

# Prospectus for Handelsbanken Nordiska Småbolag

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2022-08-16

This Prospectus includes the following sections:

1. Information about Handelsbanken Nordiska Småbolag
2. General information about Handelsbanken Fonder and the management of our funds

## 1. Handelsbanken Nordiska Småbolag

### Investment focus and types of assets

The fund invests in small and mid-sized companies headquartered in Denmark, Finland, Iceland, Norway and Sweden or that are traded on a regulated market in the Nordics. The companies' market value at the time of investment may not exceed 0.5% of the total market value of those markets in which the fund may invest. The fund may also invest in larger companies and 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 favorable 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 is a securities fund (UCITS) that may invest in the following types of assets

- in transferable securities issued by companies headquartered in Sweden, Norway, Denmark, Finland and Iceland, or admitted to or the subject of trading in such markets in the Nordics as referred to in §6 of the fund rules. The investments will be made in companies whose market values at the time of investment do not exceed a value equivalent to 0.5% of the total market value of those markets in which the fund may invest. Investments may also be made in larger companies when it is believed to be to the advantage of the unit holders.
- in money market instruments,
- in units in funds that invest in Nordic transferable securities (to a total maximum of 10% of the fund capital),
- in derivative instruments and
- in an account at a credit institution.

This fund is managed based on Handelsbanken Fonder's (hereinafter the Management Company) Policy for Shareholder Engagement and Responsible Investment and the sustainability strategies applicable thereunder. For a more detailed description of the strategy, refer to the below section "Responsible investment, sustainability and governance".

The fund may invest in such transferable securities and money market instruments as referred to in Chapter 5, §5 of the Swedish Investment Funds Act.

The fund may use derivative instruments, including OTC derivatives, as part of the fund's investment focus. The

underlying assets to derivative instruments may consist of or be related to such assets as referred to in Chapter 5, §1, paragraph 2, first sentence of the Swedish Investment Funds Act, financial indices, interest rates, exchange rates, or foreign currencies.

### The fund's management, activity level and returns

The fund is an actively-managed fund. Actively-managed refers to a fund in which the fund manager takes active, independent investment decisions with the objective of exceeding the returns of the benchmark index over the long term. The fund's benchmark index is SIX SRI Nordic 200 Small Cap Net Index. The benchmark index is relevant as it reflects the fund's investment universe as described in the fund's investment focus.

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

The fund's returns and tracking error are shown in the table below. A description of tracking error is provided in the below section "Benchmark index and tracking error". Information on how the fund's returns have related to the returns of the benchmark index is available in the fund's fact sheet.

	Returns, %	Tracking Error 2 yrs., %
2021	27,69	3,40
2020	22,02	3,13
2019	33,15	2,33
2018	-0,41	2,04
2017	12,05	1,64
2016	20,1	2,2
2015	23,35	2,13
2014	16,76	1,4
2013	36,7	1,95
2012	16,6	2,28

*The information refers to the A1 SEK share class (the differences in tracking error between the classes are insignificant).*

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.

## Share classes and fees

The conditions for the share classes in the fund are described in the fund rules and below.

A = Accumulation (non-distribution)

B = Distribution

Currency: SEK, EUR, NOK

Subscription limits or other conditions

1 = No subscription limit or other conditions

9 = The share class is only open for investors who:

- within the scope of a written agreement for such regular (ongoing) investment advice as stated in Chapter 9, §17, item 3 in the Securities Market Act (2007:528) or comparable Swedish or foreign regulation, invest in the share class and in which there is no distribution remuneration from the Management Company, whereby the investor instead pays the investment advisor for the investment advice or
- where stated, invest either ten million Swedish crowns (SEK 10,000,000), one million euro (EUR 1,000,000) or ten million Norwegian crowns (NOK 10,000,000) in the minimum initial subscription in the share class and in which no distribution remuneration or repayment of a portion of the management fee is paid to the investor by the Management Company.

The share class is also open to life insurance companies in which the customer (the policyholder) has concluded an agreement for investment advisory services as referenced above and where there is no distribution remuneration paid to the advisor from the Management Company. Instead, the customer pays the advisor for advisory services and investments are made through endowment insurance (kapitalförsäkring) with custody management in which the customer is the policyholder in relation to the life insurance company in question.

10 = The share class is only open for investors who:

- within the scope of a written agreement for portfolio management in accordance with the Securities Market Act (2007:528) or comparable Swedish or foreign regulation, invest in the share class and in which there is no distribution remuneration from the Management Company, whereby the investor instead pays the portfolio manager for asset management, or
- where stated, invest either one hundred million Swedish crowns (SEK 100,000,000), ten million euro (EUR 10,000,000) or one hundred million Norwegian crowns (NOK 100,000,000) in the minimum initial subscription in the share class and in which no distribution remuneration or repayment of a portion of the management fee is paid to the investor by the Management Company.

The share class is also open to life insurance companies in which the customer (the policy holder) has entered into the aforementioned agreement with

regard to portfolio management and in which there is no distribution remuneration paid from the Management Company to the portfolio manager, rather the customer instead pays the portfolio manager for asset management. The investments are made through a policy with fund or custodial management and in which the customer is the policy holder in reference to the life insurance company in question.

Dividends are distributed in the B share classes.

Normally, the dividends are paid out during March. The objective is to annually distribute 4% of the units' value on the record date. The Management Company takes the decisions related to distributions and the record date.

Detailed information about the basis for dividend payments is contained in the fund rules.

The current management fee is the same as the highest management fee for each share class. Transaction costs such as brokerage fees, taxes, etc. for the purchase and sale of financial instruments are paid out of the fund.

Share class	Fee %
A1 SEK	1,6
A1 EUR	1,6
A1 NOK	1,6
A9 SEK	0,8
A9 EUR	0,8
A9 NOK	0,8
A10 SEK	0,6
A10 EUR	0,6
A10 NOK	0,6
B1 SEK	1,6
B1 EUR	1,6

## Techniques and instruments (securities lending)

The fund has the right to lend securities in order to streamline management. The below section "Techniques and instruments (securities lending) and management of collateral" contains a description of: the reason for the loan; which assets are subject to lending; the scope of the loan (maximum and expected); which counterparties the fund lends to, including terms; potential conflicts of interest; risk and risk management around lending; and how revenue from lending affects the fund's return.

## Management of collateral

Because the fund has the right to lend securities in order to streamline management and/or to utilize OTC derivatives, it is exposed to counterparty risk. To manage these counterparty risks, the Management Company pledges and receives securities as collateral on behalf of the fund. For a description of the Company's management of collateral, which securities are accepted and how they are valued, refer to the second section below under "Techniques and instruments (securities lending) and management of collateral".

## Risk profile of the fund

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 investment

focus entails exposure to smaller companies that frequently have lower liquidity. In general, the variation in liquidity is considered to be higher relative to the equity market overall. This can impact the fund's ability to manage significant outflows at a relatively low cost. 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.

## Target group of the fund

The fund is suitable for the investor who would like to have a broad, actively managed Nordic small cap fund. The fund is most appropriate for an investor who has an investment horizon of 5 years or more.

## Sustainability-related disclosures

### Transparency regarding sustainability risks, the promotion of environmental or social characteristics and sustainable investments

- The fund has sustainable investments as its objective
- The fund promotes environmental or social characteristics
- The fund takes sustainability risks into consideration in investment decisions, but the fund does not promote environmental or social characteristics or does not have sustainable investments as its objective
- Sustainability risks are not relevant (explanation provided below)

*How are sustainability risks integrated into the investment decisions?*

The fund promotes environmental or social characteristics and the manner in which the sustainability risks are integrated into the investment decisions is stated below under a specific heading.

### Sustainability-related characteristics that are promoted in the management of the fund or that are included in the fund's objective:

- Environmental characteristics (e.g., the company's impact on the environment and climate).
- Social characteristics (e.g., human rights, labor rights and equal opportunities).
- Good governance practices (e.g., shareholders' rights, issues related to remuneration of executives and measures against corruption).
- Other sustainability-related characteristics.

*What environmental and/or social characteristics are promoted by the fund?*

The fund promotes environmental characteristics by excluding investments in companies with business activities linked to fossil fuels and companies that violate

international norms and conventions related to environmental issues. The fund may also invest in so-called transition companies. Transition companies refer to companies that have been considered by the Management Company's sustainability committee as those that are in the process of transitioning business operations in a manner that is expected to contribute to, rather than counteract, the attainment of one or several of the Sustainable Development Goals as defined in Agenda 2030 (for additional information on transition companies, refer to the general section of the Prospectus under the heading "Responsible investment, sustainability and governance"). The option of investing in transition companies means that the exclusion limits normally applied (refer below under the choice alternative "exclusion") may be waived during the transition period.

The fund's environmentally sustainable investments contribute to the following environmental targets as defined in the EU taxonomy for environmentally sustainable activities: climate change mitigation and adaptation (refer to section "Information on the EU's taxonomy for environmentally sustainable activities").

The fund promotes social characteristics by excluding investments in companies with business operations linked to banned weapons, nuclear weapons, weapons and war materials, alcohol, tobacco, cannabis, pornography and commercial gambling, as well as by excluding companies that violate international norms and conventions related to human rights, labor law or combating corruption and bribery.

*What investment strategy does the fund follow to meet the environmental and/or social characteristics promoted by the fund and how is the investment strategy implemented on a continuous basis?*

The fund is an actively-managed equity fund. Actively-managed refers to a fund in which the fund manager takes active, independent investment decisions with the objective of exceeding the returns of the designated reference benchmark over the long term. Sustainability analysis is an integral part of the portfolio manager's

investment analysis. The fund applies sustainability requirements in the form of an exclusion strategy that provides for the fund's exclusion of those companies that do not fulfil the requirements for responsible investment. What is applicable in this regard is stated above under the heading "What environmental and/or social characteristics are promoted by the fund?" The exclusions resulting from this are binding for the fund's management by the Management Company. The Management Company's risk control function regularly follows up to ensure compliance with the environmental/social characteristics promoted by the fund.

*Is there an amount of potential investments excluded as a result of the implementation of the fund's sustainability requirements?*

- No
- Yes, the sustainability requirements provide for the fund's exclusion of potential investments.

*Proportion of investments and percentage of sustainable investments*

The fund invests directly in companies in the equity market. The fund intermittently invests in index-based financial instruments to manage liquidity. There may be companies in these indices in which the fund may not invest in accordance with the fund's investment focus. The fund may also hold liquid assets.

The fund includes sustainable investments. The Management Company expects to report the proportion of sustainable investments included in the fund no later than when applicable regulations enter into force.

*How will sustainable investments contribute to a sustainable objective and not significantly harm any other sustainable investment objectives?*

The fund's sustainable investments are made in companies with products and services that are deemed to directly contribute positively to the fulfillment of one or several of the targets in Agenda 2030. The Management Company applies an internally-developed analysis model on the fund that classifies the products and services that have a positive impact on the indicators used to measure the fulfilment of the targets in Agenda 2030 and that are considered to be contributing to a sustainable development. Refer to [www.handelsbankenfonder.se](http://www.handelsbankenfonder.se) for a description of the applied methodology.

However, to be considered as sustainable investments, companies with products and services that contribute to the fulfillment of one or several of the targets in Agenda 2030 may not at the same time jeopardize a sustainable development through other segments of its value chain (the principle of "does not significantly harm"). To ensure that this does not occur, the Management Company conducts an analysis on whether the company follows international norms and conventions. Refer to [www.handelsbankenfonder.se](http://www.handelsbankenfonder.se) for a description of this analysis.

The principle of "does not significantly harm" is only applicable to the fund's underlying investments that are either considered as sustainable pursuant to the regulation on sustainability-related disclosures or that take into account the EU for environmentally-sustainable economic activities. The remainder of the fund has underlying investments that do not take into account the EU criteria (EU taxonomy) for environmentally-sustainable economic activities.

*What is the policy to assess good governance practices of the investee companies?*

The fund excludes companies that contravene international norms and conventions related to taxation, employees' rights, as well as corruption and bribery, to ensure that the fund's investee companies are in compliance with the fundamental requirements for what is considered to be good corporate governance. Relevant principles and guidelines include the UN Global Compact Principles 1,3,6 and 10, the OECD Guidelines on Multinational Enterprises, and conventions such as the U.N. Convention against Corruption and International Labor Organization Convention 111.

