

Annual Report 2023

Swedbank Robur Fastighet

Fund Manager: Fredrik Mattsson
 Management Company: Swedbank Robur Fonder AB
 Fund type: Equity funds
 Start date: 1988-10-03

Share classes open for trading: A, C
 Benchmark: 75% MSCI World Real Estate Net, 25% SIX Fastigheter Return
 Base currency: SEK

Performance



Investment Policy

Fastighet is an actively managed equity fund that mainly invests in companies focussed on the real estate industry such as real estate companies, brokers and construction companies in Sweden and globally. The fund can also invest in other companies that have predominantly real assets, such as forestry and power companies. The fund has an investment strategy that focuses on company selection within the aforementioned investment policy. The fund has a long-term investment horizon and the management selects companies that are considered attractively valued in relation to the assessment of the company's future earnings potential. The fund complies with the Management Company's Policy for Responsible Investments, read more in the fund's Information Brochure.

Fund Performance

In 2023, the fund's share class A rose by 10.4% (in SEK). The benchmark index rose by 10.3% (in SEK) during the same period. The fund's share class C rose during the year by 10.2% (in EUR). The benchmark index rose by 10.1% (in EUR) over the same period.

The fund invests globally in shares that are deemed to be undervalued and the investments are also made across regions to give the fund a good risk diversification.

Balder, Sagax and Prologis were among the holdings that contributed most positively to the absolute return. Balder is a Swedish real estate company with a primarily Nordic focus, where just over half of the property portfolio is housing and the rest is commercial properties such as offices and commercial properties. Sagax is also a Swedish company and is entirely focused on warehousing and light industry, just over half of the company's property value comes from Sweden and Finland. Other major markets are France, the Benelux countries and Spain. Prologis is an American company that owns logistics properties and mainly urban logistics properties primarily in the USA but also in the rest of the world.

Balder was also, together with, among others, Life Storage and Goodman, strong positive contribution to the fund's return in relation to the benchmark. Life Storage is an American company that owns warehousing and storage properties and was acquired during the period. Goodman is a company from Australia that primarily focuses on logistics properties.

The companies that had the most negative impact on the absolute return were Katitas, which renovates and resells houses in Japan, Mid-America Apartment Communities, which owns rental apartments mainly in the southern United States, and the Asia-focused asset management company ESR Group.

Mid-America Apartment Communities and Katitas also made a strong negative contribution to relative returns. In addition, the fund was disadvantaged relative to its benchmark index by not having holdings in, among other things, Castellum, which is a Swedish property company with a focus on offices.

Information on the environmental and/or social characteristics of the fund and the disclosure of such investments can be found in the annex to this annual report.

Market Performance

2023 was a tumultuous year for real estate companies and especially for the Swedish ones. The year began positively, but in February, share prices began to fall and fell until the end of October, when the market turned upward thanks to lower inflation and increased market confidence in future lower interest rates. Longer-term interest rates, particularly 5-year rates, fell sharply, e.g. in the United States where the 5-year interest rate peaked in October at just under 5 % and then fell to just under 4 %.

Several Swedish real estate companies cancelled or reduced dividends during the year and some, especially smaller companies, had to raise new share capital. In general, 2023 was a difficult year for highly leveraged real estate companies, especially those with low-yield properties, e.g. housing, and a large proportion of variable loans.

The credit bond market was basically closed during the first half of the year, but opened up during the second half for the larger companies with good ratings. This is good, both because the credit bond market is an important source of financing for Swedish real estate companies and because there are significant credit bond maturities in 2024. However, during the year, when the credit bond market was largely closed, the Swedish banks assisted with loans.

Finally, property companies' commercial contracts, such as office contracts, often include inflation compensation clauses. Such contracts increased significantly 2023 giving these real estate companies some compensation for the rising interest costs.

Level of Activity

Looking at the last 24-month period, which is reported in the last year in the Basic Facts table, the activity rate was in line with the average of previous years.

This was due to an unchanged investment process and similar market movements as in the previous measurement period. In general, the fund's level of activity has varied over the last 10-year period depending on the responsible manager's market view and investment strategy and general market changes. The fund's positioning, which is reviewed and adjusted when necessary, has generated a total risk exposure in line with previous years. The Active Share of the fund was approximately 59%. Despite a relatively high share of holdings that deviate from the benchmark, the fund has lower active risk than in 2022 as the holdings in the benchmark moved similarly during the period. The fund's active risk, which is reported in 2023, is slightly lower than the range that the active risk is expected to be over time.

Other

The fund may use derivative instruments, including OTC derivatives, as part of its investment policy. During the period, the fund did not use any derivatives. The fund may use techniques and instruments pursuant to Chapter 24, Section 13 of FFFS 2013:9 but did not take advantage of the opportunity during the period. According to Swedbank Robur's internal rules, securities lending is not allowed. No conflicts of interest have arisen in connection with the fund's investments.

Risk Class



The fund's risk class is based on share class A. Other open share classes may have a different risk class. Each risk class is reported in the KID.

Share classes

The fund currently has classes A and C open for trading. Share class A is a non-dividend share class traded in SEK and share class C is a non-dividend share class traded in EUR. Other share classes are not currently open for trading. The various share classes differ with regards to charges, dividend, threshold for subscription charges, currency for subscription and redemption plus specific terms and conditions for distribution. The shares in a share class have equal rights to the assets in the fund. More information on the fund's share classes can be found in the Information Brochure.

