fund did not engage in any targeted dialogues directly with companies during the year.

Engagement activities in collaboration with other investors

In 2020, the Management Company participated in a total of 125 company dialogues together with other investors. The fund invested in one of these companies.

A dialogue was conducted with Loomis due to alleged failure to respect union rights in Turkey.

Collaborations and industry initiatives

In 2020, the Management Company participated in initiatives and collaborations that totaled over 380 companies.



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 2% 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. The fund may invest in derivative instruments as part of the fund's investment focus. 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. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund invests in financial instruments whether or not they are included in the benchmark index. Fund management is based on an ongoing assessment of the financial- and macroeconomic conditions and results in a strategic and tactical investment focus. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 0.5% in 2020*. The fund was positioned for rising rates and credit spreads at the outset of the year, that is to say, the proportion of liquid assets, holdings in commercial paper and FRN loans were higher than normal. Credit spreads widened significantly, liquidity weakened and long-term rates declined as a result of the pandemic, which had a negative impact on the fund. Activity in the primary market slowed during Q2, which gave the fund the opportunity to invest in the secondary market at attractive levels and contributed significantly to the fund's returns during the year. One example is Heimstaden Bostad AB's issue in May that was executed at Stibor +175 and is currently trading at +55. The central banks acted decisively by injecting liquidity into the market and increasing the purchases of corporate bonds in certain countries, while in other countries such as Sweden, the central banks initiated purchases. During the year the Riksbank has been active in the market within all asset classes, including commercial paper and corporate bonds, which increased the demand for these asset classes. Outlooks for macroeconomic growth have had a great deal of uncertainty and have led to high volatility in the fixed income market, although when the economic data was subsequently analyzed, the recovery of the economy and the financial markets has exceeded expectations. Liquidity in the market is restored and credit spreads for credits with higher ratings are at record lows, despite there being some uncertainty about how quickly the vaccine

will impact the global economy. Issuing activity was in line with previous years and the proportion of green issues were at record highs during the year, which allowed us to increase the proportion of green investments in the fund. Despite the persisting uncertainty in the forecasts ahead, we believe that the stimulus measures will influence the performance of future interest rates. Accordingly, the fund is positioned for rising interest rates and some market uncertainty. We are retaining slightly higher liquidity in the fund to address the uncertainty.

*) 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 characterized 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 fixed interest duration and thereby has a lower interest rate risk than a fund that invests in interest-bearing instruments with a longer residual fixed interest duration. The average residual fixed interest 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

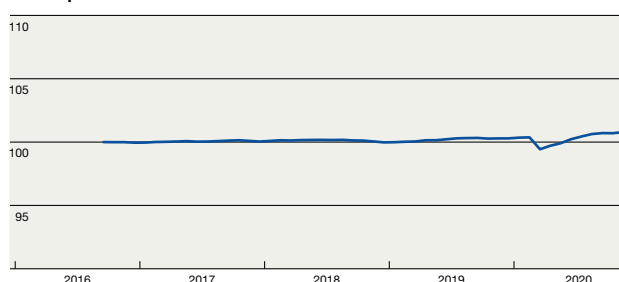
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

• Highest leverage during the financial year	9.4%
• Lowest leverage during the financial year	0.9%
• Average leverage during the financial year	3.5%

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 Institutionell Kortränta, cont.

Fund facts - history

	2020	2019	2018	2017	14/9-31/12 2016	2015	2014	2013	2012	2011
Net asset value, SEK										
Institutionell Kortränta A1	100.83	100.30	99.98	100.05	99.96	-	-	-	-	-
Institutionell Kortränta A10	101.08	100.46	100.05	-	-	-	-	-	-	-
Institutionell Kortränta B1	99.82	99.80	99.98	100.05	99.96	-	-	-	-	-
The fund's total net flow, SEK m	-2,763	7,899	6,113	4,096	1,281	-	-	-	-	-
Fund capital total, SEK m	16,725	19,420	11,477	5,377	1,280	-	-	-	-	-
Institutionell Kortränta A1	12,537	13,353	9,374	761	87	-	-	-	-	-
Institutionell Kortränta A10	3,975	3,845	535	-	-	-	-	-	-	-
Institutionell Kortränta B1	212	2,213	1,558	704	145	-	-	-	-	-
Number of units, 1000's	165,794	193,673	114,790	53,744	12,810	-	-	-	-	-
Institutionell Kortränta A1	124,343	133,135	93,756	7,605	880	-	-	-	-	-
Institutionell Kortränta A10	39,327	38,271	5,350	-	-	-	-	-	-	-
Institutionell Kortränta B1	2,124	22,173	15,586	7,040	1,450	-	-	-	-	-
Total returns in %, SEK										
Institutionell Kortränta A1	+0.5	+0.3	-0.1	+0.1	0.0	-	-	-	-	-
Institutionell Kortränta A10	+0.6	+0.4	0.0	-	-	-	-	-	-	-
Institutionell Kortränta B1	+0.5	+0.3	-0.1	+0.1	0.0	-	-	-	-	-
Index including dividends in %, SEK										
Institutionell Kortränta A1	-0.2	-0.5	-0.8	-0.8	-0.2	-	-	-	-	-
Institutionell Kortränta A10	-0.2	-0.5	-0.8	-	-	-	-	-	-	-
Institutionell Kortränta B1	-0.2	-0.5	-0.8	-0.8	-0.2	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾										
Institutionell Kortränta A1	0.8	0.1	0.1	-	-	-	-	-	-	-
Institutionell Kortränta A10	0.8	0.1	0.1	-	-	-	-	-	-	-
Institutionell Kortränta B1	0.8	0.1	0.1	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Institutionell Kortränta A1	+0.4	+0.1	0.0	-	-	-	-	-	-	-
Institutionell Kortränta A10	+0.5	+0.2	+0.1	-	-	-	-	-	-	-
Institutionell Kortränta B1	+0.4	+0.1	0.0	-	-	-	-	-	-	-
Comparison to index including dividends, %	-0.4	-0.7	-0.8	-	-	-	-	-	-	-
Dividends per unit, SEK	0.50	0.50	0.00	0.00	-	-	-	-	-	-

1) The fund has taken the tracking error that is considered to be appropriate for the purpose of attaining the fund's active return objective. The tracking error has been slightly higher in the past year than in previous years. As a result of the pandemic, 2020 was largely dominated by significant volatility in the fixed income markets. Most notably, credit spreads widened sharply during H1. Central banks used rate cuts and quantitative support programs to support the markets, which resulted in a narrowing of credit spreads in H2. The higher volatility in the markets, particularly for corporate bonds, led to an increase to the tracking error. Interest rate fluctuations also contributed to increased volatility with regard to the fund's positions.

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
Collected mgmt. costs in % of average fund capital	
Institutionell Kortränta A1	0.14
Institutionell Kortränta A10	0.05
Institutionell Kortränta B1	0.14
Annual fees in %	
Institutionell Kortränta A1	0.14
Institutionell Kortränta A10	0.05
Institutionell Kortränta B1	0.14
Transaction costs, SEK thousand	47
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Institutionell Kortränta A1	14.02
Institutionell Kortränta A10	5.01
Institutionell Kortränta B1	14.02
Costs in SEK for monthly savings, 100 SEK	
Institutionell Kortränta A1	0.92
Institutionell Kortränta A10	0.33
Institutionell Kortränta B1	0.92

Fund facts - other key figures

Turnover rate	1.1
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	0.8	Information ratio - A10 SEK	1.1
Total risk % - A10 SEK	0.8	Information ratio - B1 SEK	1.0
Total risk % - B1 SEK	0.8	Sharpe ratio - A1 SEK	1.0
Total risk in index % - A1 SEK	0.1	Sharpe ratio - A10 SEK	1.1
Total risk in index % - A10 SEK	0.1	Sharpe ratio - B1 SEK	1.0
Total risk in index % - B1 SEK	0.1	Sharpe ratio in index - A1 SEK	0.3
Benchmark OMRX Treasury Bill Index		Sharpe ratio in index - A10 SEK	0.3
Active return % - A1 SEK	0.8	Sharpe ratio in index - B1 SEK	0.3
Active return % - A10 SEK	0.9	Duration, months ¹⁾	3.1
Active return % - B1 SEK	0.8	Spread exposure %	0.8
Information ratio - A1 SEK	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, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	-57,378	-12,301
Changes in value for other derivative instruments**	-1,714	-5,530
Interest income	145,546	81,261
Currency exchange profits and losses, net	4,669	181
Other income	0	1
Total income and changes in value	91,123	63,612
EXPENSES		
Management costs:		
- Remuneration to the Management Company	21,663	18,889
Interest expense	625	11
Other expenses	901	871
Total expenses	23,189	19,771
Net income	67,934	43,841
* Details of changes in value		
Capital gains	2,507	2,125
Capital losses	-64,656	-36,865
Unrealised gains/losses	4,771	22,440
Sum	-57,378	-12,301
** Details of changes in value		
Capital gains	-	8,296
Capital losses	-2,037	-13,827
Unrealised gains/losses	323	-
Sum	-1,714	-5,530

Handelsbanken Institutionell Kortränta, cont.

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	11,958,107	71.5	13,372,983	68.9
Money market instruments	3,721,594	22.3	4,297,624	22.1
OTC derivative instruments with positive market value	3,248	0.0	7,099	0.0
Total financial instruments with positive market value ^{Note 2)}	16,682,949	93.8	17,677,706	91.0
Bank assets and other liquid assets	1,027,858	6.1	1,712,402	8.8
Prepaid expenses and accrued income	15,576	0.1	32,546	0.2
Total assets	16,726,383	100.0	19,422,654	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	1,829	0.0	1,988	0.0
Total liabilities	1,829	0.0	2,371	0.0
Fund capital ^{Note 1)}	16,724,554	100.0	19,420,283	100.0
Collateral received for OTC derivative instruments ¹⁾	330	0.0	6,935	0.0
Other derivative instruments with negative market value ²⁾	2,057	0.0	-	-

1) Cash and cash equivalents SEK 330 t

2) Cash and cash equivalents SEK 2 057 t

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	19,420,283	11,477,069
Units issued ¹⁾	10,640,578	11,580,412
Units redeemed ¹⁾	-13,391,884	-3,669,978
Profit according to Income Statement	67,934	43,841
Dividends to unit holders	-12,357	-11,061
Fund capital at the close of the period	16,724,554	19,420,283

1) Of which SEK 2 291 918 t relates to internal moves between share classes

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, OTHERS			
Aktia Bank Oyj FRN 2023-09-11	150,000	150,309	0.9
Credit Suisse FRN 2022-05-18	8,500	86,443	0.5
GlaxoSmithKline Capital 0,125% 2023-05-12	3,500	35,465	0.2
LeasePlan 1, % 2022-02-25	1,700	17,312	0.1
Nordea Bank 0,16% 2022-09-09	108,000	107,829	0.6
Nordea Bank FRN 2021-02-19	100,000	100,071	0.6
Nordea Bank FRN 2022-06-14	78,000	78,540	0.5
Olav Thon Eiendom FRN 2021-09-03	150,000	149,360	0.9
Olav Thon Eiendom FRN 2022-05-10	50,000	49,625	0.3
OP Corporate Bank FRN 2022-05-18	200,000	201,118	1.2
Statnett SF 0,518% 2023-06-30	48,000	48,175	0.3
Stora Enso FRN 2021-08-20	89,000	89,250	0.5
VW Financial Services NV FRN 2022-01-21	200,000	199,960	1.2
		1,313,456	7.9
MORTGAGE			
Nordea Hypotek 5534 1% 2024-09-18	100,000	103,483	0.6
		103,483	0.6
OTHER			
Balder 0,743% 2021-07-02	186,000	186,121	1.1
Balder 1,125% 2022-03-14	1,550	15,758	0.1
Balder FRN 2021-11-05	100,000	99,807	0.6
BillerudKorsnäs 0,7% 2021-01-04	150,000	150,000	0.9
BillerudKorsnäs FRN 2021-06-08	50,000	50,088	0.3
Bluestep FRN 2022-09-12	80,000	80,718	0.5
Bluestep FRN 2023-04-27	100,000	101,477	0.6
Castellum FRN 2021-03-01	65,000	65,073	0.4
Castellum FRN 2021-03-29	98,000	98,037	0.6
Castellum FRN 2021-08-30	150,000	150,141	0.9
Castellum FRN 2021-10-04	123,000	124,239	0.7
Electrolux FRN 2022-03-09	150,000	150,597	0.9
Electrolux FRN 2022-06-17	30,000	30,204	0.2
Electrolux FRN 2023-04-06	50,000	51,723	0.3
Fabege FRN 2021-08-30	100,000	100,275	0.6
Fabege FRN 2022-06-16	44,000	44,347	0.3
Fastighets AB Stenvalvet FRN 2023-06-23	44,000	44,718	0.3
Heimstaden Bostad 1,75% 2021-12-07	2,000	20,418	0.1
Heimstaden Bostad FRN 2022-05-26	300,000	304,695	1.8
Hemsö FRN 2022-11-25	200,000	201,156	1.2
Holmen FRN 2022-05-23	20,000	20,039	0.1
Humlegården Fastigheter FRN 2022-01-11	100,000	99,907	0.6
Humlegården Fastigheter FRN 2022-06-22	98,000	99,105	0.6
Humlegården Fastigheter FRN 2022-07-01	50,000	50,438	0.3
Humlegården Fastigheter FRN 2022-12-05	200,000	199,998	1.2
Humlegården Fastigheter FRN 2022-12-12	100,000	100,050	0.6

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
Husqvarna FRN 2021-05-03	50,000	50,191	0.3
ICA Gruppen FRN 2023-02-28	98,000	97,951	0.6
Ikano Bank FRN 2021-05-14	36,000	36,015	0.2
Ikano Bank FRN 2021-08-17	182,000	181,909	1.1
Ikano Bank FRN 2022-10-17	158,000	157,460	0.9
Industrivärden FRN 2022-02-28	64,000	64,163	0.4
Industrivärden FRN 2023-02-20	32,000	31,950	0.2
Intea Fastigheter FRN 2021-09-30	180,000	179,908	1.1
Investment AB Latour FRN 2021-09-13	200,000	200,322	1.2
Investment AB Latour FRN 2023-03-27	76,000	76,262	0.5
Kinnevik FRN 2022-03-15	110,000	110,825	0.7
Kungsleden 2,06% 2021-10-11	50,000	50,480	0.3
Kungsleden FRN 2021-10-11	71,000	71,548	0.4
Landshypotek 0,75% 2023-05-25	60,000	60,973	0.4
Landshypotek FRN 2022-09-08	150,000	151,841	0.9
Landshypotek FRN 2023-06-12	100,000	100,708	0.6
Länsförsäkringar 0,3825% 2021-03-08	34,000	34,016	0.2
Länsförsäkringar 0,554% 2021-11-30	150,000	150,533	0.9
Länsförsäkringar FRN 2021-07-12	50,000	50,217	0.3
Länsförsäkringar FRN 2022-01-11	50,000	50,406	0.3
Länsförsäkringar FRN 2023-05-17	66,000	67,417	0.4
NCC Treasury FRN 2022-09-30	52,000	51,667	0.3
NIBE Industrier 1% 2021-06-21	102,000	102,179	0.6
NIBE Industrier FRN 2021-06-03	82,000	81,978	0.5
Nya SFF FRN 2021-09-01	250,000	250,745	1.5
Nya SFF FRN 2022-06-03	46,000	46,385	0.3
Nya SFF FRN 2022-09-07	80,000	80,115	0.5
Rikshem FRN 2021-04-22	170,000	170,706	1.0
Sagax FRN 2023-06-16	37,000	36,822	0.2
SBAB 0,245% 2023-02-13	200,000	199,896	1.2
SBAB FRN 2021-06-23	130,000	130,462	0.8
SBAB FRN 2022-01-17	60,000	60,496	0.4
SBAB FRN 2023-08-12	50,000	50,562	0.3
SCA 0,375% 2021-05-24	42,000	42,025	0.3
Scania FRN 2021-02-11	50,000	50,013	0.3
Scania FRN 2021-09-06	100,000	100,529	0.6
Scania FRN 2021-12-03	150,000	149,952	0.9
Scania FRN 2022-02-21	150,000	149,895	0.9
Scania FRN 2022-04-28	150,000	153,333	0.9
SEB Bolån 574 1,5% 2021-12-15	500,000	507,445	3.0
Skandiabanken 0,535% 2022-11-04	100,000	100,485	0.6
Skandiabanken FRN 2021-09-20	50,000	50,198	0.3
SKF FRN 2024-06-10	58,000	58,928	0.4
Södra Skogsägarna FRN 2021-06-07	90,000	90,419	0.5
Sparbanken Skåne 0,5% 2021-02-15	100,000	100,036	0.6
Sparbanken Skåne FRN 2021-02-15	50,000	50,029	0.3
Sparbanken Skåne FRN 2021-08-30	50,000	50,145	0.3
Sparbanken Skåne FRN 2022-09-13	48,000	48,087	0.3
Sveaskog FRN 2022-09-26	119,000	119,838	0.7
Swedbank 0,305% 2021-05-09	200,000	200,090	1.2
Swedbank 1% 2023-03-29	50,000	50,735	0.3
Tele2 FRN 2021-05-11	130,000	130,636	0.8
Tele2 FRN 2022-03-16	70,000	71,005	0.4
Trelleborg Treasury FRN 2021-07-12	150,000	150,083	0.9
Vacse AB FRN 2023-09-12	144,000	147,802	0.9
Vacse FRN 2022-06-07	22,000	22,262	0.1
Vasakronan FRN 2022-05-24	107,000	107,866	0.6
Volvo Treasury FRN 2021-04-06	103,000	103,142	0.6
Volvo Treasury FRN 2021-06-28	138,000	138,166	0.8
Volvo Treasury FRN 2021-08-12	116,000	116,307	0.7
Volvo Treasury FRN 2022-05-23	350,000	350,788	2.1
Volvo Treasury FRN 2022-09-28	100,000	100,123	0.6
Volvo Treasury FRN 2022-11-04	100,000	100,159	0.6
Volvo Treasury FRN 2023-12-13	100,000	101,496	0.6
Volvofinans Bank FRN 2023-11-20	30,000	30,208	0.2
Wallenstam FRN 2021-05-24	26,000	26,010	0.2
Wallenstam FRN 2021-09-02	50,000	49,967	0.3
Wallenstam FRN 2022-08-12	100,000	99,708	0.6
Wallenstam FRN 2022-11-30	50,000	49,943	0.3
Wilhelm FRN 2022-10-28	200,000	200,738	1.2
Wilhelm FRN 2023-02-24	250,000	250,128	1.5
Wilhelm FRN 2023-09-08	50,000	50,026	0.3

Total listed fixed-income securities 11,761,911 70.3

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
UNLISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, OTHERS			
DNA 2,875% 2021-03-12	2,000	20,204	0.1
		20,204	0.1
OTHER			
SKB FRN 2022-11-28	50,000	50,469	0.3
Stångåstaden FRN 2021-10-07	75,000	75,346	0.5
Uppsalahe FRN 110 2021-09-29	50,000	50,178	0.3
		175,992	1.1
Total unlisted fixed-income securities		196,196	1.2
Total transferable securities		11,958,107	71.5

Handelsbanken Institutionell Kortränta, cont.

MONEY MARKET INSTRUMENTS**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
CERTIFICATE			
Atrium Ljungberg AB DI FC 2021-01-15	100,000	99,982	0.6
Atrium Ljungberg AB DI FC 2021-01-26	50,000	49,983	0.3
Balder DI FC 2021-03-04	50,000	49,955	0.3
Castellum DI FC 2021-02-08	100,000	99,946	0.6
Castellum DI FC 2021-03-03	150,000	149,868	0.9
Fabege AB DI FC 2021-02-02	100,000	99,955	0.6
Fabege AB DI FC 2021-02-09	100,000	99,945	0.6
Fastighets AB Stenvalvet DI FC 2021-01-15	50,000	49,991	0.3
Fastighets AB Stenvalvet DI FC 2021-03-24	100,000	99,880	0.6
HEBA Fastighets AB DI FC 2021-02-08	100,000	99,946	0.6
HEBA Fastighets AB DI FC 2021-02-10	50,000	49,972	0.3
Heimstaden Bostad AB DI FC 2021-02-09	150,000	149,919	0.9
Hemsö Fastighets AB DI FC 2021-01-14	100,000	99,983	0.6
Hennes & Mauritz AB DI FC 2021-03-29	125,000	124,840	0.7
Hennes & Mauritz AB DI FC 2021-04-26	50,000	49,912	0.3
Hennes & Mauritz AB DI FC 2021-05-06	50,000	49,903	0.3
Hennes & Mauritz AB DI FC 2021-06-11	100,000	99,736	0.6
Hexagon DI FC 2021-02-15	100,000	99,936	0.6
Hexagon DI FC 2021-03-19	100,000	99,888	0.6
Hexagon DI FC 2021-11-09	100,000	99,460	0.6
Humlegården Fastigheter 2021-02-22	125,000	124,907	0.7
Ikano Bank DI BAC 2021-02-18	60,000	60,017	0.4
Ikano Bank DI BAC 2021-03-10	100,000	100,037	0.6
Indutrade Aktiebolag DI FC 2021-01-25	100,000	99,967	0.6
Intea Fastigheter AB DI FC 2021-01-28	100,000	99,962	0.6
Intea Fastigheter AB DI FC 2021-02-26	25,000	24,980	0.1
Nordic Entertainment Group 2021-02-08	80,000	79,957	0.5
Olav Thon Eiendom 2021-03-24	50,000	49,940	0.3
Olav Thon Eiendom 2021-04-19	50,000	49,918	0.3
Rikshem AB DI FC 2021-01-08	50,000	49,998	0.3
Sveaskog DI FC 2021-01-25	150,000	149,950	0.9
Trophé Fastighets AB DI FC 2021-01-15	150,000	149,973	0.9
Vasakronan AB DI FC 2021-01-29	50,000	49,980	0.3
Vasakronan AB DI FC 2021-02-11	50,000	49,971	0.3
Volkswagen Finans Sverige 2021-01-15	100,000	99,982	0.6
Volkswagen Finans Sverige 2021-03-16	100,000	99,893	0.6
Volkswagen Finans Sverige 2021-04-21	200,000	199,666	1.2
Volkswagen Finans Sverige 2021-05-18	100,000	99,783	0.6
Wallenstam AB DI FC 2021-01-14	80,000	79,987	0.5
Wallenstam AB DI FC 2021-02-03	50,000	49,977	0.3
Wallenstam AB DI FC 2021-04-12	80,000	79,879	0.5
Wallenstam AB DI FC 2021-06-09	50,000	49,870	0.3
Total certificate		3,721,594	22.3
Total money market instruments		3,721,594	22.3

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
INTEREST RATE FUTURES			
Swe Gov Bond 5Y Future Mar 2021 ¹⁾	-100	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 SEK t	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
SEK/EUR ²⁾		3,248	0.0
		3,248	0.0
Total OTC derivative instruments		3,248	0.0
Total other financial instruments		3,248	0.0
Total holdings in financial instruments		15,682,949	93.8
Net, other assets and liabilities		1,041,605	6.2
Total fund capital		16,724,554	100.0

¹⁾ Interest rate futures with underlying exposure of SEK -131 312 t, which is equivalent to 0.8% of fund capital.

²⁾ SEK 196 782/EUR -19 250, counterparty Citibank Plc.

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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. 71.5

** 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). 22.3

*** Refers to other financial instruments. -

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Svenska staten	6.2	Fredensborg	1.9
Volvo	6.0	Intea Fastigheter AB	1.9
Volkswagen	4.2	Landshypotek	1.9
Castellum	4.1	Balder	1.8
Scania	3.6	Hexagon AB	1.8
Ikano SA	3.2	Humlegården Fastigheter	1.8
Wallenstam AB	3.0	Länsförsäkringar	1.8
Willhem	3.0	Olav Thon Eiendomsselskap	1.8
Humlegården Fastigheter AB	2.3	Investment AB Latour	1.7
Nordea	2.3	Sparbanken Skåne	1.5
Nya SFF	2.3	Electrolux	1.4
Hennes & Mauritz AB	2.0	Billered Korsnäs	1.2

Company/Group	% of fund capital	Company/Group	% of fund capital
Fabege AB	1.2	Fabege	0.9
Fastighets AB Stenvalvet	1.2	HEBA Fastighets AB	0.9
Tele2	1.2	Kungsleden	0.7
EQT AB	1.1	Industrivärden	0.6
NIBE Industrier	1.1	Vasakronan Holding AB	0.6
Vacse	1.0		
Atrium Ljungberg AB	0.9		

* 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 Institutionell Kortränta

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

Methods used in sustainability efforts

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/issuers involved in the production or distribution of nuclear weapons are also excluded.

The fund also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies/issuers that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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:

Engagement activities in collaboration with other investors

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainalytics on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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 Vasakronan AB, one of Sweden's largest property management companies with focus on commercial property. Vasakronan 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 new production and the reconstruction of Vasakronan's properties. Vasakronan has an explicit sustainability profile within property management and we share their view on where the focus within sustainability should lie with regard to the real estate sector.

The Management Company's engagement activities - Dialogues

Targeted dialogues with direct contact between our fund managers and companies

The fund engaged in one targeted dialogue directly with a company during the year.

Sveaskog is Sweden's largest forest owner, which sets high standards on how forests should be managed in the best possible manner. Forests are a renewable natural resource that are a crucial component of the global climate transition and have many areas of application. At the same time we need to ensure that biodiversity remains in our Swedish forests and that consideration is made for many of the application areas of the forests. We engaged in a dialogue with the company regarding logging in the area that is critical for reindeer husbandry.

Engagement activities in collaboration with other investors

In 2020, the Management Company participated in a total of 125 company dialogues together with other investors. The fund invested in one of these companies.

A dialogue was conducted with Swedbank regarding their management of risks associated with money laundering.

Collaborations and industry initiatives

In 2020, the Management Company participated in initiatives and collaborations that included over 380 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. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund invests in financial instruments whether or not they are included in the benchmark index. Fund management is based on an ongoing assessment of the financial- and macroeconomic conditions and results in a strategic and tactical investment focus. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 1.1% in 2020*. The outbreak of Covid-19 quickly led to an escalation of concerns on the financial markets during Q1. Norges Bank changed its monetary policy from a position of increasing rates to one that reduced rates. The key rate was cut from 1.5% to 0% for March to May to counteract the negative effects of an economic downturn. In addition, the central bank injected significant liquidity into banks in the form of F-loans. The normalization of credit spreads and lower market rates contributed positively to 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 characterized 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The average residual fixed interest 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 did not use this option during 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

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

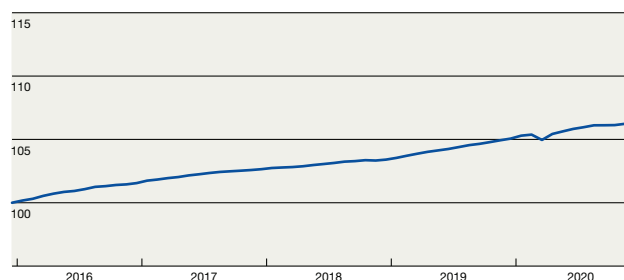
Information

As of September 4, 2020 the fund changed its fund rules.