*How are sustainability risks integrated into the investment decisions?*

The fund is an actively-managed equity fund, whereby the management of sustainability risks are an integral part of the company analysis, which is the basis for the investment decisions. Data from external providers of sustainability data is used in the analysis, together with an internal sustainability analysis. Annual scenario analyses and stress tests for the fund based on climate risks are also conducted in addition to the integration of sustainability risks from the analysis mentioned previously. Sustainability risks are primarily managed through the inclusion of companies based on the sustainability analysis, exclusion and engagement in the form of dialogues and active corporate governance.

The integration of sustainability risks is followed up regularly by the Management Company's risk control function. Monitoring includes a daily follow-up and control, as well as a more in-depth control of sustainability risks within specific risk forums that focus on sustainability. Representatives in these forums include senior decision-makers in the Management Company. Sustainability risks in the fund are followed up by applying a measurement that measures sustainability in the fund's holdings. Any identified sustainability risks related to specific holdings in the fund are followed up according to a specific procedure. The follow-up also includes climate risks.

The Management Company concludes that the management of sustainability risks through the inclusion of companies based on sustainability analyses, exclusion and engagement in the form of dialogues and active corporate governance has a positive impact on returns and reduces the negative effect on returns. As a result of the fund's exclusion strategy regarding fossil fuels and the integration of sustainability in the investment process,

the fund has a low exposure to those companies with the highest climate-related risks, i.e., companies with exposure to coal, oil and gas. Instead, sectors such as agriculture and food logistics are essential for the fund based on the climate stress tests conducted by Management Company. Further information regarding climate-related risks is available in the Management Company's climate report, Handelsbanken Asset Management Climate Report, at [www.handelsbankenfonder.se](http://www.handelsbankenfonder.se).

*How are the principal adverse impacts on sustainable factors taken into account?*

The Management Company takes into account the principal adverse impacts on sustainable factors in all of the fund management's investment decisions on an ongoing basis. The Management Company's website at [www.handelsbankenfonder.se](http://www.handelsbankenfonder.se) provides a description of the Management Company's due diligence routines for identifying and prioritizing principal adverse impacts and information about indicators that are used in general for sustainable development. This includes a description of the principal adverse impacts on sustainable factors within the Management Company's business activities and a report of the measures taken in relation to these adverse impacts. The description also includes information on the Management Company's engagement activities with companies on behalf of the fund through dialogue and active corporate governance.

Upon investment and on an ongoing basis, the Management Company monitors all of the fund's investments against the Management Company's exclusion criteria to ensure that there are no companies involved in business activities deemed by the Management Company as being inconsistent with a sustainable development. This applies to business activities regarding the production and distribution of banned weapons, nuclear weapons, weapons and war materials, alcohol, tobacco, cannabis, pornography, commercial gambling, fossil fuels, as well as companies that violate international norms and conventions related to human rights, the environment, labor law or combating corruption and bribery. Any deviations are managed through exclusion.

In addition to the exclusion strategy, indicators are used within the areas of greenhouse gas emissions, energy efficiency, biodiversity, water, waste, social and labor law issues, human rights, the environment, combating corruption and bribery to identify and prioritize the principal adverse impacts. The Management Company addresses adverse impacts through engagement dialogues and active corporate governance and uses both internally-developed analyses as well as external analyses as the basis for decisions on how the Management Company should vote at general meetings.

*What sustainability indicators are used to assess the environmental/social characteristics of the fund?*

The following sustainability indicators are used:

- Revenues from business activities related to the production and distribution of banned weapons, nuclear weapons, weapons, alcohol, tobacco, cannabis, pornography, commercial gambling and fossil fuels.
- Companies that violate international norms and conventions related to human rights, the environment, labor law or combating corruption and bribery.
- The indicators for the sustainable investments in the fund are described in the relevant section above.

### **Information on the EU's taxonomy for environmentally sustainable activities**

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

Pursuant to the regulations, each fund shall report the proportion of the fund's investments that are consistent with the taxonomy. The companies in which the fund invests have not yet begun to report the extent to which their activities are consistent with the EU taxonomy. Accordingly, the Management Company has determined that it currently is not possible to provide reliable information about the proportion of the fund's investments that are consistent with the taxonomy and, in light of this, reports that 0% of the fund's investments are consistent with the EU taxonomy.

Refer to the section "*How will sustainable investments contribute to a sustainable objective and not significantly harm any other sustainable investment objectives?*" for information on how the fund's investments relate to the principle, "does not significantly harm."

### **Reference value**

- The fund has the following index as its reference value:
- No index has been selected as a reference value

The fund is actively-managed and the index is not used to determine whether the fund meets the environmental and social characteristics promoted by the fund.

### **Methods used to integrate sustainability risks, promote environmental or social characteristics or attain a sustainability-related objective:**

#### **Inclusion**

Management Company's comments: How the Management Company works with the inclusion of companies is explained above under the section "Sustainability-related characteristics that are promoted in the management of the fund or are included in the fund's objective".

## **Exclusion**

The fund does not invest in companies involved in the following products and services. A maximum of 5% of the turnover in the company in which the investment is made may include operations attributable to the specified product or service.

### **Products and services**

- Cluster bombs, personnel mines  
Management Company's comments: 0%.
- Chemical and biological weapons  
Management Company's comments: 0%.
- Nuclear weapons  
Management Company's comments: 0%.
- Weapons and/or war materials  
Management Company's comments: -
- Alcohol  
Management Company's comments: -
- Tobacco  
Management Company's comments: -
- Commercial gambling  
Management Company's comments: -
- Pornography  
Management Company's comments: -
- Fossil fuels (oil, gas, coal)  
Management Company's comments: The fund excludes companies with business operations within production and/or distribution linked to the mining of fossil fuels. The fund takes a restrictive position to services related to these business operations. The fund also takes a restrictive position related to companies involved in power generation from fossil fuels. Read more about the option of investing in transition companies under the section, "Responsible investments, sustainability and corporate governance".
- Cannabis  
Management Company's comments: -

### **International norms**

The fund avoids investing in companies that violate international norms and conventions (at the very least the UN Global Compact and OECD guidelines for multinational companies) with regard to the environment, human rights, work conditions and business ethics.

- The fund avoids investing in all companies identified as violating international norms.  
Management Company's comments: -

### **Management Company's engagement**

The Management Company uses its investor influence to affect change in companies related to sustainability issues.

The Management Company has a dialogue with companies in order to influence them in a more sustainable direction.

- Engagement by the Management Company  
Management Company's comments: The Management Company conducts dialogues on its own to proactively impact how companies work with various sustainability issues. This can apply to underperformance within ESG or within the areas we have chosen to have a more in-depth focus, as well as with companies regarded as controversial. We also conduct dialogues with all companies considered as norm-breakers. In addition to these in-depth dialogues, we also conduct regular discussions with companies regarding sustainability issues to influence companies in a positive direction.
- Engagement in collaboration with other investors  
Management Company's comments: Together with other investors, we conduct dialogues on specific sustainability matters through international collaborations and industry initiatives such as the UN and PRI.
- Engagement through external providers/consultants  
Management Company's comments: Together with other investors, we participate in mutual dialogues with companies through our supplier ISS ESG. The basis for these dialogues is suspected or verified breaches of international norms and conventions and focus primarily on principle areas of the UNGC.
- Voting at Annual General Meetings  
Management Company's comments: We vote at annual general meetings where we have a substantial ownership and in companies where there are particular reasons regarding environmental-, social- and corporate governance dimensions.
- Participation in nomination committees to impact the composition of the Board of Directors  
Management Company's comments: We participate in the nomination committees for which we are qualified, which in general are the companies where we are among the 3-5 largest shareholders. Shareholder involvement in the work of the nomination committee is primarily a Swedish/Nordic issue.

## 2. General information about Handelsbanken Fonder and the management of our funds

v.22.06

This general section of the Prospectus is applicable to all UCITS and non-UCITS funds managed by Handelsbanken Fonder AB (referred below as the Management Company). The introductory half of the Prospectus is fund-specific and applies to the fund referenced under the heading. The Prospectus is established on behalf of the UCITS funds in accordance with Chapter 4 of the Swedish Investment Funds Act (2004:46) and Chapter 29 of the Financial Supervisory Authority's regulation for investment funds (FFFS 2013:9). The Prospectus is established on behalf of the non-UCITS funds in accordance with Chapter 10 of the Alternative Investment Fund Managers Act (2013:561) and Chapter 13 of the Financial Supervisory Authority's regulations regarding alternative investment fund managers (FFFS 2013:10). The fund rules for each fund constitute a portion of this Prospectus. The fact sheets for each fund are detachable supplementary pages included in the Prospectus. The Management Company manages both actively- and passively-managed UCITS and non-UCITS funds. Passively-managed refers to index fund management and other rules-based fund management. The Management Company manages exchange-traded funds (ETFs) under the XACT trademark. These funds are hereinafter referred to as XACT funds or ETFs.

### The Management Company

Handelsbanken Fonder AB

Corporate identity number: 556418-8851

The Company's address and headquarters:

Blasieholmstorg 12

SE-106 70 Stockholm

Tel: +46(0)8 - 701 10 00

The Management Company has been authorized to conduct fund operations pursuant to the Swedish Investment Funds Act since 22 June 2006. Prior to this, the Management Company had the authorization to conduct fund operations according to the Mutual Funds Act (1990:1114). In addition, the Management Company has authorization to act as an Alternative Investment Fund Manager (AIFM) pursuant to the Alternative Investment Fund Managers Act (2013:561).

### Shareholder and Equity Capital

Svenska Handelsbanken AB (PLC) owns all of the stock in the Management Company. The Management Company has share capital of SEK 1,500,000.

### Board of Directors

The Management Company's Board of Directors consists of:

Michael Green, Chairman of the Board, Bank vice president, Svenska Handelsbanken AB (PLC)

Malin Björkmo, Consultancy specializing in corporate governance and financial regulations

Helen Fast Gillstedt, Chief Executive Officer and owner of a management consultancy firm  
Lars Seiz, Strategic advisor in asset management  
Åsa Holtman Öhman, Employee representative, Finansförbundet regional association, CHK association, Svenska Handelsbanken AB (PLC)

### Executive management of the Management Company:

Magdalena Wahlqvist Alveskog, Chief Executive Officer  
Henrik Åhman, Deputy Chief Executive Officer

Emma Viotti, Head of Products

Aurora Samuelsson, Head of Sustainability

Fredrik Alheden, Head of the Risk Management Unit

Staffan Ringvall, Head of Corporate Governance and Board secretary

Fredrik Köster, Head of Legal

Johann Guggi, CIO Asset Allocation

Stefan Hagman, CIO Passive Asset Management

Katarina Paschal, CIO Active Asset Management Fixed Income

Lisa Synning, CIO Active Asset Management Global Emerging Markets, acting CIO Active Asset Management Global Developed Markets

Christian Brunlid, CIO Active Asset Management Sweden

Tore Marken, CIO Active Asset Management Nordic

Rikard Eriksson, Head of Execution

### Compliance

Hanna Nyqvist, service provider, employed by Svenska Handelsbanken AB (PLC)

### Auditors

The Management Company's auditors are: PricewaterhouseCoopers AB, 113 97 Stockholm, principal auditor, Helena Kaiser de Carolis.

### Assignment Contracts

Handelsbanken Fonder AB has entered into an assignment contract with Svenska Handelsbanken AB (PLC) with regard to personnel matters, internal auditing, complaint handling, money-laundering and measures against the financing of terrorism, legal services, compliance, fund management company administration, legal reporting, distribution of funds and the maintenance of the unit holders' register. The Management Company has also entered into an assignment contract with J.P. Morgan Administration Services (Ireland) Limited regarding certain administration associated with the subscription and redemption of units on the primary market for the Management Company's ETFs. The Management Company has also entered into an assignment contract with Svenska Handelsbanken AB (PLC), branch office in Norway, primarily with regard to the management of funds with Norwegian exposure (only applicable to actively-managed funds).



In addition, there are agreements with other units within the Handelsbanken Group and with certain external fund intermediaries regarding the distribution of funds.

The Management Company has an agreement for all of the XACT funds with Euroclear Sweden ("Euroclear") for the maintenance of the unit holders' register for each of the XACT funds.

## **Custodian Institution**

The Management Company has appointed J.P. Morgan SE - Stockholm bank branch, as the Custodian Institution. The Custodian Institution shall execute its obligations in accordance with applicable EU directives, applicable Swedish laws, other statutes and fund rules relating to each fund.

The primary task of the Custodian Institution is to register and hold the assets included in the fund in a safe and secure manner, to monitor the fund's cash flow and to ensure that the fund's assets are calculated and used in a manner that is not in conflict with laws, other statutes and the fund rules of the fund. The Custodian Institution shall act independently of the Management Company and solely in the common interest of the unit holders.

