



# Amerika Småbolag *Handelsbanken Funds America Small Cap*

## Management Report

### Investment Focus

The fund is actively managed, which means that the portfolio manager takes active, independent investment decisions. The objective of the fund is to attain returns over the long term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests primarily in equities issued by small caps in the US as well as in Canada and Mexico. We place particular emphasis on ensuring that the company's strategy concurs with our assessment of what can generate favourable share price performance when we select equities for the fund. We then evaluate the company's key ratios, such as earnings growth relative to the market's expectations.

### Portfolio

Amerika Småbolag rose 21.7% during the full year 2016\*. The US market strengthened and changed after Donald Trump won the US presidential election in November. The promises for reforms, such as sharp cuts in company tax rates and investments in infrastructure, led to higher equity prices and interest rates. Companies primarily within the financial, energy and manufacturing sectors posted strength after the election. Fund returns benefited by the further strengthening of the USD against the SEK. The "Demographics" investment theme was the strongest contributor to returns, in which holdings in Drew Industries posted strength. The company, which is a leading subcontractor for caravans and mobile homes, benefits from the outdoor trend and a growing target group (50-64 year olds). The bank East West Bank, which targets the growing Chinese population, also contributed positively. Sensient Tech contributed positively within the "Lifestyles" theme. The company is facing a strong demand for more natural colours and flavours. However, holdings within the "Productivity" theme had a negative impact, despite

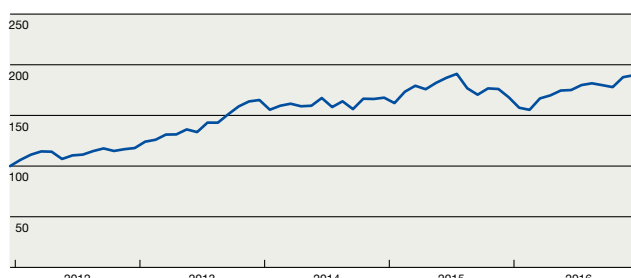
the educational company Grand Canyon Education being the strongest individual contributor to the fund. The "Productivity" theme was primarily affected by holdings in Mexico. Production in northern Mexico is very competitive, although this can be hurt by Trump's trade policy. Holdings in Pinfra, which operates roadways in Mexico, had the most negative impact on returns. The debt collection company PRA Group also had a negative impact on returns within the theme. The fund's investment process is thematic, with focus on good growth, strong market positions and good or higher profitability.

\* The fund may have additional share classes, the concerned share class is stated in the Fund facts. Refer to fund statistics for comparable index.

### Outlook

We expect 2017 to show higher profit growth than in 2016. This can be expedited by president-elect Trump's promises for reforms of corporate tax cuts and major investments in infrastructure. Tax reform will particularly benefit US small caps that have a substantial portion of sales in the US. The US consumer continues to have strong purchasing power in an environment of low unemployment and relatively low interest rates. The housing market as well as the labour market continued to improve throughout the year. The management in companies we have met are giving clear signals about higher wages. Our positive outlook on the US consumer and service sectors is evidenced by our investments within the "Demographics" and "Lifestyles" themes. The risks deal with political gestures, the relatively high valuations and that inflation could force the US central bank to raise key rates more rapidly than expected. The fund's investment process continues to be thematic, with focus on the long term and on companies with strong market positions, stable margins and solid balance sheets.

## Fund Performance\*



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

## Top Ten Holdings

	% of fund capital
Grand Canyon Education (Consumer Discretionary)	6.1
East West Bancorp (Financials)	5.2
Sensient Technologies (Materials)	5.1
Service Corporation International (Consumer Discretionary)	4.6
Bright Horizons Family Solutions (Consumer Discretionary)	4.4
Pool (Consumer Discretionary)	4.3
Rollins (Industrials)	4.3
Allegion (Industrials)	3.7
Middleby (Industrials)	3.4
Drew Industries (Consumer Discretionary)	3.4

## Fund Facts - History

	2016	2015	2014	15/7-31/12 2013	2012	2011	2010	2009	2008	2007
Net asset value										
Amerika Småbolag A - SEK	657.20	539.93	500.27	-	-	-	-	-	-	-
Amerika Småbolag A - EUR	68.59	58.96	52.81	-	-	-	-	-	-	-
Amerika Småbolag A - NOK	622.70	566.87	479.14	-	-	-	-	-	-	-
Amerika Småbolag A - USD	72.34	64.04	63.91	63.03	44.95	38.15	40.24	33.87	25.77	40.97
Fund capital total, mUSD	739	561	566	-	-	-	-	-	-	-
Amerika Småbolag A - SEK	6,007	4,113	3,865	-	-	-	-	-	-	-
Amerika Småbolag A - EUR	0	1	0	-	-	-	-	-	-	-
Amerika Småbolag A - NOK	271	276	211	-	-	-	-	-	-	-
Amerika Småbolag A - USD	46	41	44	485	94	68	74	47	28	37
Number of units, 1000's	10,216	8,752	8,858	-	-	-	-	-	-	-
Amerika Småbolag A - SEK	9,140	7,617	7,725	-	-	-	-	-	-	-
Amerika Småbolag A - EUR	7	12	8	-	-	-	-	-	-	-
Amerika Småbolag A - NOK	435	486	440	-	-	-	-	-	-	-
Amerika Småbolag A - USD	634	638	684	7,699	2,097	1,782	1,844	1,382	1,100	906
Total returns in % SEK										
Amerika Småbolag A - SEK	+21.7	+7.9	+23.6	+38.4	+11.8	-3.3	+11.9	+18.7	-23.0	+1.4
Amerika Småbolag A - EUR	+16.3	+11.6	-	-	-	-	+23.2	+27.4	-	-
Amerika Småbolag A - NOK	+9.8	+18.3	+25.3	+52.9	+9.9	-2.7	+19.5	+8.5	-18.9	-

Amerika Småbolag, cont.

**Fund Facts - History cont.**

	2016	2015	2014	15/7-31/12 2013	2012	2011	2010	2009	2008	2007
Amerika Småbolag A - USD	+13.0	+0.2	+23.6	+38.4	+11.8	-3.3	+11.9	+18.7	-23.0	+1.4
Index including dividends in %, SEK										
Amerika Småbolag A - SEK	+28.4	+3.3	+30.5	+31.7	+9.4	+3.4	+8.1	+14.0	-24.2	-0.9
Amerika Småbolag A - EUR	+22.7	+6.8	+21.9	+27.6	+13.6	+4.8	+22.7	+22.3	-	-
Amerika Småbolag A - NOK	+15.9	+13.2	+32.3	+45.4	+7.5	+4.1	+15.5	+4.2	-20.2	-
Amerika Småbolag A - USD	+19.2	-4.1	+30.5	+31.7	+9.4	+3.4	+8.1	+14.0	-24.2	-0.9
Average yearly return, 2 yrs. %										
Amerika Småbolag A - SEK	+14.6	+15.5	+30.8	+24.4	+4.0	+4.0	+15.2	-4.4	-11.9	-0.9
Amerika Småbolag A - EUR	+14.0	+13.5	-	-	-	-	+25.3	-	-	-
Amerika Småbolag A - NOK	+14.0	+21.8	+38.4	+29.6	+3.4	+7.9	+13.9	-6.2	-	-
Amerika Småbolag A - USD	+6.4	+0.8	+19.2	+28.5	+5.7	+6.1	+25.0	-9.1	-18.0	+10.0
Comparison to index including dividends, %										
SEK	+15.1	+16.1	+31.1	+20.0	+6.4	+5.7	+11.0	-7.1	-13.4	-1.0
EUR	+14.5	+14.1	+24.7	+20.4	+9.1	+13.4	+22.5	-	-	-
NOK	+14.5	+22.4	+38.7	+25.0	+5.8	+9.6	+9.7	-8.8	-	-
USD	+6.9	+1.3	+19.5	+24.0	+8.1	+7.9	+20.4	-11.6	-19.4	+9.9
Average yearly return, 5 yrs. %										
Amerika Småbolag A - SEK	-	+14.8	+15.6	+14.7	+2.0	-0.1	+0.1	+2.4	-1.1	+5.0
Amerika Småbolag A - EUR	+18.5	+15.2	-	-	-	-	-	-	-	-
Amerika Småbolag A - NOK	+22.3	+19.4	+19.6	+16.2	+2.4	-	-	-	-	-
Amerika Småbolag A - USD	+13.7	+9.7	+13.5	+19.6	+1.9	-0.1	+3.5	+0.9	-3.0	+11.5
Comparison to index including dividends, %										
SEK	-	+15.0	+16.0	+12.9	+1.1	-0.9	-1.8	+1.1	-1.1	+5.7
EUR	+18.3	+14.6	+17.8	+17.9	-	-	-	-	-	-
NOK	+22.1	+19.5	+20.0	+14.4	+1.5	-	-	-	-	-
USD	+13.5	+9.9	+13.9	+17.7	+1.0	-0.9	+1.6	-0.3	-3.0	+12.2
Average yearly return, 10 yrs. %										
Amerika Småbolag A - SEK	-	+7.2	+8.8	+6.5	+3.5	-2.7	-3.2	-5.2	-	-
Amerika Småbolag A - USD	+6.6	+6.6	+7.0	+7.7	+6.6	+1.6	+0.2	-3.4	-	-
Comparison to index including dividends, %										
SEK	-	+6.3	+8.3	+5.7	+3.4	-2.0	-2.5	-3.3	-	-
USD	+6.0	+5.7	+6.6	+6.9	+6.4	+2.3	+0.8	-1.5	-	-

Index: MSCI USA Small Cap Net

Up to 30/06/2008: S&P 500

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

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

Refer to the last page for definitions.

**Fund Facts - Costs**

Collected mgmt. costs in % of average fund capital <sup>1)</sup>	1.50
Annual fees in %	
Amerika Småbolag A	1.60

1) A Luxembourg wealth tax of 0.05% of fund assets will be added annually.

**Fund Facts - Other Key Figures**

Turnover rate	
Amerika Småbolag A	-0.2
Amerika Småbolag A	-0.2

**Risk and Return Measurements\***

Total risk % - A SEK	16.6	Active return % - A USD	-0.5
Total risk % - A EUR	16.7	Information ratio - A SEK	Negative
Total risk % - A NOK	16.4	Information ratio - A EUR	Negative
Total risk % - A USD	13.3	Information ratio - A NOK	Negative
Total risk in index % - A SEK	17.2	Information ratio - A USD	Negative
Total risk in index % - A EUR	17.8	Sharpe ratio - A SEK	0.9
Total risk in index % - A NOK	16.9	Sharpe ratio - A EUR	0.8
Total risk in index % - A USD	14.9	Sharpe ratio - A NOK	0.8
Tracking error % - A SEK	6.5	Sharpe ratio - A USD	1.0
Tracking error % - A EUR	6.5	Sharpe ratio in index - A SEK	0.9
Tracking error % - A NOK	6.5	Sharpe ratio in index - A EUR	0.8
Tracking error % - A USD	6.5	Sharpe ratio in index - A NOK	0.8
Index	MSCI USA Small Cap Net	Sharpe ratio in index - A USD	0.9
Active return % - A SEK	-0.5	Active Share % <sup>1)</sup>	96.3
Active return % - A EUR	-0.5		
Active return % - A NOK	-0.5		

1) As of the balance sheet date.

\* Risk statistics are based on historical monthly returns over two years. Refer to the last page for definitions.

Total exposure in the fund is calculated in accordance with the commitment method.



# Amerika Tema (Criteria)

## Management Report

### Investment Focus

The fund is actively managed, which means that the portfolio manager takes active, independent investment decisions. The objective of the fund is to attain returns over the long term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests primarily in equities issued by companies in the US as well as in Canada and Mexico. The thematic investment strategy means that investments are made primarily in companies linked to long-term investment themes that have been carefully selected and analysed and where we expect a long period of growth. Examples of our main themes are Demographics, Productivity, Lifestyles and the Environment. The fund's aim is to generate capital growth over the long term by investing in companies that the portfolio manager believes take social responsibility as well as are selected according to the target and the pre-defined criteria. Within the context of the fund's investment focus, international standards and guidelines for the environment, social responsibility and governance are taken into consideration. A restrictive position to fossil fuels is applied and criteria for companies with operations in the weapons, tobacco, alcohol, gaming and pornography segments/sectors are taken into consideration. Further information is available in the fund's information brochure.