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.

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

	2020	2019	2018	24/8-31/12 2017	2016	2015	2014	2013	2012	2011
Net asset value										
Kort Rente Norge A1 - SEK	98.37	108.01	102.17	-	-	-	-	-	-	-
Kort Rente Norge A1 - NOK	102.55	101.39	99.78	99.05	-	-	-	-	-	-
Kort Rente Norge A10 - NOK	103.10	101.73	99.82	-	-	-	-	-	-	-
The fund's total net flow, NOK m	263	-701	680	-422	-	-	-	-	-	-
Fund capital total, mNOK	754	485	1,173	489	-	-	-	-	-	-
Kort Rente Norge A1 - SEK	22	27	27	-	-	-	-	-	-	-
Kort Rente Norge A1 - NOK	731	322	680	489	-	-	-	-	-	-
Kort Rente Norge A10 - NOK	0	136	467	-	-	-	-	-	-	-

Handelsbanken Kort Rente Norge, cont.

	2020	2019	2018	24/8-31/12 2017	2016	2015	2014	2013	2012	2011
Number of units, 1000's	7,353	4,777	11,754	4,933	-	-	-	-	-	-
Kort Rente Norge A1 - SEK	227	252	264	-	-	-	-	-	-	-
Kort Rente Norge A1 - NOK	7,126	3,188	6,814	4,933	-	-	-	-	-	-
Kort Rente Norge A10 - NOK	0	1,337	4,676	-	-	-	-	-	-	-
Total returns in %										
Kort Rente Norge A1 - SEK	-8.9	+5.7	+3.0	-	-	-	-	-	-	-
Kort Rente Norge A1 - NOK	+1.1	+1.6	+0.7	+1.1	+1.6	+1.0	+1.8	+2.1	+3.0	+2.8
Kort Rente Norge A10 - NOK	+1.3	+1.9	+0.1	-	-	-	-	-	-	-
Index including dividends in %										
Kort Rente Norge A1 - SEK	+9.4	+5.2	+2.8	-	-	-	-	-	-	-
Kort Rente Norge A1 - NOK	+0.6	+1.2	+0.5	+0.5	+0.5	+0.9	+1.3	+1.6	+1.5	+2.4
Kort Rente Norge A10 - NOK	+0.6	+1.2	+0.1	-	-	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾										
Kort Rente Norge A1 - SEK	0.7	0.1	0.1	-	-	-	-	-	-	-
Kort Rente Norge A1 - NOK	0.7	0.1	0.1	0.2	0.4	0.3	0.1	0.2	0.3	0.2
Kort Rente Norge A10 - NOK	0.7	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Kort Rente Norge A1 - SEK	-1.9	+4.4	-0.6	-	-	-	-	-	-	-
Kort Rente Norge A1 - NOK	+1.4	+1.2	+0.9	+1.3	+1.3	+1.4	+2.0	+2.5	+2.9	+2.5
Kort Rente Norge A10 - NOK	+1.6	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	-2.4	+4.0	-1.0	-	-	-	-	-	-	-
NOK	+0.9	+0.8	+0.5	+0.5	+0.7	+1.1	+1.5	+1.6	+2.0	+2.4
Average yearly return, 5 yrs. %										
Kort Rente Norge A1 - SEK	+1.4	+1.6	+0.6	-	-	-	-	-	-	-
Kort Rente Norge A1 - NOK	+1.2	+1.2	+1.2	+1.5	+1.9	+2.1	+2.4	+2.6	+3.4	+3.6
Comparison to index including dividends, %										
SEK	+0.8	+1.1	+0.1	-	-	-	-	-	-	-
NOK	+0.7	+0.7	+0.8	+1.0	+1.2	+1.6	+1.8	+2.0	+2.8	+3.4
Average yearly return, 10 yrs. %										
Kort Rente Norge A1 - SEK	-0.2	+0.3	+0.9	-	-	-	-	-	-	-
Kort Rente Norge A1 - NOK	+1.7	+1.8	+1.9	+2.4	+2.8	+2.8	+2.9	+2.9	+3.1	-
Comparison to index including dividends, %										
SEK	-0.8	-0.2	+0.4	-	-	-	-	-	-	-
NOK	+1.1	+1.3	+1.4	+1.9	+2.3	+2.5	+2.6	+2.7	+3.0	-
Exchange rate NOK/SEK	0.96	1.07	1.02	1.00	-	-	-	-	-	-

1) The fund has taken the tracking error that is considered to be appropriate for the purpose of attaining the fund's active return objective. The tracking error has been slightly higher in the past year than in previous years. As a result of the pandemic, 2020 was largely dominated by significant volatility in the fixed income markets. Most notably, credit spreads widened sharply during H1. Central banks used rate cuts and quantitative support programs to support the markets, which resulted in a narrowing of credit spreads in H2. The higher volatility in the markets, particularly for corporate bonds, led to an increase to the tracking error. Interest rate fluctuations also contributed to increased volatility with regard to the fund's positions.

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	0.15
Kort Rente Norge A10	0.05
Collected mgmt. costs in % of average fund capital	
Kort Rente Norge A1 ¹⁾	0.24
Kort Rente Norge A10	0.05
Annual fees in %	
Kort Rente Norge A1	0.24
Kort Rente Norge A10	0.05
Transaction costs, NOKt	0
Transaction costs in % of turnover	0.00
Costs in NOK for a one-time subscription, 10 000 NOK	
Kort Rente Norge A1	25.10
Kort Rente Norge A10	5.51
Costs in NOK for monthly savings, 100 NOK	
Kort Rente Norge A1	1.33
Kort Rente Norge A10	0.38

1) On July 1, 2020, the management fee was changed from 0,35% to 0,15% for the shareclass

Fund facts - other key figures

Turnover rate	1.3
Share of turnover conducted via closely-related securities companies in %	8.7
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and return measurements*

Total risk % - A1 SEK	9.7	Information ratio - A1 NOK	0.7
Total risk % - A1 NOK	0.5	Information ratio - A10 NOK	1.1
Total risk % - A10 NOK	0.5	Sharpe ratio - A1 SEK	-0.2
Total risk in index % - A1 SEK	9.3	Sharpe ratio - A1 NOK	1.0
Total risk in index % - A1 NOK	0.3	Sharpe ratio - A10 NOK	1.5
Total risk in index % - A10 NOK	0.3	Sharpe ratio in index - A1 SEK	-0.2
Benchmark	ST1X	Sharpe ratio in index - A1 NOK	0.0
Active return % - A1 SEK	0.5	Sharpe ratio in index - A10 NOK	0.0
Active return % - A1 NOK	0.5	Duration, months ¹⁾	1.8
Active return % - A10 NOK	0.7	Spread exposure %	0.5
Information 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 the commitment method.

Income statement, NOK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities ¹⁾	-2,146	-896
Interest income	9,269	15,629
Currency exchange profits and losses, net	-7	-58
Other income	0	0
Total income and changes in value	7,115	14,675
EXPENSES		
Management costs:		
- Remuneration to the Management Company	1,164	1,725
Interest expense	24	29
Other expenses	0	74
Total expenses	1,189	1,828
Net income	5,926	12,847
* Details of changes in value		
Capital gains	171	308
Capital losses	-2,714	-2,882
Unrealised gains/losses	396	1,678
Sum	-2,146	-896

Balance sheet, NOK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	725,767	96.3	474,268	97.8
Total financial instruments with positive market value ^{Note 2)}	725,767	96.3	474,268	97.8
Bank assets and other liquid assets	26,961	3.5	9,397	1.9
Prepaid expenses and accrued income	1,387	0.2	1,211	0.3
Total assets	754,115	100.0	484,876	100.0
LIABILITIES				
Accrued expenses and prepaid income	87	0.0	111	0.0
Total liabilities	87	0.0	111	0.0
Fund capital ^{Note 1)}	754,028	100.0	484,765	100.0

Handelsbanken Kort Rente Norge, cont.

Note 1) for Balance sheet

Changes in fund capital, NOK thousand

	2020	2019
Fund capital at beginning of year	484,765	1,173,011
Units issued	882,700	406,889
Units redeemed	-619,363	-1,107,982
Profit according to Income Statement	5,926	12,847
Dividends to unit holders	-	-
Fund capital at the close of the period	754,028	484,765

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value NOK t	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, OTHERS			
Aurskog Sparebank FRN 2021-10-25	4,000	4,016	0.5
Aurskog Sparebank FRN 2025-09-02	10,000	10,026	1.3
Bank Norwegian FRN 2022-03-29	17,000	17,069	2.3
BN Bank FRN 2021-06-08	25,000	25,031	3.3
DNB Bank FRN 2022-11-01	30,000	30,035	4.0
Fana Sparebank FRN 2021-03-10	13,000	13,010	1.7
Islandsbanki FRN 2022-02-21	10,000	10,104	1.3
KLP Banken FRN 2021-09-20	17,000	17,007	2.3
KLP Banken FRN 2022-11-21	15,000	15,061	2.0
Kredittforeningen FRN 2021-09-17	25,000	25,075	3.3
Landkredit Bank FRN 2021-02-21	5,000	5,006	0.7
Landkredit Bank FRN 2021-10-12	20,000	20,101	2.7
LeasePlan FRN 2021-06-07	20,000	20,009	2.7
Lillestrom Sparebank FRN 2021-05-03	15,000	15,020	2.0
Modum Sparebank FRN 2021-04-16	10,000	10,011	1.3
Modum Sparebank FRN 2022-04-04	15,000	15,098	2.0
Nordea Bank FRN 2021-06-15	25,000	25,019	3.3
Nordea Bank FRN 2022-03-19	4,000	4,006	0.5
Obos Banken 2,15% 2021-04-23	15,000	15,068	2.0
Santander Consumer Bk FRN 2022-02-07	10,000	10,062	1.3
Sparebank 1 BV FRN 2021-04-26	10,000	10,014	1.3
Sparebank 1 BV FRN 2021-08-30	10,000	10,047	1.3
Sparebank 1 Hallingdal FRN 2022-09-12	18,000	18,106	2.4
Sparebank 1 Nord Norge FRN 2021-01-22	20,000	20,013	2.7
Sparebank 1 Nord-Norge FRN 2021-09-29	20,000	20,107	2.7
Sparebank 1 NV FRN 2021-09-13	15,000	15,078	2.0
Sparebank 1 Ringe FRN 2022-06-22	20,000	20,071	2.7
Sparebank 1 Ringe FRN 2023-02-15	15,000	15,087	2.0
Sparebank 1 SMN FRN 2021-09-03	20,000	20,024	2.7
Sparebank 1 SMN FRN 2021-10-12	5,000	5,016	0.7
Sparebank 1 SMN FRN 2026-11-17	2,000	2,007	0.3
Sparebank Hedmark FRN 2021-04-16	15,000	15,038	2.0
Sparebank More 1,26% 2021-02-25	13,000	13,007	1.7
Sparebank More FRN 2023-12-12	10,000	10,013	1.3
Sparebank Sogn&Fjordane FRN 2021-02-19	10,000	10,005	1.3
Sparebank Sogn&Fjordane FRN 2021-10-20	20,000	20,031	2.7
Sparebank Sore Sunn 1,78% 2021-03-12	15,000	15,021	2.0
Sparebanken Hedmark 1,75% 2021-02-05	10,000	10,011	1.3
Sparebanken Ost 2,35% 2021-07-26	3,000	3,029	0.4
Sparebanken Ost FRN 2021-10-18	10,000	10,035	1.3
Sparebanken Ost FRN 2022-03-01	19,000	19,119	2.5
Sparebanken Sor FRN 2022-02-17	26,000	26,164	3.5
Sparebanken Telemark FRN 2022-01-20	10,000	10,060	1.3
Sparebanken Vest FRN 2021-02-01	5,000	5,001	0.7
Sparebanken Vest FRN 2021-06-04	15,000	15,017	2.0
Sparebanken Vest FRN 2021-09-01	10,000	10,041	1.3
Storebrand Bank FRN 2022-01-18	15,000	15,061	2.0
Storebrand Bank FRN 2022-05-23	20,000	20,321	2.7
Totens Sparebank 4,03% 2021-06-28	7,000	7,114	0.9
Totens Sparebank FRN 2022-02-10	10,000	10,058	1.3
Totens Sparebank FRN 2023-04-11	10,000	10,080	1.3
		715,631	94.9
OTHER			
Swedbank FRN 2023-05-04	10,000	10,136	1.3
		10,136	1.3
Total listed fixed-income securities		725,767	96.3
Total transferable securities		725,767	96.3
Total holdings in financial instruments		725,767	96.3
Net, other assets and liabilities		28,261	3.7
Total fund capital		754,028	100.0

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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.

-

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Sparebank 1 Ringerike Hadeland	4.7	Landkredit	3.4
Storebrand	4.7	Modum Sparebank	3.3
Kom Landspensjo	4.3	Sparebank More	3.0
Sparebanken Vest	4.0	Sparebanken Øst	2.9
Nordea	3.8	SpareBank 1 Buskerud-Vestfold	2.6
Totens Sparebank	3.5	Aurskog Sparebank	1.8
		Sparebank 1 SMN	1.0

* 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 Kort Rente 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 used in sustainability efforts

Exclusion

In accordance with the Management Company's policy for shareholder engagement and responsible investment, the fund and its index exclude investments in:

- Companies/issuers involved in production or distribution of weapons banned under international law, such as cluster bombs, anti-personnel mines, biological and chemical weapons.
- Companies/issuers involved in production or distribution of nuclear weapons.
- Companies/issuers with turnover exceeding 5% that is attributed to coal mining or with turnover exceeding 30% that is attributed to coal power generation.

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

Inclusion

Inför varje investeringsbeslut görs en omfattande analys där hållbarhetsaspekter likväl som finansiella aspekter vägs in. För oss är hållbarhetsfrågor särskilt viktiga för att fatta bättre investeringsbeslut som kan generera en långsiktigt god avkastning. Som ett komplement till egen analys och kunskap om bolagen har vi tillgång till extern ESG-analys. Förvaltarna analyserar hållbarhet dels genom bolagets hållbarhetsprestanda (HUR de bedriver sin verksamhet) och dels genom bolagets produkter och tjänster (VAD). Hållbarhetsanalysen är en integrerad del av dokumentationen för våra investeringar och omfattar både hållbarhetsrisker och möjligheter.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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 companies

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainability on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as an investors have the possibility of participating with the companies concerned.

Follow-up of sustainability work

Inclusion

The fund invested in a green bond in Sparebank1 SMN. The qualified financing categories include green housing and commercial property; environment-friendly and adapted products, production technology and processes with selected sustainability certifications; electric vehicles; renewable energy and sustainable agriculture and forestry. The environmental benefits are estimated at an annual reduction of 27,360 tonnes in carbon emissions.

The Management Company's engagement activities - Corporate governance

Engagement activities in collaboration with other investors

The fund did not engage in any targeted dialogues directly with companies during the year.

Engagement activities in collaboration with other investors

In 2020, the Management Company participated in a total of 125 company dialogues together with other investors. The fund invested in one of these companies.

A dialogue was conducted with Swedbank regarding their management of risks associated with money laundering.

Collaborations and industry initiatives

In 2020, the Management Company participated in initiatives and collaborations that totaled over 380 companies.



Handelsbanken Kortränta

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. The fund may invest in derivative instruments as part of the fund's investment focus. 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. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund invests in financial instruments whether or not they are included in the benchmark index. Fund management is based on an ongoing assessment of the financial- and macroeconomic conditions and results in a strategic and tactical investment focus. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 0.5% in 2020*. The fund was positioned for rising rates and credit spreads at the outset of the year, that is to say, the proportion of liquid assets, holdings in commercial paper and FRN loans were higher than normal. Credit spreads widened significantly, liquidity weakened and long-term rates declined as a result of the pandemic, which had a negative impact on the fund. Activity in the primary market slowed during Q2, which gave the fund the opportunity to invest in the secondary market at attractive levels and contributed significantly to the fund's returns during the year. One example is Heimstaden Bostad AB's issue in May that was executed at Stibor +175 and is currently trading at +55. The central banks acted decisively by injecting liquidity into the market and increasing the purchases of corporate bonds in certain countries, while in other countries such as Sweden, the central banks initiated purchases. During the year the Riksbank has been active in the market within all asset classes, including commercial paper and corporate bonds, which increased the demand for these asset classes. Outlooks for macroeconomic growth have had a great deal of uncertainty and have led to high volatility in the fixed income market, although when the economic data was subsequently analyzed, the recovery of the economy and the financial markets has exceeded expectations. Liquidity in the market is restored and credit spreads for credits with higher ratings are at record lows, despite there being some uncertainty about how quickly the vaccine will impact the global economy. Issuing activity was in line with previous years and the proportion of green issues were at record highs during the year, which allowed us to increase the proportion of green investments in the fund. Despite the persisting uncertainty in the forecasts ahead, we believe that the stimulus measures will influence the performance of future interest rates. Accordingly, the fund is positioned for rising interest rates

and some market uncertainty. We are retaining slightly higher liquidity in the fund to address the uncertainty.

*) 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 characterized 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 fixed interest duration and thereby has a lower interest rate risk than a fund that invests in interest-bearing instruments with a longer residual fixed interest duration. The average residual fixed interest 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 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

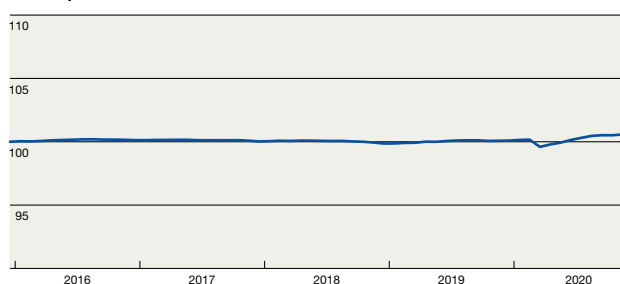
• Highest leverage during the financial year	10.2%
• Lowest leverage during the financial year	0.0%
• Average leverage during the financial year	3.9%

Information

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 Kortränta (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.

Handelsbanken Kortränta, cont.

Fund facts - history

	2020	2019	9/11-31/12 2018	2017	2016	2015	2014	2013	2012	2011
Net asset value, SEK										
Kortränta A1	145.32	144.55	144.22	-	-	-	-	-	-	-
Kortränta A9	146.81	145.93	145.50	-	-	-	-	-	-	-
Kortränta A10	145.73	144.81	144.34	-	-	-	-	-	-	-
The fund's total net flow, SEK m	-1,127	-2,262	123	-	-	-	-	-	-	-
Fund capital total, SEK m	11,007	12,069	14,299	-	-	-	-	-	-	-
Kortränta A1	10,235	11,324	13,340	-	-	-	-	-	-	-
Kortränta A9	732	710	900	-	-	-	-	-	-	-
Kortränta A10	40	35	60	-	-	-	-	-	-	-
Number of units, 1000's	75,690	83,448	99,094	-	-	-	-	-	-	-
Kortränta A1	70,429	78,341	92,496	-	-	-	-	-	-	-
Kortränta A9	4,989	4,868	6,184	-	-	-	-	-	-	-
Kortränta A10	273	239	414	-	-	-	-	-	-	-
Total returns in %, SEK										
Kortränta A1	+0.5	+0.2	-0.2	-0.1	+0.1	0.0	+0.9	+1.3	+2.6	+2.4
Kortränta A9	+0.6	+0.3	-0.1	-0.1	+0.2	0.0	+1.1	+1.4	+2.8	-
Kortränta A10	+0.6	+0.3	-0.1	0.0	+0.2	0.0	+1.2	+1.6	+3.0	+2.7
Index including dividends in %, SEK										
Kortränta A1	-0.2	-0.5	-0.8	-0.8	-0.7	-0.3	+0.5	+0.9	+1.2	+1.6
Kortränta A9	-0.2	-0.5	-0.8	-0.8	-0.7	-0.3	+0.5	+0.9	+1.2	-
Kortränta A10	-0.2	-0.5	-0.8	-0.8	-0.7	-0.3	+0.5	+0.9	+1.2	+1.6
Tracking error, 2 yrs. % ¹⁾										
Kortränta A1	0.5	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1
Kortränta A9	0.5	0.1	0.1	-	-	-	-	-	-	-
Kortränta A10	0.5	0.1	0.1	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Kortränta A1	+0.4	0.0	-0.1	0.0	0.0	+0.4	+1.1	+2.0	+2.5	+1.4
Kortränta A9	+0.5	+0.1	-0.1	+0.1	+0.1	+0.6	+1.3	+2.1	-	-
Kortränta A10	+0.5	+0.1	-0.1	+0.1	+0.1	+0.6	+1.4	+2.3	+2.8	+1.7
Comparison to index including dividends, %	-0.4	-0.7	-0.8	-0.7	-0.5	+0.1	+0.7	+1.0	+1.4	+1.0
Average yearly return, 5 yrs. %										
Kortränta A1	+0.1	0.0	+0.1	+0.4	+1.0	+1.4	+1.5	+1.7	+1.9	+1.9
Kortränta A9	+0.2	+0.1	+0.2	+0.5	+1.1	-	-	-	-	-
Kortränta A10	+0.2	+0.1	+0.3	+0.6	+1.2	+1.7	+1.8	+2.0	+2.3	+2.3
Comparison to index including dividends, %	-0.6	-0.6	-0.4	-0.1	+0.3	+0.8	+0.9	+0.9	+1.6	+2.1
Average yearly return, 10 yrs. %										
Kortränta A1	+0.8	+0.8	+0.9	+1.2	+1.4	+1.6	+1.8	+1.9	+2.0	+2.2
Kortränta A10	+0.9	+1.0	+1.1	+1.4	+1.7	+2.0	+2.2	+2.3	+2.5	+2.6
Comparison to index including dividends, %	+0.1	+0.1	+0.2	+0.8	+1.2	+1.5	+1.7	+1.9	+2.2	+2.5

1) The fund has taken the tracking error that is considered to be appropriate for the purpose of attaining the fund's active return objective. The tracking error has been slightly higher in the past year than in previous years. As a result of the pandemic, 2020 was largely dominated by significant volatility in the fixed income markets. Most notably, credit spreads widened sharply during H1. Central banks used rate cuts and quantitative support programs to support the markets, which resulted in a narrowing of credit spreads in H2. The higher volatility in the markets, particularly for corporate bonds, led to an increase to the tracking error. Interest rate fluctuations also contributed to increased volatility with regard to the fund's positions.

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, SEK thousand	44
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Kortränta A1	15.04
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	1.2
Share of turnover conducted via closely-related securities companies in %	16.8
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 - A9 SEK	1.6
Total risk % - A9 SEK	0.5	Information ratio - A10 SEK	1.7
Total risk % - A10 SEK	0.5	Sharpe ratio - A1 SEK	1.5
Total risk in index % - A1 SEK	0.1	Sharpe ratio - A9 SEK	1.7
Total risk in index % - A9 SEK	0.1	Sharpe ratio - A10 SEK	1.7
Total risk in index % - A10 SEK	0.1	Sharpe ratio in index - A1 SEK	0.3
Benchmark	OMRXTBILL	Sharpe ratio in index - A9 SEK	0.3
Active return % - A1 SEK	0.7	Sharpe ratio in index - A10 SEK	0.3
Active return % - A9 SEK	0.8	Duration, months ¹⁾	3.9
Active return % - A10 SEK	0.8	Spread exposure %	0.6
Information ratio - A1 SEK	1.5		

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.

Handelsbanken Kortranta, cont.