In accordance with the Custodian Institution's agreement, applicable EU directives, laws and other statutes, a custodian institution can, in the context of certain conditions and to comply with its obligations in an effective manner, delegate portions of its obligations to one or several external companies, including other custodian banks that have been appointed periodically by the Custodian Institution. In accordance with applicable EU directives, laws and other statutes, custody and registration are the only tasks that may be delegated. In the context of its delegation, the Custodian Institution shall exercise all due skill, care and diligence required in accordance with applicable regulations to ensure that the fund assets are only entrusted to a service provider that is able to offer adequate protection. The Custodian Institution's responsibility is not impacted in any way if the custody of certain or all of the assets is delegated to an external company.

The Custodian Institution is described in more detail below:

J.P. Morgan SE - Stockholm bank branch  
Corporate identity number: 516406-1110  
Address: Hamngatan 15, 6th floor,  
SE-111 47 Stockholm

J.P. Morgan Bank SE - Stockholm bank branch (Custodian Institution or J.P. Morgan) is a full-service branch with regard to the custodian institution operations that are under the supervision of the Financial Supervisory Authority. J.P. Morgan SE has its legal domicile and registered headquarters in Germany and is under the supervision of European Central Bank.

In its role as the Custodian Institution, J.P. Morgan can periodically engage the services of other customers, funds or other external companies for custody and

associated services. J.P. Morgan Chase Group is an international banking group with a broad range of business activities, which means that conflicts of interest can arise periodically between the Custodian Institution and the companies to which custody services have been delegated. Such a company can be an affiliated company to J.P. Morgan that offers a product or service to a fund and at the same time has financial or business interests in these products or services. The company can also be an affiliated company to J.P.

Morgan that receives payment for other products or services associated to custody, such as foreign exchange or securities loans. If conflicts of interest do arise, the Custodian Institution shall always fulfil their commitments in accordance with applicable law and other statutes and act solely in the common interest of unit holders.

In this respect, unit holders should be aware that the Custodian Institution has delegated the custody of certain securities to companies within J.P. Morgan's network of custodian banks.

Updated information regarding the identity of the Custodian Institution, a description of its work tasks and conflicts of interest that can arise, a description of the custody functions that have been delegated by the Custodian Institution, a list of service providers and any tasks that have been further delegated and any conflicts of interest that could arise as a result of such delegation may be obtained upon request.

The Custodian Institution has no decision-making authority over the Management Company's investments in the fund management operations.

The Custodian Institution is the service provider and does not participate in the preparation of this document. Accordingly, the Custodian Institution has no liability for the correctness of the information in the document.

## **The funds and their legal status**

### **The legal character of the funds**

The UCITS funds and non-UCITS funds of Handelsbanken Fonder are regulated by the Swedish Investment Funds Act (2004:46) and the Alternative Investment Fund Managers Act (2013:561). A fund is established through capital contributions from the general public and is mutually owned by those who have provided capital to the fund. The fund consists of securities purchased by the fund for the capital provided to the fund. Fund assets are owned by the fund unit holders but are managed by the Management Company. The fund may not acquire rights, assume liabilities, or lodge an appeal before a court of law or any other authority. Assets included in a fund may not be seized and unit holders are not held accountable for the liabilities of the fund. This fund is not a legal entity, rather it is solely an object of taxation. The Management Company represents the unit holders in all questions regarding the fund, takes decisions regarding the assets included in the fund and exercises those rights that arise from the fund.

The Management Company shall trade solely in the common interest of the unit holders within the asset management of the fund.

One fund unit is a right to a proportion in a fund that is equivalent to the fund's net capital divided by the number of outstanding units. In a fund that lacks share classes, all units are equal and have the same rights to the assets included in the fund. In those cases in which the fund consists of share classes, the value of a fund unit in one share class will differ from the value of a fund unit in another share class. However, fund units within each individual share class are the same size and have the same rights to the assets included in the fund. The unit holder is never held responsible for any liabilities that rest upon the fund.

Each fund has fund rules that explain the specific conditions for subscribing to the fund and specifies what distinguishes each share class, if such is present in the fund. The fund rules have been approved by the Financial Supervisory Authority and constitute a portion of this Prospectus.

## **Share classes – Nomenclature, conditions, distributions, etc.**

The Management Company has introduced a nomenclature of share classes for the Management Company's funds in order to facilitate a review by unit holders of the terms and conditions associated with the different funds and their share classes. Share classes that have identical terms and conditions will be described in the same manner, regardless of the fund. However, the nomenclature of the share classes with specific conditions differs between actively- and passively-managed funds. The nomenclature of share classes facilitates a comparison between different share classes in different funds. The Management Company applies a share class nomenclature that consists of three markers: the first marker is a letter, the second is a number and the third indicates the share class's currency using the international standard for currency codes. The description of the share class is stated in the fund rules, the Prospectus and the fact sheet following the name of the share class. The first marker identifies whether the fund is a distribution or a non-distribution (accumulation) share class. The second marker indicates any potential subscription limits or other conditions for the share class and the third marker states the currency of the share class. Fees are normally differentiated in those instances where there are different subscription limits. The fee level for each share class is stated in the fund rules and the Prospectus. Information about the ongoing charges is available in the fact sheet for each share class.

## **Common conditions for the share classes**

A majority of the Management Company's funds have several share classes. The share classes are specified in the fund rules for each fund. The fund-specific section of the Prospectus states which share classes are applicable specifically for the referenced fund. The share classes differ with regard to currency, distribution, fees and specific conditions for distribution. The value of a fund unit in a share class will differ from the value of a fund unit in another share class. The units within each share class are of equal size and have the same rights to the assets included in the fund.

A non-distribution (accumulation) share class that does not have a subscription limit or other conditions and has the EUR as its currency class will be described as A1 EUR. This description of the share class will remain irrespective of whether the share class originated from the original fund or has been added to the fund after several other share classes have been added to the fund. Thus, the principle is that share classes with identical terms and conditions will be described in the same manner, regardless of the fund. However, the conditions for the A9/B9 share classes differ between the actively- and passively-managed funds.

The conditions for the various share classes apply to the investors, regardless of whether the holdings are registered directly or held in trust at the Management Company in accordance with Chapter 4, §12 of the Swedish Investment Funds Act (2004:46). An investor refers to a unit holder and a potential investor. The entity that distributes the share class to the investor is responsible for ensuring that the investor fulfils the conditions of the share class. Alternative conditions (grounds for qualification) apply to share classes with specific conditions for distribution that have more than one ground for qualification (this is applicable to the share classes with the numerical designation of 9 and 10). This means, for example, that the value of the shares held by an investor within the scope of regular investment advisory services, alternatively portfolio management, may not be credited to the investor when the size of the initial minimum subscription is calculated within the share class. However, an investor must fulfil all of the conditions within the grounds for qualification. This means, for example, that an investor who fulfils a monetary limit for a share class to qualify for the share class may not accept a repayment of a portion of the management fee from the Management Company and may not pay any distribution remuneration to the distributor where this is a condition.

As a precondition in share classes with conditions for distribution (A9, B9, A10 and B10), no distribution remuneration will be paid from the Management Company. Distribution remuneration does not refer to remuneration to pay for a platform service based on the number of funds that the Management Company has on the platform or in similar models, whereby the fund receives access to a trading platform and the fee is based on the value of those fund units (in the Management Company's fund/funds) registered within

the platform. Such a “platform fee” is paid by the Management Company for the platform to provide access to the fund units through the reception of investment services and transmission of orders or the execution of orders in accordance with Chapter 2, §§1 and 2 of the Swedish Investment Funds Act or corresponding Swedish or foreign regulations.

A switch between share classes at the initiative of a unit holder normally results in a capital gains tax. The Swedish Tax Authority’s legislative guidance (September 2013) with regard to the introduction and change of share classes states that a switch in unit holdings between different share classes does not result in any taxation if this is a direct consequence of the fund rules. Any tax consequences due to a switch between share classes rests with the unit holder. Refer below for further information about tax rules for unit holders.

A unit holder may not concurrently fulfil the conditions for two different share classes while using the same assets. This means, for example, that if a unit holder who owns units in one share class without specific conditions for distribution is eligible for a share class with specific conditions for distribution, the unit holder’s units will be allocated to the share class with the lowest fee that fulfils the conditions. In the same manner, when a unit holder no longer fulfils the specific conditions for distribution in a share class, the unit holder’s units will be allocated in the first hand to another share class with specific conditions for distribution for which the unit holder fulfils the conditions and, lastly, to a share class without specific conditions for distribution. All of the allocations are made without making changes to the conditions for distribution or the currency. The above applies regardless of whether the unit holder’s holdings are registered directly or held in trust (in one or several stages) at the Management Company.

Allocation refers to units in a share class that are allocated by investing the value of the unit holder’s holdings in a share class for which the unit holder fulfils the conditions without making a change to the distribution conditions or currency. This applies regardless of whether the unit holder’s holdings are registered directly or held in trust (in one or several stages) at the Management Company. The entity that distributes the share class to the investor is responsible for ensuring that the investor allocates units to another share class if this investor qualifies for another share class, or alternatively does not fulfil the conditions of the existing share class.

The distributors of a fund determine which share classes are provided by the distributor. In some cases, not all of the share classes stated in the fund rules are promoted by the Management Company, which means that it is not possible for an investor to purchase units in the share class.

## Distributions

The Management Company determines the amount of the distribution to be paid to fund unit holders in the distribution share classes on an annual basis. Pursuant to the fund rules of the funds, distributions are calculated based on the return in the distribution share classes, although, as also stated in the fund rules, it is ultimately the best interest of the unit holders that is fundamental for determining the amount of the distribution. The Management Company’s view is that it is in the best interest of the unit holders for the historical dividend yields of the share classes to serve as the basis for the distribution size objective. Dividend yields are a good representation of the returns on the fund’s assets for a long-term investor and tend to have smaller variations than the fund’s absolute returns. As a result, the distribution may be set at a higher or lower amount than the returns of the share classes. Refer to the fund rules for each fund for further information about the objectives with regard to the size and the timing of the distribution. Distributions are normally made during the month of March each year. Several of the Management Company’s ETFs have different distribution schedules, which are described further for each fund. The Management Company may make the decision for an extraordinary dividend during the year if it is deemed to be in the best interest of the fund unit holders. Dividends are paid to the fund unit holders who are registered as of the record date decided by the Management Company for the distribution. The distribution impacts the relationship between the value of accumulation units and the value of the distribution units, with the value of the distribution units decreasing in relation to the size of the distribution.

## General information on fees

The Management Company receives remuneration from the fund in the form of a management fee for the management of the fund. The management fee covers the Management Company’s expenses for management, administration, custody of securities, auditing and supervision. Expenses for distribution and marketing are also included in the management fee for share classes in which the Management Company pays the distributor a remuneration for distribution. In those cases where the Management Company has outsourced certain operations, e.g., the administration of certain funds, the management fee covers the fees paid by the Management Company to the recipient of the assignment. The management fee is a predetermined amount and is expressed as a percent per year of the fund’s average value. The remuneration normally consists of a fixed percentage management fee and may also include an additional variable (performance-based) fee. The maximum fee permitted is stated in the fund rules for each fund and the applicable fee is provided in this Prospectus in conjunction with the report for each individual fund.

The fund is not charged fees for holdings in funds managed by the Handelsbanken Group. Fees in other

funds will be charged to the fund, although any discounts revert to the fund in full.

In addition, there is a limit to the types of fees that may be charged for the fund to invest any of its assets in an underlying fund. A maximum fixed annual fee of 3% may be charged for the fixed management fees of the underlying funds in which the fund invests its assets. Any performance-based management fee for the underlying funds may not exceed 30% of the excess returns relative to each fund's benchmark (index or the equivalent) during each measurement period.

There are no subscription or redemption fees charged to the fund for investments in underlying funds managed within the Handelsbanken Group.

Expenses for the fund's trading in securities, namely brokerage fees, are deducted directly from the fund and also apply for any applicable tax, settlement fees and corresponding transaction-related fees. Information about the fund's total costs is included in the fund's annual report. Information about the unit holders' portion of the total costs is provided in the annual account statement.