### Portfolio

Amerika Tema rose 12.4% during the full year 2016\*. The US market strengthened and changed after Donald Trump won the US presidential election in November. Companies primarily within the financial, energy and manufacturing sectors posted strength after the election. Fund returns benefited by the further strengthening of the USD against the SEK. The "Lifestyles" theme was the strongest contributor to returns, in which holdings in Sensient Technologies posted strength. The "Demographics" theme also contributed positively, with holdings in the bank East West Bank, which targets the growing Chinese population. However, holdings within the "Productivity" theme had a negative impact, given weak performance by the debt collection company PRA Group and holdings in Mexico. The fund's negative deviation against index could be largely explained by the underweight in the financial sector, which posted strength after the election. The underweight in energy and basic materials were also negative as steel, basic materials, energy, industrials and defence posted strength after the election. However, we expect investments in infrastructure to be distributed over a longer period than what the market expects. The fund's overweight within the "Reform" theme also had a negative impact, most notably the overweight in Mexico, which runs the risk of being impacted by Trump's trade policy. However, we do not believe that a trade war is likely with Mexico, since this would be costly for the US consumer. We believe there is potential for good returns ahead as the portfolio is invested in companies that have higher quality and profit growth, lower valuations and stronger cash flows than the market as a whole.

\*) The fund may have additional share classes, the concerned share class is stated in the Fund facts. Refer to fund statistics for comparable index.

### Outlook

We expect 2017 to show higher profit growth than in 2016. This can be

expedited by president-elect Trump's promises for reforms of corporate tax cuts and major investments in infrastructure. Tax reform will particularly benefit US small caps that have a substantial portion of sales in the US. The US consumer continues to have strong purchasing power in an environment of low unemployment and relatively low interest rates. The housing market as well as the labour market continued to improve throughout the year. The management in companies we have met are giving clear signals about higher wages. Our positive outlook on the US consumer and service sectors is evidenced by our investments within the "Demographics" and "Lifestyles" themes. The risks deal with political gestures, the relatively high valuations of the equity market and that inflation could force the US central bank to raise key rates more rapidly than expected. The fund's investment process continues to be thematic, with focus on the long term and on companies with strong market positions, stable margins and solid balance sheets.

### Significant risks

As of the balance sheet date, the fund does not have any other significant risks in its holdings than those stated in the fact sheet and information brochure.

### Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option to a limited extent in 2016. The fund has the option of lending securities. The fund did not use this option in 2016. The fund may use other techniques and instruments. The fund did not use this option in 2016.

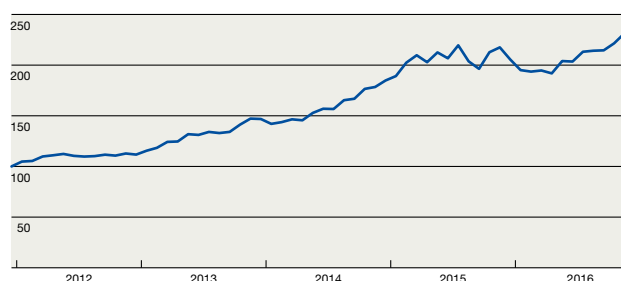
### Information

The fund's name was changed from Handelsbanken Amerikafond to Handelsbanken Amerika Tema on March 8, 2016. The fund also changed the benchmark index from MSCI USA Net to MSCI USA Select Global Norms and Criteria on May 1, 2016.

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

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

### Fund Performance\*



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

### Fund Facts - History

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net asset value										
Amerika Tema (Criteria) A1 - SEK <sup>1) 2)</sup>	709.12	631.11	567.34	450.71	342.87	308.59	312.16	281.80	236.88	310.57
Amerika Tema (Criteria) A1 - EUR <sup>2)</sup>	74.01	68.91	-	-	-	-	-	-	-	-
Amerika Tema (Criteria) A1 - NOK <sup>2)</sup>	671.89	662.61	-	-	-	-	-	-	-	-
Amerika Tema (Criteria) B1 - SEK <sup>1) 2)</sup>	605.47	562.47	524.80	434.41	-	-	-	-	-	-
The fund's total net flow, mSEK <sup>3)</sup>	-2,776	746	579	1,529	408	-	-	-	-	-
Fund capital total, mSEK	8,198	10,001	8,414	6,119	3,332	2,598	2,099	1,404	859	830

Amerika Tema (Criteria), cont.

Fund Facts - History cont.

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Amerika Tema (Criteria) A1 - SEK	7,497	8,561	7,908	5,925	3,332	2,598	2,099	1,404	859	830
Amerika Tema (Criteria) A1 - EUR	23	95	-	-	-	-	-	-	-	-
Amerika Tema (Criteria) A1 - NOK	97	21	-	-	-	-	-	-	-	-
Amerika Tema (Criteria) B1 - SEK	378	546	506	194	-	-	-	-	-	-
Number of units, 1000's	11,653	15,953	14,902	13,591	9,718	8,418	6,725	4,981	3,627	2,671
Amerika Tema (Criteria) A1 - SEK	10,573	13,565	13,938	13,146	9,718	8,418	6,725	4,981	3,627	2,671
Amerika Tema (Criteria) A1 - EUR	311	1,385	-	-	-	-	-	-	-	-
Amerika Tema (Criteria) A1 - NOK	145	32	-	-	-	-	-	-	-	-
Amerika Tema (Criteria) B1 - SEK	624	971	964	445	-	-	-	-	-	-
Total returns in %, SEK										
Amerika Tema (Criteria) A1 - SEK	+12.4	+11.2	+25.9	+31.5	+11.7	-0.8	+11.4	+19.9	-22.9	+1.4
Amerika Tema (Criteria) A1 - EUR	+7.4	+15.1	-	-	-	-	-	-	-	-
Amerika Tema (Criteria) A1 - NOK	+1.4	+21.9	-	-	-	-	-	-	-	-
Amerika Tema (Criteria) B1 - SEK	+12.4	+11.2	+25.9	+3.3	-	-	-	-	-	-
Index including dividends in %, SEK										
Amerika Tema (Criteria) A1 - SEK	+19.9	+8.4	+37.4	+30.1	+9.4	+3.4	+8.1	+14.0	-24.2	-0.9
Amerika Tema (Criteria) A1 - EUR	+14.6	+12.2	-	-	-	-	-	-	-	-
Amerika Tema (Criteria) A1 - NOK	+8.2	+18.9	-	-	-	-	-	-	-	-
Amerika Tema (Criteria) B1 - SEK	+19.9	+8.4	+37.4	+3.5	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Amerika Tema (Criteria) A1 - SEK	+11.8	+18.3	+28.6	+21.2	+5.3	+5.1	+15.6	-3.9	-11.6	-0.8
Amerika Tema (Criteria) A1 - EUR	+11.2	+16.3	-	-	-	-	-	-	-	-
Amerika Tema (Criteria) A1 - NOK	+11.2	+24.8	-	-	-	-	-	-	-	-
Amerika Tema (Criteria) B1 - SEK	+11.8	+18.3	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+14.0	+22.0	+33.7	+19.3	+6.4	+5.7	+11.0	-7.1	-13.4	-1.0
EUR	+13.4	+20.0	-	-	-	-	-	-	-	-
NOK	+13.4	+28.7	-	-	-	-	-	-	-	-
Average yearly return, 5 yrs. %										
Amerika Tema (Criteria) A1 - SEK	+18.2	+15.3	+15.4	+14.2	+2.7	+0.7	+0.3	+2.7	-0.9	+5.2
Amerika Tema (Criteria) A1 - EUR	+16.5	+15.0	-	-	-	-	-	-	-	-
Amerika Tema (Criteria) A1 - NOK	+20.2	+19.9	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+20.5	+17.0	+16.9	+12.6	+1.1	-0.9	-1.8	+1.1	-1.1	+5.7
EUR	+18.8	+16.6	-	-	-	-	-	-	-	-
NOK	+22.6	+21.6	-	-	-	-	-	-	-	-
Average yearly return, 10 yrs. %										
Amerika Tema (Criteria) A1 - SEK	+9.1	+7.5	+8.9	+6.4	+4.0	-2.1	-2.8	-4.8	-4.1	+1.0
Amerika Tema (Criteria) A1 - EUR	+8.5	+7.8	-	-	-	-	-	-	-	-
Amerika Tema (Criteria) A1 - NOK	+9.6	+9.8	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+9.3	+7.2	+8.7	+5.5	+3.4	-2.0	-2.5	-3.3	-2.2	+3.4
EUR	+8.6	+7.5	-	-	-	-	-	-	-	-
NOK	+9.7	+9.5	-	-	-	-	-	-	-	-
Dividends per unit, SEK										
Amerika Tema (Criteria) A1 - SEK	-	-	-	-	1.73	1.06	1.62	1.78	3.00	3.63
Amerika Tema (Criteria) B1 - SEK	22.50	20.99	17.38	16.10	-	-	-	-	-	-
Exchange rate EUR/SEK	9.58	9.16	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.06	0.95	-	-	-	-	-	-	-	-

1) Based on a judgment in the Administrative Court of Appeal, the share price in funds with holdings in US equities have been impacted. A full withholding tax (30%) will now be imposed on the funds instead of the previous 15%. The tax change is applicable for distributions effective as of January 1, 2012, and this has resulted in an adjustment to the net asset value of the fund as of June 16, 2014.

2) Following a judgment in the Administrative Court of Appeal that changed the withholding tax on dividends in US equities from 15% to 30%, the previously reserved withholding has been added back in the fund as of March 30, 2015.

3) The fund's total net inflows do not include reinvested dividends in funds with a distribution share class.

Index: MSCI USA Net

Up to 30/06/2008: S&P 500

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

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

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Amerika Tema (Criteria) A1	1.60
Amerika Tema (Criteria) B1	1.60
Collected mgmt. costs in % of average fund capital	
Amerika Tema (Criteria) A1	1.60
Amerika Tema (Criteria) B1	1.60
Annual fees in %	
Amerika Tema (Criteria) A1	1.66
Amerika Tema (Criteria) B1	1.66
Analyzing costs, tSEK <sup>1)</sup>	5,219
Transaction costs, tSEK	1,891
Transaction costs in % of turnover	0.02
Costs in SEK for a one-time subscription, 10 000 SEK	
Amerika Tema (Criteria) A1	158.77
Amerika Tema (Criteria) B1	158.77
Costs in SEK for monthly savings, 100 SEK	
Amerika Tema (Criteria) A1	11.02
Amerika Tema (Criteria) B1	11.02

1) Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

Risk and Return Measurements\*

Total risk % - A1 SEK	14.6	Active return % - A1 NOK	-2.2
Total risk % - A1 EUR	14.5	Active return % - B1 SEK	-2.2
Total risk % - A1 NOK	14.3	Information ratio - A1 SEK	Negative
Total risk % - B1 SEK	14.6	Information ratio - A1 EUR	Negative
Total risk in index % - A1 SEK	14.6	Information ratio - A1 NOK	Negative
Total risk in index % - A1 EUR	14.3	Information ratio - B1 SEK	Negative
Total risk in index % - A1 NOK	13.5	Sharpe ratio - A1 SEK	0.8
Total risk in index % - B1 SEK	14.6	Sharpe ratio - A1 EUR	0.8
Active Share % <sup>1)</sup>	72.5	Sharpe ratio - A1 NOK	0.7
Tracking error % - A1 SEK	3.1	Sharpe ratio - B1 SEK	0.8
Tracking error % - A1 EUR	3.1	Sharpe ratio in index - A1 SEK	1.0
Tracking error % - A1 NOK	3.1	Sharpe ratio in index - A1 EUR	0.9
Tracking error % - B1 SEK	3.1	Sharpe ratio in index - A1 NOK	0.9
Index	MSCI USA Net	Sharpe ratio in index - B1 SEK	1.0
Active return % - A1 SEK	-2.2		
Active return % - A1 EUR	-2.2		

<sup>1)</sup> As of the balance sheet date.