Income statement, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	-9,762	-16,839
Changes in value for other derivative instruments **	-597	-7,237
Interest income	92,247	76,740
Currency exchange profits and losses, net	269	-464
Other income	0	8
Total income and changes in value	82,157	52,208
EXPENSES		
Management costs:		
- Remuneration to the Management Company	16,517	19,109
Interest expense	620	66
Other expenses	379	1,128
Total expenses	17,515	20,303
Net income	64,642	31,905
* Details of changes in value		
Capital gains	5,031	641
Capital losses	-37,191	-55,525
Unrealised gains/losses	22,398	38,047
Sum	-9,762	-16,839
** Details of changes in value		
Capital gains	-	10,046
Capital losses	-1,566	-17,283
Unrealised gains/losses	970	-
Sum	-597	-7,237

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	6,896,167	62.7	8,116,695	67.3
Money market instruments	2,951,988	26.8	3,259,735	27.0
OTC derivative instruments with positive market value	-	-	6,212	0.0
Total financial instruments with positive market value ^{Note 2)}	9,848,155	89.5	11,382,642	94.3
Bank assets and other liquid assets	1,149,789	10.4	673,445	5.6
Prepaid expenses and accrued income	10,640	0.1	15,134	0.1
Total assets	11,008,583	100.0	12,071,221	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	1,400	0.0	1,502	0.0
Total liabilities	1,400	0.0	1,950	0.0
Fund capital ^{Note 1)}	11,007,183	100.0	12,069,271	100.0
Collateral received for OTC derivative instruments	-	-	6,725	0.1
Other derivative instruments with negative market value ¹⁾	6,170	0.1	-	-

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	12,069,271	14,299,420
Units issued ¹⁾	3,923,621	1,589,625
Units redeemed ¹⁾	-5,050,351	-3,851,679
Profit according to Income Statement	64,642	31,905
Dividends to unit holders	-	-
Fund capital at the close of the period	11,007,183	12,069,271

1) Of which SEK 53 172 t relates to internal moves between share classes

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, OTHERS			
LeasePlan FRN 2021-01-05	50,000	50,014	0.5
Nordea Bank 0,16% 2022-09-09	100,000	99,842	0.9
Nordea Bank 0,36% 2021-06-14	100,000	100,104	0.9
Olav Thon Eiendom FRN 2021-09-03	100,000	99,573	0.9
Olav Thon Eiendom FRN 2022-05-10	50,000	49,625	0.5
OP Corporate Bank FRN 2022-05-18	100,000	100,559	0.9
Telenor FRN 2021-09-20	100,000	100,124	0.9
VW Financial Services NV FRN 2022-09-14	100,000	100,437	0.9
		700,277	6.4
MORTGAGE			
Nordea Hypotek 5534 1% 2024-09-18	200,000	206,966	1.9
Stadshypotek 1588 1,5% 2024-03-01	200,000	209,292	1.9
Swedbank Hypotek 194 1% 2024-09-18	300,000	310,449	2.8
		726,707	6.6
OTHER			
Akelius 1,125% 2021-10-04	80,000	80,289	0.7
Atrium Ljungberg FRN 2022-12-22	100,000	99,887	0.9
Balder FRN 2021-11-05	200,000	199,614	1.8
Bluestep FRN 2023-04-27	100,000	101,477	0.9
Castellum FRN 2021-03-29	122,000	122,046	1.1
Castellum FRN 2021-08-30	150,000	150,141	1.4
Electrolux FRN 2022-03-09	150,000	150,597	1.4
Fabege FRN 2022-06-16	44,000	44,347	0.4
Heimstaden Bostad FRN 2022-05-26	200,000	203,130	1.8
Hemsö FRN 2022-11-25	100,000	100,578	0.9
Hufvudstaden 1,2% 2021-12-08	50,000	50,251	0.5
Humlegården Fastigheter FRN 2022-06-22	101,000	102,139	0.9
Humlegården Fastigheter FRN 2022-07-01	100,000	100,875	0.9
ICA Gruppen 0,465% 2021-01-15	63,000	63,006	0.6
Ikano Bank FRN 2021-09-17	100,000	99,903	0.9
Industrivärden FRN 2022-02-28	62,000	62,157	0.6
Intea Fastigheter FRN 2021-09-30	180,000	179,908	1.6
Investment AB Latour FRN 2021-09-13	150,000	150,242	1.4
Landshypotek FRN 2021-09-20	80,000	80,453	0.7
Landshypotek FRN 2021-12-06	200,000	201,454	1.8
Länsförsäkringar FRN 2022-01-11	59,000	59,479	0.5
Länsförsäkringar FRN 2022-06-20	50,000	50,553	0.5
Länsförsäkringar FRN 785 2021-05-18	120,000	120,390	1.1
Latour FRN 2022-03-16	60,000	60,331	0.5
NIBE Industrier FRN 2021-06-03	80,000	79,978	0.7
Nya SFF FRN 2022-02-20	23,000	23,138	0.2
Nya SFF FRN 2022-06-03	138,000	139,154	1.3
Nya SFF FRN 2022-09-07	78,000	78,112	0.7
PostNord FRN 2022-03-14	54,000	54,148	0.5
Rikshem 0,716% 2022-01-12	124,000	124,562	1.1
Rikshem FRN 2022-07-04	50,000	50,064	0.5
SBAB FRN 2022-01-17	100,000	100,826	0.9
SBAB FRN 2022-06-08	50,000	50,359	0.5
Scania FRN 2021-02-11	150,000	150,038	1.4
Scania FRN 2021-09-06	190,000	191,005	1.7
Scania FRN 2022-02-21	100,000	99,930	0.9
Scania FRN 2022-04-28	100,000	102,222	0.9
SEB Bolån 579 1% 2024-12-18	200,000	207,242	1.9
Södra Skogsägarna FRN 2021-06-07	90,000	90,419	0.8
Swedbank 0,305% 2021-05-09	140,000	140,063	1.3
Trelleborg Treasury FRN 2021-07-12	76,000	76,042	0.7
Vasakronan 0,41% 2021-03-05	200,000	200,096	1.8
Volvo Treasury FRN 2021-06-28	200,000	200,240	1.8
Volvo Treasury FRN 2022-05-05	200,000	203,650	1.9
Volvo Treasury FRN 2022-09-28	100,000	100,123	0.9
Wallenstam FRN 2021-05-24	24,000	24,009	0.2
Wallenstam FRN 2021-09-02	50,000	49,967	0.5
Wilhelm FRN 2022-02-24	150,000	149,996	1.4
Wilhelm FRN 2022-10-28	150,000	150,554	1.4
		5,469,183	49.7
Total listed fixed-income securities		6,896,167	62.7
Total transferable securities		6,896,167	62.7

MONEY MARKET INSTRUMENTS**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
CERTIFICATE			
Atrium Ljungberg AB DI FC 2021-01-15	50,000	49,991	0.5
Balder DI FC 2021-03-04	50,000	49,955	0.5
Castellum DI FC 2021-02-08	100,000	99,946	0.9
Castellum DI FC 2021-03-03	150,000	149,868	1.4
Fabege AB DI FC 2021-02-02	100,000	99,955	0.9
Fabege AB DI FC 2021-02-09	100,000	99,945	0.9
Fastighets AB Stenvalvet DI FC 2021-01-15	70,000	69,987	0.6
Fastighets AB Stenvalvet DI FC 2021-02-22	80,000	79,941	0.7
HEBA Fastighets AB DI FC 2021-01-25	100,000	99,967	0.9
HEBA Fastighets AB DI FC 2021-02-10	50,000	49,972	0.5
Heimstaden Bostad AB DI FC 2021-02-09	50,000	49,973	0.5
Hennes & Mauritz AB DI FC 2021-01-29	50,000	49,980	0.5
Hennes & Mauritz AB DI FC 2021-02-26	75,000	74,940	0.7
Hennes & Mauritz AB DI FC 2021-04-26	50,000	49,912	0.5
Hennes & Mauritz AB DI FC 2021-05-06	50,000	49,903	0.5
Hennes & Mauritz AB DI FC 2021-06-11	50,000	49,868	0.5
Hexagon DI FC 2021-04-12	100,000	99,850	0.9
Hexagon DI FC 2021-05-12	100,000	99,795	0.9
Humlegården Fastigheter 2021-03-22	40,000	39,953	0.4
Ikano Bank DI BAC 2021-01-18	100,000	100,011	0.9

Handelsbanken Kortränta, cont.

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
Ikano Bank DI BAC 2021-02-18	70,000	70,020	0.6
Intea Fastigheter AB DI FC 2021-01-28	50,000	49,981	0.5
Intea Fastigheter AB DI FC 2021-04-28	130,000	129,766	1.2
Nordic Entertainment Group 2021-02-26	100,000	99,920	0.9
Olav Thon Eiendom 2021-04-19	50,000	49,918	0.5
Sveaskog DI FC 2021-01-25	50,000	49,983	0.5
Sveaskog DI FC 2021-02-22	100,000	99,926	0.9
Trophil Fastighets AB DI FC 2021-01-15	50,000	49,991	0.5
Trophil Fastighets AB DI FC 2021-02-05	100,000	99,950	0.9
Vasakronan AB DI FC 2021-02-11	100,000	99,942	0.9
Volkswagen Finans Sverige 2021-03-16	100,000	99,893	0.9
Volkswagen Finans Sverige 2021-03-23	100,000	99,882	0.9
Volkswagen Finans Sverige 2021-04-21	90,000	89,850	0.8
Volkswagen Finans Sverige 2021-05-18	100,000	99,783	0.9
Wallenstam AB DI FC 2021-04-12	50,000	49,924	0.5
Wallenstam AB DI FC 2021-05-17	150,000	149,678	1.4
Wallenstam AB DI FC 2021-06-09	50,000	49,870	0.5
Total certificate		2,951,988	26.8
Total money market instruments		2,951,988	26.8

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
INTEREST RATE FUTURES			
Swe Gov Bond 5Y Future Mar 2021 ¹⁾	-300	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0
Total holdings in financial instruments		9,848,155	89.5
Net, other assets and liabilities		1,159,029	10.5
Total fund capital		11,007,184	100.0

¹⁾ Interest rate futures with underlying exposure of SEK -393 937 t, which is equivalent to 3.6% of fund capital.

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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.

62.7

** 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).

26.8

*** Refers to other financial instruments.

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Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Svenska staten	5.1	Landshypotek	2.5
Scania	4.9	Ikano SA	2.4
Castellum	4.8	Nya SFF	2.2
Volvo	4.6	Olav Thon Eiendomsselskap	1.9
Volkswagen	4.4	Fabege AB	1.8
Swedbank	4.1	Hexagon AB	1.8
Nordea	3.7	Rikshem AB	1.6
Intea Fastigheter AB	3.3	HEBA Fastighets AB	1.4
Wallenstam AB	3.1	Fastighets AB Stenvalvet	1.3
Willhem	2.8	Humlegården Fastigheter AB	1.3
Hennes & Mauritz AB	2.7	Länsförsäkringar AB	1.0

* 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 Kortränta

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

Methods used in sustainability efforts

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/issuers involved in the production or distribution of nuclear weapons are also excluded.

The fund also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies/issuers that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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:

Engagement activities in collaboration with other investors

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainalytics on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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 Vasakronan AB, one of Sweden's largest property management companies with focus on commercial property. Vasakronan 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 new production and the reconstruction of Vasakronan's properties. Vasakronan has an explicit sustainability profile within property management and we share their view on where the focus within sustainability should lie with regard to the real estate sector.

The Management Company's engagement activities - Dialogues

Targeted dialogues with direct contact between our fund managers and companies

The fund engaged in one targeted dialogue directly with a company during the year.

Sveaskog is Sweden's largest forest owner, which sets high standards on how forests should be managed in the best possible manner. Forests are a renewable natural resource that are a crucial component of the global climate transition and have many areas of application. At the same time we need to ensure that biodiversity remains in our Swedish forests and that consideration is made for many of the application areas of the forests. We engaged in a dialogue with the company regarding logging in the area that is critical for reindeer husbandry.

Engagement activities in collaboration with other investors

In 2020, the Management Company participated in a total of 125 company dialogues together with other investors. The fund invested in one of these companies.

A dialogue was conducted with Swedbank regarding their management of risks associated with money laundering.

Collaborations and industry initiatives

In 2020, the Management Company participated in initiatives and collaborations that included over 380 companies.



Handelsbanken Kortränta 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. 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. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund invests in financial instruments whether or not they are included in the benchmark index. Fund management is based on an ongoing assessment of the financial- and macroeconomic conditions and results in a strategic and tactical investment focus. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 0.5% in 2020*. The fund was positioned for rising rates and credit spreads at the outset of the year, that is to say, the proportion of liquid assets, holdings in commercial paper and FRN loans were higher than normal. Credit spreads widened significantly, liquidity weakened and long-term rates declined as a result of the pandemic, which had a negative impact on the fund. Activity in the primary market slowed during Q2, which gave the fund the opportunity to invest in the secondary market at attractive levels and contributed significantly to the fund's returns during the year. One example is Heimstaden Bostad AB's issue in May that was executed at Stibor +175 and is currently trading at +55. The central banks acted decisively by injecting liquidity into the market and increasing the purchases of corporate bonds in certain countries, while in other countries such as Sweden, the central banks initiated purchases. During the year the Riksbank has been active in the market within all asset classes, including commercial paper and corporate bonds, which increased the demand for these asset classes. Outlooks for macroeconomic growth have had a great deal of uncertainty and have led to high volatility in the fixed income market, although when the economic data was subsequently analyzed, the recovery of the economy and the financial markets has exceeded expectations. Liquidity in the market is restored and credit spreads for credits with higher ratings are at record lows, despite there being some uncertainty about how quickly the vaccine will impact the global economy. Issuing activity was in line with previous

years and the proportion of green issues were at record highs during the year, which allowed us to increase the proportion of green investments in the fund. Despite the persisting uncertainty in the forecasts ahead, we believe that the stimulus measures will influence the performance of future interest rates. Accordingly, the fund is positioned for rising interest rates and some market uncertainty. We are retaining slightly higher liquidity in the fund to address the uncertainty.

*) 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 characterized 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 fixed interest duration and thereby has a lower interest rate risk than a fund that invests in interest-bearing instruments with a longer residual fixed interest duration. The average residual fixed interest 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

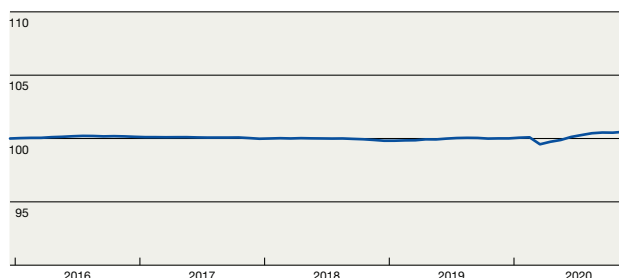
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

• Highest leverage during the financial year	5.1%
• Lowest leverage during the financial year	0.0%
• Average leverage during the financial year	1.3%

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 Kortränta SEK, cont.

Fund facts - history

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net asset value, SEK										
Kortränta SEK A1	104.92	104.35	104.16	104.32	104.48	104.34	104.52	103.59	102.32	99.92
Kortränta SEK A9	100.59	-	-	-	-	-	-	-	-	-
Kortränta SEK A10	105.22	104.54	104.24	-	-	-	-	-	-	-
Kortränta SEK B1	95.50	95.46	95.77	95.92	97.03	97.88	99.54	100.15	100.68	-
The fund's total net flow, SEK m	4,175	-4,344	817	-9,007	-1,224	9,550	4,102	5,056	1,129	-
Fund capital total, SEK m	23,010	18,727	23,057	22,272	31,428	32,649	23,181	18,878	13,636	12,189
Kortränta SEK A1	17,228	12,319	14,936	13,798	18,755	29,290	21,393	17,748	12,923	12,189
Kortränta SEK A9	127	-	-	-	-	-	-	-	-	-
Kortränta SEK A10	199	439	398	-	-	-	-	-	-	-
Kortränta SEK B1	5,455	5,665	7,369	8,474	12,673	3,359	1,788	1,130	713	-
Number of units, 1000's	224,478	184,769	227,855	220,607	310,103	315,026	222,633	182,603	133,382	121,996
Kortränta SEK A1	164,195	118,055	143,393	132,264	179,499	280,711	204,671	171,325	126,298	121,996
Kortränta SEK A9	1,265	-	-	-	-	-	-	-	-	-
Kortränta SEK A10	1,895	4,200	3,821	-	-	-	-	-	-	-
Kortränta SEK B1	57,122	59,343	76,951	88,343	130,604	34,315	17,962	11,278	7,084	-
Total returns in %, SEK										
Kortränta SEK A1	+0.5	+0.2	-0.2	-0.2	+0.1	-0.2	+0.9	+1.2	+2.7	+2.3
Kortränta SEK A9	+0.6	-	-	-	-	-	-	-	-	-
Kortränta SEK A10	+0.6	+0.3	-0.1	-	-	-	-	-	-	-
Kortränta SEK B1	+0.5	+0.2	-0.2	-0.2	+0.1	-0.2	+0.9	+1.2	+0.2	-
Index including dividends in %, SEK										
Kortränta SEK A1	-0.2	-0.5	-0.8	-0.8	-0.7	-0.3	+0.5	+0.9	+1.2	+1.6
Kortränta SEK A9	-0.2	-	-	-	-	-	-	-	-	-
Kortränta SEK A10	-0.2	-0.5	-0.8	-	-	-	-	-	-	-
Kortränta SEK B1	-0.2	-0.5	-0.8	-0.8	-0.7	-0.3	+0.5	+0.9	+0.1	-
Tracking error, 2 yrs. % ¹⁾										
Kortränta SEK A1	0.5	0.1	0.1	0.1	0.2	0.1	0.1	0.2	0.2	0.1
Kortränta SEK A10	0.5	0.1	0.1	-	-	-	-	-	-	-
Kortränta SEK B1	0.5	0.1	0.1	0.1	0.2	0.1	0.1	-	0.2	-
Average yearly return, 2 yrs. %										
Kortränta SEK A1	+0.4	0.0	-0.2	0.0	0.0	+0.4	+1.1	+1.9	+2.5	+1.4
Kortränta SEK A10	+0.5	+0.1	-0.1	-	-	-	-	-	-	-
Kortränta SEK B1	+0.4	0.0	-0.2	0.0	0.0	+0.4	+1.1	-	-	-
Comparison to index including dividends, %	-0.4	-0.7	-0.8	-0.7	-0.5	+0.1	+0.7	+1.0	+1.4	+1.0
Average yearly return, 5 yrs. %										
Kortränta SEK A1	+0.1	0.0	+0.1	+0.4	+0.9	+1.4	+1.5	+1.7	+2.0	+2.0
Kortränta SEK A10	+0.2	+0.1	+0.3	-	-	-	-	-	-	-
Kortränta SEK B1	+0.1	0.0	+0.1	+0.4	-	-	-	-	-	-
Comparison to index including dividends, %	-0.6	-0.6	-0.4	-0.1	+0.3	+0.8	+0.9	+0.9	+1.6	+2.1
Average yearly return, 10 yrs. %										
Kortränta SEK A1	+0.7	+0.7	+0.9	+1.2	+1.5	+1.6	+1.8	+1.9	+2.1	+2.2
Kortränta SEK A10	+0.9	+1.0	+1.2	-	-	-	-	-	-	-
Comparison to index including dividends, %	+0.1	+0.1	+0.2	+0.8	+1.2	+1.5	+1.7	+1.9	+2.2	+2.5
Dividends per unit, SEK										
Kortränta SEK A1	-	-	-	-	-	-	-	-	0.25	1.59
Kortränta SEK B1	0.48	0.48	0.00	0.97	0.98	1.49	1.50	1.76	1.64	-

1) The fund has taken the tracking error that is considered to be appropriate for the purpose of attaining the fund's active return objective. The tracking error has been slightly higher in the past year than in previous years. As a result of the pandemic, 2020 was largely dominated by significant volatility in the fixed income markets. Most notably, credit spreads widened sharply during H1. Central banks used rate cuts and quantitative support programs to support the markets, which resulted in a narrowing of credit spreads in H2. The higher volatility in the markets, particularly for corporate bonds, led to an increase to the tracking error. Interest rate fluctuations also contributed to increased volatility with regard to the fund's positions.

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 A9	0.08
Kortränta SEK A10	0.05
Kortränta SEK B1	0.15
Collected mgmt. costs in % of average fund capital	
Kortränta SEK A1	0.15
Kortränta SEK A9	0.08
Kortränta SEK A10	0.05
Kortränta SEK B1	0.15
Annual fees in %	
Kortränta SEK A1	0.15
Kortränta SEK A9	0.08
Kortränta SEK A10	0.05
Kortränta SEK B1	0.15
Transaction costs, SEK thousand	65
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Kortränta SEK A1	15.04
Kortränta SEK A9	-
Kortränta SEK A10	5.02
Kortränta SEK B1	15.04
Costs in SEK for monthly savings, 100 SEK	
Kortränta SEK A1	0.98
Kortränta SEK A9	-
Kortränta SEK A10	0.33
Kortränta SEK B1	0.98

Fund facts - other key figures

Turnover rate	1.1
Share of turnover conducted via closely-related securities companies in %	20.0
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	1.7
Total risk % - A10 SEK	0.5	Information ratio - B1 SEK	1.5
Total risk % - B1 SEK	0.5	Sharpe ratio - A1 SEK	1.5
Total risk in index % - A1 SEK	0.1	Sharpe ratio - A10 SEK	1.7
Total risk in index % - A10 SEK	0.1	Sharpe ratio - B1 SEK	1.5
Total risk in index % - B1 SEK	0.1	Sharpe ratio in index - A1 SEK	0.3
Benchmark	OMRX Treasury Bill Index	Sharpe ratio in index - A10 SEK	0.3
Active return % - A1 SEK	0.7	Sharpe ratio in index - B1 SEK	0.3
Active return % - A10 SEK	0.8	Duration, months ¹⁾	3.6
Active return % - B1 SEK	0.7	Spread exposure %	0.6
Information ratio - A1 SEK	1.5		

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.

Handelsbanken Kontrånta SEK, cont.

Income statement, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	-28,096	-49,238
Changes in value for other derivative instruments **	-224	-8,437
Interest income	195,130	128,847
Other income	0	153
Total income and changes in value	166,810	71,325
EXPENSES		
Management costs:		
- Remuneration to the Management Company	33,569	30,076
Interest expense	32	3
Other expenses	807	2,021
Total expenses	34,408	32,100
Net income	132,402	39,225
* Details of changes in value		
Capital gains	7,549	1,209
Capital losses	-81,731	-73,110
Unrealised gains/losses	46,086	23,263
Sum	-28,096	-49,238
** Details of changes in value		
Capital gains	-	12,303
Capital losses	-2,253	-20,740
Unrealised gains/losses	2,029	-
Sum	-224	-8,437

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	16,891,947	73.4	12,999,751	69.4
Money market instruments	3,924,953	17.1	4,206,336	22.5
Total financial instruments with positive market value ^{Note 2)}	20,816,900	90.5	17,206,086	91.9
Bank assets and other liquid assets	2,154,306	9.3	1,483,864	7.9
Prepaid expenses and accrued income	41,851	0.2	31,168	0.2
Other assets	-	-	7,809	0.0
Total assets	23,013,056	100.0	18,728,927	100.0
LIABILITIES				
Accrued expenses and prepaid income	2,934	0.0	2,335	0.0
Total liabilities	2,934	0.0	2,335	0.0
Fund capital ^{Note 1)}	23,010,122	100.0	18,726,593	100.0
Other derivative instruments with negative market value ¹⁾	12,341	0.1	-	-

1) Cash and cash equivalents SEK 12 341 t

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	18,726,593	23,056,965
Units issued ¹⁾	12,423,338	8,422,736
Units redeemed ¹⁾	-8,242,953	-12,755,907
Profit according to Income Statement	132,402	39,225
Dividends to unit holders	-29,258	-36,426
Fund capital at the close of the period	23,010,122	18,726,593

1) Of which SEK 152 558 t relates to internal moves between share classes

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, OTHERS			
Arla Foods Finance 1,875% 2021-05- 31	50,000	50,289	0.2
DNB Bank FRN 2022-11-01	50,000	50,409	0.2
LeasePlan FRN 2021-01-05	50,000	50,014	0.2
Nordea Bank 0,36% 2021-06-14	40,000	40,042	0.2
Nordea Bank FRN 2021-02-19	200,000	200,142	0.9
Nordea Bank FRN 2022-09-09	150,000	153,066	0.7
Olav Thon Eiendom FRN 2021-09-03	150,000	149,360	0.6
Olav Thon Eiendom FRN 2022-05-10	50,000	49,625	0.2
OP Corporate Bank FRN 2022-05-18	200,000	201,118	0.9
Stora Enso FRN 2021-08-20	100,000	100,281	0.4
Telenor FRN 2021-09-20	300,000	300,372	1.3
VW Financial Services NV FRN 2022-09-14	156,000	156,682	0.7
		1,501,397	6.5

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
MORTGAGE			
Länsförsäkringar Hyp 516 1,25%2023-09-20	400,000	413,796	1.8
Nordea Hypotek 5534 1% 2024-09-18	350,000	362,191	1.6
Stadshypotek 1586 4,5% 2022-09-21	400,000	431,192	1.9
Stadshypotek 1587 1,5% 2023-06-01	300,000	311,151	1.4
Stadshypotek 1588 1,5% 2024-03-01	450,000	470,907	2.0
		1,989,237	8.7
OTHER			
Akeliu 1,125% 2021-10-04	160,000	160,578	0.7
Assa Abloy 0,375% 2021-07-26	100,000	100,090	0.4
Atrium Ljungberg FRN 2022-12-22	160,000	159,819	0.7
Balder FRN 2021-11-05	200,000	199,614	0.9
BillerudKorsnäs 0,7% 2021-01-04	50,000	50,000	0.2
BillerudKorsnäs FRN 2022-02-21	51,000	51,430	0.2
Bluestep FRN 2021-12-13	50,000	50,549	0.2
Bluestep FRN 2023-04-27	100,000	101,477	0.4
Castellum 0,81% 2021-07-09	50,000	50,062	0.2
Castellum 0,85% 2021-09-06	66,000	66,118	0.3
Castellum 0,873% 2021-03-29	200,000	200,168	0.9
Castellum FRN 2021-04-12	50,000	50,060	0.2
Castellum FRN 2021-08-30	200,000	200,188	0.9
Castellum FRN 2021-10-04	116,000	117,168	0.5
Electrolux FRN 2022-03-09	150,000	150,597	0.7
Fabege FRN 2021-08-30	50,000	50,138	0.2
Fabege FRN 2022-06-16	46,000	46,362	0.2
Heimstaden Bostad FRN 2022-05-26	300,000	304,695	1.3
Hemsö 0,42% 2021-05-04	146,000	146,128	0.6
Hemsö FRN 2021-06-03	111,000	111,421	0.5
Hemsö FRN 2022-11-25	200,000	201,156	0.9
Hexagon FRN 2022-03-10	62,000	62,461	0.3
Hufvudstaden 1,2% 2021-12-08	150,000	150,752	0.7
Humlegården Fastigheter FRN 2022-01-11	148,000	147,862	0.6
Humlegården Fastigheter FRN 2022-06-22	137,000	138,545	0.6
Humlegården Fastigheter FRN 2022-07-01	150,000	151,313	0.7
Husqvarna FRN 2021-05-03	82,000	82,313	0.4
ICA Gruppen FRN 2022-03-04	160,000	160,642	0.7
Ikano Bank FRN 2021-08-17	176,000	175,912	0.8
Ikano Bank FRN 2021-09-17	100,000	99,903	0.4
Industrivärden FRN 2021-02-24	59,000	59,065	0.3
Industrivärden FRN 2022-02-28	92,000	92,234	0.4
Intea Fastigheter FRN 2021-09-30	180,000	179,908	0.8
Investment AB Latour FRN 2021-09-13	200,000	200,322	0.9
Kungsleden 2,06% 2021-10-11	30,000	30,288	0.1
Landshypotek FRN 2021-07-09	50,000	50,220	0.2
Landshypotek FRN 2021-09-20	130,000	130,736	0.6
Landshypotek FRN 2021-12-06	200,000	201,454	0.9
Landshypotek FRN 2022-09-08	100,000	101,227	0.4
Landshypotek FRN 2022-09-15	350,000	355,506	1.5
Länsförsäkringar 0,3825% 2021-03-08	200,000	200,092	0.9
Länsförsäkringar 0,7275% 2022-03-07	50,000	50,318	0.2
Länsförsäkringar 3,268% 2021-01-27	180,000	180,347	0.8
Länsförsäkringar FRN 785 2021-05-18	214,000	214,696	0.9
NCC Treasury FRN 2022-09-30	100,000	99,359	0.4
NIBE Industrier 1% 2021-06-21	100,000	100,175	0.4
NIBE Industrier FRN 2021-06-03	80,000	79,978	0.3
NIBE Industrier FRN 2022-04-11	50,000	50,382	0.2
Nya SFF FRN 2021-09-01	250,000	250,745	1.1
Nya SFF FRN 2022-02-20	50,000	50,301	0.2
Nya SFF FRN 2022-06-03	64,000	64,535	0.3
Nya SFF FRN 2022-09-07	78,000	78,112	0.3
PostNord FRN 2021-09-13	82,000	82,145	0.4
PostNord FRN 2022-03-14	54,000	54,148	0.2
Rikshem FRN 2021-04-22	100,000	100,415	0.4
Rikshem FRN 2022-02-22	56,000	56,460	0.2
Rikshem FRN 2022-10-19	50,000	50,306	0.2
SBAB FRN 2021-06-23	160,000	160,568	0.7
SBAB FRN 2022-02-04	120,000	121,025	0.5
SCA 0,375% 2021-05-24	120,000	120,071	0.5
Scania 0,455% 210504	85,000	85,024	0.4
Scania FRN 2021-02-11	400,000	400,100	1.7
Scania FRN 2021-09-06	256,000	257,354	1.1
Scania FRN 2022-02-21	350,000	349,755	1.5
SEB Bolån 574 1,5% 2021-12-15	400,000	405,956	1.8
Skandiabanken FRN 2021-12-20	100,000	100,500	0.4
Södra Skogsägarna FRN 2021-06-07	98,000	98,457	0.4
Statliga Akademiska Hus FRN 2022-04-17	250,000	251,160	1.1
Sveaskog FRN 2022-09-26	62,000	62,436	0.3
Swedavia 0,3625% 2021-04-12	100,000	100,035	0.4
Swedbank 0,305% 2021-05-09	250,000	250,113	1.1
Tele2 FRN 2022-03-16	141,000	143,025	0.6
Trelleborg Treasury FRN 2021-01-18	139,000	139,036	0.6
Vacse FRN 2022-06-07	30,000	30,357	0.1
Vasakronan 0,41% 2021-03-05	150,000	150,072	0.7
Vasakronan 1,083% 2022-05-24	250,000	253,018	1.1
Vasakronan FRN 2022-02-15	200,000	201,184	0.9
Volvo Treasury 0,467% 2021-08-24	400,000	400,676	1.7
Volvo Treasury 0,625% 2021-09-20	150,000	150,443	0.7
Volvo Treasury FRN 2021-06-28	200,000	200,240	0.9
Volvo Treasury FRN 2021-09-20	58,000	58,100	0.3
Volvo Treasury FRN 2022-05-05	200,000	203,650	0.9
Volvo Treasury FRN 2022-09-28	100,000	100,123	0.4
Volvo Treasury FRN 2022-11-04	300,000	300,477	1.3
Volvofinans Bank FRN 2021-03-30	50,000	50,121	0.2
Volvofinans Bank FRN 2021-06-22	100,000	100,424	0.4
Wallenstam 0,695% 2022-09-16	100,000	99,865	0.4
Wallenstam FRN 2021-05-24	24,000	24,009	0.1
Wallenstam FRN 2021-09-02	50,000	49,967	0.2
Wallenstam FRN 2022-11-30	50,000	49,943	0.2
Wilhelm 0,69% 2022-01-11	100,000	100,485	0.4
Wilhelm FRN 2021-11-01	120,000	120,746	0.5
Wilhelm FRN 2022-02-24	150,000	149,996	0.7
Wilhelm FRN 2022-10-28	350,000	351,292	1.5
		13,090,794	56.9
Total listed fixed-income securities		16,581,428	72.1

Handelsbanken Kortränta SEK, cont.