The fact sheet for each fund uses the term ongoing charges. Ongoing charges consist of the sum of the expenses for fund operations, including marketing and distribution (where such expenses arise) and, unless stated otherwise, the information includes the expenses for the previous year. Ongoing charges do not include transaction costs, i.e., expenses associated with the fund's trading in securities (e.g., brokerage fees, taxes and interest expenses), nor does it include any performance-based fee, if applicable. Transaction costs are deducted from the fund as they occur and are not known in advance. The Management Company does not charge any subscription or redemption fees for trading in the Management Company's funds.

No subscription or redemption fees are paid to the Management Company with regard to the XACT funds for the trading of fund units on the stock exchange, i.e., in the so-called secondary market. Fund units bought and sold directly via the Management Company in the so-called primary market (further information is provided below under the section *Subscription and redemption*) may be charged subscription and redemption fees for the expenses incurred by the Management Company for the subscription and redemption of fund units.

### **Specific information on actively-managed fund of funds**

In addition to what is described above, the following applies to the Management Company's actively-managed fund of funds. The underlying funds are selected after a comprehensive analysis of the managing fund management companies as well as the current funds. Investments are made historically, as well as presently, to a great extent in funds managed by Handelsbanken's fund management company. The reason that a significant portion of investments are made

in internal Group funds is that the Group's fund management is deemed to be exceptionally effective. This, together with the fact that there are no management fees charged in these underlying funds, often results in the overall assessment that investments in internal Group funds are the best choice for fund of funds and their unit holders. Detailed information about fund investments is available in the fund's annual report or semi-annual review, as well as on the website for information as of the previous month-end.

### **Specific information on expenses for the purchase of analyses**

The Management Company requires the use of analyses within the context of the Management Company's fund management process for the actively-managed funds. The analyses can relate to individual companies, geographic markets, sectors or macroeconomic conditions. The Management Company has employed analysts and portfolio managers who contribute with analyses in the fund management process. In addition to the internal analyses, the Management Company also purchases external analyses from various research firms. The expenses for internal analyses as well as external analyses are included within the scope of the management fee for each fund.

### **Subscription and redemption as well as information on the most recently calculated NAV**

The subscription and redemption of fund units may occur through one of Handelsbanken's Swedish branch offices and via Handelsbanken's website, in accordance with the rules and directives that may be obtained from the Management Company. The subscription and redemption of fund units may also occur at certain distributors external to the Handelsbanken Group in accordance with the rules and directives that can be obtained from the distributor.

The services offered by Handelsbanken Fonder to clients living permanently or temporarily in certain countries, such as the US, are limited. The Management Company reserves the right to refrain from selling fund units to individuals living in certain countries and legal entities with legal domicile in certain countries should this be in conflict with applicable statutes in such countries. Additional information may be obtained from a local Handelsbanken branch office.

When the request for subscription or redemption of a fund unit is received, the Management Company sets the fund unit price and the transaction is completed according to those cut-off times applicable to each fund. Information about the latest cut-off time for the subscription and redemption of fund units may be found on the Management Company's website or at a local Handelsbanken branch office. Different time periods can apply at distributors external to the Handelsbanken Group. Subscriptions and redemptions always occur at

an unknown price. It is therefore not possible to state a fund unit price limit for a subscription or redemption.

The most recently calculated net asset value is available on the Management Company's website at [www.handelsbanken.se/funds](http://www.handelsbanken.se/funds) or at a local Handelsbanken branch office.

## **Subscription and redemption for XACT funds**

### *Subscription and redemption of fund units – Primary market transactions*

It is possible to purchase and redeem fund units directly with the Management Company – these are known as primary market transactions. Normally, primary market transactions are only carried out by market makers and include the delivery of equities and fund units worth several million Swedish kronor. For more details on the creation or redemption of fund units, please refer to the fund rules. The services offered by the Management Company to clients living permanently or temporarily in certain countries, such as the US, are limited. The Management Company reserves the right to refrain from selling fund units to individuals living in certain countries and legal entities with legal domicile in certain countries should this be in conflict with applicable statutes in such countries.

### *Trading in fund units – Secondary market transactions*

Fund units are bought and sold via NASDAQ OMX Nordic Exchange Stockholm or Nasdaq Copenhagen and where appropriate, in other marketplaces in which the fund units are listed, independent of the involvement of the Management Company. To guarantee that fund units may be bought and sold, the Management Company has an agreement with market makers to set bid and ask prices for the funds. No entry or exit fees are paid to the Management Company for the trading of fund units on the stock market. However, the broker normally charges transaction fees or a commission. The Management Company does not act as a broker on any marketplace in which the fund units are traded. The Management Company is in no way responsible for the transactions that occur in fund units.

## **Guidelines for the closing of a fund**

The funds are available for subscription and redemption each banking day, unless stated otherwise in the fund rules.

However, a fund may be closed for the subscription and redemption of fund units on such banking days or a portion of a banking day where the value of the fund's assets cannot be calculated in such a way to guarantee the equal treatment of the fund unit holders, e.g. when one or several markets in which the fund trades are totally or partly closed or in the event of exceptional circumstances. Normally, a fund is closed for

subscription and redemption if approximately 30% or more of the underlying markets are closed.

Normally, a request for the subscription and redemption of fund units may be made even if a fund is closed. However, a consequence of a closed fund is that the Management Company does not calculate a net asset value. If a request for the subscription or redemption is received when a fund is closed, the net asset value for the fund will be set the first banking day after the fund re-opens for trading. This means that the subscription and redemption may be delayed by the number of days the fund was closed.

## **Responsible investment, sustainability and governance**

The Management Company's view is that responsible actions are the foundation for long-term value creation in a company. Consequently, responsible investments are an important prerequisite to attaining our objective of generating good long-term returns. The Management Company's primary objective is to create financial returns and contribute to a sustainable development through fund management that is consistent with the Paris Agreement and, given the Management Company's business activities, contribute to the UN's 17 Sustainable Development Goals (as defined in Agenda 2030) to the greatest extent possible. Our efforts within responsible investment are ongoing and are integrated into the Management Company's fund management organization and in the various investment processes for all of the Company's funds. This means that all investments are based on the same principles, which are outlined in our Policy for shareholder engagement and responsible investment. All fund management is therefore guided by international norms and conventions that include such areas as the environment, human rights, working conditions and corruption. The Management Company has also undertaken to comply with several voluntary frameworks, such as the UN's Global Compact initiative, the UN's Principles for Responsible Investment (PRI) and the Net Zero Asset Managers Initiative. The Company's Policy for shareholder engagement and responsible investment contains additional information about the Management Company's work with responsible investment and is available at [www.handelsbanken.se/funds](http://www.handelsbanken.se/funds).

The following sections describe the Management Company's approaches to responsible investment, sustainability and governance with regard to all of the Management Company's sustainability-oriented funds and investments. Only a limited number of funds are not completely sustainability-oriented, which is stated as such under each fund.

## Methodologies for sustainability efforts

The Management Company's efforts with responsible investment are based on three principles: exclusion, inclusion and engagement.

Sustainability is integrated into investment analyses and decisions, although the approach can vary in the ongoing business activities depending on whether we are dealing with the selection of individual companies in which to invest, the selection of an index, or the selection of funds for inclusion in fund portfolios. The selection of asset classes and management focus also impact the approach taken.



### Exclusion strategy

#### Sustainability-oriented funds

The exclusion strategy provides for the funds' exclusion of investments in a number of controversial sectors and the exclusion of companies that are considered to contravene international norms and conventions with regard to human rights, work conditions, corruption and the environment. The starting point is the 10 principles of the voluntary UN Global Compact initiative.

In addition, the funds take a restrictive position as follows. The funds do not invest in securities issued by companies in which more than 5% of turnover is attributed to the distribution of tobacco and pornography, and the funds also have zero tolerance with regard to production within these areas. Further, investments are not made in companies in which more than 5% of turnover is attributed to the production and/or distribution of alcohol, cannabis, commercial gambling, weapons and war materials, or fossil fuels. With regard to services related to these business operations, the maximum limit is 50%.

Services include such areas as marketing, key components, raw materials, machinery and technical equipment, technology, IT and support services. An example of a company with services to an area covered by the sustainability requirements is a company that manufactures cardboard cartons which are then used for the packaging of alcohol.

Refer to <http://www.handelsbankenfonder.se> for further information about the Management Company's Exclusion strategy.

Exceptions from the limits stated above may occur, refer to the *Inclusion* section below.

Area	Maximum turnover	
	production	distribution
Banned weapons*	0%	0%
Nuclear weapons	0%	0%
Weapons and war materials	5%	5%
Alcohol	5%	5%
Tobacco	0%	5%
Cannabis	5%	5%
Pornography	0%	5%

Commercial gambling	5%	5%
Fossil fuels - mining (oil, gas and coal)	5%	5%
Fossil fuels – power generation (oil, gas and coal)	5%**	5%**
Tar sands	0%	-

\* Cluster bombs, anti-personnel mines, chemical weapons and biological weapons.

\*\* See exceptions under the *Inclusion* section below.

## Funds that are not completely sustainability-oriented

### Norm-based screening

Funds that are not completely sustainability-oriented are also subject to comprehensive sustainability requirements. With regard to "exclusion", this is achieved at a minimum in accordance with the table below. With regard to companies that break norms, the Management Company screens all of the holdings to identify companies that fail to comply with international norms and conventions. This means that fund management reviews portfolio companies and their potential crimes or violations against international norms based on the UN Global Compact initiative's four principle areas: human rights, work conditions, the environment and corruption. The approach taken in the work with responsible investment in the ongoing business activities can vary depending on the selection of asset classes and management focus.

### Exclusion in accordance with a minimum level

Pursuant to the Management Company's Policy for shareholder engagement and responsible investment, fund management does not invest in the following business activities:

- Companies involved in the production or distribution of weapons banned under international law, such as cluster weapons, anti-personnel mines, biological and chemical weapons.
- Companies involved in the production or distribution of nuclear weapons.
- Companies with substantial business activities within the extraction of thermal coal or in power companies that have thermal coal as a major energy source. In practice, this means that a maximum of 5% of a company's turnover may be attributed to the extraction of thermal coal, while a maximum of 30% of turnover may be attributed to coal energy for power generation.

This also applies to fixed income funds, i.e., these types of funds do not invest in bonds issued by companies involved in the business activities stated above.

Area	Maximum turnover	
	production	distribution
Banned weapons*	0%	0%
Nuclear weapons	0%	0%
Extraction of thermal coal	5%	-
Coal energy	30%	-

\*Cluster bombs, anti-personnel mines, chemical and biological weapons.



## Inclusion strategy

### Sustainability integrated into the investment processes

The Management Company strives to select investments that carry out their business activities to correspond with or contribute positively to a sustainable development in accordance with Agenda 2030 and the objectives of the Paris Agreement. Fund management strives to increase investments in solutions to the global sustainability challenges and thereby contribute to the attainment of the Sustainable Development Goals and the transition to an economy with low carbon emissions.

- Fund management actively identifies investments in companies that carry out their business activities in a sustainable manner or in companies with products and services that contribute to sustainable development.
- Fund management actively identifies companies that contribute to the transition to an economy with low carbon emissions in line with the objectives of the Paris Agreement.
- In the same way, allocation fund management actively identifies fund managers and fund products that are managed in line with the points mentioned above.

Investments can be included based on two dimensions of sustainability: as a result of the company's operational sustainability performance or as a result of the company's products and services.

Sustainability-oriented equity funds: Actively-managed equity funds have the option of including so-called transition companies involved in the power generation, transmission and distribution of electricity that have some exposure to fossil fuels. Transition companies refer to companies that have been considered by the Management Company's sustainability committee as those that are in the process of transitioning business operations in a manner that is expected to contribute to, rather than jeopardize, the attainment of one or several of the Sustainable Development Goals. The company's transition rate is assessed based on the following dimensions: that the company's business operations do not consist primarily of fossil power generation, that the

company's current investment rate supports the transition from fossil to renewable energy, and that the company's planned growth in business operations is in line with a maximum global warming of 2°C. Thus, the limits shown in the table above do not apply to so-called transition companies.

Sustainability-oriented index funds: Sustainability requirements related to exclusion and inclusion are integrated into the index methodology for our index funds. The scope and further details related to these sustainability requirements are provided for each fund under the section *Sustainability requirements in the index*.

Sustainability-oriented fixed income funds: Actively-managed fixed income funds have the option of including bonds or other interest-bearing instruments from an issuer involved in the power generation, transmission and distribution of electricity that have some exposure to fossil fuels when the issuer is a so-called transition company. Transition companies refer to companies that have been considered by the Management Company's sustainability committee as those that are in the process of transitioning business operations in a manner that is expected to contribute to, rather than jeopardize, the attainment of one or several of the Sustainable Development Goals. The company's transition rate is assessed based on the following dimensions: that the company's business operations do not consist primarily of fossil power generation, that the company's current investment rate supports the transition from fossil to renewable energy, and that the company's planned growth in business operations is in line with a maximum global warming of 2°C. Thus, the limits shown in the table above do not apply to investments in bonds from issuers that are so-called transition companies.