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

Fund Facts - Other Key Figures

Turnover rate	0.3
Share of turnover conducted via closely-related securities companies in %	11.5

**Income Statement, SEKt**

	2016	2015
<b>INCOME AND CHANGES IN VALUE</b>		
Changes in value for transferable securities*	1,010,671	836,364
Interest income	-162	2
Dividends	96,921	145,017
Currency exchange profits and losses, net	18,007	22,546
Other income	335	2
<b>Total income and changes in value</b>	<b>1,125,772</b>	<b>1,003,931</b>
<b>EXPENSES</b>		
Management Company expenses	142,369	145,869
Interest expense	167	15
Other expenses	7,110	8,226
<b>Total expenses</b>	<b>149,646</b>	<b>154,110</b>
<b>Net income</b>	<b>976,126</b>	<b>849,821</b>
* Details of changes in value		
Changes in value for transferable securities – Capital gains	1,263,536	1,375,445
Changes in value for transferable securities – Capital losses	-641,052	-276,388
Changes in value for transferable securities – Unrealised	388,187	-262,693
Sum	1,010,671	836,364

**Balance Sheet, tSEK**

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
<b>ASSETS</b>				
Transferable securities	7,931,236	96.7	9,616,165	96.2
<b>Total financial instruments with positive market value</b> <sup>Note 2)</sup>	<b>7,931,236</b>	<b>96.7</b>	<b>9,616,165</b>	<b>96.2</b>
Bank assets and other liquid assets	296,304	3.6	388,153	3.9
Prepaid expenses and accrued income	2,651	0.1	3,938	0.0
<b>Total assets</b>	<b>8,230,191</b>	<b>100.4</b>	<b>10,008,256</b>	<b>100.1</b>
<b>LIABILITIES</b>				
Accrued expenses and prepaid income	5,964	0.1	6,859	0.1
Other liabilities	25,800	0.3	22	0.0
<b>Total liabilities</b>	<b>31,764</b>	<b>0.4</b>	<b>6,881</b>	<b>0.1</b>
<b>Fund capital</b> <sup>Note 1)</sup>	<b>8,198,427</b>	<b>100.0</b>	<b>10,001,375</b>	<b>100.0</b>

Note 1) for Balance Sheet

**Changes in fund capital, SEKt**

	2016	2015
Fund capital at beginning of year	10,001,375	8,413,610
Units issued	1,230,464	3,983,097
Units redeemed	-3,992,614	-3,225,188
Profit according to Income Statement	976,126	849,821
Dividends to unit holders	-16,924	-19,965
<b>Fund capital at the close of the period</b>	<b>8,198,427</b>	<b>10,001,375</b>

Note 2) for Balance Sheet

**Fund holdings in financial instruments**

**TRANSFERABLE SECURITIES\***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>LISTED EQUITIES</b>			
<b>CONSUMER DISCRETIONARY</b>			
Amazon.com (Internet and Catalog Retail)	16,200	110,359	1.3
Bright Horizons Family Solutions (Diversified Consumer Services)	120,000	76,332	0.9
CBS (Media)	184,000	106,345	1.3
Comcast A (Media)	285,200	178,904	2.2
Delphi Automotive (Auto Components)	115,000	70,362	0.9
Expedia (Internet and Catalog Retail)	40,000	41,164	0.5
Grand Canyon Education (Diversified Consumer Services)	420,000	223,018	2.7
Home Depot (Specialty Retail)	142,400	173,452	2.1
Hoteles City Express (Hotels, Restaurants and Leisure)	4,500,000	33,932	0.4
InterActiveCorp (Media)	165,000	97,118	1.2
Nike B (Textiles, Apparel and Luxury Goods)	175,000	80,810	1.0
Pool (Distributors)	75,000	71,092	0.9
Royal Caribbean Cruises (Hotels, Restaurants and Leisure)	110,000	81,983	1.0
Service Corporation International (Diversified Consumer Services)	490,000	126,421	1.5
Starbucks (Hotels, Restaurants and Leisure)	220,000	110,963	1.4
Time Warner (Media)	140,000	122,771	1.5
TJX Companies (Specialty Retail)	5,000	3,413	0.0
Walt Disney (Media)	159,000	150,541	1.8
		<b>1,858,980</b>	<b>22.7</b>

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>CONSUMER STAPLES</b>			
Colgate-Palmolive (Household Products)	155,000	92,147	1.1
Gruma (Food Products)	830,000	96,405	1.2
Walgreens Boots Alliance (Food and Staples Retailing)	125,000	93,980	1.1
		<b>282,532</b>	<b>3.4</b>
<b>FINANCIALS</b>			
Affiliated Managers Group (Capital Markets)	42,000	55,440	0.7
American Express (Consumer Finance)	35,000	23,555	0.3
East West Bancorp (Commercial Banks)	478,000	220,726	2.7
First Republic Bank (Commercial Banks)	171,000	143,136	1.7
IntercontinentalExchange (Diversified Financial Services)	225,000	115,324	1.4
NASDAQ OMX Group (Diversified Financial Services)	165,000	100,610	1.2
Progressive Ohio (Insurance)	240,000	77,401	0.9
Signature Bank (Commercial Banks)	98,000	133,722	1.6
Synchrony Financial (Consumer Finance)	340,000	112,029	1.4
TD Ameritrade Holding (Commercial Banks)	196,000	77,633	0.9
		<b>1,059,577</b>	<b>12.9</b>
<b>HEALTH CARE</b>			
AbbVie (Pharmaceuticals)	215,000	122,309	1.5
Celgene (Biotechnology)	132,000	138,804	1.7
Centene (Health Care Providers and Services)	153,000	78,546	1.0
Eli Lilly (Pharmaceuticals)	150,000	100,226	1.2
Estée Lauder Companies A (Health Care Equipment and Supplies)	75,000	52,116	0.6
Gilead Science (Biotechnology)	115,000	74,813	0.9
Johnson & Johnson (Pharmaceuticals)	202,200	211,630	2.6
Mednax (Health Care Providers and Services)	103,000	62,375	0.8
The Cooper Companies (Health Care Equipment and Supplies)	50,000	79,458	1.0
Thermo Fisher Scientific (Life Sciences Tools and Services)	50,000	64,092	0.8
UnitedHealth Group (Health Care Providers and Services)	130,000	189,007	2.3
ZELTIQ Aesthetics (Health Care Equipment and Supplies)	115,000	45,467	0.6
		<b>1,218,841</b>	<b>14.9</b>
<b>INDUSTRIALS</b>			
A. O. Smith (Building Products)	178,000	76,568	0.9
Allegion (Building Products)	151,000	87,794	1.1
Alliance Data Systems (Commercial Services and Supplies)	35,000	72,654	0.9
Grupo Aeroportuario del Centro Norte (Transportation Infrastructure)	1,800,000	70,826	0.9
Grupo Aeroportuario del Pacifico ADR (Transportation Infrastructure)	35,000	45,751	0.6
Middleby (Machinery)	75,000	87,764	1.1
Nielsen Holding (Professional Services)	169,000	64,406	0.8
PINFRA (Transportation Infrastructure)	632,000	48,214	0.6
Rockwell Automation (Electrical Equipment)	50,000	61,049	0.7
Stericycle (Commercial Services and Supplies)	25,000	17,497	0.2
Xylem (Machinery)	140,000	62,982	0.8
		<b>695,503</b>	<b>8.5</b>
<b>INFORMATION TECHNOLOGY</b>			
Activision Blizzard (Software)	297,000	97,429	1.2
Adobe Systems (Software)	120,000	112,231	1.4
Alphabet A (Internet Software and Services)	42,800	308,121	3.8
Ansys (Software)	50,000	42,012	0.5
Apple (Computers and Peripherals)	388,400	408,666	5.0
Check Point Software Technologies (Internet Software and Services)	112,000	85,936	1.0
Cisco Systems (Communications Equipment)	470,000	129,032	1.6
Cognex (Elec Equip, Instr & Comp)	100,000	57,796	0.7
eBay (Internet Software and Services)	80,000	21,578	0.3
Electronic Arts (Software)	55,000	39,353	0.5
Facebook (Internet Software and Services)	193,900	202,661	2.5
FICO (Software)	45,700	49,496	0.6
Intuit (Software)	60,000	62,471	0.8
Mastercard (IT Services)	70,000	65,659	0.8
Mellanox Technologies Ord Shs1 (Semiconductors and Semiconductor Eq.)	131,000	48,674	0.6
Microsoft (Software)	334,300	188,718	2.3
NVIDIA (Semiconductors and Semiconductor Eq.)	65,000	63,030	0.8
PayPal (IT Services)	150,000	53,785	0.7
		<b>2,036,650</b>	<b>24.8</b>
<b>MATERIALS</b>			
Ashland Global Ord Shs (Chemicals)	70,000	69,500	0.8
Ball (Containers and Packaging)	192,000	130,940	1.6
Ecolab (Chemicals)	60,000	63,894	0.8
Monsanto (Chemicals)	35,000	33,453	0.4
Sensient Technologies (Chemicals)	395,000	281,978	3.4
The Scotts Miracle-Gro Company (Chemicals)	150,000	130,205	1.6
WestRock (Containers and Packaging)	150,000	69,184	0.8
		<b>779,153</b>	<b>9.5</b>
<b>Total listed equities</b>		<b>7,931,236</b>	<b>96.7</b>
<b>Total transferable securities</b>		<b>7,931,236</b>	<b>96.7</b>

# Annual Review 2016 – Handelsbanken Fonder AB

Amerika Tema (Criteria), cont.

	<b>Number/Nominal amount in 1000's</b>	<b>Market value tSEK</b>	<b>% of fund capital</b>
<b>Total holdings in financial instruments</b>		7,931,236	96.7
<b>Net, other assets and liabilities</b>		267,191	3.3
<b>Total fund capital</b>		<b>8,198,427</b>	<b>100.0</b>

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

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

96.7

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

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\*\*\* Refers to other financial instruments.

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# Asienfond

## Management Report

### Investment Focus

The fund is actively managed, which means that the portfolio manager takes active, independent investment decisions. The objective of the fund is to attain returns over the long term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests primarily in equities issued by companies in Asia, New Zealand and Australia or in companies that have a minimum of 50% of their business or market in Asia. We place particular emphasis on ensuring that the company's strategy concurs with our assessment of what can generate favourable share price performance when we select equities for the fund. We then evaluate the company's key ratios, such as earnings growth relative to the market's expectations. The fund may invest in derivatives as part of the fund's investment focus.

### Portfolio

Asienfond rose 15.2% during the full year 2016\*. The fund continues to focus on strong companies within the digitalisation, tourism and entertainment sectors. Many companies within these sectors benefit from the greater purchasing power of the middle class and demonstrate good growth, high profitability and strong cash flow. The Internet companies NetEase and Tencent were the strongest contributors to fund returns. Tencent has a strong hold on Chinese mobile phone users due to its popular communication applications WeChat/Weixin and QQ. NetEase continues to be successful with its mobile telephone version of the adventure games Fantasy Westward Journey, Ghost and Onmyoji. The Taiwanese semi-conductor company TSMC and South Korean Samsung Electronics also contributed positively to returns, while holdings in China Life, Baidu and China Overseas Land & Investment had a negative impact.

\* The fund may have additional share classes, the concerned share class is stated in the Fund facts. Refer to fund statistics for comparable index.

### Outlook

We expect inflation to rise during 2017 and that interest rates will continue to increase in several Asian countries as a result. This will be favourable for profit growth in certain sectors, although it will be a disadvantage for other sectors. Overall, we expect higher interest rates to restrain valuations moderately in the equity market. A growing middle

class continues to offer good opportunities for service-oriented products and services, which remains as a focus area for the fund.

### Significant risks

As of the balance sheet date, the fund does not have any other significant risks in its holdings than those stated in the fact sheet and information brochure.

### Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option to a limited extent in 2016. The fund has the option of lending securities. The fund did not use this option in 2016. The fund may use other techniques and instruments. The fund did not use this option in 2016.

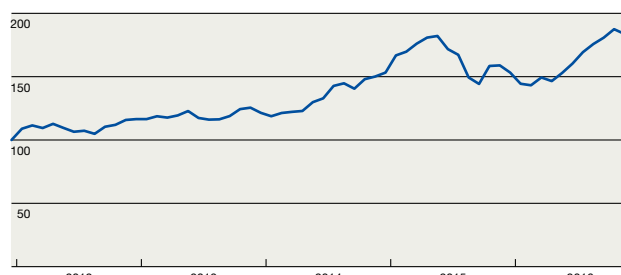
### Information

Handelsbanken Indienfond was merged with the Handelsbanken Asienfond on May 13, 2016.