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
UNLISTED FIXED-INCOME SECURITIES			
OTHER			
Lejonfastigheter FRN 2022-09-05	100,000	101,215	0.4
SKB FRN 2022-11-28	108,000	109,012	0.5
Stångastaden 0,5% 2021-10-07	100,000	100,292	0.4
		310,519	1.4
Total unlisted fixed-income securities		310,519	1.4
Total transferable securities		16,891,947	73.4

MONEY MARKET INSTRUMENTS**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
CERTIFICATE			
Atrium Ljungberg AB DI FC 2021-01-26	100,000	99,965	0.4
Atrium Ljungberg AB DI FC 2021-04-06	50,000	49,929	0.2
Balder DI FC 2021-03-10	70,000	69,931	0.3
Castellum DI FC 2021-01-13	100,000	99,986	0.4
Castellum DI FC 2021-02-08	100,000	99,946	0.4
Castellum DI FC 2021-03-29	100,000	99,872	0.4
Fabege AB DI FC 2021-02-09	100,000	99,945	0.4
Fabege AB DI FC 2021-11-29	150,000	149,128	0.6
Fastighets AB Stenvalvet DI FC 2021-03-10	100,000	99,902	0.4
Fastighets AB Stenvalvet DI FC 2021-03-24	50,000	49,940	0.2
HEBA Fastighets AB DI FC 2021-01-25	150,000	149,950	0.7
Heimstaden Bostad AB DI FC 2021-02-09	250,000	249,865	1.1
Hennes & Mauritz AB DI FC 2021-02-26	100,000	99,920	0.4
Hennes & Mauritz AB DI FC 2021-04-26	100,000	99,824	0.4
Hennes & Mauritz AB DI FC 2021-05-06	100,000	99,806	0.4
Hennes & Mauritz AB DI FC 2021-06-11	100,000	99,736	0.4
Hexagon DI FC 2021-02-15	100,000	99,936	0.4
Hexagon DI FC 2021-03-02	150,000	149,871	0.7
Hexagon DI FC 2021-04-12	100,000	99,850	0.4
Hexagon DI FC 2021-05-12	100,000	99,795	0.4
Humlegården Fastigheter 2021-03-22	50,000	49,942	0.2
Ikano Bank DI BAC 2021-01-18	100,000	100,011	0.4
Ikano Bank DI BAC 2021-02-18	70,000	70,020	0.3
Intea Fastigheter AB DI FC 2021-01-28	100,000	99,962	0.4
Kungsleden AB DI FC 2021-03-04	100,000	99,911	0.4
Nordic Entertainment Group 2021-03-22	100,000	99,883	0.4
Olav Thon Eiendom 2021-03-24	50,000	49,940	0.2
Olav Thon Eiendom 2021-04-19	50,000	49,918	0.2
Sveaskog DI FC 2021-02-22	100,000	99,926	0.4
Trophé Fastighets AB DI FC 2021-02-05	50,000	49,975	0.2
Trophé Fastighets AB DI FC 2021-03-12	100,000	99,899	0.4
Vasakronan AB DI FC 2021-01-29	100,000	99,960	0.4
Volkswagen Finans Sverige 2021-01-15	100,000	99,982	0.4
Volkswagen Finans Sverige 2021-03-16	100,000	99,893	0.4
Volkswagen Finans Sverige 2021-03-19	100,000	99,888	0.4
Volkswagen Finans Sverige 2021-05-18	100,000	99,783	0.4
Volkswagen Finans Sverige 2021-11-29	100,000	99,419	0.4
Wallenstam AB DI FC 2021-01-14	20,000	19,997	0.1
Wallenstam AB DI FC 2021-02-03	50,000	49,977	0.2
Wallenstam AB DI FC 2021-04-12	70,000	69,894	0.3
Wallenstam AB DI FC 2021-05-17	150,000	149,678	0.7
Total certificate		3,924,953	17.1
Total money market instruments		3,924,953	17.1

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
INTEREST RATE FUTURES			
Swe Gov Bond 5Y Future Mar 2021 ¹⁾	-600	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0
Total holdings in financial instruments		20,816,900	90.5
Net, other assets and liabilities		2,193,223	9.5
Total fund capital		23,010,123	100.0

¹⁾ Interest rate futures with underlying exposure of SEK -787 874 t, which is equivalent to 3.4% of fund capital.

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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. 73.4

** 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). 17.1

*** Refers to other financial instruments. -

Company/Group	% of fund capital	Company/Group	% of fund capital
Rikshem AB	0.8	Volvofinans Bank	0.6
Industrivärden	0.7	BillerudKorsnäs	0.4
Atrium Ljungberg AB	0.6	Fabege	0.4
EQT AB	0.6		
Fastighets AB Stenvalvet	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.

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Handelsbanken	5.3	Wallenstam AB	2.2
Scania	4.7	Hexagon AB	1.9
Länsförsäkringar	4.6	Ikano SA	1.9
Castellum	4.2	Nya SFF	1.9
Svenska staten	3.8	Hennes & Mauritz AB	1.6
Volvo	3.8	Humlegården Fastigheter	1.2
Landshypotek	3.6	Intea Fastigheter AB	1.2
Nordea	3.4	Olav Thon Eiendomsselskap	1.2
Willhem	3.1	Fabege AB	1.1
Vasakronan	2.7	Hemsö	1.1
Volkswagen	2.7	Humlegården Fastigheter AB	0.9
Volvo Treasury	2.4	NIBE Industrier	0.9

Handelsbanken Kortränta SEK

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

Methods used in sustainability efforts

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/issuers involved in the production or distribution of nuclear weapons are also excluded.

The fund also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies/issuers that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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:

Engagement activities in collaboration with other investors

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainalytics on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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 Vasakronan AB, one of Sweden's largest property management companies with focus on commercial property. Vasakronan 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 new production and the reconstruction of Vasakronan's properties. Vasakronan has an explicit sustainability profile within property management and we share their view on where the focus within sustainability should lie with regard to the real estate sector.

The Management Company's engagement activities - Dialogues

Targeted dialogues with direct contact between our fund managers and companies

The fund engaged in one targeted dialogue directly with a company during the year.

Sveaskog is Sweden's largest forest owner, which sets high standards on how forests should be managed in the best possible manner. Forests are a renewable natural resource that are a crucial component of the global climate transition and have many areas of application. At the same time we need to ensure that biodiversity remains in our Swedish forests and that consideration is made for many of the application areas of the forests. We engaged in a dialogue with the company regarding logging in the area that is critical for reindeer husbandry.

Engagement activities in collaboration with other investors

In 2020, the Management Company participated in a total of 125 company dialogues together with other investors. The fund invested in one of these companies.

A dialogue was conducted with Swedbank regarding their management of risks associated with money laundering.

Collaborations and industry initiatives

In 2020, the Management Company participated in initiatives and collaborations that included over 380 companies.



Handelsbanken Kreditt

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 interest-bearing securities issued in the European credit market, i.e., securities issued by European companies (legal residence in Europe) and other interest-bearing securities issued in European currency. A maximum of 15% of the portfolio's market value may be invested in securities from issuers outside of Europe. The fund's base currency is Norwegian crowns (NOK). A maximum of 5% of the fund's value may have exposure to currency risk. The fund shall have a modified duration between zero and three. The credit duration will be limited to five. The fund's assets may be invested in interest-bearing financial instruments with a minimum rating of BB- from S&P or a corresponding rating of Ba3 from Moody's. In the event the financial instrument lacks an official rating and is not a type of subordinated debt, the issuers official rating will be used. In the event the issuer in this case lacks an official rating, the Management Company may make its own assessment of the credit worthiness. 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. The fund may invest in derivative instruments as part of its investment focus. The fund may invest a maximum of 10% of the fund capital in fund units. We compare the fund's performance with Solactive EUR HY BB 1-5 Year ex. Financials NOK TR Index (50%) + ST1X (50%). The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund invests in financial instruments whether or not they are included in the benchmark index. Fund management is based on an ongoing assessment of the financial- and macroeconomic conditions and results in a strategic and tactical investment focus. As the fund is actively managed the performance will over time deviate from this index. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund fell 1.5% in 2020*. After a positive start to the year, the European credit market was quickly affected by the financial uncertainty that began in Asia. The global spread of Covid-19 and the subsequent closure of economies led to the sharp escalation of financial uncertainty. Liquidity in the credit market dried up as a result of a major sell-off in ETF index funds. The European Central Bank (ECB) immediately issued a series of measures to stabilize the market and the economy, including the implementation of bond purchases and a stimulus package. Investor confidence strengthened further when the EU, for the first time in history, was responsible for financing a major support package with measures such as SURE and Next Generation. Quantitative easing in the form of bond purchases primarily target government bonds and credit bonds of investment grade. Investments in bonds with high returns contributed negatively to fund 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 the fund is characterized by low risk. 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 interest-bearing 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The fund's modified duration will be between 0 and 3 years. The fund's investments are concentrated geographically to holdings issued in the European markets. 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. 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 increases. The fund's credit duration is limited to five. Credit duration is a measurement of the credit risk and is defined as the percentage change in the value of interest-bearing securities as a result of a one percent parallel shift of the credit spread (difference between the issuer's yield curve and the swap rate curve). For example, if the credit duration for the fund's investments is five, a one percent change in the credit spread will change the value of the fixed income investment in the fund by five percent. 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

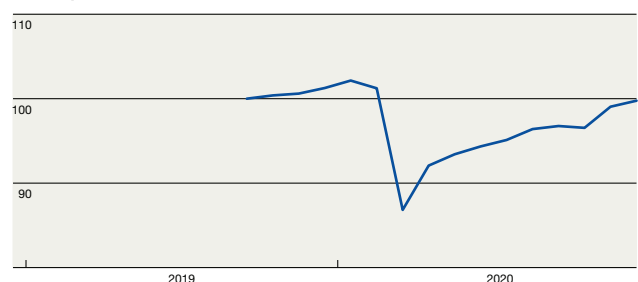
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

• Highest leverage during the financial year	143.7%
• Lowest leverage during the financial year	0.0%
• Average leverage during the financial year	73.1%

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 Kreditt, cont.

Fund facts - history

	2020	18/9-31/12 2019	2018	2017	2016	2015	2014	2013	2012	2011
Net asset value										
Kreditt A1 - SEK	109.29	-	-	-	-	-	-	-	-	-
Kreditt A1 - NOK	99.42	100.92	-	-	-	-	-	-	-	-
Kreditt A10 - NOK	100.12	101.07	-	-	-	-	-	-	-	-
The fund's total net flow, NOK m	121	3,359	-	-	-	-	-	-	-	-
Fund capital total, mNOK	3,601	3,388	-	-	-	-	-	-	-	-
Kreditt A1 - SEK	0	-	-	-	-	-	-	-	-	-
Kreditt A1 - NOK	3,263	3,015	-	-	-	-	-	-	-	-
Kreditt A10 - NOK	338	373	-	-	-	-	-	-	-	-
Number of units, 1000's	36,200	33,567	-	-	-	-	-	-	-	-
Kreditt A1 - SEK	1	-	-	-	-	-	-	-	-	-
Kreditt A1 - NOK	32,818	29,876	-	-	-	-	-	-	-	-
Kreditt A10 - NOK	3,380	3,691	-	-	-	-	-	-	-	-
Total returns in %										
Kreditt A1 - SEK	-11.3	-	-	-	-	-	-	-	-	-
Kreditt A1 - NOK	-1.5	+0.9	-	-	-	-	-	-	-	-
Kreditt A10 - NOK	-0.9	+1.1	-	-	-	-	-	-	-	-
Index including dividends in %										
Kreditt A1 - SEK	-9.7	-	-	-	-	-	-	-	-	-
Kreditt A1 - NOK	+0.3	+0.8	-	-	-	-	-	-	-	-
Kreditt A10 - NOK	+0.3	+0.8	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	0.96	1.07	-	-	-	-	-	-	-	-

Benchmark: Solactive EUR HY BB 1-5 Year ex. Financials NOK TR Index (50%) + Solactive NOK Fixed Duration 0.25 years Government Bonds & Bills Index (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	
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	7
Transaction costs in % of turnover	0.00
Costs in NOK for a one-time subscription, 10 000 NOK	
Kreditt A1	71.35
Kreditt A10	19.08
Costs in NOK for monthly savings, 100 NOK	
Kreditt A1	4.89
Kreditt A10	1.31

Fund facts - other key figures

Turnover rate	1.5
Share of turnover conducted via closely-related securities companies in %	2.9
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and return measurements*

Forecasted total risk	4.5	Duration, years ¹⁾	1.7
		Spread exposure %	15.1

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, NOK thousand

	2020	18/9-31/12 2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	83,252	-27,218
Changes in value for other derivative instruments **	-970	-
Interest income	129,113	18,105
Currency exchange profits and losses, net	-123,800	41,402
Other income	33,372	177
Total income and changes in value	120,968	32,466
EXPENSES		
Management costs:		
- Remuneration to the Management Company	27,871	3,588
Interest expense	908	29
Other expenses	243	-
Total expenses	29,022	3,617
Net income	91,945	28,849
* Details of changes in value		
Capital gains	186,199	1,435
Capital losses	-145,945	-337
Unrealised gains/losses	42,999	-28,316
Sum	83,252	-27,218
** Details of changes in value		
Capital gains	2,700	-
Capital losses	-4,106	-
Unrealised gains/losses	437	-
Sum	-970	-

Balance sheet, NOK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	3,318,599	92.2	3,221,471	95.1
OTC derivative instruments with positive market value	23,932	0.7	42,536	1.3
Total financial instruments with positive market value ^{Note 2)}	3,342,530	92.8	3,264,007	96.4
Bank assets and other liquid assets	248,551	6.9	105,479	3.1
Prepaid expenses and accrued income	25,278	0.7	20,596	0.6
Other assets	1	0.0	-	-
Total assets	3,616,360	100.4	3,390,082	100.1
LIABILITIES				
OTC derivative instruments with negative market value	3,604	0.1	-	-
Total financial instruments with negative market value ^{Note 2)}	3,604	0.1	-	-
Accrued expenses and prepaid income	2,143	0.1	1,947	0.1
Other liabilities	9,176	0.2	-	-
Total liabilities	14,923	0.4	1,947	0.1
Fund capital ^{Note 1)}	3,601,437	100.0	3,388,135	100.0
Collateral received for OTC derivative instruments ¹⁾	307	0.0	26,632	0.8
Other derivative instruments with negative market value ²⁾	2,871	0.1	-	-

¹⁾ Cash and cash equivalents NOK 307 t²⁾ Cash and cash equivalents NOK 2 871 t

Handelsbanken Kreditt, cont.

Note 1) for Balance sheet

Changes in fund capital, NOK thousand

	2020	2019
Fund capital at beginning of year	3,388,135	-
Units issued	3,044,169	3,391,952
Units redeemed	-2,922,812	-32,666
Profit according to Income Statement	91,945	28,849
Dividends to unit holders	-	-
Fund capital at the close of the period	3,601,437	3,388,135

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value NOK t	% of fund capital
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LISTED FIXED-INCOME SECURITIES

FOREIGN ISSUER, MORTGAGE

Eika Boligkred FRN Perp	13,000	13,309	0.4
		13,309	0.4

FOREIGN ISSUER, OTHERS

Adevinta ASA 2,625% 2025-11-15	4,500	48,124	1.3
Ageas Finance 3,875% Perp	4,000	44,494	1.2
Aktia Bank Oyj FRN 2024-09-02	15,000	15,030	0.4
Allianz SE 3.5% Perp	8,600	75,114	2.1
Austevoll FRN 2023-06-21	3,000	2,986	0.1
Banco Santander 4,375% Perp	11,000	115,409	3.2
Bank Norwegian FRN 2022-06-14 Perp Call	40,000	39,786	1.1
Bank Norwegian FRN 2023-10-02	21,000	20,328	0.6
Bank Norwegian FRN 2023-12-12	38,000	38,441	1.1
Bank Norwegian FRN 2026-09-21	12,000	11,996	0.3
Benchmark Hold FRN 2023-06-21	30,000	29,475	0.8
BNP Paribas 4,5% 2030-02-25	3,375	29,006	0.8
BNP Paribas 4,5% Perp	5,000	42,972	1.2
BNP Paribas FRN 2030-02-21	20,000	19,556	0.5
British Telecom 1,874% 2080-08-18	7,000	72,051	2.0
Deutsche Boerse 1,25% 2047-06-16	3,000	32,218	0.9
Digiplex No 2 FRN 2024-04-30	62,000	62,310	1.7
DNB Bank 4,875% Perp	2,000	17,741	0.5
DNB Bank 6,5% Perp	3,750	33,611	0.9
DNB Bank FRN 2024-06-27 Perp Call	5,000	5,111	0.1
DNB Bank FRN 2030-05-28	4,000	4,349	0.1
Erste Bank 3,375% Perp	6,000	59,445	1.7
Erste Group Bank AG 4,25% Perp	8,000	86,713	2.4
Gjensidige Fors FRN Perp	34,000	34,408	1.0
GlaxoSmithKline Capital 1,25% 2028-10-12	3,000	36,578	1.0
GLX Holding FRN 2023-12-08	87,000	87,109	2.4
Grieg Seafood FRN 2025-06-25	70,000	67,681	1.9
Infinion 3,625% Perp	7,500	84,257	2.3
La Banque Postale 3,875% Perp	10,000	106,987	3.0
Landk Baden-Wuertemb 4% Perp	12,000	125,142	3.5
Link Mobility Group 3,375% 2025-12-15	7,000	73,698	2.0
Mandatum Life Insur 1,875% 2024-10-04	8,100	86,962	2.4
Merck KGaA 1,625% 2080-09-09	7,000	75,015	2.1
Munchner Ruckve 1,25% 2041-05-26	3,400	36,980	1.0
Nordea Bank 5,25% Perp	5,000	43,596	1.2
Nordea Bank 6,125% Perp	5,800	54,334	1.5
Norled FRN 2024-11-27	32,500	32,500	0.9
Obos Banken FRN 2024-06-20 Perp Call	11,000	11,261	0.3
Obos Banken FRN Perp	16,000	15,802	0.4
OP Corporate Bank FRN 2030-06-03	70,000	74,997	2.1
Pelagia Holding AS FRN 2025-12-08	48,500	48,403	1.3
Prosus N.V. 1,539% 2028-08-03	1,000	10,799	0.3
Q-Park Holding BV 2% 2027-03-01	5,000	50,632	1.4
Sbanken ASA FRN 2023-09-26	10,000	10,046	0.3
Sbanken ASA FRN 2024-03-21 Perp Call	3,000	3,060	0.1
Sbanken ASA FRN 2030-08-28	20,000	20,008	0.6
Sbanken ASA FRN Perp	24,000	23,983	0.7
Sbanken ASA FRN Perp	9,000	9,123	0.3
Societe General 1% 2030-11-24	4,500	47,260	1.3
Sparbanken Vest FRN 2021-09-08 Perp Call	20,000	20,330	0.6
Sparebank 1 Nord-Norge FRN Perp	29,000	29,316	0.8
Sparebank 1 Nord-Norge FRN Perp	10,700	10,827	0.3
Sparebank 1 Nord-Norge FRN Perp	7,000	7,100	0.2
Sparebank 1 Ostlandet FRN Perp	22,000	22,211	0.6
Sparebank 1 SMN FRN Perp	19,000	19,294	0.5
Sparebank 1 SMN FRN Perp	8,000	8,078	0.2
Sparebank More FRN Perp	9,000	9,183	0.3
Sparebank Ost FRN 2023-09-18 Perp Call	40,000	40,774	1.1
Sparebank Sor FRN 2021-06-29 Perp Call	15,000	15,262	0.4
Sparebank Sor FRN 2022-09-28	18,000	18,212	0.5
Stora Enso 0,625% 2030-12-02	500	5,328	0.1
Storebrand Bank FRN 2024-03-25 Perp Call	82,000	84,022	2.3
Storebrand Bank FRN 2047-11-21	15,000	15,608	0.4
Storebrand FRN 2050-06-19	46,000	45,990	1.3
Tennet Holding 2,374% Perp	2,300	25,096	0.7
TietoEvry 2% 2025-06-17	500	5,404	0.2
Tryg Forsikring FRN 2023-03-20	41,000	42,744	1.2
Tryg Forsikring FRN Perp	48,000	50,017	1.4
Vodafone Group 2,625% 2080-08-27	1,500	16,146	0.4
		2,667,827	74.1

OTHER

Bewi Group FRN 2022-04-19	5,300	56,609	1.6
Handelsbanken 5,25% Perp	10,160	87,359	2.4
Hoist Finance AB 7,75% Perp	500	4,627	0.1
IF Skadeforsakr FRN 2023-03-22 Perp Call	45,000	46,892	1.3
IF Skadeforsakr FRN 2046-12-01	40,000	42,057	1.2
Kinnevik FRN 2025-02-19	22,000	22,852	0.6

	Number/Nominal amount in 1000's	Market value NOK t	% of fund capital
Länsförsäkringar FRN Perp	22,000	23,144	0.6
Latour FRN 2022-03-16	8,000	8,386	0.2
Nordic Entertainment FRN 2024-05-23	14,000	14,658	0.4
SBAB FRN 2024-09-05 Perp Call	10,000	10,678	0.3
SBAB FRN 2030-06-03	55,000	59,248	1.6
SEB 5,125% Perp	4,000	35,679	1.0
SEB 5,625% Perp	7,000	61,689	1.7
Sinch AB FRN 2024-11-27	16,250	17,125	0.5
Stockholm Exergi FRN 2027-09-17	8,000	8,321	0.2
Swedavia FRN Perp	85,000	87,393	2.4
Tele2 FRN 2027-11-03	16,000	16,802	0.5
Telia 1,375% 2081-05-11	3,200	33,942	0.9
		637,462	17.7
Total listed fixed-income securities		3,318,599	92.2
Total transferable securities		3,318,599	92.2

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value NOK t	% of fund capital
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INTEREST RATE FUTURES

Euro-Bund Future Mar 2021 ¹⁾	-100	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 NOK t	% of fund capital
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OTC DERIVATIVE INSTRUMENTS

CURRENCY FUTURES

NOK/EUR ²⁾		15,756	0.4
NOK/GBP ³⁾		-52	0.0
NOK/SEK ⁴⁾		-3,552	-0.1
NOK/USD ⁵⁾		8,175	0.2
		20,328	0.6
Total OTC derivative instruments		20,328	0.6
Total other financial instruments		20,328	0.6
Total holdings in financial instruments		3,338,926	92.7
Net, other assets and liabilities		262,511	7.3
Total fund capital		3,601,437	100.0

¹⁾ Interest rate futures with underlying exposure of NOK -186 095 t, which is equivalent to 5.2% of fund capital.

²⁾ NOK 1 348 676 t/EUR -127 000 t, counterparties J.P. Morgan Securities, Nordea Bank Abp and Skandinaviska Enskilda Banken AB (publ).

³⁾ NOK 35 084 t/GBP -3 000 t, counterparty Nordea Bank Abp.

⁴⁾ NOK 497 380 t/SEK -480 000 t, counterparty Nordea Bank Abp.

⁵⁾ NOK 504 892 t/USD -58 000 t, counterparty Skandinaviska Enskilda Banken AB (publ).

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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. 92.2

** 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. 0.6

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Svenska staten	4.0	BNP Paribas, France	2.5
Bank Norwegian	3.1	IF Skadeforsakring	2.5
Nordea	2.7	Sbanken ASA	2.0
SEB	2.7	DNB	1.6
Storebrand	2.7	Sparebank 1 Nord Norge	1.0
Tryg Forsikring	2.6	Sparebanken Sor	0.9

* 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 Kreditt

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

Methods used in sustainability efforts

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/issuers involved in the production or distribution of nuclear weapons are also excluded.

The fund also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies/issuers that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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:

Engagement activities in collaboration with other investors

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainalytics on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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 issued by Grieg Seafond. Grieg's green bond finances qualified "green projects" that include sustainable fish farming, monitoring and prevention of environmental pollution, and treatment of emissions from production. Fish farming contributes to meeting the growing need for sustainable protein production and healthy food with low carbon emissions.

The Management Company's engagement activities - Dialogues

Targeted dialogues with direct contact between our fund managers and companies

The fund engaged in one targeted dialogue directly with a company during the year.

Engagement activities in collaboration with other investors

In 2020, the Management Company participated in a total of 125 company dialogues together with other investors. The fund did not have any investments in these companies.