Basic facts	231231	221231	211231	201231	191231	181231	171231	161231	151231	141231
Fund net asset value, SEK	9,208,791	7,903,171	9,964,318	6,189,406	7,392,928	3,867,830	3,690,655	3,852,819	3,577,701	2,996,904
Net asset value, share class A, SEK	68.15	61.75	81.95	57.06	62.40	42.94	40.50	38.00	35.13	30.14
Net asset value, share class C, EUR	10.58	9.59	13.75	-	-	-	-	-	-	-
Number of outstanding units, share class A, thousands	134,040	127,058	120,749	108,468	118,473	90,084	91,118	101,381	101,855	99,440
Number of outstanding units, share class C, thousands	629	533	491	-	-	-	-	-	-	-
Fund return closing price (incl. div.) share class A, %	10.4	-24.6	43.6	-8.6	45.3	6.0	6.6	8.2	16.5	35.7
Fund return closing price (incl. div.) share class C, %	10.2	-30.2	37.5	-	-	-	-	-	-	-
Benchmark (incl. div.) share class A, %	10.3	-21.2	44.6	-12.3	37.1	5.1	6.0	10.4	13.2	39.2
Benchmark (incl. div.) share class C, %	10.1	-27.0	38.5	-	-	-	-	-	-	-
Tracking error (active risk), %	2.6	2.8	3.4	3.1	2.2	2.3	2.4	2.2	2.0	2.2
Conversion rate EUR/SEK	11.13	11.12	10.30	-	-	-	-	-	-	-

Fund's top 5 holdings

	Market value, tSEK	% of fund
Prologis	789,906	8.6
Sagax	693,500	7.5
American Tower	678,789	7.4
Fastighets Balder	665,136	7.2
Equinix	551,929	6.0

Holdings and positions in financial instruments as of 2023-12-31

Transferable securities on a regulated or equivalent market outside the EES

	Unit / Nom	Market value, SEK	% of fund
Real estate			95.7
Altus (CA)	238,400	76,781	0.8
American Homes 4 Rent (US)	350,000	126,840	1.4
American Tower (US)	312,000	678,789	7.4
Americold Realty Trust (US)	381,000	116,227	1.3
Aroundtown (LU)	1,000,000	27,553	0.3
Boston Properties (US)	161,000	113,853	1.2
CapitaLand Investment (SG)	4,200,000	101,397	1.1
CBRE Group (US)	328,000	307,712	3.3
Colliers International Group (CA)	80,000	102,475	1.1
Corem Property (SE)	9,750,000	103,545	1.1
Corem Property (SE)	1,593,149	16,967	0.2
Echo Investment (PL)	274,000	2,809	0.0
EPR Properties (US)	175,000	85,448	0.9
Equinix (US)	68,000	551,929	6.0
Equity LifeStyle Properties (US)	330,000	234,594	2.5
ESR Group (HK)	4,300,000	59,936	0.7
Extra Space Storage (US)	209,970	339,266	3.7
Far East Consortium International (HK)	11,117,377	19,944	0.2
Fastighets Balder (SE)	9,300,000	665,136	7.2
FastPartner (SE)	2,400,000	150,480	1.6
FirstService (CA)	78,000	127,962	1.4
Goodman Group (AU)	1,850,000	321,860	3.5
Grand City Properties (LU)	500,000	56,664	0.6
Howard Hughes (US)	40,000	34,486	0.4
Ichigo Group (JP)	4,500,000	108,728	1.2
Invitation Homes (US)	450,000	154,690	1.7
Katitas (JP)	545,000	85,281	0.9
KDX Fudosan Investment (JP)	5,200	59,772	0.6
K-fast (SE)	1,000,000	23,980	0.3
Link REIT (HK)	2,300,000	130,165	1.4
Mapletree Logistics Trust (SG)	7,000,000	93,055	1.0
Mid-America Apartment Communities (US)	190,000	257,463	2.8
Mirvac (AU)	4,445,222	63,887	0.7
National Storage Affiliates Trust (US)	410,000	171,351	1.9
Nippon Prologis REIT (JP)	6,700	129,986	1.4
Nyfosa (SE)	2,400,000	230,040	2.5
Prologis (US)	588,000	789,906	8.6
Sagax (SE)	2,500,000	693,500	7.5

	Unit / Nom	Market value, SEK	% of fund
Sagax (SE)	500,000	137,000	1.5
SL Green Realty (US)	84,808	38,606	0.4
Sun Communities (US)	100,000	134,690	1.5
Tricon Residential (CA)	1,200,000	110,607	1.2
Welltower (US)	430,000	390,749	4.2
Wihlborgs Fastigheter (SE)	3,685,000	347,311	3.8
Zillow Group (US)	165,000	96,212	1.0
		8,669,634	94.1

Industry	Unit / Nom	Market value, SEK	% of fund
Taisei (JP)	142,000	48,947	0.5
		48,947	0.5
Communications			
GA Technologies (JP)	225,000	21,118	0.2
		21,118	0.2
Public utilities & services			
Brookfield Renewable Partners (CA)	260,000	69,172	0.8
		69,172	0.8

Transferable securities for regular trading on another market regulated and open to the public

	Unit / Nom	Market value, SEK	% of fund
Real estate			0.1
Neobo Fastigheter (SE)	800,000	11,040	0.1
		11,040	0.1

Other financial instruments

	Unit / Nom	Market value, SEK	% of fund
Funds			2.1
Vanguard REIT ETF	222,162	197,831	2.1
		197,831	2.1