Due to changes in tax regulations for Swedish funds and developments within the area of EU taxation, it is unclear how distributions will be taxed. Refer to the last page.

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

### Fund Performance\*



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

## Fund Facts - History

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net asset value										
Asienfond A1 - SEK <sup>1) 2)</sup>	471.96	409.56	409.61	324.62	311.40	272.91	317.05	283.19	194.48	339.07
Asienfond A1 - EUR <sup>2)</sup>	49.25	44.72	-	-	-	-	-	-	-	-
Asienfond A1 - NOK <sup>2)</sup>	447.18	430.00	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK <sup>3)</sup>	385	-322	102	-380	-104	-	-	-	-	-
Fund capital total, mSEK	5,441	3,474	3,702	2,852	3,105	2,760	3,171	2,343	1,076	2,048
Asienfond A1 - SEK	5,129	3,407	3,702	2,852	3,105	2,760	3,171	2,343	1,076	2,048
Asienfond A1 - EUR	17	5	-	-	-	-	-	-	-	-
Asienfond A1 - NOK	145	18	-	-	-	-	-	-	-	-
Number of units, 1000's	11,530	8,481	9,037	8,785	9,971	10,114	10,001	8,272	5,534	6,040
Asienfond A1 - SEK	10,867	8,317	9,037	8,785	9,971	10,114	10,001	8,272	5,534	6,040
Asienfond A1 - EUR	338	122	-	-	-	-	-	-	-	-
Asienfond A1 - NOK	325	42	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Asienfond A1 - SEK	+15.2	0.0	+26.2	+4.2	+16.5	-12.8	+12.6	+51.8	-42.1	+27.5
Asienfond A1 - EUR	+10.1	+3.4	-	-	-	-	-	-	-	-
Asienfond A1 - NOK	+4.0	+9.6	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Asienfond A1 - SEK	+13.6	-2.2	+27.7	+2.4	+15.8	-13.1	+12.5	+52.5	-39.5	+28.9
Asienfond A1 - EUR	+8.6	+1.2	-	-	-	-	-	-	-	-
Asienfond A1 - NOK	+2.5	+7.2	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Asienfond A1 - SEK	+7.3	+12.3	+14.7	+10.2	+0.8	-0.9	+30.8	-6.3	-14.1	+17.1
Asienfond A1 - EUR	+6.7	+10.4	-	-	-	-	-	-	-	-
Asienfond A1 - NOK	+6.8	+18.4	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+5.4	+11.8	+14.4	+8.9	+0.3	-1.1	+31.0	-4.0	-11.7	+20.8

Asienfond, cont.

## Fund Facts - History cont.

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
EUR	+4.8	+9.9	-	-	-	-	-	-	-	-
NOK	+4.9	+17.9	-	-	-	-	-	-	-	-
Average yearly return, 5 yrs. %										
Asienfond A1 - SEK	+12.0	+6.0	+8.5	+12.6	+0.1	+1.9	+6.3	+11.4	+2.4	+17.9
Asienfond A1 - EUR	+10.4	+5.6	-	-	-	-	-	-	-	-
Asienfond A1 - NOK	+14.0	+10.2	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+11.0	+5.2	+8.2	+12.1	+0.9	+3.1	+8.7	+14.4	+6.6	+22.5
EUR	+9.4	+4.9	-	-	-	-	-	-	-	-
NOK	+12.9	+9.4	-	-	-	-	-	-	-	-
Average yearly return, 10 yrs. %										
Asienfond A1 - SEK	+6.9	+6.1	+10.0	+7.4	+8.6	+3.7	+5.5	+1.4	+1.9	+7.3
Asienfond A1 - EUR	+6.2	+6.4	-	-	-	-	-	-	-	-
Asienfond A1 - NOK	+7.3	+8.4	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+6.9	+6.9	+11.2	+9.3	+11.1	+6.8	+9.4	+5.0	+4.9	+9.9
EUR	+6.3	+7.2	-	-	-	-	-	-	-	-
NOK	+7.4	+9.2	-	-	-	-	-	-	-	-
Dividends per unit, SEK	-	-	-	-	6.18	3.81	1.58	7.93	2.52	3.74
Exchange rate EUR/SEK	9.58	9.16	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.06	0.95	-	-	-	-	-	-	-	-

1) Based on a judgment in the Administrative Court of Appeal, the share price in funds with holdings in US equities have been impacted. A full withholding tax (30%) will now be imposed on the funds instead of the previous 15%. The tax change is applicable for distributions effective as of January 1, 2012, and this has resulted in an adjustment to the net asset value of the fund as of June 16, 2014.

2) Following a judgment in the Administrative Court of Appeal that changed the withholding tax on dividends in US equities from 15% to 30%, the previously reserved withholding has been added back in the fund as of March 30, 2015.

3) The fund's total net inflows do not include reinvested dividends in funds with a distribution share class.

Index: MSCI Asia AC ex Japan

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

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

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

Refer to the last page for definitions.

## Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.60
Collected mgmt. costs in % of average fund capital <sup>1)</sup>	1.50
Annual fees in %	1.55
Analyzing costs, tSEK <sup>2)</sup>	2,097
Transaction costs, tSEK	5,074
Transaction costs in % of turnover	0.12
Costs in SEK for a one-time subscription, 10 000 SEK	159.14
Costs in SEK for monthly savings, 100 SEK	10.74

1) The fund's management fee was lowered from 1.6% to 1.5% on August 28, 2015.

2) Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

## Fund Facts - Other Key Figures

Turnover rate	0.4
Share of turnover conducted via closely-related securities companies in %	1.0

## Risk and Return Measurements\*

Total risk % - A1 SEK	17.0	Active return % - A1 EUR	1.9
Total risk % - A1 EUR	16.9	Active return % - A1 NOK	1.9
Total risk % - A1 NOK	14.0	Information ratio - A1 SEK	0.7
Total risk in index % - A1 SEK	16.9	Information ratio - A1 EUR	0.7
Total risk in index % - A1 EUR	17.0	Information ratio - A1 NOK	0.7
Total risk in index % - A1 NOK	14.0	Sharpe ratio - A1 SEK	0.5
Active Share % <sup>1)</sup>	50.5	Sharpe ratio - A1 EUR	0.4
Tracking error % - A1 SEK	2.6	Sharpe ratio - A1 NOK	0.4
Tracking error % - A1 EUR	2.6	Sharpe ratio in index - A1 SEK	0.3
Tracking error % - A1 NOK	2.6	Sharpe ratio in index - A1 EUR	0.3
Index	MSCI Asia AC ex Japan	Sharpe ratio in index - A1 NOK	0.3
Active return % - A1 SEK	1.9		

1) As of the balance sheet date.

\* Risk statistics are based on historical monthly returns over two years. Refer to the last page for definitions.

Total exposure in the fund is calculated in accordance with the commitment method.

## Income Statement, SEKt

	2016	2015
<b>INCOME AND CHANGES IN VALUE</b>		
Changes in value for transferable securities	693,587	-7,254
Changes in value for other derivative instruments **	2,021	88
Interest income	2	-5
Dividends	86,887	101,092
Currency exchange profits and losses, net	6,620	-2,202
Other income	496	89
<b>Total income and changes in value</b>	<b>789,613</b>	<b>91,808</b>
<b>EXPENSES</b>		
Management Company expenses	66,617	66,171
Interest expense	54	49
Other expenses	8,248	9,170
<b>Total expenses</b>	<b>74,919</b>	<b>75,390</b>
<b>Net income</b>	<b>714,694</b>	<b>16,418</b>
* Details of changes in value		
Changes in value for transferable securities - Capital gains	407,273	531,969
Changes in value for transferable securities - Capital losses	-239,966	-200,120
Changes in value for transferable securities - Unrealised	526,280	-339,103
Sum	693,587	-7,254
** Details of changes in value		
Changes in value for other derivative instruments - Capital gains	2,382	-
Changes in value for other derivative instruments - Unrealised	-361	88
Sum	2,021	88

## Balance Sheet, tSEK

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
<b>ASSETS</b>				
Transferable securities	5,226,822	96.1	3,369,167	97.0
Other derivative instruments with positive market value	754	0.0	1,115	0.0
<b>Total financial instruments with positive market value <sup>Note 2)</sup></b>	<b>5,227,576</b>	<b>96.1</b>	<b>3,370,282</b>	<b>97.0</b>
Bank assets and other liquid assets	212,747	3.9	103,513	3.0
Prepaid expenses and accrued income	2,224	0.0	1,787	0.1
Other assets	4,379	0.1	273	0.0
<b>Total assets</b>	<b>5,446,926</b>	<b>100.1</b>	<b>3,475,855</b>	<b>100.1</b>
<b>LIABILITIES</b>				
Accrued expenses and prepaid income	3,687	0.1	2,254	0.1
Other liabilities	1,795	0.0	0	0.0
<b>Total liabilities</b>	<b>5,482</b>	<b>0.1</b>	<b>2,254</b>	<b>0.1</b>
<b>Fund capital <sup>Note 1)</sup></b>	<b>5,441,444</b>	<b>100.0</b>	<b>3,473,601</b>	<b>100.0</b>



Asienfond, cont.

Note 1) for Balance Sheet

Changes in fund capital, SEK

	2016	2015
Fund capital at beginning of year	3,473,601	3,701,759
Units issued <sup>1)</sup>	2,113,604	1,575,517
Units redeemed	-860,455	-1,820,093
Profit according to Income Statement	714,694	16,418
Dividends to unit holders	-	-
<b>Fund capital at the close of the period</b>	<b>5,441,444</b>	<b>3,473,601</b>

1) SEK 77,229t derives from the merger with Funds Far East that took place on August 28, 2015.

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES\*

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

BERMUDA (BMD)

Hongkong Land (Real Estate Management and Development)	220,000	12,651	0.2
		<b>12,651</b>	<b>0.2</b>

CHINA (CNY)

AAC Technologies Holdings (Communications Equipment)	215,000	17,748	0.3
Alibaba Group Holding ADR (Internet Software and Services)	227,700	181,641	3.3
Anhui Conch Cement HKD (Construction Materials)	819,659	20,265	0.4
Baidu ADR (Internet Software and Services)	40,215	60,065	1.1
China Construction Bank (Commercial Banks)	13,805,846	96,575	1.8
China Merchants Bank (Commercial Banks)	950,000	20,237	0.4
CNOOC (Oil, Gas and Consumable Fuels)	700,000	7,956	0.1
Fosun International (Metals and Mining)	752,136	9,677	0.2
Guangzhou Automobile Group (Automobiles)	1,550,000	17,036	0.3
Industrial & Commercial Bank of China HKD (Commercial Banks)	17,087,593	93,103	1.7
NetEase (Software)	194,619	380,729	7.0
New Oriental (Diversified Consumer Services)	72,500	27,728	0.5
Ping An Insurance (Insurance)	1,164,118	52,924	1.0
Shenzhen International Group Holdings (Textiles, Apparel and Luxury Goods)	325,000	18,679	0.3
Sinopec China HKD (Oil, Gas and Consumable Fuels)	5,000,000	32,223	0.6
TAL Education Group ADR (Diversified Consumer Services)	43,000	27,403	0.5
Tencent (Internet Software and Services)	2,256,163	501,494	9.2
YY ADR (Internet Software and Services)	19,000	6,804	0.1
		<b>1,572,286</b>	<b>28.9</b>

HONG KONG (HKD)