Collaborations and industry initiatives

In 2020, the Management Company participated in initiatives and collaborations that included over 380 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. 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. The fund may invest in derivative instruments as part of the fund's investment focus. We compare the fund's performance with an index that consists of HMNI Swe All Government Dur Const 6Y (70%), HMNI Swe All Mortgage Dur Const 2.5Y (30%). The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund invests in financial instruments whether or not they are included in the benchmark index. Fund management is based on an ongoing assessment of the financial- and macroeconomic conditions and results in a strategic and tactical investment focus. As the fund is actively managed the performance will over time deviate from this index. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 0.9% in 2020*. The financial markets were dominated primarily by concerns about the spread of the corona virus, subsequent closures in economies and massive support measures that focused on trying to compensate for the financial shortfall in companies and households. The US presidential election and Brexit also contributed to a heightened level of uncertainty during the autumn. The uncertainty about how states, companies, households and financial players will manage the crisis remains high, although many economies have recently begun to reopen and the outlook is slightly more optimistic. The positive news about a vaccine has been a key factor for sentiment. The Federal Reserve took early action during the crisis to counteract the tensions arising in the USD market by injecting large quantities of liquidity both domestically and globally. Interest rates were also cut close to zero and the Fed has implemented major asset purchases. The ECB left the key rate unchanged at -0.5%, expanded its existing program for asset purchases (APP) and launched a specific program to purchase assets for EUR 1,350 billion (PEPP). The extensive fiscal support measures in Sweden have also been supplemented by a zero interest rate and major asset purchases (QE) from the Riksbank. The Riksbank's asset purchases now also include mortgage-, municipal-, and corporate bonds. Monetary stimulus has also been supplemented by substantial fiscal stimulus measures. Swedish short-term rates have traded at a relatively stable level, with the exception of a short period in March. Following the turbulence in March, the fund

increased its exposure to mortgage- and corporate bonds. During the autumn the fund also added protection for a potential increase in inflation during 2021. However, the fund retained an overweight in long-term Swedish government bonds, partly due to the high uncertainty as well as due to the assessment that Swedish rates are considered to be relatively low compared to equivalent German rates. We also increased the holdings in green bonds, for example in Swedish municipalities, which currently total just over 20% of the fund. In addition to contributing positively to relative returns, we believe these holdings have 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 characterized 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The average residual fixed interest 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

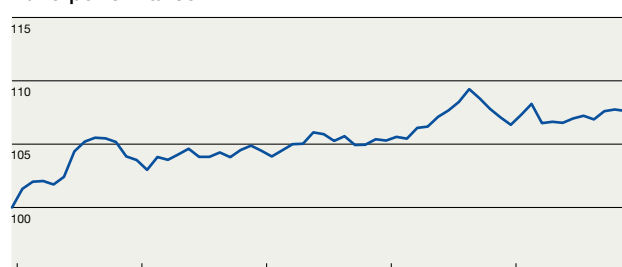
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option during 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

• Highest leverage during the financial year	77.7%
• Lowest leverage during the financial year	0.0%
• Average leverage during the financial year	32.5%

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net asset value, SEK										
Långränta A1	119.17	118.07	116.69	115.80	114.98	110.83	113.01	106.30	106.29	103.19
Långränta A9	101.26	-	-	-	-	-	-	-	-	-
Långränta A10	121.02	119.25	117.21	-	-	-	-	-	-	-
Långränta B1	101.25	101.31	101.13	100.36	102.75	101.02	105.63	101.88	104.79	-
The fund's total net flow, SEK m	2,775	5,207	611	671	-2,401	-760	4,811	900	566	-
Fund capital total, SEK m	18,797	15,851	10,496	9,795	9,068	9,658	10,646	5,340	4,430	3,673
Långränta A1	13,988	10,275	7,430	8,462	8,394	8,355	8,989	5,081	4,054	3,673
Långränta A9	16	-	-	-	-	-	-	-	-	-
Långränta A10	3,083	3,919	1,691	-	-	-	-	-	-	-
Långränta B1	1,710	1,486	1,275	1,333	674	1,303	1,657	259	376	-
Number of units, 1000's	159,904	136,227	91,693	86,358	79,566	88,284	95,232	50,340	41,732	35,593
Långränta A1	117,384	87,017	63,675	73,076	73,004	75,390	79,545	47,803	38,140	35,593
Långränta A9	155	-	-	-	-	-	-	-	-	-
Långränta A10	25,474	32,866	14,425	-	-	-	-	-	-	-
Långränta B1	16,891	14,669	12,606	13,282	6,562	12,894	15,687	2,537	3,592	-
Total returns in %, SEK										
Långränta A1	+0.9	+1.2	+0.8	+0.7	+3.7	-1.9	+6.3	0.0	+5.3	+9.4
Långränta A9	+1.3	-	-	-	-	-	-	-	-	-
Långränta A10	+1.5	+1.7	+1.3	-	-	-	-	-	-	-
Långränta B1	+0.9	+1.2	+0.8	+0.7	+3.7	-1.9	+6.3	0.0	+0.1	-
Index including dividends in %, SEK										
Långränta A1	+0.9	+1.7	+1.2	+0.2	+3.2	+0.2	+9.3	-1.1	+2.4	+11.2
Långränta A9	+1.0	-	-	-	-	-	-	-	-	-
Långränta A10	+0.9	+1.7	+1.2	-	-	-	-	-	-	-
Långränta B1	+0.9	+1.7	+1.2	+0.2	+3.2	+0.2	+9.3	-1.1	-0.3	-
Tracking error, 2 yrs. % ¹⁾										
Långränta A1	0.6	0.2	0.3	0.4	0.8	0.8	1.0	1.1	1.1	0.4
Långränta A10	0.6	0.2	0.3	-	-	-	-	-	-	-
Långränta B1	0.7	0.2	0.3	0.4	0.8	0.8	1.0	-	1.1	-
Average yearly return, 2 yrs. %										
Långränta A1	+1.1	+1.0	+0.7	+2.2	+0.9	+2.1	+3.1	+2.6	+7.3	+5.4
Långränta A10	+1.6	+1.5	+1.3	-	-	-	-	-	-	-
Långränta B1	+1.1	+1.0	+0.7	+2.2	+0.9	+2.1	+3.1	-	-	-
Comparison to index including dividends, %	+1.3	+1.4	+0.7	+1.7	+1.7	+4.7	+4.0	+0.6	+6.7	+6.7
Average yearly return, 5 yrs. %										
Långränta A1	+1.5	+0.9	+1.9	+1.7	+2.6	+3.7	+4.5	+3.3	+5.9	+4.9
Långränta A10	+2.0	+1.4	+2.4	-	-	-	-	-	-	-
Långränta B1	+1.5	+0.9	+1.9	+1.7	-	-	-	-	-	-
Comparison to index including dividends, %	+1.4	+1.3	+2.8	+2.3	+2.7	+4.3	+4.7	+3.1	+6.2	+6.0
Average yearly return, 10 yrs. %										
Långränta A1	+2.6	+2.6	+2.6	+3.8	+3.8	+3.4	+4.1	+4.1	+4.5	+4.8
Långränta A10	+3.2	+3.2	+3.2	-	-	-	-	-	-	-
Comparison to index including dividends, %	+2.9	+3.0	+2.9	+4.2	+4.4	+4.1	+4.7	+4.6	+5.2	+5.8
Dividends per unit, SEK										
Långränta A1	-	-	-	-	-	-	-	-	2.28	4.28
Långränta B1	1.01	1.01	0.00	3.08	2.02	2.64	2.55	2.88	1.50	-

1) The fund has taken the tracking error that is considered to be appropriate for the purpose of attaining the fund's active return objective. The tracking error has been slightly higher in the past year than in previous years. As a result of the pandemic, 2020 was largely dominated by significant volatility in the fixed income markets. Most notably, credit spreads widened sharply during H1. Central banks used rate cuts and quantitative support programs to support the markets, which resulted in a narrowing of credit spreads in H2. The higher volatility in the markets led to an increase to the tracking error. Interest rate fluctuations also contributed to increased volatility with regard to the fund's positions.

Benchmark: HMNI Sve All Government Dur Const 6Y (HMSD6) (70%), HMNI Sve 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 A9	0.40
Långränta A10	0.20
Långränta B1	0.75
Collected mgmt. costs in % of average fund capital	
Långränta A1	0.75
Långränta A9	0.40
Långränta A10	0.20
Långränta B1	0.75
Annual fees in %	
Långränta A1	0.75
Långränta A9	0.40
Långränta A10	0.20
Långränta B1	0.75
Transaction costs, SEK thousand	1,705
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Långränta A1	75.56
Långränta A9	-
Långränta A10	20.20
Långränta B1	75.56
Costs in SEK for monthly savings, 100 SEK	
Långränta A1	4.90
Långränta A9	-
Långränta A10	1.31
Långränta B1	4.92

Fund facts - other key figures

Turnover rate	0.6
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	2.1	Information ratio - A10 SEK	0.5
Total risk % - A10 SEK	2.1	Information ratio - B1 SEK	Negative
Total risk % - B1 SEK	2.1	Sharpe ratio - A1 SEK	0.7
Total risk in index % - A1 SEK	1.9	Sharpe ratio - A10 SEK	1.0
Total risk in index % - A10 SEK	1.9	Sharpe ratio - B1 SEK	0.7
Total risk in index % - B1 SEK	1.9	Sharpe ratio in index - A1 SEK	0.9
Benchmark	HMNI Sve All Government Dur Const 6Y (HMSD6) (70%), HMNI Sve All Mortgage Dur Const 2.5Y (HMSMD25) (30%).	Sharpe ratio in index - A10 SEK	0.9
		Sharpe ratio in index - B1 SEK	0.9
		Duration, years ¹⁾	5.3
		Spread exposure %	1.4
Active return % - A1 SEK	-0.3		
Active return % - A10 SEK	0.3		
Active return % - B1 SEK	-0.3		
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, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	170,173	41,806
Changes in value for other derivative instruments **	-63,388	31,889
Interest income	193,827	179,258
Other income	16	0
Total income and changes in value	300,627	252,953
EXPENSES		
Management costs:		
- Remuneration to the Management Company	113,431	91,469
Interest expense	391	7
Other expenses	2,457	1,446
Total expenses	116,279	92,922
Net income	184,348	160,031
* Details of changes in value		
Capital gains	71,423	72,087
Capital losses	-60,398	-6,724
Unrealised gains/losses	159,147	-23,557
Sum	170,173	41,806
** Details of changes in value		
Capital gains	89,284	804,414
Capital losses	-153,604	-763,183
Unrealised gains/losses	932	-9,342
Sum	-63,388	31,889

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	17,669,373	94.0	14,245,712	90.0
Total financial instruments with positive market value ^{Note 2)}	17,669,373	94.0	14,245,712	90.0
Bank assets and other liquid assets	1,063,825	5.7	1,527,793	9.6
Prepaid expenses and accrued income	74,610	0.4	85,383	0.5
Other assets	1	0.0	-	-
Total assets	18,807,809	100.1	15,858,888	100.1
LIABILITIES				
Accrued expenses and prepaid income	10,655	0.1	8,271	0.1
Total liabilities	10,655	0.1	8,271	0.1
Fund capital ^{Note 1)}	18,797,153	100.0	15,850,617	100.0
Other derivative instruments with negative market value ¹⁾	58,467	0.3	35,219	0.2

1) Cash and cash equivalents SEK 58 467 t

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	15,850,617	10,496,011
Units issued ¹⁾	9,683,740	8,788,451
Units redeemed ¹⁾	-6,904,781	-3,577,859
Profit according to Income Statement	184,348	160,031
Dividends to unit holders	-16,771	-16,017
Fund capital at the close of the period	18,797,153	15,850,617

1) Of which SEK 174 292 t relates to internal moves between share classes

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, MORTGAGE			
DNB Boligkreditt FRN 2025-09-03 B	250,000	256,298	1.4
		256,298	1.4
FOREIGN ISSUER, OTHERS			
DNB Bank FRN 2022-11-01	50,000	50,409	0.3
Nordea Bank FRN 2023-05-19	50,000	50,787	0.3
		101,196	0.5
FOREIGN ISSUER, STATE			
EBRD 0.25% 2025-01-24	175,000	175,457	0.9
EBRD 0.477% 2024-01-18	100,000	101,053	0.5
EBRD 2026-09-10	325,000	318,825	1.7
EIB 0.875% 2025-01-30	200,000	205,772	1.1
EIB 0.125 2026-09-21	150,000	148,920	0.8
EIB 0.125% 2023-01-17	200,000	200,336	1.1
EIB 0.375% 2030-09-17	100,000	98,509	0.5
EIB 1.25% 2029-11-12	80,000	85,488	0.5
IBRD 0.4325 2026-11-12	70,000	70,641	0.4
IFC 0.0225% 2026-09-03	150,000	147,450	0.8
IFC 1.13% 2029-11-12	300,000	314,790	1.7
IFC 1.25% 2027-04-05	87,000	91,781	0.5
		1,959,021	10.4

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
GOVERNMENT			
Statsobligation 0,125% 2030-09-09	245,000	248,839	1.3
Statsobligation 1053 3,5% 2039-03-30	955,500	1,487,408	7.9
Statsobligation 1054 3,5% 2022-06-01	100	105	0.0
Statsobligation 1056 2,25% 2032-06-01	458,900	571,326	3.0
Statsobligation 1057 1,5% 2023-11-13	100	105	0.0
Statsobligation 1058 2,5% 2025-05-12	100	112	0.0
Statsobligation 1059 1% 2026-11-12	100	107	0.0
Statsobligation 1060 0,75% 2028-05-12	100	107	0.0
Statsobligation 1061 0,75% 2029-11-12	4,000	4,291	0.0
Statsobligation 1062 0,125% 2031-05-12	271,000	273,631	1.5
Statsobligation 1063 0,5% 2045-11-24	228,000	228,000	1.2
Statsobligation 3104 3,5% 2028-12-01	100,000	187,296	1.0
Statsobligation 3108 0,25% 2022-06-01	100,000	110,152	0.6
Statsobligation 3109 1% 2025-06-01	100,000	119,710	0.6
Statsobligation 3111 0,125% 2032-06-01	120,000	155,016	0.8
Statsobligation 3112 0,125% 2026-06-01	100,000	117,506	0.6
Statsobligation 3113 0,125% 2027-12-01	90,000	106,836	0.6
Statsobligation 3114 0,125% 2030-06-01	180,000	210,370	1.1
		3,820,918	20.3
MORTGAGE			
Länsförsäkringar Hyp 515 2,25%2022-09-21	100,000	103,945	0.6
Länsförsäkringar Hyp 516 1,25%2023-09-20	170,000	175,863	0.9
Länsförsäkringar Hyp 518 1,25%2025-09-17	223,000	234,694	1.2
Länsförsäkringar Hyp 519 1,5%2026-09-16	545,000	585,286	3.1
Länsförsäkringar Hyp 520 1% 2027-09-15	200,000	209,864	1.1
Nordea Hypotek 5533 1,25% 2023-09-20	199,000	205,864	1.1
Nordea Hypotek 5534 1% 2024-09-18	250,000	258,708	1.4
Nordea Hypotek 5535 1% 2025-09-17	270,000	281,000	1.5
SCBC 146 0,5% 2025-06-11	160,000	162,694	0.9
SCBC 147 2% 2026-06-17	484,000	531,756	2.8
SCBC 151 1% 2030-06-12	130,000	136,960	0.7
Stadshypotek 1587 1,5% 2023-06-01	304,000	315,300	1.7
Stadshypotek 1590 1% 2025-09-03	250,000	260,160	1.4
Stadshypotek 1591 0,5% 2026-06-01	150,000	152,628	0.8
Stadshypotek 1594 2% 2028-09-01	527,000	594,314	3.2
Stadshypotek FRN 2023-08-03	244,000	251,291	1.3
Swedbank Hypotek 192 1% 2023-03-15	175,000	179,023	1.0
Swedbank Hypotek 194 1% 2024-09-18	300,000	310,449	1.7
		4,949,799	26.3
OTHER			
Akademiska Hus FRN 2024-06-20	180,000	183,562	1.0
Castellum 1,875% 2021-10-04	92,000	92,881	0.5
Electrolux FRN 2023-03-27	125,000	126,163	0.7
Electrolux FRN 2023-04-06	100,000	103,446	0.6
Hemsö 1,288% 2025-05-13	94,000	96,658	0.5
Hemsö FRN 2023-02-13	100,000	100,866	0.5
Hemsö FRN 2023-10-09	100,000	101,057	0.5
Humlegården Fastigheter FRN 2022-06-22	71,000	71,801	0.4
Humlegården Fastigheter FRN 2024-10-07	66,000	66,336	0.4
Industrivärden FRN 2022-02-28	96,000	96,244	0.5
Jernhusen 2025-04-23	32,000	33,247	0.2
Kommuninvest 0,25% 2022-06-01	100,000	100,514	0.5
Kommuninvest 0,25% 2027-11-26	250,000	249,175	1.3
Kommuninvest 0,375% 2024-03-27	230,000	232,091	1.2
Kommuninvest 0,625% 2023-06-01	463,700	470,475	2.5
Kommuninvest 0,75% 2026-02-04	350,000	360,980	1.9
Kommuninvest 1% 2024-10-02	450,000	465,926	2.5
Kommuninvest 1% 2025-05-12	248,000	257,756	1.4
Kommuninvest 1% 2026-11-12	203,000	212,876	1.1
Länsförsäkringar 0,7275% 2022-03-07	50,000	50,318	0.3
LKAB FRN 2025-03-10	100,000	99,842	0.5
Lundbergs 0,86% 2026-09-08	76,000	76,332	0.4
Lundbergs 0,91% 2025-11-13	74,000	74,793	0.4
Lundbergs 1,337% 2023-10-24	119,000	122,071	0.6
Lundbergs FRN 2025-05-20	50,000	50,932	0.3
Nya SFF FRN 2022-02-28	58,000	57,811	0.3
SBAB FRN 2024-10-23	127,000	127,593	0.7
Scania FRN 2022-04-28	50,000	51,111	0.3
SEB Bolån 575 1,5% 2022-12-21	125,000	128,788	0.7
SEB Bolån 576 1% 2023-12-20	336,000	345,989	1.8
SEB Bolån 580 1% 2025-12-17	100,000	104,209	0.6
SEB Bolån 584 1% 2029-12-19	220,000	231,708	1.2
Skandiabanken 1,1% 2022-08-29	123,000	124,731	0.7
Skandiabanken FRN 2024-09-24	150,000	153,578	0.8
Skandiabanken FRN 2026-04-23	100,000	103,311	0.5
Södra Skogsägarna FRN 2021-06-07	100,000	100,466	0.5
Specialfastigheter 0,31% 2023-07-24	120,000	120,570	0.6
Specialfastigheter 1,125% 2024-11-28	30,000	31,050	0.2
Vasakronan 0,875% 2021-10-11	83,000	83,456	0.4
Vasakronan FRN 2023-02-15	100,000	100,950	0.5
Vasakronan FRN 2025-09-02	220,000	222,207	1.2
Volvo Treasury 0,467% 2021-08-24	100,000	100,169	0.5
Volvo Treasury FRN 2022-05-23	162,000	162,365	0.9
Volvo Treasury FRN 2022-12-08	50,000	51,421	0.3
Volvo Treasury FRN 2023-09-28	50,000	50,119	0.3
Willhem 0,93% 2021-11-01	92,000	92,548	0.5
		6,440,488	34.3
Total listed fixed-income securities		17,527,719	93.3
	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
UNLISTED FIXED-INCOME SECURITIES			
OTHER			
SKB FRN 2022-11-28	70,000	70,656	0.4
SKB FRN 2024-12-02	70,000	70,999	0.4
		141,655	0.8
Total unlisted fixed-income securities		141,655	0.8
Total transferable securities		17,669,373	94.0

Handelsbanken Långränta, cont.

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
INTEREST RATE FUTURES			
Nordeahypotek 2Y Future Mar 2021 ¹⁾	60	0	0.0
Stadshypotek 2Y Future Mar 2021 ²⁾	1,300	0	0.0
Stadshypotek 5Y Future Mar 2021 ³⁾	-1,500	0	0.0
Swe Gov Bond 10Y Future Mar 2021 ⁴⁾	-100	0	0.0
Swe Gov Bond 2Y Future Mar 2021 ⁵⁾	3,700	0	0.0
Swe Gov Bond 5Y Future Mar 2021 ⁶⁾	650	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0
Total holdings in financial instruments		17,669,373	94.0
Net, other assets and liabilities		1,127,781	6.0
Total fund capital		18,797,153	100.0

1) Interest rate futures with underlying exposure of SEK 67 259 t, which is equivalent to 0.4% of fund capital.

2) Interest rate futures with underlying exposure of SEK 1 457 901 t, which is equivalent to 7.8% of fund capital.

3) Interest rate futures with underlying exposure of SEK -1 940 120 t, which is equivalent to 10.3% of fund capital.

4) Interest rate futures with underlying exposure of SEK -159 628 t, which is equivalent to 0.8% of fund capital.

5) Interest rate futures with underlying exposure of SEK 4 175 885 t, which is equivalent to 22.2% of fund capital.

6) Interest rate futures with underlying exposure of SEK 853 530 t, which is equivalent to 4.5% of fund capital.

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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.

94.0

** 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).

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*** Refers to other financial instruments.

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Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Svenska staten	24.2	IFC	2.5
Kommuninvest	12.4	Vasakronan	2.1
Handelsbanken	8.4	DNB	1.7
Länsförsäkringar	7.2	Lundbergs	1.7
Nordea	4.3	Volvo	1.5
SEB	4.3	Electrolux	1.3
EIB	4.0	Livförsäkringsbolaget Skandia	1.3
EBRD	3.1	Hemsö	1.0
Swedbank	2.7	Humlegården Fastigheter	0.8
		SKB	0.8

* 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 Långgränta

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

Methods used in sustainability efforts

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/issuers involved in the production or distribution of nuclear weapons are also excluded.

The fund also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies/issuers that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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:

Engagement activities in collaboration with other investors

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainability on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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 past year the fund intensified the management of investments in the municipal and supranational institutions that have a clear target of being at the forefront of the transition to a more sustainable society. The fund also invested in the first green bond issued by the Swedish government and the assets will be linked to the protection of valuable nature, climate investments and railway maintenance. The framework is rated "dark green" – the highest grade – by the second-opinion provider Cicero. The fund also continued to clearly increase its holdings in Swedish climate solutions during the year through additional investments in the green bonds issued through Kommuninvest's green framework. Kommuninvest's framework for green bonds fulfils six of the Sustainable Development Goals and has joined the Green Bond Principles, Green Bonds Harmonized Framework for Impact Reporting and Nordic Public Sector Issues: Position Paper on Green Bonds Impact Reporting. The documentation for Kommuninvest's green bonds includes an independent opinion from the climate and environment research institution Cicero. Kommuninvest also publishes an annual report, Green Bonds Impact Report, that shows the effect of the green investments that are financed by this program. The fund has also continued to increase its investments in green bonds issued in SEK by international organizations such as the World Bank and the European Bank for Reconstruction and Development (EBRD), as well as in companies that have good administrative order regarding sustainability risks and leading positions in the sustainability efforts within their sectors. One example of such an investment is LKAB. The mining company is owned by the Swedish government and created a very ambitious green bond framework in the past year. LKAB is the largest iron ore producer in Europe and has a market share of 80% in Europe. The fund increased investments in a 5-year green bond that

finances measures to reduce carbon emissions within the company, which is active within a sector that accounts for significant carbon emissions worldwide. The green bond finances projects within SUM and HYBRIT, among others. SUM is an acronym for Sustainable Underground Mining and is a collaborative project between LKAB, ABB, Combitech, Epiroc and Sandvik. The collaboration aims to create an industry standard for carbon-free, digitalized and automated underground mining operations, whereby the involved parties contribute with measures to reduce carbon emissions within each area of expertise. The goal is to achieve carbon-free extraction of iron ore deeper in the mines in Kiruna and Malmberget by 2030. HYBRIT is also partly financed by the green bond that is a collaborative project between LKAB, Vattenfall and SSAB, with the goal of producing fossil-free steel-making production by 2035. Steel-making production currently creates major carbon emissions and although the emissions per ton of steel are already lower in Sweden relative to global figures, HYBRIT has the potential of reducing Sweden's total carbon emissions by 10% until 2045. The method replaces coal with fossil-free electricity and hydrogen in steel production, which results in the replacement of carbon emissions with water. Both SUM and HYBRIT are projects that actively contribute to lower carbon emissions and together will result in an even greater reduction in carbon emissions. At year-end, approximately 20% (almost SEK 4 billion) of the fund's total bond holdings were in green bonds.

The Management Company's engagement activities – Dialogues

Targeted dialogues with direct contact between our fund managers and companies

The fund did not engage in any targeted dialogues directly with companies during the year.



Handelsbanken Obligasjon

Management report

Investment focus

The fund is actively managed, whereby the portfolio 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). The fund's assets may be invested in interest-bearing financial instruments with a minimum rating of BBB- from S&P or an equivalent rating of Baa3 from Moody's, i.e., Investment grade. The fund may also invest in securities that lack an official credit rating which 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 in derivative instruments as part of the fund's investment focus. 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. We compare fund performance with ST5X, a government bond index with a fixed duration of 5 years. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund invests in financial instruments whether or not they are included in the benchmark index. Fund management is based on an ongoing assessment of the financial- and macroeconomic conditions and results in a strategic and tactical investment focus. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 5.9% in 2020*. The long-term interest rates declined sharply worldwide when uncertainty hit the financial market during Q1. Massive emergency measures were implemented to stabilize the financial markets. For example, a major QE program (bond purchase program) was launched to maintain low long-term interest rates. US and Norwegian rates began to rise after the summer. The upturn in US government rates was due to expectations of a sharp increase in the issue of government bonds going forward. The sharp upturn in prices on the housing market in Norway is expected to be problematic for Norges Bank. The central bank announced a rate hike during H1 2020. Norwegian interest rates rose significantly on the dovish interest rate signals. Long-term rates closed the year at a much lower level than in January, despite rising interest rates over the past months. A major decline in rates was the primary contribution 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 characterized 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The average residual fixed interest 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 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

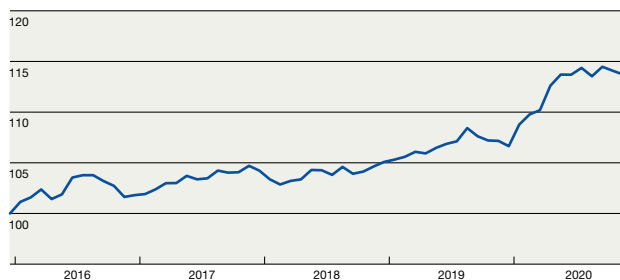
- Highest leverage during the financial year 0.0%
- Lowest leverage during the financial year 0.0%
- Average leverage during the financial year 0.0%

Information

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.