Sustainability-oriented actively-managed fund of funds: The Management Company's sustainability-oriented actively-managed fund of funds are managed based on the Management Company's Policy for Shareholder Engagement and Responsible Investment and the sustainability strategies applicable thereunder. In the event a fund of funds invests in a fund that includes holdings in companies that violate the limits stated in this section, the Management Company will initiate a dialogue with the managing fund management company for the purpose of selling the fund's holdings in the underlying fund. If the dialogue does not yield results, the underlying fund will be sold. An underlying fund may also invest in so-called transition companies involved in power generation from fossil fuels (refer to the description above under *Sustainability-oriented equity funds*). When a fund of funds invests directly in transferable securities or in money market instruments, the exclusion and inclusion limits stated in this section will be applied.

Derivatives based on broad liquid indexes are instruments that are necessary to manage risks, positions and liquidity in the portfolios of the fund of funds. As a result, these derivatives can be used to address both short- and long-term portfolio strategies in a suitable manner. The following is applicable to a fund of funds' investment in

derivatives and other index products: the fund will primarily invest in sustainability-oriented index derivatives and index products. In the absence of such instruments, the fund will invest in other index derivatives and index products. Within such index derivatives and index products there may arise exposure to companies that are not permitted in accordance with the exclusion criteria referenced above.

Sustainability-oriented passively-managed fund of funds:

The Management Company’s sustainability-oriented passively-managed fund of funds are managed based on the Management Company’s Policy for Shareholder Engagement and Responsible Investment and the sustainability strategies applicable thereunder. The funds invest exclusively in other funds managed in the Handelsbanken Group that fulfil the sustainability requirements of the fund of funds.

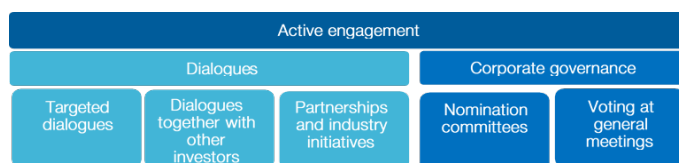
An underlying fund may also invest in so-called transition companies involved in power generation from fossil fuels (refer to the description above under *Sustainability-oriented index funds* and *Sustainability-oriented fixed income funds*). The Management Company conducts internal analyses within sustainability and uses a third-party assessment in its work to review the quality of the fund’s investments.

Refer to [www.handelsbankenfonder.se](http://www.handelsbankenfonder.se) for further information about the Management Company’s Inclusion strategy.



## Engagement strategy

A vital part of taking responsibility as an investor is to exercise the role as owner and influence the companies in which we invest. We can accomplish this through company dialogues and corporate governance work. The basis for the Management Company’s engagement work is the Management Company’s Policy for shareholder engagement and responsible investment, as well as the commitments and the international norms and conventions that the Management Company respects.



### Dialogues

Dialogues are an important method for contributing to a sustainable development. This applies to both proactive dialogues aimed at influencing companies to improve their sustainability efforts, as well as to dialogues with companies that the Management Company feels have not complied with international norms and conventions. Engagement activities are performed by the Management Company through direct contact with companies, as well

as to a great extent in collaboration with other asset owners and through joint industry initiatives.

The Management Company’s three methodologies for engaging companies in which the funds invest are:

- Targeted dialogues with direct contact between fund managers and the company
- Dialogues together with other investors
- Collaborations and industry initiatives, often through international partnerships such as the UN, PRI and CDP

### Corporate governance

An active and responsible corporate governance in those companies in which our funds own equities is an essential part of our assignment as an asset manager. In the role as shareholder, this also provides a means to influence companies through corporate governance. The Management Company does this primarily through:

- Voting at shareholders’ meetings  
Voting that occurs at the shareholders’ meetings of companies in which the funds have a larger ownership in total (upwards of approximately 0.5% of the votes), as well as in companies that may have other major environmental-, social- or corporate governance issues.
- Representation on nomination committees  
Participation in the nomination committees of those companies in which the funds have sufficiently large ownership to warrant a position on the committee. The nomination committee prepares proposals for board members, remuneration policies and other items for companies that are then decided upon at the shareholders’ meeting. Participating in the nomination committee work provides a great opportunity to influence the composition of the board of directors. The board is responsible for the company’s governance and plays a crucial role in the company’s strategic development.

Swedish companies in which the funds invest must follow the Swedish Corporate Governance Code. This is a code that complements legislation and other regulations by specifying a standard of corporate governance with a higher level of ambition, while providing the possibility for deviations when justified. Similarly, foreign companies must comply with the relevant statutes and should also comply with or explain deviations from the corporate codes that are applicable in the markets on which they are listed. These guidelines are supplemented with other areas within the framework of our policies. As an owner, the Management Company also operates under the principles of corporate governance in the Swedish Corporate Governance Code and other relevant industry standards from the Swedish Investment Fund Association, including the Swedish code of conduct for fund management companies and Guidelines for fund management companies’ shareholder engagement.

The starting point for this work is the Management Company’s Policy for shareholder engagement and



responsible investment, as well as the guidelines for the nomination committee's work. Below are some examples of important ownership issues:

- The qualifications and composition of the Board, with a focus on gender equality on boards
- Reasonable fees and remuneration for Board members
- Competitive, transparent remuneration and incentive programs for management and employees in the companies
- The company's sustainability efforts and vision for the business operations
- Transparency and good information disclosures from the company on all important issues

Refer to [www.handelsbankenfonder.se](http://www.handelsbankenfonder.se) for further information about the Management Company's Engagement strategy.

## Information about the funds' sustainability efforts

Information is provided below for each individual fund regarding the fund's management in relation to sustainability, including matters relating to the environment, social conditions, personnel, respect for human rights and anti-corruption. The information describes the sustainability dimensions that are taken into consideration within fund management and the methodologies that are used in the sustainability efforts. The information has been prepared in line with the Swedish Investment Fund Association's industry standards. A report on the Management Company's follow-up of the sustainability efforts will be available in the annual report of each fund.

## Follow-up of sustainability efforts

The Management Company's Risk control function also regularly follows up the funds' investment focus to ensure compliance with sustainability. The Exclusion strategy is monitored on a daily basis to ensure compliance. Responsibility for the active "Inclusion" work rests with the fund managers, with support from the sustainability function. Engagement efforts are followed up and reported to the Management Company's management group and to the Management Company's Board on an annual basis.

## Management of currencies and currency exposure

Investing in securities on different markets can involve exposure to different currencies, which in turn involves currency risk.

Equity funds generally have full currency exposure on the markets in which investments are made. The fund managers may have a different currency exposure via cash balance on an account and also via currency future contracts, although often to a lesser extent. A fund that

invests in multiple markets therefore has a mixture of currency exposures. When investing in equities, regardless of the market, there may also be indirect currency exposure depending on factors such as the company's sales, purchasing and production in other countries. Currency exposure accounts for a substantial portion of the returns.

In fixed income funds, currency exposures are generally always hedged to the fund's base currency. Normally, a maximum of 2% of the fund may be exposed to a currency other than the base currency. What applies in this regard is stated in the fund rules and is listed in the fund-specific section of the Prospectus for the fixed income funds.

Fund of funds have exposure to the various markets and positions of the underlying funds. The actively-managed fund of funds also work actively to take currency positions in the form of currency forward contracts to obtain the desired exposure. Currency exposure accounts for a substantial portion of the returns.

## Register of unit holders

The register of unit holders for each fund is maintained by Handelsbanken on behalf of the Management Company.

A settlement note is provided for the subscription and redemption of fund units as well as at the closing of a fund account. A statement with all of the fund account transactions for the year is provided on an annual basis.

Euroclear maintains the register of unit holders for the XACT funds pursuant to regulations and contracts. Units may either be registered directly at Euroclear or held in custody in a custody account (nominee registration).

## Damages

The Management Company is liable for damages in accordance with Chapter 2, §21 of the Swedish Investment Funds Act (2004:46) with regard to the UCITS funds managed by the Management Company and in accordance with Chapter 8, §§28-31 of the Alternative Investment Fund Managers Act (2013:561) for the non-UCITS funds managed by the Management Company. The Custodian Institution is liable in accordance with Chapter 2, §21 of the Swedish Investment Funds Act and in accordance with Chapter 9, §22 of the Alternative Investment Fund Managers Act. The following is stated in these regulations. If a unit holder suffers a loss as a result of the Management Company's violation of current regulations or the fund rules, the Management Company shall compensate for the loss. If a unit holder or a fund management company suffers a loss as a result of the Custodian Institution's violation of the Swedish Investment Funds Act or fund rules, the Custodian Institution shall compensate for the loss. While respecting the provisions of these regulations, the following is also further applicable where appropriate within the meaning of the fund rules for each individual fund.

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

The Custodian Institution and/or the Management Company will not compensate damages that arise in other instances if the Custodian Institution/Management Company has been normally prudent and unless otherwise required by mandatory legislation. The Custodian Institution/Management Company is in no case liable for indirect damages, unless the damage is a result of the gross negligence of the Management Company or Custodian Institution.

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

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

In accordance with the Alternative Investment Fund Managers Act, the Management Company shall comply with certain capital requirements and hold their own funds to cover any claims for damages as a result of an error or omission in the business operations. According to the Management Company, the company-held funds cover all of the capital requirements that can be imposed on the Company with regard to the risks associated with the business under which it is authorized to operate.

The Management Company follows the Swedish Investment Fund Association's guidance with regard to the management of compensation in the event of an incorrect calculation of the net asset value.

The guidance document is available in Swedish at:

[www.fondbolagen.se/globalassets/regelverk/foreningens-vagledningar/vagledning-vid-fel-nav-130402.pdf](http://www.fondbolagen.se/globalassets/regelverk/foreningens-vagledningar/vagledning-vid-fel-nav-130402.pdf)

## Valuation of fund assets

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

A fund's assets include financial instruments, liquid assets, including short-term investments on the money market, and other assets in possession of the fund.

Financial instruments that are included in the fund are valued at the applicable market value. Market prices are used preferably. If such prices are not available or if prices are deemed by the Management Company to be misleading, the financial instruments will be valued according to those objective principles decided by the Management Company. The valuation on objective principles establishes a market value based on information for the most recent price paid or the indicative bid price from market makers, if such have been designated by the issuer. If this information is not available or is deemed to be unreliable, the market value is set using information from counterparties or other external sources. Liquid assets and current receivables (investments in an account at a credit institution, short-term investments on the money market as well as cash settlements for securities sold) are valued at the amount whereby they are expected to be received.

The market value for such transferable securities and money market instruments as stated in Chapter 5, §5 in the Swedish Investment Funds Act is set based on objective principles after a specific valuation. This specific valuation is based on the discounted present value of future cash flows. The cash flows are then adjusted for current risks. Transferable securities use company valuation models, which include factors such as sector and company-specific circumstances. Money market instruments use valuation models, which include such factors as credit and liquidity risks.

In the event the market price during the valuation of OTC derivatives cannot be determined in accordance with any of the aforementioned alternatives or is clearly misleading, the market value will be set based on generally-accepted valuation models, such as Black & Scholes.

In addition to liabilities arising as a result of the fund's operations, fund liabilities include future tax liabilities and management fees.

## General risk information

The specific risk to which an individual fund is exposed is stated in the description in part 1 of the Prospectus. Below is a description of the various types of risks that can typically impact a fund's value.

### *Market risk*

Market risk is defined as the risk for a loss that can be attributed to changes in the market value of positions in the fund as a result of changes in market variables, such

as interest rates, exchange rates, share prices or commodities.

An equity fund is primarily affected by changes in the value of the equities. Over time, the changes in value can vary significantly as a result of company specific events, macroeconomic changes or due to other events that impact or are expected to impact the economic growth for an individual company, a sector or a region.

A fixed income fund is exposed to interest rate risk. As a result, when the general interest rate rises, the value of the existing fixed income investments declines, which has a negative impact on the fund. 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 short residual fixed interest duration.

A mixed fund that is permitted to allocate investments across equities and fixed income securities is therefore exposed to both equity and interest rate risks depending on its allocation at a given point in time. Market risk for funds that have another investment focus is defined as the changes in value in the underlying assets, e.g., value changes in commodities or real estate.