AIA Group (Insurance)	2,772,043	142,104	2.6
Bank of China HKD (Commercial Banks)	628,582	20,439	0.4
Cheung Kong Property (Real Estate Management and Development)	616,940	34,373	0.6
China Mengniu Dairy (Food Products)	1,121,832	19,638	0.4
China Merchants Holdings (Industrial Conglomerates)	660,000	14,879	0.3
China Mobile HKD (Wireless Telecommunication Services)	1,366,413	131,608	2.4
China Overseas Land & Investment (Real Estate Management and Development)	2,905,564	69,963	1.3
China Resources Land (Real Estate)	1,106,905	22,620	0.4
CK Hutchison Holdings (Industrial Conglomerates)	506,940	52,212	1.0
Galaxy Entertainment Group (Hotels, Restaurants and Leisure)	2,000,000	79,209	1.5
Hainan Meilan International Airport (Transportation Infrastructure)	1,198,747	10,815	0.2
Hang Seng Bank (Commercial Banks)	107,876	18,240	0.3
Henderson Land Development (Real Estate Management and Development)	198,817	9,610	0.2
Hong Kong Exchanges and Clearing (Diversified Financial Services)	100,293	21,529	0.4
New World Development (Real Estate Management and Development)	964,580	9,268	0.2
Nine Dragons Paper Holdings (Paper and Forest Products)	400,000	3,295	0.1
NWS Holdings (Transportation Infrastructure)	864,598	12,805	0.2
Samsonite International (Textiles, Apparel and Luxury Goods)	450,000	11,679	0.2
Sun Hung Kai Properties (Real Estate Management and Development)	475,686	54,623	1.0
Swire Pacific (Real Estate Management and Development)	90,360	7,840	0.1
Wheelock (Real Estate)	247,943	12,681	0.2
Yue Yuen Industrial Holdings (Leisure Equipment and Products)	381,500	12,583	0.2
		<b>772,014</b>	<b>14.2</b>

INDIA (INR)

Asian Paints (Chemicals)	80,000	9,542	0.2
Axis Bank (Commercial Banks)	175,000	10,540	0.2
Container Corporation of India (Road and Rail)	61,000	9,064	0.2
HCL Technologies (IT Services)	210,000	23,273	0.4
HDFC Bank (Commercial Banks)	170,000	27,447	0.5

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
HDFC Bank (Commercial Banks)	45,000	24,806	0.5
Housing Development Finance (Diversified Financial Services)	245,000	41,406	0.8
ICICI Bank (Commercial Banks)	320,000	10,935	0.2
Infosys Technologies (IT Services)	350,000	47,345	0.9
Maruti Suzuki India (Automobiles)	42,000	29,906	0.5
Motherson Sumi Systems (Auto Components)	250,000	10,924	0.2
Reliance Industries (Chemicals)	175,000	25,354	0.5
Sun Pharmaceutical (Pharmaceuticals)	148,282	12,504	0.2
Tata Consultancy Services (IT Services)	176,000	55,728	1.0
Tata Motors (Automobiles)	320,000	20,217	0.4
Wonderla Holidays (Hotels, Restaurants and Leisure)	151,345	6,883	0.1
		<b>365,873</b>	<b>6.7</b>

INDONESIA (IDR)

ACE Hardware Indonesia (Specialty Retail)	9,500,000	5,349	0.1
Astra International (Automobiles)	3,000,000	16,740	0.3
Bank Central Asia (Commercial Banks)	2,720,600	28,435	0.5
Bank Rakyat Indonesia (Commercial Banks)	2,005,530	15,789	0.3
Bumi Serpong Damai (Real Estate Management and Development)	4,500,000	5,325	0.1
Mayora Indah (Food Products)	3,894,175	4,320	0.1
Mitra Keluarga Karyasehat (Health Care Providers and Services)	5,000,000	8,665	0.2
Pakuwon Jati (Real Estate)	60,500,000	23,049	0.4
Surya Citra Media (Media)	775,000	1,463	0.0
Telkom Indonesia (Diversified Telecommunication Services)	20,601,552	55,289	1.0
		<b>164,424</b>	<b>3.0</b>

KOREA, REPUBLIC OF (KRW)

AmorePacific Group (Personal Products)	15,000	15,006	0.3
Cosmax Ord Shs (Personal Products)	933	839	0.0
Hyundai Mobis (Auto Components)	18,000	35,743	0.7
Kangwon Land (Hotels, Restaurants and Leisure)	44,500	11,966	0.2
KB Financial Group (Commercial Banks)	94,495	30,420	0.6
Modetour Network (Hotels, Restaurants and Leisure)	60,000	13,065	0.2
Naver (Internet Software and Services)	15,032	87,625	1.6
Samsung Electronics (Semiconductors and Semiconductor Equip.)	20,751	281,258	5.2
Samsung Electronics pref (Semiconductors and Semiconductor Equip.)	6,062	65,339	1.2
Samsung Life Insurance (Insurance)	21,000	17,770	0.3
Shinhan Financial Group (Commercial Banks)	251,361	85,551	1.6
SK C&C (IT Services)	5,424	9,363	0.2
SK Telecom (Wireless Telecommunication Services)	4,446	7,491	0.1
S-Oil (Oil, Gas and Consumable Fuels)	35,000	22,298	0.4
		<b>683,733</b>	<b>12.6</b>

MALAYSIA (MYR)

Public Bank Berhad (Commercial Banks)	770,000	30,750	0.6
		<b>30,750</b>	<b>0.6</b>

PHILIPPINES (PHP)

Ayala Land (Real Estate)	9,375,528	54,826	1.0
BDO Unibank (Commercial Banks)	1,030,000	21,100	0.4
D&L Industries (Chemicals)	4,700,000	9,791	0.2
Globe Telecom (Diversified Telecommunication Services)	90,000	24,818	0.5
Jollibee Foods (Hotels, Restaurants and Leisure)	400,000	14,181	0.3
Max's Group (Hotels, Restaurants and Leisure)	200,000	914	0.0
Metrobank (Commercial Banks)	871,100	11,557	0.2
SM Investments (Diversified Financial Services)	274,500	32,857	0.6
SM Prime Holdings (Real Estate)	11,533,750	59,754	1.1
Universal Robina (Food Products)	665,000	19,869	0.4
		<b>249,667</b>	<b>4.6</b>

SINGAPORE (SGD)

Ascendas Real Estate Investment Trust (Real Estate Investment Trusts)	623,346	8,898	0.2
CapitaCommercial Trust (Real Estate)	722,000	6,719	0.1
CapitaLand (Real Estate)	315,743	5,996	0.1
DBS Group Holdings (Commercial Banks)	514,523	56,102	1.0
Oversea-Chinese Banking (Commercial Banks)	828,765	46,486	0.9
Singapore Telecommunications (Diversified Telecommunication Services)	1,684,641	38,666	0.7
StarHub (Wireless Telecommunication Services)	280,000	4,948	0.1
United Overseas Bank (Commercial Banks)	226,350	29,036	0.5
		<b>196,852</b>	<b>3.6</b>

TAIWAN, PROVINCE OF CHINA (TWD)

Chinatrust International Holdings (Commercial Banks)	1,014,979	5,050	0.1
Chunghwa Telecom (Diversified Telecommunication Services)	504,069	14,422	0.3
Delta Electronics (Electrical Equipment)	575,136	25,858	0.5
E.Sun Financial Holding (Diversified Financial Services)	1,779,784	9,206	0.2
FLYTECH Technology (Computers and Peripherals)	183,891	4,878	0.1
Formosa Petrochemical (Oil, Gas and Consumable Fuels)	450,000	14,207	0.3
Fubon Financial Holding (Diversified Financial Services)	1,067,849	15,351	0.3
Gigabyte Technology (Electrical Equipment)	651,000	7,909	0.1
Hon Hai Precision Industry (Elec Equip, Instr & Comp)	2,776,050	65,887	1.2

# Annual Review 2016 – Handelsbanken Fonder AB

Asienfond, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Inventec (Communications Equipment)	918,597	5,722	0.1
Largan Precision (Leisure Equipment and Products)	55,000	58,757	1.1
Mediatek (IT Services)	300,000	18,308	0.3
Mega Financial Holding (Diversified Financial Services)	1,000,000	6,483	0.1
Nan Liu Enterprise (Textiles, Apparel and Luxury Goods)	200,000	8,541	0.2
Nan Ya Plastics (Chemicals)	814,898	16,355	0.3
Quanta Computer (Computers and Peripherals)	500,000	8,499	0.2
Realtek Semiconductor (Semiconductors and Semiconductor Equip.)	197,287	5,672	0.1
Siliconware Precision Industries (Semiconductors and Semiconductor Equip.)	500,000	6,744	0.1
Taiwan Mobile (Wireless Telecommunication Services)	219,577	6,437	0.1
Taiwan Semiconductor (Semiconductors and Semiconductor Equip.)	9,681,321	495,302	9.1
Uni-President Enterprises (Food Products)	1,319,776	19,866	0.4
		<b>819,451</b>	<b>15.1</b>
<b>THAILAND (THB)</b>			
Airports of Thailand f/r (Transportation Infrastructure)	881,736	89,026	1.6
Bangkok Dusit Medical Services (Health Care Providers and Services)	4,500,000	26,371	0.5
Central Pattana (Real Estate Management and Development)	4,090,000	59,142	1.1
Central Plaza Hotel (Hotels, Restaurants and Leisure)	250,000	2,521	0.0
CP All (Multiline Retail)	1,053,226	16,699	0.3
Kasikornbank f/r (Commercial Banks)	250,000	11,257	0.2
Major Cineplex (Media)	3,600,000	29,910	0.5
Minor International (Hotels, Restaurants and Leisure)	1,680,437	15,560	0.3
PTT Global Chemical (Chemicals)	602,766	9,634	0.2
Siam Cement f/r (Construction Materials)	389,326	49,186	0.9
Thai Oil f/r (Oil, Gas and Consumable Fuels)	1,786,000	32,735	0.6
		<b>342,040</b>	<b>6.3</b>
<b>UNITED STATES (USD)</b>			
Las Vegas Sands (Leisure Equipment and Products)	35,000	16,982	0.3
		<b>16,982</b>	<b>0.3</b>
<b>Total listed equities</b>		<b>5,226,723</b>	<b>96.1</b>

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>UNLISTED EQUITIES***</b>			
<b>HONG KONG (HKD)</b>			
EganaGoldpfeil Holdings (Household Durables)	128,000	99	0.0
		<b>99</b>	<b>0.0</b>
<b>Total unlisted equities</b>		<b>99</b>	<b>0.0</b>
<b>Total transferable securities</b>		<b>5,226,822</b>	<b>96.1</b>

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>EXCHANGE-TRADED DERIVATIVES**</b>			
<b>OPTIONS AND WARRANTS</b>			
CB Industrial	462,156	295	0.0
Hiap Teck Venture	287,370	3	0.0
Land and Houses	240,000	374	0.0
MBM Resources	16,710	2	0.0
Minor International	50,000	55	0.0
Sansiri	1,000,000	25	0.0
<b>Total options and warrants</b>		<b>754</b>	<b>0.0</b>
<b>Total exchange-traded derivatives</b>		<b>754</b>	<b>0.0</b>
<b>Total holdings in financial instruments</b>		<b>5,227,576</b>	<b>96.1</b>
<b>Net, other assets and liabilities</b>		<b>213,868</b>	<b>3.9</b>
<b>Total fund capital</b>		<b>5,441,444</b>	<b>100.0</b>

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

\* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 96.1

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

\*\*\* Refers to other financial instruments. -

## Compilation, Company and Group exposure\*

Company/Group	% of fund capital	Company/Group	% of fund capital
Samsung	6.7	HDFC Bank	1.0
Tata	1.4	China Merchants Group	0.7
		Minor International	0.3

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



## Balans 50

### Management Report

#### Investment Focus

The fund is actively managed, which means that the portfolio manager takes active, independent investment decisions. The objective of the fund is to attain returns over the long term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests primarily in Nordic and global equity funds as well as in Swedish fixed income funds. Investments are made in both Handelsbanken's funds as well as the funds of other management companies. Depending upon the sectors, countries and regions in which we invest, we select the funds we believe have the best outlooks based on fund performance and the portfolio manager's investment process. The proportion of equities and fixed income securities in the fund is normally 50%, although this may vary between 40% and 60% depending on the state of the market. The fund may invest in derivative instruments as part of the fund's investment focus.