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

	2020	2019	2018	24/8-31/12 2017	2016	2015	2014	2013	2012	2011
Net asset value										
Obligasjon A1 - SEK	131.13	137.48	130.21	-	-	-	-	-	-	-
Obligasjon A1 - NOK	136.71	129.05	127.17	126.13	-	-	-	-	-	-
Obligasjon A10 - NOK	137.67	129.63	127.42	-	-	-	-	-	-	-
The fund's total net flow, NOK m	-416	356	-308	45	-	-	-	-	-	-

Handelsbanken Obligasjon, cont.

	2020	2019	2018	24/8-31/12 2017	2016	2015	2014	2013	2012	2011
Fund capital total, mNOK	1,519	1,843	1,462	1,753	-	-	-	-	-	-
Obligasjon A1 - SEK	9	11	10	-	-	-	-	-	-	-
Obligasjon A1 - NOK	740	634	609	1,753	-	-	-	-	-	-
Obligasjon A10 - NOK	770	1,198	843	-	-	-	-	-	-	-
Number of units, 1000's	11,073	14,241	11,483	13,897	-	-	-	-	-	-
Obligasjon A1 - SEK	70	81	79	-	-	-	-	-	-	-
Obligasjon A1 - NOK	5,412	4,910	4,787	13,897	-	-	-	-	-	-
Obligasjon A10 - NOK	5,591	9,250	6,617	-	-	-	-	-	-	-
Total returns in %										
Obligasjon A1 - SEK	-4.6	+5.6	+3.1	-	-	-	-	-	-	-
Obligasjon A1 - NOK	+5.9	+1.5	+0.8	+2.4	+1.8	-0.2	+9.6	+2.5	+6.8	+7.1
Obligasjon A10 - NOK	+6.2	+1.7	+1.1	-	-	-	-	-	-	-
Index including dividends in %										
Obligasjon A1 - SEK	-5.8	+6.0	+2.9	-	-	-	-	-	-	-
Obligasjon A1 - NOK	+4.6	+1.9	+0.6	+2.1	+0.3	+2.2	+9.3	-0.9	+4.0	+9.5
Obligasjon A10 - NOK	+4.6	+1.9	+0.6	-	-	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾										
Obligasjon A1 - SEK	1.9	0.7	0.5	-	-	-	-	-	-	-
Obligasjon A1 - NOK	1.9	0.7	0.5	0.8	1.4	1.4	1.6	1.8	1.9	1.4
Obligasjon A10 - NOK	1.9	0.7	0.5	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Obligasjon A1 - SEK	+0.4	+4.4	+0.1	-	-	-	-	-	-	-
Obligasjon A1 - NOK	+3.7	+1.2	+1.6	+2.1	+0.8	+4.6	+6.0	+4.6	+7.0	+6.4
Obligasjon A10 - NOK	+3.9	+1.4	+1.9	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	-0.1	+4.4	-0.2	-	-	-	-	-	-	-
NOK	+3.2	+1.2	+1.3	+1.2	+1.2	+5.7	+4.1	+1.5	+6.7	+8.0
Average yearly return, 5 yrs. %										
Obligasjon A1 - SEK	+2.6	+1.7	+2.1	-	-	-	-	-	-	-
Obligasjon A1 - NOK	+2.5	+1.3	+2.8	+3.2	+4.0	+5.1	+6.3	+5.2	+6.5	+5.6
Obligasjon A10 - NOK	+2.7	+1.5	+3.1	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+2.0	+1.8	+2.2	-	-	-	-	-	-	-
NOK	+1.9	+1.4	+2.8	+2.5	+2.9	+4.7	+5.6	+4.3	+6.6	+6.5
Average yearly return, 10 yrs. %										
Obligasjon A1 - SEK	+1.9	+2.2	+3.0	-	-	-	-	-	-	-
Obligasjon A1 - NOK	+3.8	+3.8	+4.0	+4.8	+4.8	+4.6	+5.0	+4.7	+5.7	-
Obligasjon A10 - NOK	+4.0	+4.0	+4.2	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+1.4	+2.0	+2.6	-	-	-	-	-	-	-
NOK	+3.3	+3.5	+3.6	+4.6	+4.7	+4.7	+4.8	+4.7	+6.1	-
Exchange rate NOK/SEK	0.96	1.07	1.02	1.00	-	-	-	-	-	-

1) The fund has taken the tracking error that is considered to be appropriate for the purpose of attaining the fund's active return objective. The tracking error has been slightly higher in the past year than in previous years. As a result of the pandemic, 2020 was largely dominated by significant volatility in the fixed income markets. Most notably, credit spreads widened sharply during H1. Central banks used rate cuts and quantitative support programs to support the markets. The higher volatility in the markets, particularly for periphery government bonds, led to an increase to the tracking error.

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
Costs in NOK for a one-time subscription, 10 000 NOK	
Obligasjon A1	47.43
Obligasjon A10	21.10
Costs in NOK for monthly savings, 100 NOK	
Obligasjon A1	2.99
Obligasjon A10	1.33

Fund facts - other key figures

Turnover rate	0.5
Share of turnover conducted via closely-related securities companies in %	10.2
Share of turnover conducted between funds managed by Handelsbanken Fonder AB, %	0.0

Risk and return measurements*

Total risk % - A1 SEK	9.2	Information ratio - A1 NOK	0.2
Total risk % - A1 NOK	2.7	Information ratio - A10 NOK	0.4
Total risk % - A10 NOK	2.7	Sharpe ratio - A1 SEK	0.1
Total risk in index % - A1 SEK	8.1	Sharpe ratio - A1 NOK	1.0
Total risk in index % - A1 NOK	2.6	Sharpe ratio - A10 NOK	1.1
Total risk in index % - A10 NOK	2.6	Sharpe ratio in index - A1 SEK	0.0
Benchmark	ST5X	Sharpe ratio in index - A1 NOK	0.9
Active return % - A1 SEK	0.5	Sharpe ratio in index - A10 NOK	0.9
Active return % - A1 NOK	0.5	Duration, years ¹⁾	4.9
Active return % - A10 NOK	0.7	Spread exposure %	2.6
Information ratio - A1 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.

Income statement, NOK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	64,148	-6,358
Interest income	32,961	36,442
Currency exchange profits and losses, net	287	53
Other income	-	0
Total income and changes in value	97,396	30,137
EXPENSES		
Management costs:		
- Remuneration to the Management Company	4,914	5,108
Interest expense	18	28
Other expenses	-	19
Total expenses	4,932	5,155
Net income	92,464	24,982
* Details of changes in value		
Capital gains	12,555	3,081
Capital losses	-5,375	-7,625
Unrealised gains/losses	56,968	-1,814
Sum	64,148	-6,358

Balance sheet, NOK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	1,459,977	96.1	1,809,973	98.1
Total financial instruments with positive market value^{Note 2)}	1,459,977	96.1	1,809,973	98.1
Bank assets and other liquid assets	46,101	3.0	15,709	0.9
Prepaid expenses and accrued income	13,491	0.9	17,933	0.9
Total assets	1,519,569	100.0	1,843,615	100.0
LIABILITIES				
Accrued expenses and prepaid income	415	0.0	447	0.0
Total liabilities	415	0.0	447	0.0
Fund capital^{Note 1)}	1,519,154	100.0	1,843,168	100.0

Handelsbanken Obligasjon, cont.

Note 1) for Balance sheet

Changes in fund capital, NOK thousand

	2020	2019
Fund capital at beginning of year	1,843,168	1,462,041
Units issued	677,330	930,221
Units redeemed	-1,093,808	-574,076
Profit according to Income Statement	92,464	24,982
Dividends to unit holders	-	-
Fund capital at the close of the period	1,519,154	1,843,168

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value NOK t	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, MORTGAGE			
DNB Boligkreditt 2,125% 2026-05-28	35,000	36,697	2.4
DNB Boligkreditt FRN 2024-10-16	36,000	36,127	2.4
Gjensidige Bank Bolig 3,6% 2026-05-08	19,000	21,025	1.4
Kommunalbanken 2% 2027-11-29	100,000	104,387	6.9
Nordea Eiendom 2,17% 2026-05-22	155,000	162,874	10.7
Sparebank 1 Boligkreditt 2,1% 2026-11-25	100,000	104,740	6.9
Sparebank 1 Boligkreditt 2.45% 2024-10-17	96,000	101,393	6.7
		567,242	37.3
FOREIGN ISSUER, OTHERS			
BN Bank 2,15% 2023-06-29	35,000	35,984	2.4
Bustadkr Sogn&Fjordane 2,3% 2030-06-19	90,000	95,409	6.3
Fana Sparebank 1,24% 2025-09-18	40,000	39,615	2.6
Nordea Bank FRN 2021-06-15	5,000	5,004	0.3
Obos Banken 2,48% 2024-11-15	50,000	52,214	3.4
Sparebank 1 Nord-Norge 2,45% 2024-02-22	70,000	72,825	4.8
Sparebank 1 SMN 1,4% 2026-11-17	42,000	41,547	2.7
Sparebank 1 SMN 2,39% 2024-04-16	40,000	41,574	2.7
Sparebank Ost 2,67% 2024-03-25	50,000	52,392	3.4
Sparebank Sogn&Fjordane FRN 2025-04-28	45,000	47,056	3.1
Sparebank Sor 2,44% 2024-12-23	35,000	36,547	2.4
Sparebank1 SR 2,44% 2024-01-16	25,000	25,985	1.7
Sparebanken Ost 3,13% 2025-10-13	40,000	43,117	2.8
Sparebanken Vest 2,42% 2025-06-23	20,000	20,895	1.4
		610,164	40.2
FOREIGN ISSUER, STATE			
Buskerud Fylke 2,45% 2023-06-27	40,000	42,520	2.8
Norska staten 1,375% 2030-08-19	80,000	83,008	5.5
Norska staten 1,75% 2025-03-13	6,000	6,289	0.4
Oslo kommune 2,05% 2024-10-31	20,000	20,768	1.4
Oslo kommune 2,25% 2027-06-07	60,000	63,146	4.2
Oslo kommune 2,35% 2024-09-04	3,000	3,146	0.2
Oslo kommune 2,4% 2034-11-21	20,000	21,333	1.4
Stavanger kommune 2,67% 2027-03-23	20,000	21,528	1.4
Trondheim kommune 2,142% 2025-01-16	20,000	20,832	1.4
		282,571	18.6
Total listed fixed-income securities		1,459,977	96.1
Total transferable securities		1,459,977	96.1
Total holdings in financial instruments		1,459,977	96.1
Net, other assets and liabilities		59,177	3.9
Total fund capital		1,519,154	100.0

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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. 96.1

** 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	Company/Group	% of fund capital
Norska staten	12.8	Oslo kommune	7.2
Nordea	11.0	Sparebanken Ost	6.2
Sparebank Sogn og Fjordane	9.4	Sparebank 1 SMN	5.4
		DNB	4.8

* 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 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 used in sustainability efforts

Exclusion

In accordance with the Management Company's policy for shareholder engagement and responsible investment, the fund excludes investments in:

- Companies/issuers involved in production or distribution of weapons banned under international law, such as cluster bombs, anti-personnel mines, biological and chemical weapons.
- Companies/issuers involved in production or distribution of nuclear weapons.
- Companies/issuers with turnover exceeding 5% that is attributed to coal mining or with turnover exceeding 30% that is attributed to coal power generation.

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

Inclusion

Inför varje investeringsbeslut görs en omfattande analys där hållbarhetsaspekter likväl som finansiella aspekter vägs in. För oss är hållbarhetsfrågor särskilt viktiga för att fatta bättre investeringsbeslut som kan generera en långsiktigt god avkastning. Som ett komplement till egen analys och kunskap om bolagen har vi tillgång till extern ESG-analys. Förvaltarna analyserar hållbarhet dels genom bolagets hållbarhetsprestanda (HUR de bedriver sin verksamhet) och dels genom bolagets produkter och tjänster (VAD). Hållbarhetsanalysen är en integrerad del av dokumentationen för våra investeringar och omfattar både hållbarhetsrisker och möjligheter.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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 companies

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainalytics on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as an investors have the possibility of participating with the companies concerned.

Follow-up of sustainability work

Inclusion

The fund also invested in a green bond in Sparebank1 SMN. The qualified financing categories include green housing and commercial buildings; environmental and adapted products; production technology and processes with selected sustainability certifications; electric vehicles; renewable energy and sustainable agricultural and forestry management. The estimated environmental benefits correspond to an annual reduction of 27,360 tonnes of carbon emissions.

The Management Company's engagement activities - Corporate governance

Engagement activities in collaboration with other investors

The fund did not engage in any targeted dialogues directly with companies during the year.

Engagement activities in collaboration with other investors

In 2020, the Management Company participated in a total of 125 company dialogues together with other investors. The fund did not have any investments in these companies.

Collaborations and industry initiatives

In 2020, the Management Company participated in initiatives and collaborations that totaled over 380 companies.

Portfolio Manager: KATARINA PASCHAL
Up to 30/04/2020 MIKAEL ROSELL

BASE CURRENCY



Handelsbanken Realränta

Management report

Investment focus

The fund is a fixed income fund that invests principally in index bonds to protect returns against future inflation in Sweden. The issuing states shall have a minimum credit rating of AA- in accordance with Standard & Poor's. The average remaining fixed interest duration for the fund's investments shall be a minimum of 2 years and a maximum of 15 years. 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 benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund invests in financial instruments whether or not they are included in the benchmark index. Fund management is based on an ongoing assessment of the financial- and macroeconomic conditions and results in a strategic and tactical investment focus. Additional information about the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund fell 3.1% in 2020*. Long-term Swedish real interest rates rose approximately 20bp during the year, which had a negative impact on fund returns. The year has been dominated by the corona virus and its impact on the economy. A declining oil price and a rapidly rising rate of unemployment drove down the market's inflation expectations until May. Positive news about the vaccine and rising oil prices subsequently contributed to a rise in the inflation expectations, and the so-called break-even spread (the market's inflation expectations) closed the year at 1.4%. The 10-year real rate closed the year at -1.50%. Fund investments closely reflected benchmark index, OMRX Real Return Index, during 2020.

*) 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 characterized 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The average residual fixed

interest 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 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

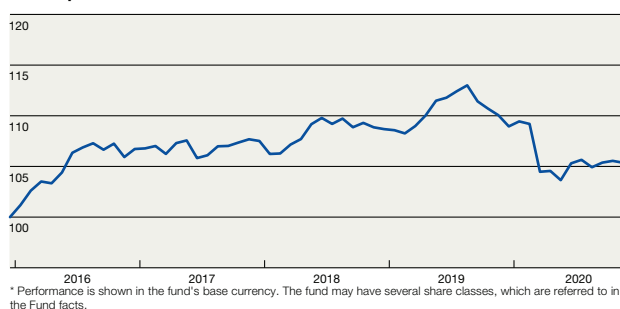
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund did not use this option during 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

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

Information

Information 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*



Fund facts - history

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net asset value, SEK										
Realränta A1	117.28	120.98	120.68	119.38	118.50	111.04	109.56	102.69	108.75	110.56
Realränta A9	97.51	-	-	-	-	-	-	-	-	-
Realränta A10	118.27	121.63	120.97	-	-	-	-	-	-	-
Realränta B1	105.25	108.57	109.95	109.32	111.30	105.85	105.99	100.84	108.75	-
The fund's total net flow, SEK m	1,401	81	109	-1,609	263	415	1,003	-527	-2,156	-
Fund capital total, SEK m	2,006	601	521	409	2,025	1,639	1,218	142	696	2,848
Realränta A1	817	551	477	341	2,025	1,639	1,218	142	696	2,848
Realränta A9	2	-	-	-	-	-	-	-	-	-
Realränta A10	1,107	2	0	-	-	-	-	-	-	-
Realränta B1	80	48	44	68	0	0	0	0	0	-
Number of units, 1000's	17,105	5,015	4,356	3,477	17,090	14,762	11,115	1,381	6,399	25,757
Realränta A1	6,965	4,553	3,952	2,853	17,090	14,762	11,115	1,381	6,399	25,757
Realränta A9	23	-	-	-	-	-	-	-	-	-
Realränta A10	9,357	17	4	-	-	-	-	-	-	-
Realränta B1	760	445	400	623	0	0	0	0	0	-
Total returns in %, SEK										
Realränta A1	-3.1	+0.2	+1.1	+0.7	+6.7	+1.4	+6.7	-5.6	+0.6	+12.0
Realränta A9	-2.5	-	-	-	-	-	-	-	-	-
Realränta A10	-2.8	+0.5	+1.4	-	-	-	-	-	-	-
Realränta B1	-3.1	+0.2	+1.1	+0.7	+6.7	+1.4	+6.7	-5.6	+0.8	-

Handelsbanken Realränta, cont.

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Index including dividends in %, SEK										
Realränta A1	-2.6	+0.8	+1.5	+1.0	+7.2	+1.8	+7.4	-5.2	+0.8	+12.7
Realränta A9	-2.2	-	-	-	-	-	-	-	-	-
Realränta A10	-2.6	+0.8	+1.5	-	-	-	-	-	-	-
Realränta B1	-2.6	+0.8	+1.5	+1.0	+7.2	+1.8	+7.4	-5.2	+0.8	-
Tracking error, 2 yrs. % ¹⁾										
Realränta A1	0.3	0.2	0.6	0.6	0.2	0.3	0.3	0.7	0.8	-
Realränta A10	0.3	0.2	0.6	-	-	-	-	-	-	-
Realränta B1	0.3	0.2	0.6	0.6	0.2	0.3	0.3	-	0.8	-
Average yearly return, 2 yrs. %										
Realränta A1	-1.4	+0.7	+0.9	+3.7	+4.0	+4.0	+0.4	-2.5	+6.2	-
Realränta A10	-1.1	+1.0	+1.2	-	-	-	-	-	-	-
Realränta B1	-1.4	+0.7	+0.9	+3.7	+4.0	+4.0	+0.4	-	-	-
Comparison to index including dividends, %	-0.9	+1.2	+1.3	+4.1	+4.5	+4.6	+0.9	-2.2	+6.6	-
Average yearly return, 5 yrs. %										
Realränta A1	+1.1	+2.0	+3.3	+1.9	+1.9	+2.8	-	-	-	-
Realränta A10	+1.4	+2.3	+3.6	-	-	-	-	-	-	-
Realränta B1	+1.1	+2.0	+3.3	+1.9	-	-	-	-	-	-
Comparison to index including dividends, %	+1.6	+2.4	+3.8	+2.3	+2.3	+3.3	-	-	-	-
Average yearly return, 10 yrs. %										
Realränta A1	+2.0	-	-	-	-	-	-	-	-	-
Realränta A10	+2.3	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+2.4	-	-	-	-	-	-	-	-	-
Dividends per unit, SEK										
Realränta A1	-	-	-	-	-	-	-	-	2.46	0.25
Realränta B1	0.00	1.65	0.55	2.78	1.59	1.59	1.51	1.90	-	-

1) The fund has taken the tracking error that is considered to be appropriate for the purpose of attaining the fund's active return objective. The tracking error has been slightly higher in the past year than in previous years. As a result of the pandemic, 2020 was largely dominated by significant volatility in the fixed income markets. Most notably, credit spreads widened sharply during H1. Central banks used rate cuts and quantitative support programs to support the markets. The higher volatility in the markets led to an increase to the tracking error.

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 A9	0.20
Realränta A10	0.10
Realränta B1	0.40
Collected mgmt. costs in % of average fund capital	
Realränta A1	0.40
Realränta A9	0.20
Realränta A10	0.10
Realränta B1	0.40
Annual fees in %	
Realränta A1	0.40
Realränta A9	0.20
Realränta A10	0.10
Realränta B1	0.40
Transaction costs, SEK thousand	0
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Realränta A1	38.91
Realränta A9	-
Realränta A10	9.74
Realränta B1	38.91
Costs in SEK for monthly savings, 100 SEK	
Realränta A1	2.58
Realränta A9	-
Realränta A10	0.64
Realränta B1	2.58

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	4.0	Information ratio - A10 SEK	Negative
Total risk % - A10 SEK	4.0	Information ratio - B1 SEK	Negative
Total risk % - B1 SEK	4.0	Sharpe ratio - A1 SEK	-0.3
Total risk in index % - A1 SEK	4.1	Sharpe ratio - A10 SEK	-0.2
Total risk in index % - A10 SEK	4.1	Sharpe ratio - B1 SEK	-0.3
Total risk in index % - B1 SEK	4.1	Sharpe ratio in index - A1 SEK	-0.1
Benchmark	OMRX REAL	Sharpe ratio in index - A10 SEK	-0.1
Active return % - A1 SEK	-0.5	Sharpe ratio in index - B1 SEK	-0.1
Active return % - A10 SEK	-0.2	Duration, years ¹⁾	6.3
Active return % - B1 SEK	-0.5	Spread exposure %	0.0
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, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	-4,844	-6,836
Interest income	11,094	8,251
Other income	0	0
Total income and changes in value	6,250	1,415
EXPENSES		
Management costs:		
- Remuneration to the Management Company	3,240	2,369
Interest expense	8	3
Other expenses	0	-
Total expenses	3,248	2,371
Net income	3,001	-957
* Details of changes in value		
Capital gains	1,235	8,635
Capital losses	-6,336	-14,636
Unrealised gains/losses	257	-836
Sum	-4,844	-6,836

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	1,998,529	99.7	601,596	100.1
Total financial instruments with positive market value ^{Note 2)}	1,998,529	99.7	601,596	100.1
Bank assets and other liquid assets	5,243	0.3	-2,287	-0.4
Prepaid expenses and accrued income	3,648	0.2	1,135	0.2
Other assets	1,103	-0.1	944	0.1
Total assets	2,008,523	100.1	601,389	100.0
LIABILITIES				
Accrued expenses and prepaid income	398	0.0	206	0.0
Other liabilities	2,488	0.1	-	-
Total liabilities	2,886	0.1	206	0.0
Fund capital ^{Note 1)}	2,005,637	100.0	601,182	100.0

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	601,182	521,416
Units issued ¹⁾	1,919,101	501,132
Units redeemed ¹⁾	-517,647	-419,743
Profit according to Income Statement	3,001	-957
Dividends to unit holders	-	-666
Fund capital at the close of the period	2,005,637	601,182

1) Of which SEK 7 258 t relates to internal moves between share classes

Handelsbanken Realränta, cont.

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
LISTED FIXED-INCOME SECURITIES			
GOVERNMENT			
Statsobligation 3104 3,5% 2028-12-01	256,900	481,163	24.0
Statsobligation 3108 0,25% 2022-06-01	276,800	304,901	15.2
Statsobligation 3109 1% 2025-06-01	293,900	351,828	17.5
Statsobligation 3111 0,125% 2032-06-01	199,800	258,102	12.9
Statsobligation 3112 0,125% 2026-06-01	242,100	284,482	14.2
Statsobligation 3113 0,125% 2027-12-01	180,800	214,622	10.7
Statsobligation 3114 0,125% 2030-06-01	88,500	103,432	5.2
		1,998,529	99.7
Total listed fixed-income securities		1,998,529	99.7
Total transferable securities		1,998,529	99.7
Total holdings in financial instruments		1,998,529	99.7
Net, other assets and liabilities		7,108	0.4
Total fund capital		2,005,637	100.0

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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.

99.7

** 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.

-

Compilation, Company and Group exposure*

Company/Group	% of fund capital
Svenska staten	99.7

* 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 Realränta

Sustainability dimensions taken into consideration in the management of the fund

The fund invests exclusively in real and nominal government bonds, as well as government debt securities issued by the Swedish government.

The fund is not permitted to invest in corporate credits due to its investment focus, which by definition means that controversial sectors are excluded.

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 bombs, 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 war materials, 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 portfolio 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. The fund's assets may be invested in interest-bearing financial instruments with a minimum rating of AA- from S&P or an equivalent rating of Aa3 from Moody's. The fund may also invest in securities that lack an official credit rating which 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 with the fossil fuel, 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. The fund may invest in derivative instruments as part of the fund's investment focus. The fund may invest a maximum of 10% of fund capital in fund units. We compare the fund's performance to an index consisting of HMNI Swe All Government Dur Const 5Y (50%), HMNI Swe All Mortgage Dur Const 2.5Y (30%), HMNI Swe Government Dur Const 1Y (20%). The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund invests in financial instruments whether or not they are included in the benchmark index. Fund management is based on an ongoing assessment of the financial- and macroeconomic conditions and results in a strategic and tactical investment focus. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the sustainability work, the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund rose 0.9% in 2020*. The financial markets were dominated primarily by concerns about the spread of the corona virus, subsequent closures in economies and massive support measures that focused on trying to compensate for the financial shortfall in companies and households. The US presidential election and Brexit also contributed to a heightened level of uncertainty during the autumn. The uncertainty about how states, companies, households and financial players will manage the crisis remains high, although many economies have recently begun to reopen and the outlook is slightly more optimistic. The positive news about a vaccine has been a key factor for sentiment. The Federal Reserve took early action during the crisis to counteract the tensions arising in the USD market by injecting large quantities of liquidity both domestically and globally. Interest rates were also cut close to zero and the Fed has implemented major asset purchases. The ECB left the key rate unchanged at -0.5%, expanded its existing program for asset purchases (APP) and launched a specific program to purchase assets for EUR 1,350 billion (PEPP). The extensive fiscal support measures in Sweden have also been supplemented by a zero interest rate and major asset purchases (QE) from the Riksbank. The Riksbank's asset purchases now also include mortgage-, municipal-, and corporate bonds. Monetary stimulus has also been supplemented by substantial fiscal stimulus measures. Swedish short-term rates have traded at a relatively stable level, with the exception of a short period in March. Following the turbulence in March, the fund

increased its exposure to mortgage bonds and bonds issued by Swedish municipalities. During the autumn the fund also added protection for a potential increase in inflation during 2021. However, the fund retained an overweight in long-term Swedish government bonds, partly due to the high uncertainty as well as due to the assessment that Swedish rates are considered to be relatively low compared to equivalent German rates. We also increased the holdings in green bonds, for example in Swedish municipalities, which currently total just over 20% of the fund. In addition to contributing positively to relative returns, we believe these holdings have 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 characterized 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The average residual fixed interest 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 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

• Highest leverage during the financial year	65.4%
• Lowest leverage during the financial year	0.0%
• Average leverage during the financial year	32.9%

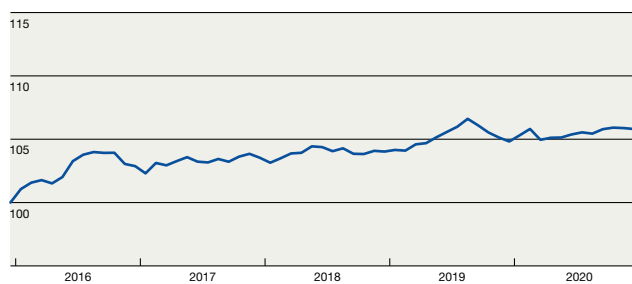
Information

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.