Total financial instruments with positive market value

		9,017,742	97.9
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Total financial instruments with negative market value

		0	0.0
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Total financial instruments

		9,017,742	97.9
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Net other assets and liabilities

		191,049	2.1
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Fund capital

		9,208,791	100.0
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Fund facts

Risk and return measures

Standard deviation fund, %	21.6
Standard deviation benchmark, %	21.0
Tracking error (active risk), %	2.6

Fund facts

Risk and return measures

Average annual return 2 yrs, %	231231
- Share class A	-8.8
- Share class C	-12.3
Average annual return 5 yrs, %	
- Share class A	9.7

Costs

Management fee as % of average fund assets*	231231
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- Share class A	1.25
- Share class C	1.25

Transaction costs (turnover costs), SEK*	1.236
Transaction costs in % of securities traded*	0.03

Management fees and other administrative or operating costs**, %

- Share class A	1.25
- Share class C	1.25

Management fee in EUR, saving amount 1,000 EUR*

- Share class C	12
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Management fee in SEK, saving amount 10,000 SEK*

- Share class A	1.24
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Management fee in EUR, saving amount 10 EUR/month*

- Share class C	0.81
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Management fee in SEK, saving amount 100 SEK/month*

- Share class A	8.13
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Turnover

Turnover rate, times/year	231231
	0.2

Derivative instruments

Highest gross derivative exposure, %	0.0
Lowest gross derivative exposure, %	0.0
Average gross derivative exposure, %	0.0

Trading of financial instruments

Turnover through funds managed by Swedbank Robur Fonder AB, %	231231
	0.0

Rounding differences may occur. See explanations in the glossary on swedbank.se/ordlistafonder

* Based on the previous 12 months.

** Management fee and other costs as interest costs are included. However commissions/transaction fees are not included. Based on the previous 12 months.

Balance sheet

	231231	221231
Assets, SEKk	231231	221231
Transferable securities	8,819,911	7,525,527
Fund shares	197,831	155,136
Total financial instruments with positive market value	9,017,742	7,680,662
Cash assets and other liquid assets	170,383	200,069
Prepaid costs and accrued income	682	502
Other assets	72,559	23,634
Total assets	9,261,365	7,904,867
Liabilities, SEKk	231231	221231
Accrued costs and prepaid income	1,897	1,638
Other liabilities	50,677	59
Total liabilities	52,574	1,696
Fund capital	9,208,791	7,903,171

Income statement

	231231	221231
Income and changes in value, SEKk	231231	221231
Value changes on negotiable securities	709,539	-2,597,267
Value changes of fund units	10,543	-41,010
Interest income	9,320	2,015
Dividends	205,916	199,135
Currency exchange gains and losses net	-7,697	12,791
Other income	189	142
Total income and change in value	927,810	-2,424,194
Costs, SEKk	231231	221231
Administrative costs	105,258	108,378
Interest costs	33	100
Other financial costs	7	135
Other costs	1,313	1,122
Total costs	106,612	109,735
Profit for the year	821,198	-2,533,928
Change of fund assets, SEKk	231231	
Fund assets at the beginning of the year	7,903,171	
Unit issuance	1,730,431	
Unit redemption	-1,246,010	
Profit for the year according to the income statement	821,198	
Fund assets at end year	9,208,791	

'Other income' includes discounted management fees totalling 188 SEKk.

The fund's sustainability work

Information about the fund's environmental and/or social characteristics can be found in the appendix to this document.

Level of activity

The activity in the fund can be measured in various ways. A common measure is active risk, or tracking error, showing how much the fund's historical returns have varied in value in relation to its benchmark.

The level of tracking error differs between different fund categories (equities, interest rates) as the volatility of the underlying markets differs. Tracking error is calculated according to industry standards and is based on monthly data and covers the last 24-month period.

Description of activity rate

The fund is actively managed. The fund manager conducts an ongoing analysis and makes active decisions regarding the fund's composition and holdings. The fund manager monitors and modifies the portfolio in order to meet the fund's objectives.

Description of Benchmark Index

The fund has a composite index. To 75 % it consists of the MSCI World Real Estate Index which follows the development of large and medium-sized real estate companies on the stock markets of countries worldwide. The index does not include emerging market countries. To 25 % it consists of the Six Fastigheter Return which follows the development of real estate companies listed at the Stockholm Stock Market. The Management Company assesses that the index is in line with the fund's investment policy with regard to the choice of asset class, market and with regard to return and risk profile.

Risk assessment method

The Management Company measures the total exposure of the fund using the commitment approach on a daily basis. The commitment approach calculates the fund's global exposure from using derivatives. This calculation involves converting derivative positions into a comparable position in the underlying assets of the derivative. A delta calculation is also done for options and similar. When calculating total exposure, the Management Company considers netting and hedging.

Fund Risks

Normally, equity funds have the highest potential for long-term value growth. However, any investment in an equity fund also implies a high level of risk, as share prices may fluctuate significantly in equity markets.