#### Portfolio

Balans 50 rose 4.6% during the full year 2016\*. The year was dominated by political turbulence when the UK voted for Brexit, the US elected Donald Trump as president and Italy's government fell after a referendum. Consequently, financial markets were impacted to a large extent and movement throughout the year can best be described as a roller coaster. At the same time, the World Index rose approximately 16%, measured in SEK. The fund began the year with an underweight in equities, which we gradually increased to normal levels during the spring. However, the significant uncertainty with Brexit led us to decrease the portion of equities during the early summer. We then increased this when the market turbulence subsided, as the short-term effects of an EU exit are limited. We increased the equity weighting further during the autumn as we expected rising stock markets supported by stronger economic data. The US presidential election led to rising interest rates and stock markets. The fund's holdings in small caps were the most positive contributions to returns during the year. The overweight in US equities benefited from higher equity prices as well as a stronger USD. Equity and fixed income holdings in emerging markets also contributed positively. Handelsbanken Nordiska Småbolag, Handelsbanken Nordenfond and Handelsbanken Amerika Tema had the most positive impact on returns during the year. In contrast, fixed income holdings with shorter duration posted weak performance and had a negative impact on the portfolio.

\*) Refer to fund statistics for comparable index.

#### Outlook

The world is facing further major political and economic challenges. Many countries in the eurozone, including France and Germany, will be holding elections in 2017. The risk for a new election in Italy is also imminent, at the same time as there is uncertainty about Great Britain's EU exit, Brexit. The newly-elected president in the US, Donald Trump, is raising questions about future policies and which election promises will be kept. The markets are expecting Trump to implement major financial stimulus, including tax cuts and investments in infrastructure. Despite the political uncertainty, economic growth is slowly moving in the right direction, with the US at the forefront. The growth outlooks are also good in Sweden, Germany and Spain, which bodes well for corporate earnings growth. Consequently, we see favourable conditions for markets to continue to edge higher and we are beginning 2017 with an equity overweight in the portfolio. We expect market rates to accelerate as the economy improves and inflation slowly begins to rise. As a result, we continue to prefer fixed income holdings with shorter duration, as these are less negatively affected by a rising fixed income market.

#### Significant risks

As of the balance sheet date, the fund does not have any other significant risks in its holdings than those stated in the fact sheet and information brochure.

#### Trading with derivatives

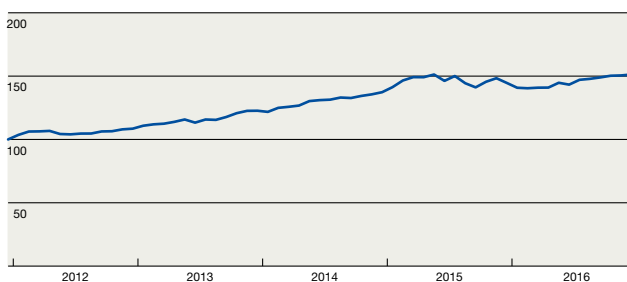
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option extensively in 2016. The fund has the option of lending securities. The fund did not use this option in 2016. The fund may use other techniques and instruments. The fund did not use this option in 2016.

#### Information

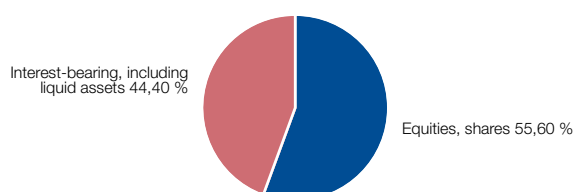
Due to changes in tax regulations for Swedish funds and developments within the area of EU taxation, it is unclear how distributions will be taxed. Refer to the last page.

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

#### Fund Performance\*



#### Market Exposure\*



\* The fund's allocation of investments within the markets as of 31/12/2016, relative to the fund's total assets on this date.

#### Fund Facts - History

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net asset value, SEK <sup>1) 2)</sup>	174.58	166.91	158.46	141.57	125.24	118.44	129.55	122.98	107.34	135.07
The fund's total net flow, mSEK	376	3,040	722	450	-20	-	-	-	-	-
Fund capital, mSEK	14,761	13,746	6,537	5,161	4,145	3,856	3,965	2,698	1,579	2,091
Number of units, 1000's	84,550	82,356	41,254	36,458	33,099	32,557	30,607	21,937	14,707	15,482
Total returns in %, SEK	+4.6	+5.3	+11.9	+13.0	+8.5	-7.1	+7.9	+18.3	-19.0	+3.9
Index including dividends in %, SEK	+6.6	+4.4	+13.2	+11.3	+7.5	-2.6	+7.2	+14.8	-14.5	+4.8

Fund Facts - History cont.

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Average yearly return, 2 yrs. %	+5.0	+8.6	+12.5	+10.8	+0.4	+0.1	+12.9	-2.1	-8.2	+5.6
Comparison to index including dividends, %	+5.5	+8.7	+12.2	+9.4	+2.3	+2.2	+10.9	-0.9	-5.3	+5.7
Average yearly return, 5 yrs. %	+8.6	+6.1	+6.6	+7.8	+0.8	0.0	+2.9	+5.1	-	-
Comparison to index including dividends, %	+8.6	+6.6	+7.2	+7.5	+2.0	+1.4	+3.3	+5.6	-	-
Average yearly return, 10 yrs. %	+4.2	+4.5	+5.9	-	-	-	-	-	-	-
Comparison to index including dividends, %	+4.9	+5.0	+6.4	-	-	-	-	-	-	-
Dividends per unit, SEK	-	-	-	-	3.20	2.07	2.82	3.32	2.45	1.78

1) Baserat på en dom i förvaltningsrätten har andelskursen i fonder med innehav av amerikanska aktier påverkats. Fonderna belastas nu med full kupongskatt (30%) i stället för som tidigare 15%. Den förändrade skattesatsen gäller för utdelningar från och med den 1 januari 2012 och för denna fond har detta medfört en justering av andelsvärdet per den 16 juni 2016.

2) Following a judgment in the Administrative Court of Appeal that changed the withholding tax on dividends in US equities from 15% to 30%, the previously reserved withholding has been added back in the fund as of March 30, 2015.

Index: HMNI Swe All Government Dur Const 6Y (HMSD6) 17,5%, VINX Benchmark Cap SEK\_NI 25%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 7,5%, OMRXTBILL 25%, MSCI All Country World Index Net 25%  
 Up to 02/01/2014: HMNI Swe All Government Dur Const 6Y (HMSD6) 17,5%, SHB NORDIX Port Nordic Net (NHNXPOR) 25%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 7,5%, OMRXTBILL 25%, MSCI All Country World Index Net 25%  
 Up to 30/10/2009: HMSD5 Swe All Gov 5y 25%, MSCI World 25%, NHNXPOR SHB NORDIX 25%, HMSMD25 Swe All Mort 2.5y 15%, HMT27 Swe All Gov 1Y 10%  
 Up to 31/12/2007: HMNI Sweden All Government 50%, MSCI World Index 25%, SHB Nordic Portfolio Index 25%

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

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.60
Collected mgmt. costs in % of average fund capital	1.40
Annual fees in % <sup>1)</sup>	1.46
Analyzing costs, tSEK <sup>2)</sup>	2,311
Transaction costs, tSEK	619
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	139.51
Costs in SEK for monthly savings, 100 SEK	9.30

1) Ongoing charges are calculated as synthetic ongoing charges.

2) Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

A maximum annual fixed fee of 3% may be charged for the management of the underlying funds in which the fund invests. Any applicable performance-based fee for the management of the underlying funds may not exceed 30% of the excess yields for the respective period measured relative to each fund's benchmark (index or equivalent).

Fund Facts - Other Key Figures

Turnover rate	0.3
Share of turnover conducted via closely-related securities companies in %	3.7

Risk and Return Measurements\*

Total risk %	7.4	Information ratio	Negative
Total risk in index %	7.0	Sharpe ratio	0.7
Tracking error %	1.6	Sharpe ratio in index	0.8

Index HMNI Swe All Government Dur Const 6Y (HMSD6) 17,5%, VINX Benchmark Cap SEK\_NI 25%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 7,5%, OMRXTBILL 25%, MSCI All Country World Index Net 25%

Active return % -0.5

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

Income Statement, SEKt

	2016	2015
<b>INCOME AND CHANGES IN VALUE</b>		
Changes in value for transferable securities	-	3
Changes in value for other derivative instruments **	-216,623	17,063
Changes in value for fund units ***	919,911	219,439
Interest income	3,013	15,892
Dividends	3,402	25,285
Currency exchange profits and losses, net	-4,024	-53,050
Other financial income <sup>1)</sup>	131,127	123,158
Other income	0	17
<b>Total income and changes in value</b>	<b>836,806</b>	<b>347,807</b>
<b>EXPENSES</b>		
Management Company expenses	194,372	173,028
Interest expense	262	619
Other expenses	2,939	3,684
<b>Total expenses</b>	<b>197,573</b>	<b>177,331</b>
<b>Net income</b>	<b>639,233</b>	<b>170,476</b>

\* Details of changes in value  
 Changes in value for transferable securities – Capital gains - 104  
 Changes in value for transferable securities – Unrealised - -101  
 Sum - 3

\*\* Details of changes in value  
 Changes in value for other derivative instruments – Capital gains 784,722 1,377,727  
 Changes in value for other derivative instruments – Capital losses -1,001,345 -1,360,664  
 Sum -216,623 17,063

\*\*\* Details of changes in value  
 Changes in value for fund units – Capital gains 618,241 733,890  
 Changes in value for fund units – Capital losses -66,620 -95,335  
 Changes in value for fund units – Unrealised 368,290 -419,116  
 Sum 919,911 219,439

1) The item consists primarily of discounts on management expenses in underlying funds.

Balance Sheet, tSEK

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
<b>ASSETS</b>				
OTC derivative instruments with positive market value	15,147	0.1	4,932	0.0
Fund units	14,317,973	97.0	13,293,005	96.7
<b>Total financial instruments with positive market value <sup>Note 2)</sup></b>	<b>14,333,120</b>	<b>97.1</b>	<b>13,297,937</b>	<b>96.7</b>
Bank assets and other liquid assets	437,211	3.0	455,361	3.3
Prepaid expenses and accrued income	8,853	0.1	4,920	0.0
Other assets	16,247	0.0	22,168	0.2
<b>Total assets</b>	<b>14,795,431</b>	<b>100.2</b>	<b>13,780,386</b>	<b>100.2</b>
<b>LIABILITIES</b>				
OTC derivative instruments with negative market value	3,968	0.0	3,743	0.0
<b>Total financial instruments with negative market value <sup>Note 2)</sup></b>	<b>3,968</b>	<b>0.0</b>	<b>3,743</b>	<b>0.0</b>
Accrued expenses and prepaid income	9,720	0.1	8,552	0.0
Other liabilities	20,552	0.1	21,798	0.2
<b>Total liabilities</b>	<b>34,240</b>	<b>0.2</b>	<b>34,093</b>	<b>0.2</b>
<b>Fund capital <sup>Note 1)</sup></b>	<b>14,761,191</b>	<b>100.0</b>	<b>13,746,293</b>	<b>100.0</b>
Other derivative instruments with negative market value <sup>1)</sup>	15,950	0.1	127,757	0.9

1) Liquid assets total SEK 69,057t.

Balans 50, cont.

Note 1) for Balance Sheet

## Changes in fund capital, SEKt

	2016	2015
Fund capital at beginning of year	13,746,293	6,537,252
Units issued <sup>1)</sup>	1,813,452	8,815,393
Units redeemed	-1,437,787	-1,776,828
Profit according to Income Statement	639,233	170,476
Dividends to unit holders	-	-
<b>Fund capital at the close of the period</b>	<b>14,761,191</b>	<b>13,746,293</b>

1) SEK 3,998,919t derives from the merger with Flermarknadsfonden that took place on March 21, 2015.