**Concentration risk:** Concentration risk refers to the risk for loss as a result of major individual exposure or a high concentration of the fund's investments in individual markets, countries, regions or sectors. Concentration risks are normally found in such funds that, pursuant to their investment focus, invest in specific countries, regions or sectors, but can also arise in some companies' other funds as a result of a broad investment mandate or thematic investment strategies. Securities funds have rules for the distribution of risk to decrease the impact of such risks.

**Currency risk:** Currency risk refers to the risk that the market value of the assets, measured in the fund's base currency, declines when the fund's base currency strengthens against those currencies in which the assets are invested. As a result, those funds that invest in financial instruments that are denominated in a currency other than the fund's base currency will be exposed to currency risk. Thus, the market value for a fund with SEK as the base currency that invests in equities listed in USD will be affected by how the value between SEK and USD changes over time.

### *Credit risk*

Credit risk is defined as the counterparty or issuer risk. Credit risk refers to the risk for a loss due to the inability of the counterparty or issuer to meet its financial commitments. Credit risks arise primarily in investments of liquid assets at a credit institution or in funds that invest in interest-bearing securities.

**Counterparty risk:** Counterparty risk arises if a counterparty does not meet its obligations, such as by not paying a specified amount or not delivering securities as agreed. If the fund conducts so-called "Over the Counter" (OTC) transactions, it can be subject to risks

related to the creditworthiness of the counterparty. A fund's OTC transactions that include futures, options and swap agreements or use other derivative techniques can result in the fund being exposed to the risk that a counterparty does not fulfil its commitments. Counterparty risk can also arise in conjunction with the lending of securities. The concept also includes settlement risk, which is the risk that an agreement in a transmission system cannot be carried out as expected. All of the funds are exposed to counterparty risks.

**Issuer risk:** Issuer risk refers to the risk for changes in value in the individual instruments as a result of factors related to the issuer of the instrument or, with regard to derivative instruments, the party that issued the underlying instrument.

### *Risks with derivative instruments*

Derivative instruments refer to instruments that receive returns from underlying assets. Underlying assets can refer to individual equities or financial indexes, for example. Options and futures are commonly used as derivative instruments. The instrument is an agreement to purchase or sell the underlying asset on a pre-determined date and at a pre-determined price. Value changes are largely determined by the changes in value in the underlying assets. As an example, the risk in option transactions is that the market price declines below the agreed price, which results in the agreement having no value or that it becomes a liability.

### *Liquidity risk*

Liquidity risk refers to the risk that a financial instrument cannot be settled, can only be settled at a substantially reduced price or that the transaction results in significant costs. Liquidity risk can also be the risk that during extreme conditions in the financial markets, units cannot be redeemed within the time limits. Liquidity risk is affected by the type of instrument, the existence of market and clearing functions, the size of the flow in the fund, the traded volume, the number of actors in the market as well as the size of the fund relative to the size and the turnover of the market or the companies in which the fund invests.

### *Operative risk*

Operative risk refers to the risk for loss due partly to deficiencies in internal routines with regard to personnel and systems in the company that carries out the fund operations or other external factors, partly due to judicial and documentation-related risks, and partly due to risks as a result of trading, settlement and valuation routines. Operative risks are managed by the clear development and documentation of the routines, job descriptions and follow-up systems of the internal organization. All of the funds are exposed to operative risks. The operative risk can be higher in funds that invest in developing regions or in complex financial instruments.

### *Management of liquidity risks*

Liquidity in all the funds is classified for each holding. The classification is updated regularly. The Management

Company invests only in funds that offer liquidity on a daily basis. The funds are able to borrow assets on a short-term basis or postpone payment of significant amounts if the fund holds a limited amount of cash. There is also the possibility of delaying subscriptions and/or redemptions in the fund in accordance with the regulations. A reasonable balance should be made between the different interests of unit holders in the selection of an action to be taken.

Quantitative risk limits have been established while taking into consideration the fund's investment focus, redemption policy, concentration of customers and use of derivatives. These limits are followed-up on a regular basis.

Stress tests are conducted regularly as well as when they are necessary. Measures are taken if the stress tests indicate risks for the unit holders.

### *Risk assessment methodology*

A fund's total exposure may be calculated either by the so-called commitment approach or by a Value-at-Risk model. A Value-at-Risk model that has been approved by the Financial Supervisory Authority is used in Handelsbanken for the Handelsbanken Räntestrategi and Handelsbanken Räntestrategi Plus. All of the other funds managed by the Management Company use the commitment approach to calculate the total exposure of each fund pursuant to Chapter 25, §§5 and 6 in the Financial Supervisory Authority's directives on securities funds, FFFS 2013:9.

### *The fund's risk indicator*

All of the Management Company's funds are graded according to a seven-grade scale, with 1 for the lowest risk and 7 for the highest risk. The classification is based on the standard deviation (volatility) for the fund and is a measure of the variation in returns over time. Category 1 does not mean that the fund is risk free. The calculation of the risk indicator is common for all EU Member States in accordance with the Commission's regulation (583/2010/EG) with regard to key investor information. The Management Company classifies funds that invest within category 1-3 as low risk, funds within category 4-5 as moderate risk and funds that invest within category 6-7 as high risk. Given that the risk indicator is based on the standard deviation, it can differ from the fund's risk profile as described below under each fund.

The basis for the risk classification is the standard deviation for the price fluctuations in the fund as shown below:

Risk indicator	Standard deviation (%)
1	0 – < 0.5
2	0.5 – < 2
3	2 – < 5
4	5 – < 10
5	10 – < 15
6	15 – < 25
7	> 25

The standard deviation is calculated based on the weekly NAV prices over a five-year period. If historical data is not available for a five-year period, the standard deviation of the relevant comparable index or another benchmark will be used. Thus, the risk indicator describes primarily the market risk and also includes, where appropriate, currency risk.

## **Financial leverage**

Financial leverage refers to a method by which the exposure increases through the use of derivative instruments or by borrowing cash/securities, for example. The financial leverage is expressed as the relationship between the fund's exposure and its net asset value. A securities fund that invests in derivatives has the potential to legally reach a leverage effect of twice the market risk.

The Management Company has established a maximum level of financial leverage for each non-UCITS fund, in addition to the total exposure limits that apply for non-UCITS funds pursuant to applicable legislation and fund rules. This exposure is calculated with the gross method and the commitment approach. The established maximum level of financial leverage is reported in the Prospectus for each non-UCITS fund.

With regard to the commitment approach it should be noted that differences exist in the manner by which leverage is expressed pursuant to the Swedish Investment Funds Act, the Financial Supervisory Authority's regulations (FFFS 2013:9) for securities funds and in accordance with the Financial Supervisory Authority's regulatory code for investment funds (FFFS 2013:10) as well as the Commission's delegated regulation 231/2013/EU (regulation for alternative investment funds). The main difference with the calculation of leverage according to the commitment approach is that the regulations for securities funds only include exposure attributable to derivatives (except for leverage attributable to techniques and instruments), while the regulations for alternative investment funds also require that all positions with a potential for market risk are taken into consideration, i.e., not only derivative positions. In the event there are no derivative positions in a fund, the value of the leverage calculation will be 0 (zero) pursuant to the regulations for securities funds, while the calculation would be 1 (100%) according to the regulations for alternative investment funds. The difference has no impact on the risk in the fund and is only a result of the different approaches for expressing leverage.

## **Techniques and instruments (securities lending, etc.) and management of collateral**

### **Securities lending**

The Management Company uses securities lending as a technique/instrument for effective portfolio management. The following is a description of how securities loans are

managed for all of the Management Company's funds to the extent that a fund lends securities. For a more detailed indication of a fund's actual use of securities lending, please refer to the annual report and semi-annual review for each fund.

Each fund may lend transferable securities up to the equivalent of a maximum of 20% of fund capital.

The Management Company's funds may lend equities as well as interest-bearing instruments, although it is essentially equities that are subject to lending. Normally, the fund is expected to lend less than 10% of fund capital in those cases in which it is stated that the fund lends securities, although the volume may fluctuate significantly from time to time. In the case of securities lending, the fund may lend securities for the purpose of deriving income from lending. The borrower pledges collateral to the fund in the event the borrower is unable to return the securities (refer below to the section *Management of collateral*). The Management Company's funds retain JP Morgan SE – Luxembourg Branch as the intermediary of the securities loans. JP Morgan SE – Luxembourg Branch will receive remuneration for the intermediary services. JP Morgan SE, is the custodian institution for the Management Company's funds, but the business operations are completely separate from one another.

In securities lending, the fund is exposed to the risk that the counterparty will not return the borrowed securities, in conjunction with that JP Morgan SE – Luxembourg Branch is unable to meet its fulfilment guarantee, that JP Morgan SE, - Stockholm bank branch (in its capacity as custodian) is unable to keep the collateral separated, that the value of the collateral declines, and that issues of interpretation arise regarding the securities lending agreement.

Securities lending can expose the lending fund to risks related to the creditworthiness of the counterparties. The Management Company's funds lend securities to:

BARCLAYS BANK PLC  
BARCLAYS CAPITAL SECURITIES LTD  
BNP PARIBAS ARBITRAGE SNC  
BNP PARIBAS PRIME BROKERAGE INTERNATIONAL LTD  
CITIGROUP GLOBAL MARKETS LIMITED  
CREDIT SUISSE INTERNATIONAL  
CREDIT SUISSE AG, DUBLIN BRANCH  
GOLDMAN SACHS INTERNATIONAL  
HSBC BANK PLC  
J.P. MORGAN SECURITIES PLC  
MERRILL LYNCH INTERNATIONAL  
MORGAN STANLEY & CO. INTERNATIONAL PLC  
MORGAN STANLEY EUROPE SE  
NATIXIS SA  
SKANDINAVISKA ENSKILDA BANKEN AB (PUBL)  
SOCIETE GENERALE PARIS BRANCH

SVENSKA HANDELSBANKEN AB (PUBL)  
UBS AG LONDON BRANCH

The Management Company's selection of permitted counterparties is always conducted to obtain the best conditions possible. The Management Company takes into consideration the country in which the counterparty operates in the selection of the permitted counterparty, given that the country's financial and political stability are critical factors in the selection of the counterparty. Only countries within OECD are applicable. In addition, the risk for financial pressures and the financial resilience of the respective counterparties are assessed. The Management Company evaluates available borrowers as potential counterparties and those that are deemed to be most suitable from a credit perspective are selected as counterparties. Only credit institutions with a rating of Baa3 or higher from Moody's will be accepted.

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 revert to JP Morgan SE – Luxembourg Branch as the agent of the securities loan. The remuneration paid to the securities lending agent during the revenue allocation agreement is not included in the ongoing charges that are reported in the fact sheet.

All of the income derived from the use of techniques and instruments to streamline the investment process is allocated to the fund, after the deduction of costs charged by JP Morgan SE – Luxembourg Branch as the securities lending agent. The fund's custodian institution manages the collateral.

#### *Management of collateral*

If the fund uses OTC derivatives and other techniques and instruments designed to streamline management and thus receives collateral, the fund must follow the Management Company's guidelines for collateral management. These guidelines are prepared in accordance with the Commission Delegated Regulation (EU) No. 2016/2251 supplementing the European Parliament and Council Regulation (EC) No. 648/2012 on OTC derivatives, central counterparties and trade repositories with regard to technical standards for risk mitigation techniques for OTC derivative contracts that are not cleared by a Central Counterparty Clearing (CCP) (RMT regulation) and ESMA's guidelines on exchange-traded funds and other issues relating to collective investment schemes (ESMA 2014/937) as well as other applicable regulations.

The general requirements for collateral are provided in the Management Company's guidelines for collateral management. Collateral should be distinguished by the high creditworthiness of the issuer, high liquidity, be valued on a daily basis or consist of liquid assets. The cover pool should also be diversified.

In the case of securities loans, government bonds and treasury bills with a minimum rating of AA- from S&P or

Aa3 from Moody's that are issued by the US government, 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, are accepted as collateral. Equities included in major and well-established indexes, as well as ETFs with equivalent exposure, are also accepted as collateral. Liquid assets and securities issued by counterparties are currently not permitted as collateral. Collateral received by the fund is valued daily, based on applicable market prices. Collateral shall total the value of the securities lent on a daily basis with an appropriate safety margin.

In the case of OTC derivatives, the Management Company has entered into an ISDA/CSA agreement with each counterparty which states the approved collateral in relation to the counterparty. Liquid assets are currently the only collateral permitted for these transactions.