Material risks in the fund that are not fully reflected in the risk indicator are:

- **Concentration risk.** The fund's direction toward companies active within a given industry (real estate) creates a concentration of investments. The fund's investments can, to a certain extent, also be concentrated to a single country (Sweden). The concentration risk in the fund will increase compared to a fund that spreads its investments both geographically and to different industries.
- **Liquidity risk.** Liquidity may be low for individual investments. In the event of poorer liquidity in the market, this may cause the fund to have difficulties selling holdings at a reasonable price, and in the case of large outflows, the proceeds from the sale to unit holders may need to be postponed.
- **Currency risk.** The fund invests in securities denominated in currencies other than the fund's base currency (SEK) and is therefore affected by exchange rate fluctuations. In addition, the fund consists of different share classes, which means that changes in exchange rates cause disparity in the currency risk between different share classes depending on the currency in which the share class is traded.
- **As the fund uses derivatives to a small extent, the fund's risk profile is affected to some degree.**

Remuneration Policy

The Management Company's Board has adopted a remuneration policy which is consistent with and promotes sound and effective risk management. The Management Company's remuneration policy is also structured to counter risk-taking that is incompatible with the risk profiles of the funds managed by the Management Company. The remuneration policy shall counteract excessive risk-taking and encourage employees to deliver sustainable performance at any given time.

The remuneration system consists of two variable remuneration policies, in addition to fixed remuneration in the form of monthly payments in cash. The variable remuneration programme, "Eken", is group-wide and the individual performance and remuneration programme, "IPAM", which is based on fund shares, was introduced in 2017 specifically for Robur as the regulatory framework for fund companies differs from the regulatory framework that is applied within the Group in general. Variable remuneration can be paid with a maximum of 12 fixed monthly salaries.

Eken is a general equity-related remuneration programme and in principle includes all employees within the Swedbank Group, though not all employees within the Management Company, and normally consists of deferred remuneration in the form of equities in Swedbank AB (publ). Those that are entitled to IPAM are not entitled to Eken. IPAM covers 67 employees in the Management Company. IPAM consists of both cash and fund shares. 60% of variable remuneration is paid directly after the year of performance; 50% is paid in fund units and 50% in cash. 40% of the remuneration is deferred as below, of which 50% is paid in fund shares and 50% in cash. Fund units (including deferred fund units) are locked as performance rights for one year after allocation before they can be sold.

The deferral period should reflect the recommended holding period that is stated in the fund factsheet; no less than 3 years, however.

For funds with a 3-year recommended holding period, the deferred element should be paid after 3 years, without being prorated.

For funds with a 5-year recommended holding period and for alternative investment funds, the deferred element should be paid over a period of 5 years via a prorated distribution (evenly distributed over the period the compensation is deferred) where the first payment of cash and the transfer of fund units may only be made one year after the date the variable remuneration was decided.

This rule shall only apply for alternative investment funds provided that the 5-year deferral period does not conflict with the estimated average holding period of the holding in the relevant fund according to the fund documentation, e.g., the Information brochure and Investment contract).

Variable remuneration should only be paid or transferred to the employee for that portion that is justifiable with regard to Robur's financial situation and be motivated with regard to the results of the fund, the business unit and the employee. The deferred portion of the remuneration can disappear completely for the same reason.

The remuneration programme is designed to ensure that, to the greatest possible extent, conflicts of interest are avoided. Every portfolio manager is monitored and assessed based on all management assignments. The variable remuneration system is continuously followed up and monitored. Variable remuneration is designed to stimulate sound behaviour and desired results, and to create a healthy balance between fund rewards and fund risk exposure.

In setting employee targets, consideration is given to the risk profile in the funds the employee administers, the benchmark index and the investment horizon. These targets are measurable, clear and transparent. These objectives also include how the employee experiences the company's values (open, modest and considerate).

Variable remuneration is based on the performance of the individual, which is evaluated against performance criteria that are set at the start of each calendar year. The assessment is based on a combination of quantitative and qualitative results. Variable remuneration is only paid if quantitative targets with regard to returns or qualitative targets with regards to a long-term sustainable strategic transfer is fulfilled over time. According to Robur, a sustainable strategic transfer is a prerequisite for reaching long-term financially sustainable returns. This means that maximum returns cannot be generated unless both the target rates of return and sustainability targets have been taken into consideration.

During the year, implementation of the remuneration policy has been the subject of an independent review by internal audit without any essential deviations. Information on remuneration in line with Swedish Financial Supervisory Authority regulations on securities funds and regulations on managers of alternative investment funds can be found on the Management Company's website.

Remuneration Amount

The Management Company's combined remuneration amount paid 2023: SEK 256,537,360 of which SEK 27,136,290 relates to variable remuneration in Sweden. SEK 26,558,016 of which SEK 727,790 relates to variable remuneration in Lithuania. Remuneration covers all 279 employees (208 in Sweden and 71 in Lithuania). The total amount of remuneration paid out during the year to the company's senior management, employees who have a significant influence on the risk profiles of the fund company/funds and employees with responsibility for control functions (SRS), 80 people, amounted to SEK 145,724,614 excluding retirement pension costs, of which risk takers were paid: SEK 119,490,657, leading strategic positions: SEK 23,412,467 and control functions: SEK 2,821,490.

Accounting Principles

This annual report has been prepared as regulated by the Swedish Investment Funds Act (2004:46), The Swedish Financial Supervisory Authority's regulations FFFS 2013:9, ESMA's guidelines, and takes into account the guidelines for accounting for key performance indicators regarding mutual funds and special funds issued by the Swedish Investment Fund Association.

Valuation Principles

The fund's financial instruments including liabilities and derivatives are valued at market value corresponding to the closing price on the balance sheet date (31/12/2023). If the closing day is not a trading day, the valuation from the last trading day prior to the closing day is used. If the valuation cannot be obtained or is misleading as so deemed by the Management Company, valuation may be made according to generally accepted valuation principles.