Note 2) for Balance Sheet

## Fund holdings in financial instruments

## EXCHANGE-TRADED DERIVATIVES\*\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>STOCK INDEX FUTURES</b>			
E-mini S&PMar17	290	0	0.0
Eurostoxx 50® FESX17H	189	0	0.0
<b>Total stock index futures</b>		<b>0</b>	<b>0.0</b>
<b>Total exchange-traded derivatives</b>		<b>0</b>	<b>0.0</b>

## OTHER FINANCIAL INSTRUMENTS\*\*\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>FUND UNITS</b>			
<b>EQUITY FUNDS</b>			
Handelsbanken Amerika Småbolag A SEK (USA)	221,519	145,583	1.0
Handelsbanken Amerikafond A1 SEK (USA)	1,044,867	740,933	5.0
Handelsbanken Asienfond A1 SEK (Asia)	285,123	134,566	0.9
Handelsbanken Europa Selektiv A1 SEK (Europe)	1,060,882	250,617	1.7
Handelsbanken Europafond A1 SEK (Europe)	611,158	202,921	1.4
Handelsbanken Global Selektiv Criteria A (Rest of the world)	1,052,272	142,250	1.0
Handelsbanken Japanfond A1 SEK (Asia)	4,085,294	283,600	1.9
Handelsbanken MSCI Emerging Markets Index AI (Rest of the world)	2,778,478	344,216	2.3
Handelsbanken MSCI USA Index A1 SEK (USA)	2,205,132	618,781	4.2
Handelsbanken Norden Selektiv A1 SEK (Nordic countries)	1,198,648	370,261	2.5
Handelsbanken Nordenfond A1 SEK (Nordic countries)	2,247,448	2,212,844	15.0
Handelsbanken Nordiska Småbolagsfond A1 SEK (Nordic countries)	755,652	654,833	4.4
Handelsbanken Svenska Småbolagsfond A1 (Nordic countries)	488	680	0.0
Handelsbanken Tillväxtmarknad Tema A1 SEK (Rest of the world)	2,051,098	502,663	3.4
JPM Europe Strategic Dividend Fund I EUR (Europe)	88,858	138,945	0.9
JPM US Value I USD (USA)	129,267	214,705	1.5
UBS Equity Sicav Small Caps Europe (Europe)	46,330	139,217	0.9
UBS Equity Sicav USA Growth (USA)	1,322,107	308,918	2.1
		<b>7,406,533</b>	<b>50.2</b>
<b>LISTED EQUITY FUNDS**</b>			
XACT Norden 30 (Nordic countries)	4,567,737	456,409	3.1
		<b>456,409</b>	<b>3.1</b>
<b>EXCHANGE-TRADED FIXED INCOME FUNDS**</b>			
iShares Emerging Markets Local Gov Bond (Europe)	391,098	220,213	1.5
		<b>220,213</b>	<b>1.5</b>
<b>FIXED INCOME FUNDS</b>			
Handelsbanken Företagsobligation A1 (Nordic countries)	5,846,373	740,143	5.0
Handelsbanken Företagsobligation Criteria A 1 (Nordic countries)	5,804,102	583,425	4.0
Handelsbanken Höyrete (Nordic countries)	1,530,782	174,955	1.2
Handelsbanken Inst KorträntCri A4 (Nordic countries)	1,850,014	184,924	1.3
Handelsbanken Kortränta Criteria A1 (Nordic countries)	3,901,293	407,620	2.8
Handelsbanken Lux Korträntefond A (Nordic countries)	6,394,075	924,663	6.3
Handelsbanken Räntheavkastningsfond A7 (Nordic countries)	365,462	687,591	4.7
Handelsbanken Ränthe strategi Criteria A2 (Nordic countries)	21,985,593	2,251,725	15.3
Handelsbanken Ränthe strategi Criteria B2 (Nordic countries)	9,805	994	0.0
Handelsbanken Ränthe strategi Plus Criteria A 7 (Nordic countries)	2,793,101	278,777	1.9
		<b>6,234,818</b>	<b>42.2</b>
<b>Total fund units</b>		<b>14,317,973</b>	<b>97.0</b>

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>OTC DERIVATIVE INSTRUMENTS</b>			
<b>CURRENCY FUTURES</b>			
JPY/USD <sup>1)</sup>		-2,445	0.0
SEK/JPY		3,144	0.0
SEK/NOK		3,103	0.0
SEK/USD <sup>2)</sup>		-1,523	0.0
USD/EUR <sup>3)</sup>		8,900	0.1
		<b>11,179</b>	<b>0.1</b>
<b>Total OTC derivative instruments</b>		<b>11,179</b>	<b>0.1</b>
<b>Total other financial instruments</b>		<b>14,329,152</b>	<b>97.1</b>
<b>Total holdings in financial instruments</b>		<b>14,329,152</b>	<b>97.1</b>
<b>Net, other assets and liabilities</b>		<b>432,039</b>	<b>2.9</b>
<b>Total fund capital</b>		<b>14,761,191</b>	<b>100.0</b>

1) JPY 1,050,916t/USD -9,900t counterparty: Skandinaviska Enskilda Banken AB (publ)

2) SEK 325,120t/USD -40,000t, counterparty: JP Morgan Securities Plc.

3) USD 47,300t/EUR -41,514t, counterparty: JP Morgan Securities Plc.

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

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

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

4.6  
92.5  
\*\*\* Refers to other financial instruments.

## Compilation, Company and Group exposure\*

Company/Group	% of fund capital	Company/Group	% of fund capital
Handelsbanken	90.3	UBS	3.0
		JPMorgan Chase	2.4

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



# Brasilienfond *Handelsbanken Funds Brazil*

## Management Report

### Investment Focus

The fund is actively managed, which means that the portfolio manager takes active, independent investment decisions. The objective of the fund is to attain returns over the long term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in equities issued by companies in Brazil and in companies that have the majority of their operations in Brazil. The companies' operations shall focus on domestic demand. The fund may use derivatives such as options and futures as a complement to protect the fund's value or to enable cost savings.

### Portfolio

Brasilienfond rose 57.4% during the full year 2016\*. Uncertainty about the economy in Brazil has subsided since President Dilma Rousseff was faced with impeachment. Optimism has instead spread to the markets as Brazil now has a more reform and market friendly governance under Michel Temer. Expectations have now been raised for radical reforms of the social insurance and tax systems. A firmer stance on the increasing budget deficit is expected. The Brazilian Congress adopted an expenditure ceiling in H2 as the first step in the agenda for extensive reforms. The renewed optimism contributed to the sharp strengthening of the Brazilian currency against the SEK, as well as against the USD. However, the Brazilian economy continued to be surprisingly negative during the year despite the optimism about the future. The US presidential election in November also created increased uncertainty and

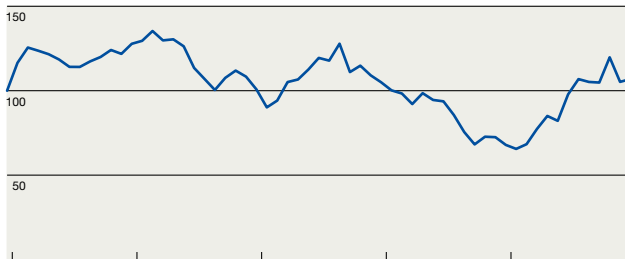
had a negative impact on the Brazilian stock market and currency. The education companies SER and Kroton were the strongest contributors to fund performance. Both companies have been much more successful than the market in attracting and retain students. Kroton placed a bid on its competitor Estacio during the year and the market sees significant potential for improvements in the merged companies. The fund is managed with a thematic investment process, with emphasis on stable companies with strong balance sheets. Current themes in the fund include "Demographics" and "Productivity".

\*) The fund may have additional share classes, the concerned share class is stated in the Fund facts. Refer to fund statistics for comparable index.

### Outlook

Our outlook on Brazil is now significantly brighter. For the first time in some time there appears to be an awareness that necessary reforms must be implemented. The expenditure ceiling is significant and the potential for a reform to the social insurance system is greater now than before. The reform work is widely supported by the Congress and a decision can be taken already by mid-year. At the same time the country continues to be shaken by the corruption scandal around Petrobras and the political winds can quickly change direction. The high inflation in Brazil is most likely on a downward trend that, together with high unemployment and a weak economy, opens the way for major rate cuts. The fund continues to use a thematic investment process, with emphasis on the long-term and in companies with strong market positions, stable margins and solid balance sheets.

## Fund Performance\*



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

## Top Ten Holdings

	% of fund capital
SABESP (Utilities)	6.4
Banco ABC Brasil pref (Financials)	6.1
BR Malls (Financials)	5.8
Suzano (Materials)	5.3
Ser Educacional (Consumer Discretionary)	5.1
Arezzo (Other)	4.7
Localiza Rent a Car (Industrials)	4.4
Hypermarcas (Health Care)	4.1
Light (Utilities)	4.0
Lojas Renner (Consumer Discretionary)	3.4

## Fund Facts - History

	2016	2015	2014	2013	2012	2011	30/11-31/12 2010	2009	2008	2007
Net asset value										
Brasilienfond A - SEK	78.01	49.55	76.61	73.53	93.24	72.97	94.22	-	-	-
Brasilienfond A - EUR	8.14	5.41	8.09	-	-	-	-	-	-	-
Brasilienfond A - NOK	73.91	52.02	73.38	-	-	-	-	-	-	-
Fund capital total, mSEK										
Brasilienfond A - SEK	548	208	320	498	894	507	407	-	-	-
Brasilienfond A - EUR	517	195	301	498	894	507	407	-	-	-
Brasilienfond A - NOK	1	1	1	-	-	1	-	-	-	-
Number of units, 1000's										
Brasilienfond A - SEK	7,020	4,208	4,180	6,772	9,588	6,947	4,324	-	-	-
Brasilienfond A - EUR	6,629	3,933	3,929	6,772	9,588	6,947	4,324	-	-	-
Brasilienfond A - NOK	162	132	171	-	-	-	-	-	-	-
Total returns in %, SEK										
Brasilienfond A - SEK	+57.4	-35.3	+4.2	-21.1	+27.8	-22.5	-5.8	-	-	-
Brasilienfond A - EUR	+50.5	-33.1	-2.7	-23.6	+32.6	-21.5	-	-	-	-
Brasilienfond A - NOK	+42.1	-29.1	+5.6	-12.9	+25.5	-22.0	-	-	-	-
Index including dividends in %, SEK										
Brasilienfond A - SEK	+75.5	-36.3	+3.2	-23.3	+8.6	-22.4	-0.5	-	-	-
Brasilienfond A - EUR	+67.8	-34.1	-3.5	-25.7	+12.7	-21.3	-	-	-	-
Brasilienfond A - NOK	+58.4	-30.1	+4.7	-15.4	+6.8	-21.8	-	-	-	-
Average yearly return, 2 yrs. %										
Brasilienfond A - SEK	+0.9	-17.9	-9.4	+0.4	-0.5	-	-	-	-	-
Brasilienfond A - EUR	+0.3	-19.3	-13.7	+0.7	+2.0	-	-	-	-	-
Brasilienfond A - NOK	+0.4	-13.5	-4.1	+4.6	-1.0	-	-	-	-	-
Comparison to index including dividends, %										

This fund is managed by one of Handelsbanken's fund management companies that has its legal domicile outside of Sweden. We have compiled a shortened, revised and translated version of the fund's annual report as a service to fund unit holders. This report is not approved by the fund management company's Board of Directors, nor has it been audited. A complete annual report may be ordered from Handelsbanken Fonder, 106 70 Stockholm, Sweden.

Brasilienfond, cont.

## Fund Facts - History cont.

	2016	2015	2014	2013	2012	2011	30/11-31/12 2010	2009	2008	2007
SEK	+5.8	-18.9	-11.0	-8.7	-8.2	-	-	-	-	-
EUR	+5.2	-20.3	-15.3	-8.5	-5.8	-	-	-	-	-
NOK	+5.2	-14.5	-5.9	-4.9	-8.7	-	-	-	-	-
Average yearly return, 5 yrs. %										
Brasilienfond A - SEK	+1.3	-12.1	-	-	-	-	-	-	-	-
Brasilienfond A - EUR	-0.1	-12.3	-	-	-	-	-	-	-	-
Brasilienfond A - NOK	+3.1	-8.6	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	-0.8	-15.7	-	-	-	-	-	-	-	-
EUR	-2.2	-16.0	-	-	-	-	-	-	-	-
NOK	+0.9	-12.4	-	-	-	-	-	-	-	-

Index: MSCI Brazil SMID Net

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

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

Refer to the last page for definitions.

## Fund Facts - Costs

Collected mgmt. costs in % of average fund capital <sup>1)</sup>	1.85
Annual fees in %	1.94

<sup>1)</sup> A Luxemburg wealth tax of 0.05% of fund assets will be added annually.