The Management Company has a haircut strategy that includes all of the share classes and guarantees the management of any problems with a decline in value of the collateral, among others.

The haircut strategy is stated in the Management Company's guidelines for collateral management and in agreements with the counterparties. Collateral not consisting of cash may not be sold, reinvested or pledged. The market value of the collateral shall amount to a minimum of 100% of the exposure to the counterparty, in accordance with the haircut strategy. The fund has the potential to realise the collateral received at any point in time without reference to or approval from the counterparty.

Collateral is kept in custody in an account in the name of the custodian institution, JP Morgan SE - Stockholm bank branch, on behalf of the borrowed fund.

In accordance with the agreement, JP Morgan SE – Luxembourg Branch, as the securities loan agent, and JP Morgan SE - Stockholm bank branch, as the custodian institution, may not reuse the collateral. The Management Company does not reuse the collateral. With regard to collateral in the form of cash, its reuse must meet the requirements of ESMA 2014/937.

## **Fund termination or transfer of fund operations**

A fund can be terminated if the Board of Directors of the Management Company makes such a decision or if the Custodian Institution, after it has taken over the fund's management, makes such a decision. The Custodian Institution will assume the management of a fund if the Board of Directors of the Management Company makes the decision to terminate its management duties, if the Financial Supervisory Authority revokes the Management Company's authorization, if the Management Company goes into liquidation, or if the Company has gone into bankruptcy. If the Financial Supervisory Authority revokes

the Management Company's authorization or if the Management Company has gone into liquidation or gone into bankruptcy, the Custodian Institution shall immediately undertake the management of the fund.

In addition, the Management Company may transfer the management of a fund to another fund management company. The transfer requires the approval of the Financial Supervisory Authority.

If a fund is terminated or transferred, information regarding this shall be published in the Post and Domestic Times, unless the Financial Supervisory Authority has made notification of an exception. A transfer to the Custodian Institution or another fund management company may occur three months after the publication of the change has been made, at the earliest, unless the Financial Supervisory Authority has granted approval for an earlier transfer.

If the Management Company terminates the management of a fund, the Custodian Institution shall assume the management of the fund when the operations have been terminated. The Management Company may transfer the management to another fund management company, although approval must first be obtained from the Financial Supervisory Authority. The transfer may occur three months after the publication of the change has been made, at the earliest, unless the Financial Supervisory Authority has granted approval for an earlier transfer. Information about the changes shall be made available at the Management Company as well as at the Custodian Institution.

In those cases where the Management Company will cease offering a certain share class, the Management Company will take the decision to amend the fund rules and remove the share class in question (further information is provided below under the section *Changes to fund rules*).

## **Additional information**

### **Changes to fund rules**

The fund rules for a fund can be changed after the Management Company's Board of Directors makes such a decision and the Financial Supervisory Authority has approved the change. A change to the fund rules can affect the fund's character, e.g., its investment focus, fees, risk profile and share classes. All unit holders are to be informed prior to such changes and, if the Financial Supervisory Authority deems this to be a substantial change, the unit holders will be provided the opportunity to sell fund units without being charged a fee in the event the unit holder no longer wishes to retain ownership subsequent to the changes.

### **Annual reports and semi-annual reviews**

At the request of the unit holder, the funds' annual reports and semi-annual reviews will be sent free of

charge. The request may be made verbally or in written form at a local Handelsbanken branch office. Annual reports and semi-annual reviews may also be downloaded from the Management Company's website at [www.handelsbanken.se/funds](http://www.handelsbanken.se/funds). The documents for the XACT funds are also available at [www.xact.se](http://www.xact.se).

## **Fees, returns and performance**

Information on the size of the fees paid to the Management Company and the Custodian Institution, as well as the funds' returns and performance, may be found in the funds' annual reports and semi-annual reviews. Information about historical performance may also be found in the fact sheet for each fund. The fact sheets constitute a portion of this Prospectus.

## **Regular information on risk and liquidity management as well as financial leverage**

The Management Company provides regular information on risk and liquidity management as well as financial leverage as follows. Information about the current risk profile, the applicable risk management system and the proportion of any non-liquid assets is provided in the annual report and semi-annual review of the fund. Information for those funds applying financial leverage is provided in the annual report and semi-annual review for each fund. Information on the total financial leverage amount as calculated according to the gross method and commitment approach is also provided in the aforementioned reports.

Information about changes in the maximum financial leverage permitted on behalf of the fund and the right to gain access to collateral or other guarantees submitted pursuant to the scheme for financial leverage is provided on the Management Company's website. This also applies to changes in the fund's risk management of liquidity that are of vital importance. The Management Company does not currently permit the right to reuse collateral held and does not provide any guarantees within the framework for financial leverage arrangements.

## **Specific information about the management of index funds**

The Management Company shall invest the assets of the index funds for the purpose of replicating the composition of a benchmark index. In the event a fund's investment needs to be adjusted to follow the respective index as a result of a redefinition of an index or corporate event, e.g., stock issue or acquisition, the Management Company shall implement the necessary corrections. The Management Company has the option of delaying the correction if it is deemed to be in the best interest of the fund unit holders. On those occasions when the Management Company is aware that a change in the index will be forthcoming on a specific date, it may be in the best interest of the fund unit holders to adjust the

fund's investments just prior to the change in order to better replicate the composition of the index.

## **Benchmark index and tracking error**

All of the actively-managed funds managed by the Management Company have a benchmark index. This information is stated in the fact sheet and is provided to investors in order to assess the fund's performance relative to the performance on the market(s) in which the fund invests. The management of the fund is active, whereby the fund manager takes autonomous decisions independent of the benchmark index's composition. Actively-managed funds deviate more or less from their benchmark index depending on the fund manager's analysis and assessment, the market(s) in which the fund invests as well as the liquidity of the assets in which the fund invests.

The activity level in a fund is calculated by using a measurement known as tracking error. Tracking error is defined as the volatility in the difference between the fund's returns and the returns of the benchmark index. The tracking error is calculated in accordance with industry standards, is based on monthly data and refers to the most recent 24 months. A higher deviation in returns from the benchmark index in general gives a higher tracking error. The level of the tracking error differs between different types of funds (actively-managed funds, index funds, rules-based leverage funds and rules-based generation funds) and fund categories (equities, fixed income), given that the risk levels of the underlying markets differ from each other. The table in part 1 of the Prospectus reports the fund's returns and tracking error for the past ten years or if the fund has been in existence for a shorter period, from the time the fund was launched (if the fund has existed for more than two years). It should be noted that for active fund management, the returns will deviate over time from the benchmark index and the tracking error will differ year to year. Rules-based fund management aims to limit deviations from the benchmark index and therefore the returns will deviate significantly less over time from the index than is the case for non-rules based management (active fund management).

## **Marketing of fund units outside of Sweden**

Some of the managed funds are marketed by the Management Company in other countries within the EEA. Within these countries, the branch office of Svenska Handelsbanken AB in each country is responsible for issuing payments to unit holders, redeeming units as well as providing information. The share classes marketed in other countries within the EEA can be found in the fund list on the respective branch's website.

The actively-managed funds marketed internationally by the Management Company are as follows:

### Finland

Handelsbanken Amerika Småbolag Tema  
Handelsbanken Amerika Tema

Handelsbanken Asien Tema  
Handelsbanken Brasilien Tema  
Handelsbanken EMEA Tema  
Handelsbanken Euro Corporate Bond Fund  
Handelsbanken Euro Obligation  
Handelsbanken Euro Ränta  
Handelsbanken Europa Selektiv  
Handelsbanken Europa Småbolag  
Handelsbanken Finland Småbolag  
Handelsbanken Global Selektiv  
Handelsbanken Global Tema  
Handelsbanken Hållbar Energi  
Handelsbanken Hälsovård Tema  
Handelsbanken Japan Tema  
Handelsbanken Kapitalförvaltning 25  
Handelsbanken Kapitalförvaltning 50  
Handelsbanken Kapitalförvaltning 75  
Handelsbanken Kina Tema  
Handelsbanken Latinamerika Tema  
Handelsbanken Microcap Norden  
Handelsbanken Multi Asset 100  
Handelsbanken Norden Selektiv  
Handelsbanken Norden Tema  
Handelsbanken Nordiska Småbolag  
Handelsbanken Svenska Småbolag  
Handelsbanken Sverige Selektiv  
Handelsbanken Tillväxtmarknad Obligation  
Handelsbanken Tillväxtmarknad Tema

#### Luxemburg

Handelsbanken Amerika Småbolag Tema  
Handelsbanken Amerika Tema  
Handelsbanken Asien Tema  
Handelsbanken Europa Selektiv  
Handelsbanken Global Tema  
Handelsbanken Kapitalförvaltning 25  
Handelsbanken Kapitalförvaltning 50  
Handelsbanken Kapitalförvaltning 75  
Handelsbanken Microcap Norden  
Handelsbanken Microcap Sverige  
Handelsbanken Multi Asset 100  
Handelsbanken Multi Asset 120  
Handelsbanken Multi Asset 25  
Handelsbanken Multi Asset 40  
Handelsbanken Multi Asset 50  
Handelsbanken Multi Asset 60  
Handelsbanken Multi Asset 75  
Handelsbanken Nordiska Småbolag  
Handelsbanken Tillväxtmarknad Obligation  
Handelsbanken Tillväxtmarknad Tema

#### Norway

Handelsbanken Aktiv 100  
Handelsbanken Aktiv 30  
Handelsbanken Aktiv 50  
Handelsbanken Aktiv 70  
Handelsbanken Amerika Småbolag Tema  
Handelsbanken Amerika Tema  
Handelsbanken Asien Tema  
Handelsbanken Brasilien Tema  
Handelsbanken EMEA Tema

Handelsbanken Europa Selektiv  
Handelsbanken Europa Småbolag  
Handelsbanken Global Selektiv  
Handelsbanken Global Tema  
Handelsbanken Hållbar Energi  
Handelsbanken Hälsovård Tema  
Handelsbanken Høyrente  
Handelsbanken Japan Tema  
Handelsbanken Kina Tema  
Handelsbanken Kort Rente Norge  
Handelsbanken Kreditt  
Handelsbanken Latinamerika Tema  
Handelsbanken Microcap Norden  
Handelsbanken Multi Asset 100  
Handelsbanken Norden Selektiv  
Handelsbanken Norden Tema  
Handelsbanken Nordiska Småbolag  
Handelsbanken Norge Tema  
Handelsbanken Obligasjon  
Handelsbanken Tillväxtmarknad Obligation  
Handelsbanken Tillväxtmarknad Tema

The passively-managed funds marketed internationally by the Management Company are as follows:

#### Finland

Handelsbanken Emerging Markets Index  
Handelsbanken Europa Index Criteria  
Handelsbanken Global High Dividend Low Volatility Criteria  
Handelsbanken Global Index Criteria  
Handelsbanken Global Momentum  
Handelsbanken Global Småbolag Index Criteria  
Handelsbanken Norden Index Criteria  
Handelsbanken USA Index Criteria

#### Luxemburg

Handelsbanken Emerging Markets Index  
Handelsbanken Global High Dividend Low Volatility Criteria  
Handelsbanken Global Index Criteria  
Handelsbanken Global Småbolag Index Criteria

#### Norway

Handelsbanken Emerging Markets Index  
Handelsbanken Europa Index Criteria  
Handelsbanken Global High Dividend Low Volatility Criteria  
Handelsbanken Global Index Criteria  
Handelsbanken Global Momentum  
Handelsbanken Global Småbolag Index Criteria  
Handelsbanken Norden Index Criteria  
Handelsbanken Norge Index Criteria  
Handelsbanken USA Index Criteria

The XACT funds marketed internationally by the Management Company are as follows:

#### Norway

XACT OMXS30 ESG (UCITS ETF)  
XACT SVERIGE (UCITS ETF)  
XACT Norden (UCITS ETF)



## Finland

XACT OMXS30 ESG (UCITS ETF)  
XACT SVERIGE (UCITS ETF)  
XACT Norden (UCITS ETF)  
XACT Nordic High Dividend Low Volatility (UCITS ETF)  
XACT Obligation (UCITS ETF)  
XACT Svenska Småbolag (UCITS ETF)

## Denmark

XACT OMXC25 (UCITS ETF)

XACT OMXC25 is traded on Nasdaq Copenhagen. All of the other XACT funds are traded on NASDAQ Stockholm.