Annex 1

Product name:
Swedbank Robur Fastighet

Legal entity identifier:
5493001VDHYYD0QX0I74

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

The EU Taxonomy is a classification system, establishing a list of **environmentally sustainable economic activities**. For the time being, it does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?



Yes



No



It made **sustainable investments with an environmental objective**: _%



in economic activities that do qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It made **sustainable investments with a social objective**: _%



It promoted **Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 38% of sustainable investments



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promoted E/S characteristics, but **did not make any sustainable investments**



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

During the year, the fund has promoted environmental and/or social characteristics by:

- Taking into account the carbon intensity of fund holdings with the ambition to reduce the carbon footprint over time and/or to have a low footprint versus the fund's benchmark index (**indicator Carbon emissions**).
- Investing in companies that have set verified Net Zero targets for their efforts to reduce their climate footprint (**indicator Net zero target**).
- Investing in companies whose operations contribute to the achievement of the UN's Sustainable Development Goals (SDGs) (**indicator SDG aligned revenues**).
- Dialogues with companies to increase their environmental and/or social responsibility. If the dialogue concerned both environmental and social issues, the dialogue is recorded under both categories (**indicator Environmental Engagement and/or Social Engagement**).

The sustainability indicators have been calculated on all instruments of the fund that are used to meet the environmental and social characteristics where data has been available. For the indicators that are calculated as a weighted average, the measurable parts have been normalised.

During the year some of the fund's investments also contributed to the environmental objectives Climate change mitigation or Climate change adaptation in the EU taxonomy, as well as to one or more of the UN Sustainable Development Goals (SDGs) focusing on social aspects.

Sustainability indicators measure how the sustainable objective of this financial product are attained.

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

Indicator	Result	Coverage fund	Coverage measurable part of the fund
Carbon emissions (tCO2e/mUSD)	70	94%	100%
Net zero target (%)	52	94%	100%
SDG aligned revenues (%)	18	94%	100%
Environmental Engagement (#)	26	N/A	N/A
Social Engagement (#)	12	N/A	N/A

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

Indicator	Result				
	2022	2021	2020	2019	2018
Carbon emissions (tCO2e/mUSD)	78				
Net zero target (%)	36				
SDG aligned revenues (%)	20				
Environmental Engagement (#)	22				
Social Engagement (#)	11				

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

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

The fund has made some investments that are considered environmentally and socially sustainable according to the EU's Sustainable Finance Disclosure Regulation (SFDR). These investments have been made in companies whose products and services have contributed to the fulfilment of the environmental and social objectives included in the UN's Sustainable Development Goals (SDGs). The companies have had a turnover in line with one or more SDGs of at least 20 %, with the exception of companies where the Management Company considered that exemption from the limit value is justified within Swedbank Robur's definition for sustainable investments according to SFDR. Swedbank Robur's definition of sustainable investments according to SFDR is described on the Management Company's website.

The fund has also invested in economic activities that are considered environmentally sustainable under the EU taxonomy. However, the taxonomy regulatory framework is evolving and there is limited access to reported data on the taxonomy alignment of companies active in the capital market, non corporations active in the capital market and the alignment of bond issues. As a first step, the fund has invested in companies that have been consistent with the taxonomy objectives Climate change mitigation and Climate change adaptation. The share of an investment that is aligned with the EU taxonomy is also assessed as a sustainable investment according to SFDR.

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

During the year, the Management Company has analysed how the sustainable investments have affected emissions, water and biodiversity, among other things. It has been ensured that the holdings have not seriously and systematically violated international norms or conventions of the United Nations, the ILO and the OECD or been otherwise involved in unacceptable activities with regard to sustainability or corporate governance. Thus, the Management Company has assessed that the sustainable investments did not cause significant harm to any environmental or social objective.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

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

The indicators for adverse impacts on sustainability factors (PAI) have been analysed based on the Management Company's set limit values to assess whether the fund's individual holdings caused significant damage to any environmental or social objective. In cases where the PAI indicators exceeded any of these thresholds, the security was not considered to be a sustainable investment.

In special cases where Swedbank Robur has made the assessment that an investment despite exceeding the limit value has not caused significant harm, for example due to company or sector-specific factors, the holding has been considered a sustainable investment if the other criteria have been met.

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

The sustainable investments were adapted to OECD guidelines for multi-national enterprises and the UN's guiding principles on business and human rights. This has been ensured by analysis from external suppliers. If Swedbank Robur has been informed that a company is associated with a violation of international norms or conventions, checks of the standard analysis suppliers' assessment have been carried out. If Swedbank Robur's own assessment has confirmed that there has been a serious and systematic breach, the security has not been deemed to constitute a sustainable investment.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

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

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



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

The fund has taken into account the principle adverse impacts on sustainability factors (PAI) by following Swedbank Robur's "Strategies to identify and prioritize principal adverse sustainability impacts" (in Swedish). In the fund's management, investments linked to PAI have been identified, prioritised and mitigated or accepted.

The inspection found that many main negative impacts were already mitigated and no additional measures have been taken. This applies, for example, to exposure to fossil fuels, controversial weapons and violations of international norms where the Management Company has limits or processes in place to avoid and reduce these negative consequences.

For example, the following indicators have been prioritised and mitigated:

- Greenhouse gas emissions. Through dialogues with American Tower, among others, regarding their strategy for reducing their carbon footprint as well as reporting.
- Biodiversity. Through dialogue with Wihlborgs, among others, regarding their investment in green roofs and other biological promotion activities.