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 Rånteavkastning, 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

	2020	2019	2018	2017	2016	2015	26/9-31/12 2014	2013	2012	2011
Net asset value, SEK										
Rånteavkastning A1	1,935.01	1,917.01	1,902.48	1,893.50	1,881.43	1,828.85	1,840.57	-	-	-
Rånteavkastning A9	100.93	-	-	-	-	-	-	-	-	-
Rånteavkastning A10	1,940.44	1,920.46	1,904.01	-	-	-	-	-	-	-
Rånteavkastning B1	1,154.51	1,149.46	1,146.46	1,146.00	1,170.29	1,162.74	1,202.45	-	-	-
The fund's total net flow, SEK m	1,269	-1,329	1,918	2,956	1,069	1,612	325	-	-	-
Fund capital total, SEK m	14,427	13,033	14,241	12,264	9,247	7,956	6,419	-	-	-
Rånteavkastning A1	12,394	10,919	12,070	10,542	8,176	7,300	6,026	-	-	-
Rånteavkastning A9	12	-	-	-	-	-	-	-	-	-
Rånteavkastning A10	219	374	395	-	-	-	-	-	-	-
Rånteavkastning B1	1,801	1,721	1,753	1,722	1,071	656	393	-	-	-
Number of units, 1000's	8,195	7,404	8,101	7,070	5,261	4,556	3,601	-	-	-
Rånteavkastning A1	6,405	5,695	6,344	5,567	4,346	3,992	3,274	-	-	-
Rånteavkastning A9	116	-	-	-	-	-	-	-	-	-
Rånteavkastning A10	113	195	208	-	-	-	-	-	-	-
Rånteavkastning B1	1,560	1,498	1,529	1,503	915	564	327	-	-	-
Total returns in %, SEK										
Rånteavkastning A1	+0.9	+0.8	+0.5	+0.6	+2.9	-0.6	+4.7	+0.9	+3.7	+7.5
Rånteavkastning A9	+0.9	-	-	-	-	-	-	-	-	-
Rånteavkastning A10	+1.0	+0.9	+0.6	-	-	-	-	-	-	-
Rånteavkastning B1	+0.9	+0.8	+0.4	+0.4	+2.7	-0.8	+4.6	+0.9	+3.7	+7.5
Index including dividends in %, SEK										
Rånteavkastning A1	+0.6	+0.7	+0.4	0.0	+1.9	+0.4	+6.2	+0.1	+2.4	+7.9
Rånteavkastning A9	+0.6	-	-	-	-	-	-	-	-	-
Rånteavkastning A10	+0.6	+0.7	+0.4	-	-	-	-	-	-	-
Rånteavkastning B1	+0.6	+0.7	+0.4	0.0	+1.9	+0.4	+6.2	+0.1	+2.4	+7.9
Tracking error, 2 yrs. % ¹⁾										
Rånteavkastning A1	0.4	0.2	0.2	0.4	1.0	1.1	0.9	0.8	0.6	0.2
Rånteavkastning A10	0.4	0.2	0.2	-	-	-	-	-	-	-
Rånteavkastning B1	0.4	0.2	0.2	0.4	1.0	1.1	0.9	-	-	-
Average yearly return, 2 yrs. %										
Rånteavkastning A1	+0.9	+0.6	+0.6	+1.8	+1.1	+2.0	+2.8	+2.3	+5.6	+4.4
Rånteavkastning A10	+1.0	+0.7	+0.7	-	-	-	-	-	-	-
Rånteavkastning B1	+0.9	+0.6	+0.4	+1.5	+0.9	+1.8	+2.7	+2.3	+5.6	+4.4
Comparison to index including dividends, %	+0.6	+0.6	+0.2	+1.0	+1.1	+3.3	+3.1	+1.2	+5.1	+4.7
Average yearly return, 5 yrs. %										
Rånteavkastning A1	+1.1	+0.8	+1.6	+1.7	+2.3	+3.2	+3.6	+3.1	+5.0	+4.5
Rånteavkastning A10	+1.2	+0.9	+1.7	-	-	-	-	-	-	-
Rånteavkastning B1	+1.0	+0.7	+1.4	+1.5	+2.2	+3.1	+3.6	+3.1	+5.0	+4.5
Comparison to index including dividends, %	+0.7	+0.7	+1.8	+1.7	+2.2	+3.3	+3.6	+2.8	+5.0	+4.9
Average yearly return, 10 yrs. %										
Rånteavkastning A1	+2.2	+2.2	+2.3	+3.3	+3.4	+3.2	+3.7	+3.8	+4.1	+4.4
Rånteavkastning A10	+2.3	+2.3	+2.4	-	-	-	-	-	-	-
Rånteavkastning B1	+2.1	+2.1	+2.3	+3.2	+3.3	+3.2	+3.6	+3.8	+4.1	+4.4
Comparison to index including dividends, %	+2.0	+2.1	+2.3	+3.3	+3.5	+3.5	+3.9	+3.9	+4.4	+4.9
Dividends per unit, SEK										
Rånteavkastning A1	-	-	-	-	-	-	-	-	-	-
Rånteavkastning B1	5.75	5.73	4.58	29.26	23.25	30.06	-	-	-	-

1) The fund has taken the tracking error that is considered to be appropriate for the purpose of attaining the fund's active return objective. The tracking error has been slightly higher in the past year than in previous years. As a result of the pandemic, 2020 was largely dominated by significant volatility in the fixed income markets. Most notably, credit spreads widened sharply during H1. The increased market volatility also contributed to the widening of spreads for bonds with high credit worthiness such as mortgage and municipal bonds. Central banks used rate cuts and quantitative support programs to support the markets, which resulted in a narrowing of credit spreads in H2. The higher volatility in the markets led to an increase to the tracking error. Interest rate fluctuations also contributed to increased volatility with regard to the fund's positions.

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.

Handelsbanken Rånteavkastning, cont.

Fund facts - costs

Max. allowed mgmt. costs in % according to fund rules	
Rånteavkastning A1	0.30
Rånteavkastning A9	0.25
Rånteavkastning A10	0.20
Rånteavkastning B1	0.30
Collected mgmt. costs in % of average fund capital	
Rånteavkastning A1	0.30
Rånteavkastning A9	0.25
Rånteavkastning A10	0.20
Rånteavkastning B1	0.30
Annual fees in %	
Rånteavkastning A1	0.30
Rånteavkastning A9	0.25
Rånteavkastning A10	0.20
Rånteavkastning B1	0.30
Transaction costs, SEK thousand	1,205
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Rånteavkastning A1	30.21
Rånteavkastning A9	-
Rånteavkastning A10	20.15
Rånteavkastning B1	30.21
Costs in SEK for monthly savings, 100 SEK	
Rånteavkastning A1	1.96
Rånteavkastning A9	-
Rånteavkastning A10	1.31
Rånteavkastning B1	1.97

Fund facts - other key figures

Turnover rate	0.5
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 % - A1 SEK	1.3	Information ratio - A10 SEK	0.7
Total risk % - A10 SEK	1.3	Information ratio - B1 SEK	0.5
Total risk % - B1 SEK	1.3	Sharpe ratio - A1 SEK	1.0
Total risk in index % - A1 SEK	1.2	Sharpe ratio - A10 SEK	1.1
Total risk in index % - A10 SEK	1.2	Sharpe ratio - B1 SEK	1.0
Total risk in index % - B1 SEK	1.2	Sharpe ratio in index - A1 SEK	0.9
Benchmark	HMSD5 Sweden All	Sharpe ratio in index - A10 SEK	0.9
	Government Dur Const 5y	Sharpe ratio in index - B1 SEK	0.9
	50%, HMSMD25 Sweden	Duration, years ¹⁾	4.1
	All Mortgage Dur Const	Spread exposure %	1.4
	2,5y 30%, HMT27 Swe		
	Government Dur Const 1Y		
	20%		
Active return % - A1 SEK	0.2		
Active return % - A10 SEK	0.3		
Active return % - B1 SEK	0.2		
Information ratio - A1 SEK	0.5		

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, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities *	67,132	27,640
Changes in value for other derivative instruments **	-42,626	-41,722
Interest income	143,992	181,280
Other income	0	202
Total income and changes in value	168,498	167,400
EXPENSES		
Management costs:		
- Remuneration to the Management Company	40,068	41,480
Interest expense	271	224
Other expenses	1,600	1,543
Total expenses	41,939	43,247
Net income	126,558	124,153
* Details of changes in value		
Capital gains	39,023	76,533
Capital losses	-94,753	-43,301
Unrealised gains/losses	122,862	-5,591
Sum	67,132	27,640
** Details of changes in value		
Capital gains	61,576	585,146
Capital losses	-94,444	-625,262
Unrealised gains/losses	-9,758	-1,606
Sum	-42,626	-41,722

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	13,836,572	95.9	12,157,519	93.2
Total financial instruments with positive market value ^{Note 2)}	13,836,572	95.9	12,157,519	93.2
Bank assets and other liquid assets	539,776	3.7	815,514	6.3
Prepaid expenses and accrued income	54,072	0.4	63,159	0.5
Other assets	1	0.0	-	-
Total assets	14,430,421	100.0	13,036,192	100.0
LIABILITIES				
Accrued expenses and prepaid income	3,697	0.0	3,342	0.0
Total liabilities	3,697	0.0	3,342	0.0
Fund capital ^{Note 1)}	14,426,723	100.0	13,032,850	100.0
Other derivative instruments with negative market value ¹⁾	33,119	0.2	46,753	0.4

¹⁾ Cash and cash equivalents SEK 33 119 t

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	13,032,850	14,241,111
Units issued ¹⁾	4,034,777	4,088,560
Units redeemed ¹⁾	-2,758,755	-5,412,261
Profit according to Income Statement	126,558	124,153
Dividends to unit holders	-8,707	-8,713
Fund capital at the close of the period	14,426,723	13,032,850

¹⁾ Of which SEK 24 794 t relates to internal moves between share classes

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, MORTGAGE			
DNB Boligkredit FRN 2025-09-03 B	250,000	256,298	1.8
		256,298	1.8
FOREIGN ISSUER, OTHERS			
Nykredit FRN 2022-10-01	225,000	227,642	1.6
		227,642	1.6
FOREIGN ISSUER, STATE			
EBRD 0,25% 2025-01-24	100,000	100,261	0.7
EBRD 0,477% 2024-01-18	200,000	202,106	1.4
EIB 0,875% 2025-01-30	150,000	154,329	1.1
EIB 0,125 2026-09-21	75,000	74,460	0.5
EIB 0,125% 2023-01-17	200,000	200,336	1.4
EIB 0,375% 2030-09-17	300,000	295,527	2.0
IBRD 0,4325 2026-11-12	230,000	232,105	1.6
IBRD 0,5% 2023-10-10	125,000	126,364	0.9
IFC 0,0225% 2026-09-03	250,000	245,750	1.7
IFC 1,13% 2029-11-12	184,000	193,071	1.3
IFC 1,25% 2027-04-05	150,000	158,243	1.1
NIB 0,1% 2025-10-13	120,000	119,266	0.8
NIB 0,125% 2023-04-11	140,000	140,193	1.0
		2,242,010	15.5
GOVERNMENT			
Göteborgs stad 0,373% 2025-02-25	120,000	121,093	0.8
Göteborgs stad FRN 2026-11-18	61,000	64,323	0.4
Jönköpings kommun 0,26% 2025-08-27	150,000	150,470	1.0
Jönköpings kommun 0,983% 2024-06-20	100,000	102,985	0.7
Malmö kommun FRN 2025-03-14	65,000	67,579	0.5
Örebro kommun FRN 2023-11-20	50,000	51,035	0.4
Östersunds kommun FRN 2024-09-18	69,000	71,441	0.5
Östersunds kommun FRN 2025-06-23	55,000	56,703	0.4
Region Skåne 0,67% 2024-02-05	250,000	254,515	1.8
Statsobligation 0,125% 2030-09-09	110,000	111,724	0.8
Statsobligation 1053 3,5% 2039-03-30	447,650	696,848	4.8
Statsobligation 1054 3,5% 2022-06-01	100	105	0.0
Statsobligation 1056 2,25% 2032-06-01	172,200	214,387	1.5
Statsobligation 1057 1,5% 2023-11-13	100	105	0.0
Statsobligation 1058 2,5% 2025-05-12	15,100	16,948	0.1
Statsobligation 1059 1% 2026-11-12	100	107	0.0
Statsobligation 1060 0,75% 2028-05-12	100	107	0.0
Statsobligation 1061 0,75% 2029-11-12	35,000	37,543	0.3
Statsobligation 1062 0,125% 2031-05-12	180,000	181,748	1.3
Statsobligation 1063 0,5% 2045-11-24	90,000	90,000	0.6
Statsobligation 3104 3,5% 2028-12-01	40,000	74,918	0.5
Statsobligation 3109 1% 2025-06-01	50,000	59,855	0.4
Statsobligation 3112 0,125% 2026-06-01	145,000	170,384	1.2
Statsobligation 3113 0,125% 2027-12-01	30,000	35,612	0.2
Statsobligation 3114 0,125% 2030-06-01	80,000	93,498	0.6
Stockholms stad 0,675% 2022-02-15	143,000	144,067	1.0
Stockholms stad 0,9% 2021-02-26	100,000	100,122	0.7
Stockholms stad 1,85% 2024-11-12	100,000	106,621	0.7
Stockholms stad FRN 2025-12-01	100,000	104,617	0.7
Sundsvalls kommun FRN 2024-10-22	100,000	103,631	0.7
		3,283,091	22.8

Handelsbanken Rånteavkastning, cont.

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
MORTGAGE			
Länsförsäkringar Hyp 515 2,25% 2022-09-21	120,000	124,734	0.9
Länsförsäkringar Hyp 518 1,25% 2025-09-17	194,000	204,173	1.4
Länsförsäkringar Hyp 519 1,5% 2026-09-16	350,000	375,872	2.6
Länsförsäkringar Hyp 520 1% 2027-09-15	100,000	104,932	0.7
Nordea Hypotek 5531 1% 2022-04-08	150,000	152,019	1.1
Nordea Hypotek 5533 1,25% 2023-09-20	216,000	223,450	1.5
Nordea Hypotek 5534 1% 2024-09-18	345,000	357,016	2.5
Nordea Hypotek 5535 1% 2025-09-17	200,000	208,148	1.4
SCBC 147 2% 2026-06-17	200,000	219,734	1.5
SCBC 151 1% 2030-06-12	50,000	52,677	0.4
Stadshypotek 1586 4,5% 2022-09-21	119,000	128,280	0.9
Stadshypotek 1587 1,5% 2023-06-01	177,000	183,579	1.3
Stadshypotek 1590 1% 2025-09-03	126,000	131,121	0.9
Stadshypotek 1591 0,5% 2026-06-01	100,000	101,752	0.7
Stadshypotek 1594 2% 2028-09-01	361,000	407,111	2.8
Stadshypotek FRN 2023-08-03	256,000	263,649	1.8
Swedbank Hypotek 192 1% 2023-03-15	200,000	204,598	1.4
Swedbank Hypotek FRN 2024-01-29	300,000	309,036	2.1
		3,751,881	26.0

OTHER			
Kommuninvest 0,25% 2022-06-01	50,000	50,257	0.3
Kommuninvest 0,25% 2027-11-26	200,000	199,340	1.4
Kommuninvest 0,375% 2024-03-27	190,000	191,727	1.3
Kommuninvest 0,625% 2023-06-01	221,000	224,229	1.6
Kommuninvest 0,75% 2023-02-22	350,000	356,055	2.5
Kommuninvest 0,75% 2026-02-04	300,000	309,411	2.1
Kommuninvest 1% 2024-10-02	150,000	155,309	1.1
Kommuninvest 1% 2025-05-12	315,000	327,392	2.3
Kommuninvest 1% 2026-11-12	94,000	98,573	0.7
Landshypotek 0,615% 2025-11-18	110,000	111,975	0.8
Landshypotek 0,7% 2022-05-09	160,000	161,411	1.1
Landshypotek 0,75% 2023-05-25	205,000	208,323	1.4
Landshypotek FRN 2021-10-25	73,000	73,415	0.5
Landshypotek FRN 2024-08-14	230,000	237,514	1.6
Landshypotek FRN 2025-03-17	250,000	259,378	1.8
Landshypotek FRN 2026-06-15	200,000	209,684	1.5
SEB Bolån 574 1,5% 2021-12-15	101,500	103,011	0.7
SEB Bolån 575 1,5% 2022-12-21	75,000	77,273	0.5
SEB Bolån 576 1% 2023-12-20	408,000	420,130	2.9
SEB Bolån 584 1% 2029-12-19	100,000	105,322	0.7
		3,879,727	26.9
Total listed fixed-income securities		13,640,648	94.6

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
UNLISTED FIXED-INCOME SECURITIES			
OTHER			
Linköping stad 0,933% 2023-11-22	192,000	195,924	1.4
		195,924	1.4
Total unlisted fixed-income securities		195,924	1.4
Total transferable securities		13,836,572	95.9

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
EXCHANGE-TRADED DERIVATIVES**			
INTEREST RATE FUTURES			
Nordeahypotek 2Y Future Mar 2021 ¹⁾	150	0	0.0
Stadshypotek 2Y Future Mar 2021 ²⁾	850	0	0.0
Stadshypotek 5Y Future Mar 2021 ³⁾	-1,000	0	0.0
Swe Gov Bond 10Y Future Mar 2021 ⁴⁾	-350	0	0.0
Swe Gov Bond 2Y Future Mar 2021 ⁵⁾	2,800	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0
Total holdings in financial instruments		13,836,572	95.9
Net, other assets and liabilities		590,151	4.1
Total fund capital		14,426,723	100.0

¹⁾ Interest rate futures with underlying exposure of SEK 168 147 t, which is equivalent to 1.2% of fund capital.

²⁾ Interest rate futures with underlying exposure of SEK 953 243 t, which is equivalent to 6.6% of fund capital.

³⁾ Interest rate futures with underlying exposure of SEK -1 293 413 t, which is equivalent to 9.0% of fund capital.

⁴⁾ Interest rate futures with underlying exposure of SEK -558 698 t, which is equivalent to 3.9% of fund capital.

⁵⁾ Interest rate futures with underlying exposure of SEK 3 160 130 t, which is equivalent to 21.9% of fund capital.

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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. -

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Kommuninvest	13.3	Swedbank	3.5
Svenska staten	12.7	Stockholms stad	3.1
Landshypotek	8.7	IFC	3.0
Handelsbanken	8.4	IBRD	2.5
Nordea	6.5	EBRD	2.1
Länsförsäkringar	5.6	NIB	1.8
EIB	5.0	Jönköpings kommun	1.7
SEB	4.8	Göteborgs stad	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 Ränteavkastning

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.

The fund excludes companies that violate international norms and conventions, as well as companies active within controversial sectors in accordance with the criteria specified below.

Methods used in sustainability efforts

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/issuers involved in the production or distribution of nuclear weapons are also excluded.

The fund also excludes* controversial sectors such as alcohol, tobacco, cannabis, commercial gambling, weapons and war materials, pornography and fossil fuels. An exception can be made for a period of time to the principle of excluding fossil fuels if a company within the energy sector meets our requirements for a transition company. This refers to companies that are transitioning business operations in a more sustainable direction, such as fossil energy production to renewable energy.

The fund also excludes companies/issuers that are regarded as contravening international norms and conventions regarding human rights, labor law, the environment and anti-corruption.

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

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 analyze 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.

The Management Company's engagement activities - Dialogues

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 support. We engage in 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:

Engagement activities in collaboration with other investors

Targeted company dialogues are conducted for the actively-managed funds with direct contact between the fund manager and 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.

Engagement activities in collaboration with other investors

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

Engagement activities through external providers/consultants

The Management Company participates in proactive, thematic dialogues led by Sustainalytics on behalf of the fund. The Management Company is currently active in two thematic dialogues: one linked to human rights and Modern Slavery and a second in an initiative related to taxation. The dialogue process includes physical as well as digital meetings in which we as investors have the possibility of participating with the companies concerned.

Collaborations and industry initiatives

The Management Company participates 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 Sustainable Palm Oil and PRI-Ceres Sustainable Forests.

** In accordance with the Swedish Investment Fund Association's definition of "Exclusion", a maximum of 5% 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 past year the fund intensified the management of investments in the municipal and supranational institutions that have a clear target of being at the forefront of the transition to a more sustainable society. The fund also invested in the first green bond issued by the Swedish government and the assets will be linked to the protection of valuable nature, climate investments and railway maintenance. The framework is rated "dark green" – the highest grade – by the second-opinion provider Cicero. The fund also continued to clearly increase its holdings in Swedish climate solutions during the year through additional investments in the green bonds issued through Kommuninvest's green framework. Kommuninvest's framework for green bonds fulfils six of the Sustainable Development Goals and has joined the Green Bond Principles, Green Bonds Harmonized Framework for Impact Reporting and Nordic Public Sector Issues: Position Paper on Green Bonds Impact Reporting. The documentation for Kommuninvest's green bonds includes an independent opinion from the climate and environment research institution Cicero. Kommuninvest also publishes an annual report, Green Bonds Impact Report, that shows the effect of the green investments that are financed by this program. The fund has also continued to increase its investments in a number of the green bonds issued by other public authorities, such as Göteborg's sStad, Östersund's Stad and Region Skåne, as well as in green bonds issued in SEK by international organizations such as the World Bank and the European Bank for Reconstruction and Development (EBRD). At year-end, approximately 22% (almost SEK 3.3 billion) of the fund's total bond holdings were in green bonds.

The Management Company's engagement activities – Dialogues

Targeted dialogues with direct contact between our fund managers and companies

The fund did not engage in any targeted dialogues directly with companies during the year.

Engagement activities in collaboration with other investors

In 2020, the Management Company participated in a total of 125 company dialogues together with other investors. The fund invested in one of these companies.

A dialogue was conducted with Swedbank regarding their management of risks associated with money laundering.

Collaborations and industry initiatives

In 2020, the Management Company participated in initiatives and collaborations that included over 380 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 in derivative instruments as part of the fund's investment focus. 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. The benchmark index is relevant since it reflects the fund's investment universe as it is described in the fund's investment focus. The fund invests in financial instruments whether or not they are included in the benchmark index. Fund management is based on an ongoing assessment of the financial- and macroeconomic conditions and results in a strategic and tactical investment focus. Given that the fund is actively managed, returns will deviate from this index over time. Additional information about the share class designation in parentheses and the management in relation to the funds benchmark index and risk level, may be found in the prospectus.

Portfolio

The fund fell 11.3% in 2020*. Emerging market rates contributed positively to returns in 2020, partly through coupon rates as well as a result of declining rates in emerging markets when central banks worldwide cut interest rates to stimulate economies due to the negative effects of the pandemic. However, emerging market currencies contributed negatively to returns, when Latin America and EMEA in particular weakened sharply against the SEK. Asian currencies, primarily the Chinese yuan, held up relatively well against the SEK given the early onset of the pandemic and a relatively rapid recovery. Currency futures were among the strongest contributors during the year, in which the fund took a long position in USD against emerging market currencies at the end of February when the pandemic emerged in Europe. Shorter bonds in South Africa and Mexico also contributed positively when the central banks cut rates, which caused short-term rates to decline. Bonds also have higher coupon rates, which compensated for weaker currencies against the SEK during the year. Longer bonds in countries such as Russia, Brazil and South Africa contributed negatively, due to the steep curves during the pandemic. The supply of bonds increased sharply to finance budget deficits, which justifies higher risk premiums further out on the interest rate curves. During the year the portfolio took a defensive position through short durations, a higher share of cash than normal and currency positions in USD when Covid-19 began to spread on a global scale. Since then, the risk has been gradually increased in the portfolio in conjunction with the recovery, initially in China which was early in the recovery. The risk level was increased further after the US election in November and after positive news about the vaccine, given that valuations were attractive and the positions among foreign investors were low. Flows began to return in Q4 when valuations and positions continued to appear attractive for emerging market bonds and currencies.

*) 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 characterized 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 fixed interest duration has a higher interest rate risk than a fund that invests in interest-bearing instruments with a shorter residual fixed interest duration. The average residual fixed interest duration over time for holdings in the fund can vary significantly over time. Fund investments are made in a limited number of issuers and 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 materialize. 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 2020. The fund has the option of lending securities. The fund did not use this option during 2020. The fund may use other techniques and instruments. The fund did not use this option during 2020.

• Highest leverage during the financial year	51.9%
• Lowest leverage during the financial year	0.0%
• Average leverage during the financial year	17.3%

Information

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.

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 Tillväxtmarknad Obligation, cont.