## **Tax rules for the funds**

As of 1 January 2012, funds are not taxable in Sweden for income of assets included in the fund. The fund is subject to a tax at source in each country for distributions from foreign equities. The tax at source varies between different countries, although it is frequently 30% of the distribution received. However, the tax at source is normally reduced in accordance with the double taxation convention concluded between Sweden and other countries. Taking into consideration that Swedish funds were exempted from income tax in 2012, some uncertainty has arisen regarding the application of the double taxation convention and the tax concessions applicable to these conventions. Distributions are reported in the amount actually received, although it cannot be excluded that the taxes at source may be revised, which would result in the fund being charged with additional taxes at source on distributions previously received. Restitutions (repayment of paid taxes at source) will be reported when received.

There is also uncertainty about how the taxation of distributions from equities within the EU will be imposed, given the background of tax developments within the EU. This could result in both higher earnings and increased costs with regard to taxes at source in funds with foreign holdings. Revenues or expenses will be reported when received or paid, respectively. With regard to restitutions for certain funds and from certain countries such as Denmark and Finland, the principle of reporting restitutions when received may be waived if there are tax and accounting grounds related thereto.

## **Tax rules for unit holders**

### **Tax residency in Sweden**

A Swedish fund is not taxable; rather, unit holders are taxed for their holdings through a standard earnings that is treated as capital income. The standard earnings are calculated as 0.4% of the fund's net asset value as of 1 January (taxation year). The standard earnings are taxed at 30% for private investors, which is an actual tax of 0.12% of the fund value. The tax also applies to the fund unit holdings of legal entities and amounts to 22% of standard earnings. However, the new tax does not apply to fund units held by a legal entity as inventory.

For investors who have a distribution share class and thereby receive dividends, a withholding tax of 30% will be deducted from the amount distributed. This applies to natural persons who are taxable in Sweden. The Management Company will deduct a dividend tax on distributions for unit holders whose tax domicile is located in another country.

When fund units are sold, a profit or loss is calculated as the difference between the sales price and the tax basis. Normally, the actual acquisition fee for the sold units is the tax basis. If a unit holder has received a distribution on the fund units and reinvests a portion of the distribution in the fund or if units have been purchased on several occasions, an acquisition fee shall be included in the tax basis. If only a portion of the holdings in the fund are sold, the average cost method shall be used for the calculation of the tax basis. With the average cost method, the average tax basis is calculated for all of the units in the same fund and the acquisition fees at each occasion are aggregated and divided by the number of units. Capital gains are taxable in their entirety and are subject to a 30% tax rate. Capital losses are deductible to 70%, although these may be deductible in their entirety in certain cases, e.g., offset. Reference the information stated under the section *Share classes – Nomenclature, conditions, distributions, etc.* for questions regarding taxation when switching share classes. Further information is also available on the Swedish Tax Authority's website.

## **Foreign resident taxation**

Taxation rules apply in the country of residence for unit holders domiciled abroad for tax purposes.

## **Remuneration to employees**

The principles for the Management Company's remuneration system are established in a remuneration policy that has been approved by the Board of Directors of the Management Company. The remuneration policy of the Management Company is based on the policy applicable to the Group but is adjusted to the specific activities carried out within the Management Company. The Management Company's Board of Directors has appointed a Remuneration Committee that is responsible for preparing information to make decisions regarding remuneration. The Remuneration Committee consists of the Board members Lars Seiz (Committee Chair) and Helen Fasth Gillstedt. The Remuneration Committee meets a minimum of three times each year. The Management Company's remuneration policy is reviewed annually or as needed.

The Management Company's low risk tolerance has dominated the work in developing the policy for remuneration. The Chief Executive Officer and affected senior managers within the Management Company are responsible for identifying, evaluating and limiting remuneration risks, as well as proposing the structure of the remuneration system to be consistent with the Management Company's view on risks and sustainability.

The Risk control and Compliance functions are responsible for identifying, monitoring, analyzing and reporting significant risks with the remuneration system.

### ***Variable remuneration***

Below is an explanation of the potential variable remuneration available to active equity and fixed income fund managers. The potential variable remuneration available to all employees within the Management Company is described in the section *Oktogonen*.

Variable remuneration is paid within the Management Company only when such remuneration is an established market practice and is necessary to attain the objectives of the Management Company's business activities. Variable remuneration shall not be paid to anyone within the Management Company's executive management. The Heads and employees within the Risk control and Compliance functions shall only be paid fixed remuneration. This also applies to employees working within the staff and fund administration functions. The only personnel categories eligible for variable remuneration are portfolio managers.

The variable remuneration principles adopted by the Management Company are set for the purpose of reflecting the Management Company's risk tolerance, shall counteract excessive risk-taking and be consistent with the current risk profiles of the funds, the fund rules, the discretionary mandate, as well as the internal and external rules.

Variable remuneration within the Management Company is based on the Group's model for wage setting and the salary-based factors. In addition to the salary-based factors, there are also business-specific factors, and particular emphasis is placed on sound risk-taking, observing good order and compliance. The evaluation of the allocation of variable remuneration shall be based on the results and performance of the Management Company and the individual employee during the evaluation period.

All employees covered by variable remuneration are classified as Risk-takers and are covered by the rules for deferment of remuneration.

Variable remuneration consists only of fund units. Employees entitled to remuneration receive one-half of the variable remuneration in fund units in the funds in which the employee manages (weighted equally if the employee manages several funds) and one-half in fund units in a number of funds that represent the total fund management in the Management Company.

The parameters that are the basis for the decision on the size of the deferred portion of the variable remuneration are based on the risks in the business operations and the size of the variable remuneration. The Management Company defers up to 40–60% over a minimum of three years. In accordance with the Management Company's policy, an employee's variable remuneration may not exceed 100% of the fixed remuneration. The established rules for the deferral of variable remuneration apply to all

employees and managers. An assessment is conducted annually during the deferral period to determine whether the remuneration shall be adjusted downward or discontinued in its entirety. The discontinuation or downward adjustment of deferred variable remuneration will occur in the event that losses, increased risks or costs arise during the deferral period. This includes, for example, the employee's compliance with external and internal rules and regulations. The discontinuation or downward adjustment shall also occur in the event that a payment is deemed to be unjustifiable given the Management Company's financial situation or in the event the Central Board has made a recommendation for a discontinuation or downward adjustment of the deferred variable remuneration.

The deferred variable remuneration and the portion of the non-deferred variable remuneration are subject to a retention period of one year. No assessments for a downward adjustment or discontinuation are made during the retention period. The ownership rights to the fund units are transferred to the employee entitled to remuneration after the completion of the retention period.

### ***Oktogonen***

The Handelsbanken Group has a profit-sharing plan called *Oktogonen*, which can result in an allocation in the form of cash remuneration when Handelsbanken's profitability exceeds the average of comparable competitors in the bank's home markets and after an overall assessment of the bank's performance by the Central Board. The Management Company is subject to specific rules for remuneration established in the Financial Supervisory Authority's regulations. The following is applicable for the employees of the Management Company. All employees not included in the category of specially regulated staff (specially regulated staff consists of senior managers, risk-takers and employees with particularly high remuneration) receive allocation in accordance with the Group rules, i.e., cash paid directly at the time of allocation. Specially regulated staff who have the right to other variable remuneration are also subject to the rules for such remuneration in the relevant provisions (deferred, retention in the form of fund units) in the *Oktogonen* allocation. Other specially regulated staff receive the *Oktogonen* allocation in the form of fund units in a mixed fund and the remuneration is subject to a four-year deferral.

Additional information about remuneration to employees at Handelsbanken Fonder and the applicable remuneration policy is available on the Management Company's website. A hard copy of this information can be obtained upon request.

## **Managed funds**

Below is a list of the funds managed by the Management Company. Part 1 of this Prospectus (the fund-specific portion) provides a description of the current/specific fund's investment focus, the types of assets in which the fund may invest, the use of derivatives and the

associated risks, fees paid, the fund's risk profile and the fund's target group. Where applicable, there is also a description of the fund's share classes, information on the use of techniques and instruments in fund management and collateral management. A fund's historical fund performance is presented in the fact sheet for each fund and is provided as an attachment to this Prospectus.

### **Actively-managed funds**

AstraZeneca Allemansfond  
Handelsbanken Aktiv 100  
Handelsbanken Aktiv 30  
Handelsbanken Aktiv 50  
Handelsbanken Aktiv 70  
Handelsbanken Amerika Småbolag Tema  
Handelsbanken Amerika Tema  
Handelsbanken Asien Tema  
Handelsbanken Brasilien Tema  
Handelsbanken EMEA Tema  
Handelsbanken Euro Corporate Bond Fund  
Handelsbanken Euro Obligation  
Handelsbanken Euro Ränta  
Handelsbanken Europa Selektiv  
Handelsbanken Europa Småbolag  
Handelsbanken Finland Småbolag  
Handelsbanken Flexibel Ränta  
Handelsbanken Företagsobligation  
Handelsbanken Företagsobligation Investment Grade  
Handelsbanken Företagsobligation Investment Grade (NOK)  
Handelsbanken Global Selektiv  
Handelsbanken Global Tema  
Handelsbanken Hälsovård Tema  
Handelsbanken Høyrente  
Handelsbanken Hållbar Energi  
Handelsbanken Hållbar Global Obligation  
Handelsbanken Hållbar Global High Yield  
Handelsbanken Institutionell Kortränta  
Handelsbanken Japan Tema  
Handelsbanken Kapitalförvaltning 25  
Handelsbanken Kapitalförvaltning 50  
Handelsbanken Kapitalförvaltning 75  
Handelsbanken Kina Tema  
Handelsbanken Kort Rente Norge  
Handelsbanken Kortränta  
Handelsbanken Kortränta SEK  
Handelsbanken Kreditt  
Handelsbanken Latinamerika Tema  
Handelsbanken Långränta  
Handelsbanken Microcap Norden  
Handelsbanken Microcap Sverige  
Handelsbanken Multi Asset 100  
Handelsbanken Multi Asset 120

Handelsbanken Multi Asset 15  
Handelsbanken Multi Asset 25  
Handelsbanken Multi Asset 40  
Handelsbanken Multi Asset 50  
Handelsbanken Multi Asset 60  
Handelsbanken Multi Asset 75  
Handelsbanken Nanocap Sverige  
Handelsbanken Norden Selektiv  
Handelsbanken Norden Tema  
Handelsbanken Nordiska Småbolag  
Handelsbanken Norge Tema  
Handelsbanken Obligasjon  
Handelsbanken Pension 50 Aktiv  
Handelsbanken Pension 60 Aktiv  
Handelsbanken Pension 70 Aktiv  
Handelsbanken Pension 80 Aktiv  
Handelsbanken Pension 90 Aktiv  
Handelsbanken Ränteavkastning  
Handelsbanken Räntestrategi  
Handelsbanken Räntestrategi Plus  
Handelsbanken Stiftelsefond  
Handelsbanken Svenska Småbolag  
Handelsbanken Sverige Selektiv  
Handelsbanken Sverige Tema  
Handelsbanken Tillväxtmarknad Obligation  
Handelsbanken Tillväxtmarknad Tema

### **Passively-managed funds**

Handelsbanken Auto 100 Criteria  
Handelsbanken Auto 25 Criteria  
Handelsbanken Auto 50 Criteria  
Handelsbanken Auto 75 Criteria  
Handelsbanken Emerging Markets Index  
Handelsbanken Europa Index Criteria  
Handelsbanken Global Dynamisk Strategi  
Handelsbanken Global High Dividend Low Volatility Criteria  
Handelsbanken Global Index Criteria  
Handelsbanken Global Momentum  
Handelsbanken Global Småbolag Index Criteria  
Handelsbanken Norden Index Criteria  
Handelsbanken Norge Index Criteria  
Handelsbanken Pension 40  
Handelsbanken Pension 50  
Handelsbanken Pension 60  
Handelsbanken Pension 70  
Handelsbanken Pension 80  
Handelsbanken Pension 90  
Handelsbanken Realränta  
Handelsbanken Sverige 100 Index Criteria  
Handelsbanken Sverige Index Criteria

Handelsbanken USA Index Criteria

XACT BEAR (ETF)

XACT BEAR 2 (ETF)

XACT BULL (ETF)

XACT BULL 2 (ETF)

XACT Norden (UCITS ETF)

XACT Nordic High Dividend Low Volatility (UCITS ETF)

XACT Obligation (UCITS ETF)

XACT OMXC25 (UCITS ETF)

XACT OMXS30 ESG (UCITS ETF)

XACT SVENSKA SMÅBOLAG (UCITS ETF)

XACT SVERIGE (UCITS ETF)