The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 2023 (annual average)

What were the top investments of this financial product?

Large investments	Sector	% Assets	Country
American Tower	Real estate activities	7.6%	United States
Sagax	Real estate activities	6.9%	Sweden
Equinix	Real estate activities	6.8%	United States
Prologis	Real estate activities	6.2%	United States
Fastighets Balder	Real estate activities	5.5%	Sweden
Wihlborgs Fastigheter	Real estate activities	3.6%	Sweden
CBRE Group	Real estate activities	3.3%	United States
Welltower	Real estate activities	3.1%	United States
ProLogis	Real estate activities	3.1%	United States
Equity LifeStyle Properties	Real estate activities	2.9%	United States
Vanguard REIT ETF	Financial and insurance activities	2.6%	United States

In these calculations, the cash account has been excluded.



Asset allocation describes the share of investments in specific assets.

What was the proportion of sustainability-related investments?

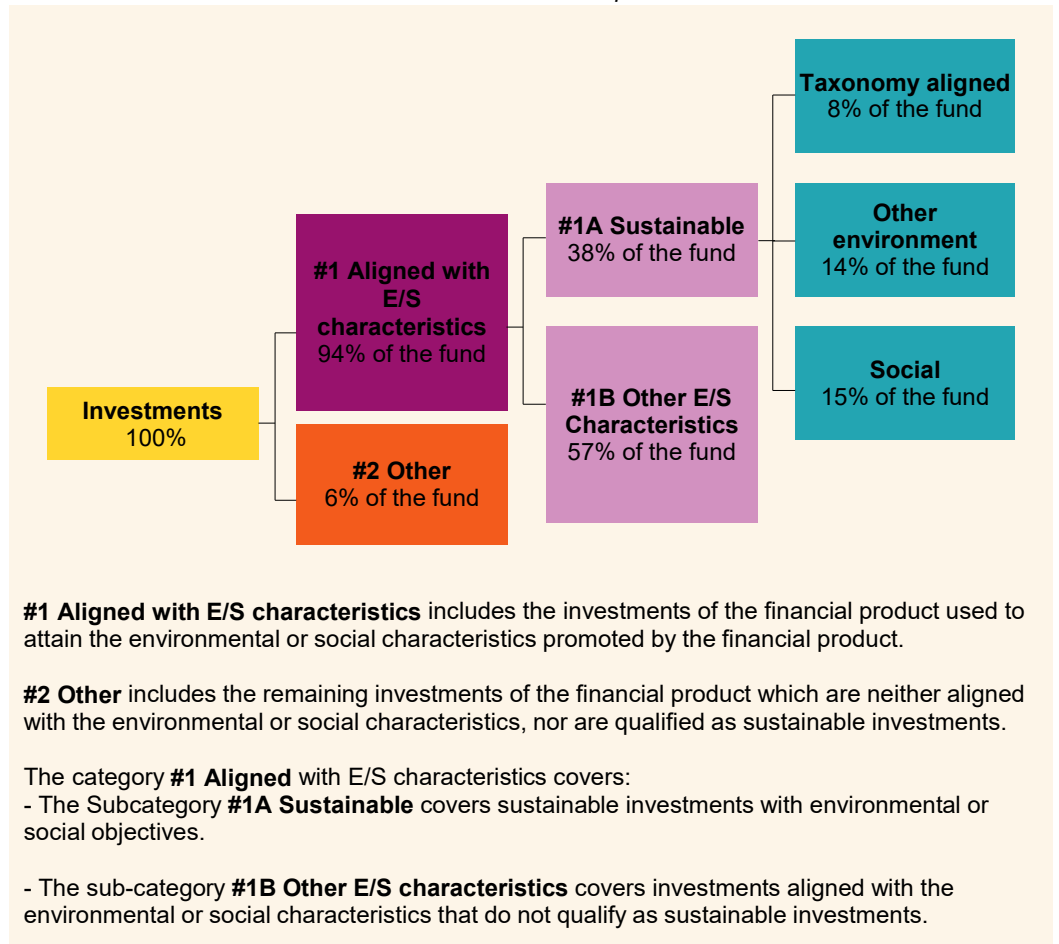
- **What was the asset allocation?**

The image below shows the average share of the fund's investments that during the year, as a result of Swedbank Robur's policy for responsible investments, were adapted to the environmental or social characteristics. The image also shows the average share of the fund's assets that constituted sustainable investments during the year.

Exceptions to the policy have been made for, for example, cash accounts and derivatives. Exceptions have also been made where sustainability screened alternatives were not available on the market, where the required liquidity was lacking or where there was a lack of transparency for the product. For example, investments in the "other" category have been used for liquidity management, diversification or to protect and/or expose the portfolio to certain market risk.

The "Taxonomy- alignment" box shows the proportion of taxonomy-aligned investments that also meet Swedbank Robur's criteria for sustainable investments according to SFDR in terms of good governance and the principle of not causing significant harm. This share may therefore be lower than the taxonomy share specified in the other parts of this Appendix.

The number in each box is rounded to the nearest whole percent.



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

The figures shown in the table below are yearly averages and rounded.

Sector	% Assets
Real estate activities	92.0%
Financial and insurance activities	3.9%
Construction	1.8%
Information and communication	1.3%
Electricity, gas, steam and air conditioning supply	1.0%

In these calculations, the cash account has been excluded.