Fund performance*



Fund facts - history

	2020	2019	7/12-31/12 2018	2017	2016	2015	2014	2013	2012	2011
Net asset value										
Tillväxtmarknad Obligation A1 - SEK	104.60	117.88	102.37	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A1 - EUR	10.41	11.22	10.10	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A1 - NOK	109.06	110.65	99.98	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A9 - SEK	107.26	120.20	103.81	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A9 - EUR	10.67	11.44	10.24	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A10 - SEK	107.27	119.79	103.09	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A10 - NOK	111.83	112.45	100.69	-	-	-	-	-	-	-
Tillväxtmarknad Obligation B1 - SEK	85.41	-	-	-	-	-	-	-	-	-
The fund's total net flow, SEK m	-91	-35	-28	-	-	-	-	-	-	-
Fund capital total, SEK m	612	786	711	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A1 - SEK	121	356	212	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A1 - EUR	1	1	1	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A1 - NOK	1	2	1	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A9 - SEK	264	118	151	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A9 - EUR	0	0	0	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A10 - SEK	17	39	11	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A10 - NOK	136	172	279	-	-	-	-	-	-	-
Tillväxtmarknad Obligation B1 - SEK	71	-	-	-	-	-	-	-	-	-
Number of units, 1000's	5,907	6,734	6,961	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A1 - SEK	1,152	3,023	2,068	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A1 - EUR	85	102	132	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A1 - NOK	7	16	9	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A9 - SEK	2,460	981	1,452	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A9 - EUR	3	28	21	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A10 - SEK	161	322	109	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A10 - NOK	1,212	1,530	2,768	-	-	-	-	-	-	-
Tillväxtmarknad Obligation B1 - SEK	827	-	-	-	-	-	-	-	-	-
Total returns in %										
Tillväxtmarknad Obligation A1 - SEK	-11.3	+15.2	-5.4	+3.3	+14.5	-6.8	+11.0	-	-	-
Tillväxtmarknad Obligation A1 - EUR	-7.2	+11.1	-8.2	+0.6	+9.5	-3.6	+3.7	-	-	-
Tillväxtmarknad Obligation A1 - NOK	-1.4	+10.7	-7.5	+8.9	+3.4	+2.2	+12.5	-	-	-
Tillväxtmarknad Obligation A9 - SEK	-10.8	+15.8	-4.9	+3.5	+14.8	-6.6	+11.2	-	-	-
Tillväxtmarknad Obligation A9 - EUR	-6.7	+11.7	-7.8	+0.8	+9.7	-3.4	+3.9	-	-	-
Tillväxtmarknad Obligation A10 - SEK	-10.5	+16.2	-4.5	+4.2	+15.6	-5.9	+12.0	-	-	-
Tillväxtmarknad Obligation A10 - NOK	-0.5	+11.7	-6.7	+9.8	+4.3	+3.1	+13.5	-	-	-
Tillväxtmarknad Obligation B1 - SEK	-11.3	-	-	-	-	-	-	-	-	-
Index including dividends in %										
Tillväxtmarknad Obligation A1 - SEK	-10.4	+18.1	-0.3	+4.1	+18.3	-5.9	+11.5	-	-	-
Tillväxtmarknad Obligation A1 - EUR	-6.3	+13.9	-3.3	+1.5	+13.1	-2.7	+4.2	-	-	-
Tillväxtmarknad Obligation A1 - NOK	-0.5	+13.5	-2.5	+9.8	+6.8	+3.1	+13.1	-	-	-
Tillväxtmarknad Obligation A9 - SEK	-10.4	+18.1	-0.3	+4.1	+18.3	-5.9	+11.5	-	-	-
Tillväxtmarknad Obligation A9 - EUR	-6.3	+13.9	-3.3	+1.5	+13.1	-2.7	+4.2	-	-	-
Tillväxtmarknad Obligation A10 - SEK	-10.4	+18.1	-0.3	+4.1	+18.3	-5.9	+11.5	-	-	-
Tillväxtmarknad Obligation A10 - NOK	-0.5	+13.5	-2.5	+9.8	+6.8	+3.1	+13.1	-	-	-
Tillväxtmarknad Obligation B1 - SEK	-10.4	-	-	-	-	-	-	-	-	-
Tracking error, 2 yrs. % ¹⁾										
Tillväxtmarknad Obligation A1 - SEK	1.4	1.7	1.6	1.2	1.5	1.5	-	-	-	-
Tillväxtmarknad Obligation A1 - EUR	1.4	1.7	1.6	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A1 - NOK	1.4	1.7	1.6	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A9 - SEK	1.4	1.7	1.5	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A9 - EUR	1.4	1.7	1.5	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A10 - SEK	1.4	1.7	1.6	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A10 - NOK	1.4	1.7	1.6	-	-	-	-	-	-	-
Tillväxtmarknad Obligation B1 - SEK	1.4	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Tillväxtmarknad Obligation A1 - SEK	+1.1	+4.4	-1.2	+8.8	+3.3	+1.7	-	-	-	-
Tillväxtmarknad Obligation A1 - EUR	+1.5	+1.0	-3.9	+5.0	+2.8	0.0	-	-	-	-
Tillväxtmarknad Obligation A1 - NOK	+4.4	+1.2	+0.4	+6.1	+2.8	+7.2	-	-	-	-
Tillväxtmarknad Obligation A9 - SEK	+1.6	+4.9	-0.8	+9.0	+3.6	+1.9	-	-	-	-
Tillväxtmarknad Obligation A9 - EUR	+2.1	+1.5	-3.6	+5.2	+3.0	+0.2	-	-	-	-
Tillväxtmarknad Obligation A10 - SEK	+2.0	+5.3	-0.3	+9.7	+4.3	+2.6	-	-	-	-
Tillväxtmarknad Obligation A10 - NOK	+5.4	+2.1	+1.3	+7.0	+3.7	+8.2	-	-	-	-
Tillväxtmarknad Obligation B1 - SEK	+1.1	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+2.8	+8.5	+1.9	+11.0	+5.5	+2.4	-	-	-	-
EUR	+3.3	+4.9	-1.0	+7.1	+4.9	+0.7	-	-	-	-
NOK	+6.3	+5.2	+3.4	+8.3	+4.9	+8.0	-	-	-	-
Average yearly return, 5 yrs. %										
Tillväxtmarknad Obligation A1 - SEK	+2.7	+3.7	+3.0	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A1 - EUR	+0.8	+1.6	+0.2	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A1 - NOK	+2.6	+3.3	+3.7	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A9 - SEK	+3.1	+4.1	+3.2	-	-	-	-	-	-	-

Handelsbanken Tillväxtmarknad Obligation, cont.

Fund facts - history cont.

	2020	2019	7/12-31/12 2018	2017	2016	2015	2014	2013	2012	2011
Tillväxtmarknad Obligation A9 - EUR	+1.2	+1.9	+0.5	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A10 - SEK	+3.6	+4.7	+3.9	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A10 - NOK	+3.5	+4.3	+4.6	-	-	-	-	-	-	-
Tillväxtmarknad Obligation B1 - SEK	+2.7	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+5.4	+6.4	+5.2	-	-	-	-	-	-	-
EUR	+3.4	+4.2	+2.4	-	-	-	-	-	-	-
NOK	+5.2	+6.0	+5.9	-	-	-	-	-	-	-
Dividends per unit, SEK	1.74	-	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.05	10.51	10.13	-	-	-	-	-	-	-
Exchange rate NOK/SEK	0.96	1.07	1.02	-	-	-	-	-	-	-

1) The fund has taken the tracking error that is considered to be appropriate for the purpose of attaining the fund's active return objective. The fund did not have any investments in a number of the markets that were particularly volatile during 2020. In addition, the fund had defensive USD positions. Overall, this led to a lower tracking error than in previous years.

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 B1	1.10
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 B1	1.10
Annual fees in %	
Tillväxtmarknad Obligation A1	1.10
Tillväxtmarknad Obligation A9	0.55
Tillväxtmarknad Obligation A10	0.20
Tillväxtmarknad Obligation B1	1.10
Transaction costs, SEK thousand	11
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Tillväxtmarknad Obligation A1	102.53
Tillväxtmarknad Obligation A9	51.40
Tillväxtmarknad Obligation A10	18.72
Tillväxtmarknad Obligation B1	-
Costs in SEK for monthly savings, 100 SEK	
Tillväxtmarknad Obligation A1	6.86
Tillväxtmarknad Obligation A9	3.44
Tillväxtmarknad Obligation A10	1.25
Tillväxtmarknad Obligation B1	-

Fund facts - other key figures

Turnover rate	1.7
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	9.1	Information ratio - A1 EUR	Negative
Total risk % - A1 EUR	9.3	Information ratio - A1 NOK	Negative
Total risk % - A1 NOK	7.7	Information ratio - A9 SEK	Negative
Total risk % - A9 SEK	9.1	Information ratio - A9 EUR	Negative
Total risk % - A9 EUR	9.3	Information ratio - A10 SEK	Negative
Total risk % - A10 SEK	9.1	Information ratio - A10 NOK	Negative
Total risk % - A10 NOK	7.7	Information ratio - B1 SEK	Negative
Total risk % - B1 SEK	9.1	Sharpe ratio - A1 SEK	0.2
Total risk in index % - A1 SEK	10.0	Sharpe ratio - A1 EUR	0.2
Total risk in index % - A1 EUR	10.2	Sharpe ratio - A1 NOK	0.5
Total risk in index % - A1 NOK	8.3	Sharpe ratio - A9 SEK	0.2
Total risk in index % - A9 SEK	10.0	Sharpe ratio - A9 EUR	0.3
Total risk in index % - A9 EUR	10.2	Sharpe ratio - A10 SEK	0.3
Total risk in index % - A10 SEK	10.0	Sharpe ratio - A10 NOK	0.6
Total risk in index % - A10 NOK	8.3	Sharpe ratio - B1 SEK	0.2
Total risk in index % - B1 SEK	10.0	Sharpe ratio in index - A1 SEK	0.3
Benchmark	JP Morgan EM GBI	Sharpe ratio in index - A1 EUR	0.4
	Diversified Index	Sharpe ratio in index - A1 NOK	0.6
Active return % - A1 SEK	-1.8	Sharpe ratio in index - A9 SEK	0.3
Active return % - A1 EUR	-1.8	Sharpe ratio in index - A9 EUR	0.4
Active return % - A1 NOK	-1.8	Sharpe ratio in index - A10 SEK	0.3
Active return % - A9 SEK	-1.2	Sharpe ratio in index - A10 NOK	0.6
Active return % - A9 EUR	-1.2	Sharpe ratio in index - B1 SEK	0.3
Active return % - A10 SEK	-0.8	Duration, years ¹⁾	4.6
Active return % - A10 NOK	-0.9	Spread exposure % ²⁾	N/A
Active return % - B1 SEK	-1.8		
Information ratio - A1 SEK	Negative		

¹⁾ As of the balance sheet date.

²⁾ The measurement is not considered to give a good picture of the credit risk and is therefore not presented.

* 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, SEK thousand

	2020	2019
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	-115,623	74,137
Changes in value for other derivative instruments **	-113	-
Changes in value for fund units ***	-117	772
Interest income	33,075	45,892
Dividends	1,337	1,041
Currency exchange profits and losses, net	3,650	-6,392
Other income	0	1
Total income and changes in value	-77,791	115,451
EXPENSES		
Management costs:		
- Remuneration to the Management Company	4,275	4,989
Interest expense	25	14
Other expenses	13	52
Total expenses	4,313	5,055
Net income	-82,105	110,396
* Details of changes in value		
Capital gains	29,847	39,364
Capital losses	-90,559	-16,558
Unrealised gains/losses	-54,911	51,331
Sum	-115,623	74,137
** Details of changes in value		
Capital gains	0	-
Capital losses	-113	-
Sum	-113	-
*** Details of changes in value		
Capital gains	1,096	2,063
Capital losses	-1,152	-1,527
Unrealised gains/losses	-61	236
Sum	-117	772

Balance sheet, SEK thousand

	31 Dec 2020	% of fund capital	31 Dec 2019	% of fund capital
ASSETS				
Transferable securities	590,455	96.5	740,911	94.3
OTC derivative instruments with positive market value	1,449	0.2	604	0.1
Fund units	-	-	15,729	2.0
Total financial instruments with positive market value ^{Note 2)}	591,904	96.7	757,244	96.4
Bank assets and other liquid assets	9,952	1.6	29,924	3.8
Prepaid expenses and accrued income	11,071	1.8	15,773	2.0
Other assets	3,275	0.6	-	-
Total assets	616,202	100.7	802,941	102.2
LIABILITIES				
OTC derivative instruments with negative market value	383	0.1	877	0.1
Total financial instruments with negative market value ^{Note 2)}	383	0.1	877	0.1
Accrued expenses and prepaid income	342	0.1	465	0.1
Other liabilities	3,285	0.5	15,695	2.0
Total liabilities	4,010	0.7	17,037	2.2
Fund capital ^{Note 1)}	612,192	100.0	785,904	100.0

Handelsbanken Tillväxtmarknad Obligation, cont.

Note 1) for Balance sheet

Changes in fund capital, SEK thousand

	2020	2019
Fund capital at beginning of year	785,904	710,718
Units issued ¹⁾	545,788	429,575
Units redeemed ¹⁾	-634,312	-464,085
Profit according to Income Statement	-82,105	110,396
Dividends to unit holders	-3,083	-700
Fund capital at the close of the period	612,192	785,904

1) Of which SEK 264 817 t relates to internal moves between share classes

Note 2) for Balance sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, OTHERS			
China Dvlp Bank 3,03% 2023-11-27	7,000	8,825	1.4
		8,825	1.4
FOREIGN ISSUER, STATE			
Brasilianska staten 10% 2023-01-01	13	22,684	3.7
Brasilianska staten 10% 2025-01-01	1	1,826	0.3
Brasilianska staten 10% 2031-01-01	3	5,739	0.9
Brasilianska staten 10,25% 2028-01-10	3,000	5,585	0.9
Brasilianska staten 12,5% 2022-01-05	1,500	2,600	0.4
Brasilianska staten 8,5% 2024-01-05	10,700	18,356	3.0
EBRD 2,55% 2022-03-14	7,600	9,518	1.6
IBRD 4% 2025-07-01	145,000	15,821	2.6
IFC 2030-05-20	6,000	5,049	0.8
IFC 6,3% 2024-11-25	105,000	12,229	2.0
Inter-American Dvlp Bk 7,875% 2023-03-14	18,700,000	11,686	1.9
Kinesiska staten 2,1% 2022-07-27	2,500	3,116	0.5
Kinesiska staten 2,2% 2025-07-27	14,000	17,201	2.8
Kinesiska staten 3,03% 2024-06-24	7,500	9,531	1.6
Kinesiska staten 4,15% 2027-12-04	3,000	4,085	0.7
Kinesiska staten 4,15% 2031-12-12	4,000	5,603	0.9
Kinesiska staten 4,29% 2029-05-22	9,000	12,491	2.0
Mexikanska staten 5,75% 2026-03-05	568	24,480	4.0
Mexikanska staten 6,5% 2031-05-29	450	21,774	3.6
Mexikanska staten 6,75% 2023	490	21,205	3.5
Mexikanska staten 7,75% 2042-11-13	198	9,396	1.5
Peruanska staten 6,95% 2031-08-12	6,200	18,289	3.0
Polska staten 2,5 % 2023-01-25	5,000	11,576	1.9
Polska staten 1,25% 2030-10-25	4,100	9,046	1.5
Polska staten 2,5 % 2026-07-25	6,100	14,833	2.4
Rumänska staten 5% 2029-02-12	2,500	5,934	1.0
Rumänska staten 3,65% 2025-07-28	8,500	18,283	3.0
Rumänska staten 5,85% 2023-04-26	6,700	14,844	2.4
Ryska staten 7% 2023-01-25	103,300	12,051	2.0
Ryska staten 6,9% 2029-05-23	122,000	14,560	2.4
Ryska staten 7,7% 2033-03-23	73,500	9,191	1.5
Ryska staten 7,75% 2026-09-16	146,300	17,992	2.9
Sydafrikanska staten 10,5% 2026-12-21	32,000	21,220	3.5
Sydafrikanska staten 7,75% 2023-02-28	14,800	8,817	1.4
Sydafrikanska staten 8,75% 2044-01-31	32,900	15,062	2.5
Sydafrikanska staten 8,875% 2035-02-28	41,500	20,443	3.3
Tjeckiska staten 0,45% 2023-10-25	32,000	12,249	2.0
Tjeckiska staten 0,95% 2030-05-15	24,600	9,154	1.5
Tjeckiska staten 2,4% 2025-09-17	37,500	15,420	2.5
Türkiska staten 10,6% 2026-02-11	5,600	5,757	0.9
Türkiska staten 6,1% 2023-01-18	5,400	5,773	0.9
Ungerska staten 1,5% 2023-08-23	371,000	10,486	1.7
Ungerska staten 3,25% 2031-10-22	440,000	13,522	2.2
Ungerska staten 5,5% 2025-06-24	355,000	11,715	1.9
		536,191	87.6
Total listed fixed-income securities		545,016	89.0

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
UNLISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, STATE			
Malaysiska staten 3,48% 2023-03-15	5,750	12,144	2.0
Malaysiska staten 3,885% 2029-08-15	6,000	13,431	2.2
Malaysiska staten 3,95% 2025-09-15	6,200	13,700	2.2
Peruanska staten 8,2% 2026-08-12	2,000	6,164	1.0
		45,439	7.4
Total unlisted fixed-income securities		45,439	7.4
Total transferable securities		590,455	96.5

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
CZK/EUR ¹⁾		9	0.0
MXN/USD ²⁾		131	0.0
TRY/USD ³⁾		695	0.1
USD/ZAR ⁴⁾		-383	-0.1
ZAR/USD ⁵⁾		613	0.1
		1,066	0.2
Total OTC derivative instruments		1,066	0.2
Total other financial instruments		1,066	0.2

	Number/Nominal amount in 1000's	Market value SEK t	% of fund capital
Total holdings in financial instruments		591,521	96.6
Net, other assets and liabilities		20,671	3.4
Total fund capital		612,192	100.0

1) CZK 24 204 t/EUR -920 t, counterparty Citibank Plc.
2) MXN 14 322 t/USD -700 t, counterparty Citibank Plc.
3) TRY 8 901 t/USD -1 100 t, counterparty Citibank Plc.
4) USD 700 t/ZAR -11 014 t, counterparty Citibank Plc.
5) ZAR 11 425 t/USD -700 t, counterparty J.P Morgan Securities.

The numbers in the tables are rounded to the nearest thousand and first decimal point, respectively, which may result in an amount in the summation of the columns that differs from the final total.

* 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. 96.5

** 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. 0.2

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Mexikanska staten	12.6	Rumänska staten	6.4
Sydafrikanska staten	10.7	Tjeckiska staten	6.0
Kinesiska staten	9.9	Polska staten	5.8
Brasilianska staten	9.2	Peruanska staten	4.0
Ryska staten	6.8	Ungerska ststen	3.9
Malaysiska staten	6.4	Türkiska staten	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 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.

The fund is not permitted to invest in corporate credits due to its investment focus, which by definition means that controversial sectors are excluded.

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 bombs, 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 war materials, 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.

Inclusion

The fund is actively-managed and invests in interest-bearing securities that are issued or guaranteed by states in emerging markets, municipalities, governmental or municipal authorities in such markets or by intergovernmental agencies in which one or several such states are members.

Sustainability analysis is an integral 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.

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, Svenska Handelsbanken AB (publ), Head of the Swedish branch operations

MALIN BJÖRCKMO, 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

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	Head of Corporate Governance STAFFAN RINGVALL
Deputy Chief Executive Officer HENRIK ÅHMAN	Head of Sustainability MAGDALENA WAHLQVIST ALVESKOG
Head of Risk Management MARIA FORSSMAN	Head of Allocation Management JOHANN GUGGI
Head of Legal Fredrik Köster	Head of Active Asset Management CHRISTOFER HALLDIN
Compliance HANNA NYQVIST	Head of Passive Asset Management EMMA VIOTTI

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Telephone: +46-8-701 10 00

Corporate Governance

Handelsbanken Fonder exercises an active ownership role. The purpose is to participate so that the Company takes decisions that lead to a sustainable and positive value growth, which in turn benefit our unit holders. We view our ownership role from a long-term perspective, given that changes in companies often take time to implement. As a guideline for our actions, the Board of Directors of Handelsbanken Fonder has adopted a Policy for shareholder engagement and responsible investments. Our work is also guided by those principles established in the Swedish Corporate Governance Code. The Management Company's work in nomination committees is also regulated by the Guidelines for nomination committee work.

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.

Foreign withholding taxes

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

More information

You will find the complete information brochure with fund rules, fact sheets and current share price performance on our website at www.handelsbanken.se/funds. For further information on the subscription and redemption of fund units, please contact your local Handelsbanken branch office.

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. Handelsbanken is a signatory of the international Net Zero Asset Managers initiative. The Management Company is thus committed to aligning its investments to support the goal of net zero emissions of greenhouse gases by 2050 or earlier, in line with the global efforts to limit global warming to 1.5 degrees.

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. The majority of the funds have an expanded exclusion of companies active within controversial sectors and fossil fuels. Read more about this in the reports for each individual fund. The Management Company's Policy for shareholder engagement and responsible investments is available at: handelsbanken.se/ansvarsfullainvesteringar as well as handelsbanken.com/en/sustainability/responsible-investment.

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. However, the valuation for Swedish government bonds and covered bonds is primarily the mid price (average of the current bid and selling prices). 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.

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.

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 are fund managers that manage active equity or fixed income funds.

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 2020 operational year

2020

2019

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>	85 personer	72 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 30.	87 230 tSEK	63 528 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>	16 061 tSEK	9 496 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>	7 116 tSEK	52 819 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>	0 tSEK	1 213 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>		

Employee remuneration at Xact Kapitalförvaltning AB

The mutual funds that were previously managed by Xact Kapitalförvaltning AB were incorporated into Handelsbanken Fonder AB as of April 1, 2020. Hence, the remuneration for Xact Kapitalförvaltning AB is only reported for 2019.

2020

2019

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>		10 personer
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 30.		13 419 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>		8 431 tSEK
Employees in senior strategic positions: <i>Those holding strategic positions are included in the Executive management group.</i>		0 tSEK
Employees with responsibility for control functions: <i>The Head of Risk Management is included in the Executive management group.</i>		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>		4 988 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>		0 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 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 thousands 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.

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.

When the fund lends securities, the fund will receive 80% of the revenues derived from the securities loan and the remaining 20% of the revenues will accrue to the agent of the securities loan. Given that the revenue allocation agreement does not increase the fund's costs, the remuneration paid to the securities loan agent will not be included in the ongoing charges.

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 Depository Receipt
ADS American Depository Share
BTA Betald tekningsaktie
CB Callable Bond

ETF Exchange Traded Fund
f/r Foreign Registered
FRN Floating Rate Note
GDR Global Depository 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 present-

IR Redemption Right
KV Convertible
NVDR Non-Voting Depository Receipt
Pref Preference Share

SDB Swedish Deposit Certificate
TO Warrants
TR Subscription Right

ed 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.

Spread exposure is shown for fixed income funds, as of the closing date, and is a measure of credit risk. The spread exposure shows how much the fund will depreciate, in percent of the value of the fund, if the spread between the value of a fixed income fund and government bonds is doubled. Calculated as capital-weighted credit duration multiplied by the spread of the instrument (differential) compared to the government yield curve.

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 globalamalen.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.

Handelsbanken Handelsbanken Fonder AB

Styrelsen och verkställande direktören för Handelsbanken Fonder AB får härmed avge årsberättelse för nedan angivna fonder, som förvaltas av bolaget.

Påskrifter avser:

Aktiefonder

AstraZeneca Allemansfond	502040-9925
Handelsbanken Amerika Småbolag Tema	515602-9844
Handelsbanken Amerika Tema	802015-0796
Handelsbanken Asien Tema	802015-0788
Handelsbanken Brasilien Tema	515602-9877
Handelsbanken EMEA Tema	504400-2953
Handelsbanken Europa Selektiv	515602-7004
Handelsbanken Europa Småbolag	504400-5386
Handelsbanken Finland Småbolag	515602-6949
Handelsbanken Global Selektiv	515602-9851
Handelsbanken Global Tema	502034-1375
Handelsbanken Hållbar Energi	515602-7012
Handelsbanken Hälsovård Tema	504400-8042
Handelsbanken Japan Tema	802015-0754
Handelsbanken Kina Tema	515602-6931
Handelsbanken Latinamerika Tema	802017-9407
Handelsbanken Microcap Norden	515602-8556
Handelsbanken Microcap Sverige	515602-8549
Handelsbanken Norden Selektiv	515602-7046
Handelsbanken Norden Tema	802015-0804
Handelsbanken Nordiska Småbolag	504400-4173
Handelsbanken Norge	515602-8853
Handelsbanken Svenska Småbolag	504400-1377
Handelsbanken Sverige Selektiv	515602-6998
Handelsbanken Sverige Tema	504400-6624
Handelsbanken Tillväxtmarknad Tema	504400-6178

Alternativa Fonder

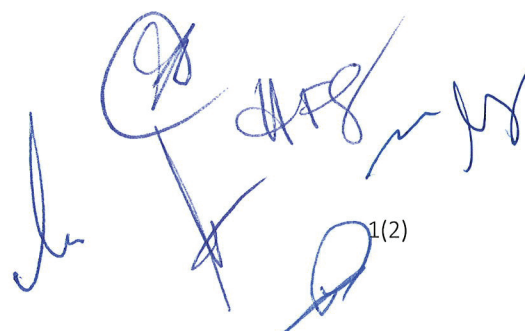
Handelsbanken Räntestrategi	515601-9803
Handelsbanken Räntestrategi Plus	515602-7657

Blandfonder

Handelsbanken Aktiv 100	515602-8259
Handelsbanken Aktiv 30	515602-8226
Handelsbanken Aktiv 50	515602-8234
Handelsbanken Aktiv 70	515602-8242
Handelsbanken Kapitalförvaltning 25	515602-8622
Handelsbanken Kapitalförvaltning 50	515602-7038
Handelsbanken Kapitalförvaltning 75	515602-8614
Handelsbanken Multi Asset 100	515601-9985
Handelsbanken Multi Asset 120	515602-9059
Handelsbanken Multi Asset 15	515602-9026
Handelsbanken Multi Asset 25	515602-6857
Handelsbanken Multi Asset 40	515602-9034
Handelsbanken Multi Asset 50	515601-9977
Handelsbanken Multi Asset 60	515602-9042
Handelsbanken Multi Asset 75	515602-3532
Handelsbanken Pension 50 Aktiv	515602-6865
Handelsbanken Pension 60 Aktiv	515602-6873
Handelsbanken Pension 70 Aktiv	515602-6881
Handelsbanken Pension 80 Aktiv	515602-6899
Handelsbanken Pension 90 Aktiv	515602-7665
Handelsbanken Stiftelsefond	504400-9271

Räntefonder

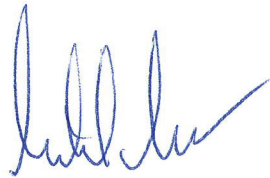
Handelsbanken Euro Corporate Bond Fund	515602-8085
Handelsbanken Euro Obligation	515602-7053
Handelsbanken Euro Ränta	515602-6980
Handelsbanken Flexibel Ränta	515602-6691
Handelsbanken Företagsobligation	515602-7095
Handelsbanken Företagsobligation Investment Grade	515602-7962
Handelsbanken Företagsobligation Investment Grade (NOK)	515602-8838
Handelsbanken Hållbar Global Obligation	515603-0008
Handelsbanken Høyrente	515602-8879
Handelsbanken Institutionell Kortränta	515602-8580
Handelsbanken Kort Rente Norge	515602-8861
Handelsbanken Kortränta	515602-9745
Handelsbanken Kortränta (SEK)	802014-5614
Handelsbanken Kredit	515603-0339
Handelsbanken Långränta	802014-5630
Handelsbanken Obligasjon	515602-8887
Handelsbanken Realränta	515602-4282
Handelsbanken Ränteavkastning	515602-7020
Handelsbanken Tillväxtmarknad Obligation	515602-9869



1(2)

Handelsbanken Handelsbanken Fonder AB

Stockholm den 15 mars 2020

Michael Green
ORDFÖRANDE


Malin Björkmo



Lars Seiz



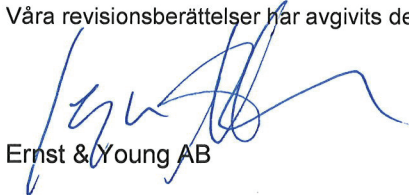
Helen Fasth Gillstedt



Åsa Holtman Öhman

Magdalena Wahlqvist Alveskog
VERKSTÄLLANDE DIREKTÖR

Våra revisionsberättelser har avgivits den 15 mars 2021



Ernst & Young AB

Jesper Nilsson
Auktoriserad revisor

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.

The prospectus, fund rules and fact sheets for each fund are available in the mutual fund price list at handelsbanken.se/funds..

Handelsbanken Fonder AB is a wholly-owned subsidiary of Svenska Handelsbanken AB (PLC).

Historical yields are not a guarantee of future returns. The money you invest in a fund can both increase and decrease in value and it is not guaranteed that you will recover the entire invested amount.