Taxonomy-aligned activities are expressed as a share of:

- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

- **turnover** reflecting the share of revenue from green activities of investee companies

- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



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

The bar graphs below show the alignment of investments with the environmental objectives Climate change mitigation and Climate change adaptation in the EU taxonomy. Several environmental objectives in the EU taxonomy still lack data on the market. This means that it is not yet possible to assess what the fund's investments contribute for some of the objectives.

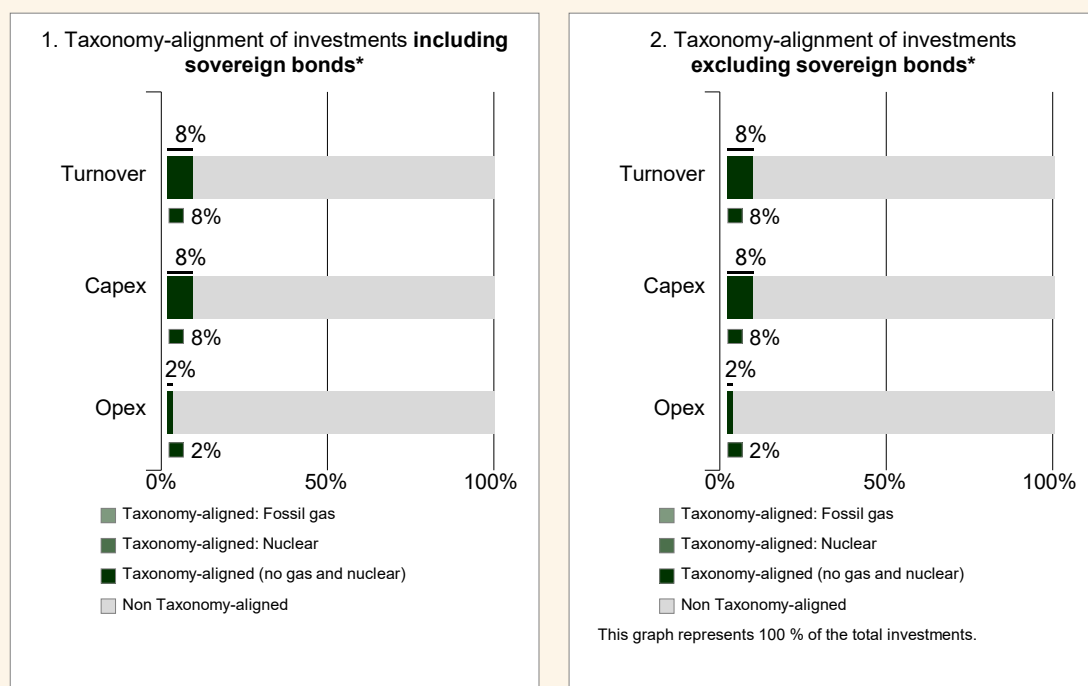
The taxonomy-aligned investments are not subject to auditor approval or a review by a third party. In order to calculate the proportion of taxonomy-aligned investments, reported and estimated data from third party suppliers have been used. There is as yet limited access to reported data on the taxonomy alignment of companies active in the capital market, non corporations active in the capital market and the alignment of bond issues. The majority of the data used to calculate the distribution below is therefore estimated. The input data will be improved when future EU rules enter into force on companies' obligations to report on their business's taxonomy alignment and when more environmental targets are reported.

• Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

- Yes
- In fossil gas In nuclear energy
- No

Figures below 0.5% of fossil gas or nuclear energy are rounded to 0% and are therefore not presented in this report.

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



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

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

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

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



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

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

During the year, the share of investments that, according to the taxonomy, consisted of transitional activities and enabling activities averaged 0 % and 0 % respectively. There is as yet limited availability of reported and estimated data on the taxonomy alignment of companies active in the capital market, non corporations active in the capital market and the alignment of bond issues with respect to these activities. This means that the data is not complete.

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

	Taxonomy-alignment of investments including sovereign bonds					Taxonomy-alignment of investments excluding sovereign bonds				
	2022	2021	2020	2019	2018	2022	2021	2020	2019	2018
Turnover	20%					20%				
Capex	19%					19%				
Opex	0%					0%				



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

During the year, an average of 14 % of the fund's holdings were sustainable investments with environmental objectives that were not aligned with EU taxonomy. The Management Company has set criteria and thresholds to assess whether companies active in the capital market, non corporations active in the capital market and bond issues constitute sustainable investments according to SFDR. These investments are not always in line with EU taxonomy, partly because of a lack of reported data and because the EU taxonomy for 2023 included only two out of six environmental objectives. However, the share of sustainable investments constituting taxonomy-aligned investments is expected to increase as more reported data on the taxonomy alignment of companies becomes available.



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

During the year, an average of 15 % of the fund's holdings were sustainable investments with social objectives.



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

Some of the fund's holdings were placed in accounts or in assets that did not promote environmental or social characteristics. The category "other" included instruments that are not covered by Swedbank Robur's policy for responsible investment.

The purpose of the cash account was, among other things, to manage outflows of capital. The fund has also owned exchange-traded funds (ETFs) used for the fund's tactical allocation and/or risk and liquidity management.



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

During the year, a number of measures have been taken in order to meet the environmental or social characteristics promoted by the fund.

- The fund has made some sustainable investments.
- The fund has excluded securities in accordance with the Management Company's policy for responsible investments.
- Securities have been selected and the environmental and social characteristics have been taken into account.
- Dialogues have been conducted with a focus on environmental work and/or social characteristics.

- Relevant indicators of principal adverse impacts on sustainability factors (PAI) have been taken into account. Some PAI indicators are relevant to the sustainability indicators: Carbon emissions and Net zero target.

Finally, the Management Company's corporate governance specialists have worked to ensure that companies we have invested in are managed in an efficient and long-term sustainable manner. This has been done by Swedbank Robur's corporate governance specialists having actively participated in general meetings and/or in nomination committees for companies in which the fund has invested. One purpose of this is for the fund to fulfil its environmental and social characteristics.

Audit Report

To shareholders in Swedbank Robur Fastighet.

Annual Report Statements

As auditors of Swedbank Robur Fonder AB, corporate identity number 556198-0128, we have carried out an audit of the Annual Report Swedbank Robur Fastighet for 2023, with the exception of the sustainability information under the headings: The fund's sustainability work and Annex 1 ("The Sustainability Information").

In our view, the annual report has been produced in accordance with the Securities Act and the Swedish Financial Supervisory Authority regulations on securities funds and provides, in all material respects, a true picture of the financial position of Swedbank Robur Fastighet as of 31 December 2023 and of its financial performance for the year, in accordance with the Securities Funds Act and the Swedish Financial Supervisory Authority regulations on securities funds. Our statement does not cover the sustainability information under the headings The fund's sustainability work and Annex 1 ("The Sustainability Information").

Basis for Statement

We performed the audit in accordance with the International Standards on Auditing (ISA) and generally accepted accounting practice in Sweden. Our responsibility, according to these standards, has been described in more detail in the section *Auditor's responsibilities*. We are independent in relation to the Management Company in accordance with professional ethics for accountants in Sweden and have fulfilled our ethical responsibility according to these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other information than the Annual Report

The other information consists of the sustainability information under the headings The fund's sustainability work and Annex 1 ("The Sustainability Information"). The Management Company is responsible for this other information.

Our statement regarding the Annual Report does not include this information and we make no certified statement regarding this other information.

In connection with our audit of the Annual Report, it is our responsibility to read the information identified above and consider whether the information is materially inconsistent with the Annual Report. During this review, we also take into account the knowledge we have otherwise acquired during the audit and assess whether the information otherwise appears to contain material inaccuracies.

If, based on the work done regarding this information, we conclude that this other information contains a material misstatement, we are required to report this. We have nothing to report in that regard.

Management Company's liability

The Management Company is responsible for producing the Annual Report and that it presents a true picture in accordance with the Investment Funds Act and the Swedish Financial Supervisory regulations on securities funds. The Management Company is also responsible for internal checks that it assesses as necessary to produce an Annual Report that does not contain any material misstatements, either due to irregularities or errors.

Auditor's responsibilities

Our goal is to reach a reasonable amount of security as to whether the Annual Report as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high degree of certainty, but there is no guarantee that an audit performed in accordance with ISA and generally accepted auditing standards in Sweden will always detect a material misstatement, if such exists. Inaccuracies can arise due to irregularities or errors and are considered to be important if they individually or together can reasonably be expected to affect the financial decisions that users make on the basis of the Annual Report.

As part of an audit as per ISA, we use professional judgement and adopt a professionally sceptical attitude throughout the audit. In addition:

- We identify and assess the risks of material misstatement in the Annual Report, whether due to irregularities or error; we design and carry out audit procedures, based on these risks etc., and obtain audit evidence that is sufficient and appropriate to provide a basis for our statements. The risk of not discovering a material misstatement due to irregularities is greater than for a material misstatement due to errors, as irregularities can include actions in collusion, falsification, deliberate omissions, the provision of incorrect information or a breach of internal controls.
- We acquire an understanding of the part of the Management Company's internal controls that is of importance for our audit in order to design audit procedures that are appropriate in respect of the circumstances, but not to express an opinion on the effectiveness of internal controls.
- We evaluate the appropriateness of the accounting principles used and the reasonableness of the Management Company's estimates in the accounts and associated information.
- We evaluate the general presentation, structure and content of the Annual Report, including the information, and whether the Annual Report reflects the underlying transactions and events in a way that gives a true picture.

We are required to notify the Management Company of the scope of the planned audit and orientation and the time for this. We are also required to provide notification of significant observations during the audit, including any material failings in the internal controls we have identified.

The auditor's statement regarding the statutory sustainability information

The Management Company is responsible for the sustainability information under the headings The fund's sustainability work and Annex 1 ("The Sustainability Information") and for ensuring that it is in accordance with the Swedish Investment Funds Act.

Our review of the fund's sustainability information has taken place in accordance with FAR recommendation RevR 12 Auditor's statement on the statutory sustainability report. This means that our review of the sustainability information has a different focus and is substantially limited in scope compared to the focus and scope of an audit conducted in accordance with the International Standards on Auditing and generally accepted auditing practice in Sweden. We believe that this review gives us reasonable grounds for our statement.

Sustainability information has been provided in the Annual Report.

Stockholm, 07 March 2024

PricewaterhouseCoopers AB

Peter Nilsson

Certified public accountant

Auditor in charge

The Board of Directors and the Chief Executive Officer of Swedbank Robur AB hereby issue annual report 2023 for Swedbank Robur Fastighet.

Stockholm, 07 March 2024

Liza Jonson,
CEO

Joachim Spetz,
Chairman

Gunilla Nyström

Lars Afrell

Monica Åsmyr

Lenart Jacobsen

Our audit report on this annual report was issued on 07 March 2024.

PricewaterhouseCoopers AB

Peter Nilsson,
Certified public accountant
Auditor in charge