## Fund Facts - Other Key Figures

Turnover rate	-3.8
---------------	------

## Risk and Return Measurements\*

Total risk % - A SEK	28.7	Active return % - A NOK	-4.8
Total risk % - A EUR	27.8	Information ratio - A SEK	Negative
Total risk % - A NOK	26.1	Information ratio - A EUR	Negative
Total risk in index % - A SEK	33.3	Information ratio - A NOK	Negative
Total risk in index % - A EUR	32.5	Sharpe ratio - A SEK	0.0
Total risk in index % - A NOK	30.2	Sharpe ratio - A EUR	0.0
Tracking error % - A SEK	7.3	Sharpe ratio - A NOK	0.0
Tracking error % - A EUR	7.3	Sharpe ratio in index - A SEK	0.2
Tracking error % - A NOK	7.3	Sharpe ratio in index - A EUR	0.2
Index	MSCI Brazil SMID Net	Sharpe ratio in index - A NOK	0.1
Active return % - A SEK	-4.9	Active Share % <sup>1)</sup>	69.6
Active return % - A EUR	-4.8		

<sup>1)</sup> As of the balance sheet date.

\* Risk statistics are based on historical monthly returns over two years. Refer to the last page for definitions.

Total exposure in the fund is calculated in accordance with the commitment method.





Euro Obligation, cont.

**Fund Facts - History cont.**

	2016	2015	26/9-31/12 2014	2013	2012	2011	2010	2009	2008	2007
Euro Obligation A1 - SEK	+7.7	+6.6	+4.4	-0.2	+3.2	+3.0	-	-	-	-
Euro Obligation A1 - EUR	+6.1	+6.2	+6.0	+4.3	+5.2	+3.4	+2.5	+3.5	+3.8	+2.9
Comparison to index including dividends, %										
SEK	+7.7	+6.5	+4.4	-0.1	+3.7	+3.6	-	-	-	-
EUR	+6.1	+6.2	+6.0	+4.3	+5.7	+3.9	+3.2	+4.0	+4.7	+3.7
Average yearly return, 10 yrs. %										
Euro Obligation A1 - SEK	+5.3	-	-	-	-	-	-	-	-	-
Euro Obligation A1 - EUR	+4.7	+4.4	+4.7	+4.1	+4.1	+4.0	+4.2	+4.7	+4.0	-
Comparison to index including dividends, %										
SEK	+5.7	-	-	-	-	-	-	-	-	-
EUR	+5.0	+4.7	+5.0	+4.5	+4.7	+4.6	+4.8	+5.5	+4.7	-
Exchange rate EUR/SEK	9.58	9.16	9.47	-	-	-	-	-	-	-

1) The fund's total net inflows do not include reinvested dividends in funds with a distribution share class. This is new information as of the full-year 2012.

2) The fund's net flow does not include the merger with Placeringsfonden Handelsbanken Euro Obligation which took place on September 26, 2014.

Index: Barclays Euro Government Bond Index

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

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

Refer to the last page for definitions.

**Fund Facts - Costs**

Max. allowed mgmt. costs in % according to fund rules	0.80
Collected mgmt. costs in % of average fund capital	0.60
Annual fees in %	
Euro Obligation A1	0.60
Analyzing costs, tEUR <sup>1)</sup>	-
Transaction costs, tEUR	0
Transaction costs in % of turnover	0.00
Costs in EUR for a one-time subscription, 1 000 EUR	
Euro Obligation A1	6.18
Costs in EUR for monthly savings, 10 EUR	
Euro Obligation A1	0.39

1) Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

**Fund Facts - Other Key Figures**

Turnover rate	1.2
Share of turnover conducted via closely-related securities companies in %	0.0

**Risk and Return Measurements\***

Total risk % - A1 SEK	7.2	Information ratio - A1 SEK	Negative
Total risk % - A1 EUR	5.3	Information ratio - A1 EUR	Negative
Total risk in index % - A1 SEK	7.0	Sharpe ratio - A1 SEK	0.4
Total risk in index % - A1 EUR	5.0	Sharpe ratio - A1 EUR	0.4
Tracking error % - A1 SEK	0.8	Sharpe ratio in index - A1 SEK	0.5
Tracking error % - A1 EUR	0.8	Sharpe ratio in index - A1 EUR	0.5
Index	Barclays Euro Government Bond Index	Duration, years <sup>1)</sup>	7.2
Active return % - A1 SEK	-0.5		
Active return % - A1 EUR	-0.4		

1) As of the balance sheet date.

\* Risk statistics are based on historical monthly returns over two years. Refer to the last page for definitions.

Total exposure in the fund is calculated in accordance with the commitment method.

**Income Statement, EURt**

	2016	2015
<b>INCOME AND CHANGES IN VALUE</b>		
Changes in value for transferable securities <sup>*</sup>	30	-194
Changes in value for other derivative instruments <sup>**</sup>	-255	63
Interest income	2,567	2,979
Currency exchange profits and losses, net	-6	-76
Other income	0	8
<b>Total income and changes in value</b>	<b>2,336</b>	<b>2,780</b>
<b>EXPENSES</b>		
Management Company expenses	496	553
Interest expense	2	4
Other expenses	1	11
<b>Total expenses</b>	<b>499</b>	<b>568</b>
<b>Net income</b>	<b>1,837</b>	<b>2,212</b>

\* Details of changes in value

Changes in value for transferable securities - Capital gains	2,374	5,675
Changes in value for transferable securities - Capital losses	-855	-760
Changes in value for transferable securities - Unrealised	-1,489	-5,109
Sum	30	-194

\*\* Details of changes in value

Changes in value for other derivative instruments - Capital gains	792	3,522
Changes in value for other derivative instruments - Capital losses	-1,048	-3,459
Changes in value for other derivative instruments - Unrealised	1	0
Sum	-255	63

**Balance Sheet, tEUR**

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
<b>ASSETS</b>				
Transferable securities	68,097	97.9	71,001	97.5
<b>Total financial instruments with positive market value</b> <sup>Note 2)</sup>	<b>68,097</b>	<b>97.9</b>	<b>71,001</b>	<b>97.5</b>
Bank assets and other liquid assets	474	0.7	593	0.8
Prepaid expenses and accrued income	973	1.4	1,150	1.6
Other assets	5	0.0	115	0.1
<b>Total assets</b>	<b>69,549</b>	<b>100.0</b>	<b>72,859</b>	<b>100.0</b>
<b>LIABILITIES</b>				
OTC derivative instruments with negative market value	-	-	0	0.0
<b>Total financial instruments with negative market value</b> <sup>Note 2)</sup>	<b>-</b>	<b>-</b>	<b>0</b>	<b>0.0</b>
Accrued expenses and prepaid income	18	0.0	18	0.0
Other liabilities	0	0.0	0	0.0
<b>Total liabilities</b>	<b>18</b>	<b>0.0</b>	<b>18</b>	<b>0.0</b>
<b>Fund capital</b> <sup>Note 1)</sup>	<b>69,531</b>	<b>100.0</b>	<b>72,841</b>	<b>100.0</b>
Other derivative instruments with negative market value <sup>1)</sup>	34	0.0	-	-

1) Liquid assets total SEK 4,865t

Euro Obligation, cont.

Note 1) for Balance Sheet

**Changes in fund capital, EURt**

	2016	2015
Fund capital at beginning of year	72,841	125,891
Units issued	59,109	55,273
Units redeemed	-64,256	-110,535
Profit according to Income Statement	1,837	2,212
Dividends to unit holders	-	-
<b>Fund capital at the close of the period</b>	<b>69,531</b>	<b>72,841</b>

Note 2) for Balance Sheet

**Fund holdings in financial instruments****TRANSFERABLE SECURITIES\***

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
<b>LISTED FIXED-INCOME SECURITIES</b>			
<b>FOREIGN ISSUER, STATE</b>			
Austria 1,2% 2025-10-25	2,400	2,599	3.7
Austria 1,35% 2024-10-21	10	11	0.0
Bonos y Obligaciones del Estado 4,00% 2020-04-30	3,670	4,151	6.0
Bonos y Obligaciones del Estado 4,40% 2023-10-31	1,750	2,164	3.1
Bonos y Obligaciones del Estado 4,90% 2040-07-30	1,830	2,654	3.8
Bonos y Obligaciones del Estado 5,50% 2017-07-30	1,320	1,364	2.0
Bonos y Obligaciones del Estado 6,00% 2029-01-31	1,530	2,265	3.3
Bundesobligation 2,25% 2021-09-04	1,200	1,361	2.0
Bundesobligation 4,25% 2018-07-04	2,500	2,690	3.9
Bundesobligation 4,75% 2034-07-04	1,185	2,000	2.9
Bundesobligation 4,75% 2040-07-04	275	507	0.7
Buono del Tesoro Poliennale 3,75% 2021-03-01	1,230	1,401	2.0
Buono del Tesoro Poliennale 4,50% 2018-08-01	3,200	3,437	4.9
Buono del Tesoro Poliennale 4,75% 2023-08-01	610	752	1.1
Buono del Tesoro Poliennale 6,00% 2031-05-01	3,600	5,275	7.6
Buono del Tesoro Poliennale 7,25% 2026-11-01	2,970	4,438	6.4
Finland 4,00% 2025-07-04	700	928	1.3
France 4,00% 2055-04-25	690	1,139	1.6
France 4,25% 2018-10-25	3,500	3,816	5.5
France 4,25% 2023-10-25	3,540	4,548	6.5
France 4,75% 2035-04-25	2,570	4,063	5.8
FRGV 201025	3,100	3,453	5.0
Germany 5,625% 2028-01-04	1,450	2,289	3.3
Ireland 3,90% 2023-03-20	2,100	2,600	3.7
Kingdom of Belgium 5,5% 2028-03-28	2,740	4,194	6.0
Netherlands 0,25% 2025-07-15	3,980	3,999	5.8
		<b>68,097</b>	<b>97.9</b>
<b>Total listed fixed-income securities</b>		<b>68,097</b>	<b>97.9</b>
<b>Total transferable securities</b>		<b>68,097</b>	<b>97.9</b>

**EXCHANGE-TRADED DERIVATIVES\*\***

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
<b>INTEREST RATE FUTURES</b>			
Italienska staten IKH7	-7	0	0.0
<b>Total interest rate futures</b>		<b>0</b>	<b>0.0</b>
<b>Total exchange-traded derivatives</b>		<b>0</b>	<b>0.0</b>
<b>Total holdings in financial instruments</b>		<b>68,097</b>	<b>97.9</b>
<b>Net, other assets and liabilities</b>		<b>1,434</b>	<b>2.1</b>
<b>Total fund capital</b>		<b>69,531</b>	<b>100.0</b>

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

\* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 97.9

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

\*\*\* Refers to other financial instruments. -

**Compilation, Company and Group exposure\***

Company/Group	% of fund capital	Company/Group	% of fund capital
Franska staten	24.4	Spanska staten	18.2
Italienska staten	22.0	Tyska staten	12.8
		Österrikiska staten	3.7

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



# Europa Selektiv

## Management Report

### Investment Focus

The fund is actively managed, which means that the portfolio manager takes active, independent investment decisions. The objective of the fund is to attain returns over the long term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests over the long term in 16 - 35 European companies. Investments focus on companies that have historically demonstrated stable profit growth, strong balance sheets, sound business operations and dividend growth. We compare fund performance with an index consisting of MSCI Pan Euro Net. Given that the fund is actively managed, the returns will deviate from this index over time.

### Portfolio

Europa Selektiv rose 0.6% during the full year 2016\*. The year was dominated by surprises. The UK voted to exit EU, the US elected Donald Trump as president and Italy's government fell in a referendum on additional reforms. These events resulted in significant volatility in the global financial markets and contributed to a dramatic decline in sentiment for high-quality companies, not least for defensive companies. Prosegur, BASF and Handelsbanken were the most positive contributors to fund returns, while holdings in Novo Nordisk had the most negative impact after falling due to price pressures on diabetes drugs in the US. H&M and Continental also posted weak performance. H&M posted weak sales growth during the year, while Continental declined as a result of concerns about weaker global automotive sales ahead. The fund took new positions in Huhtamäki (global player in specialised food and beverage packaging), Pandora (jewellery company) and in Compass Group (world leading supplier of food services). We sold the holdings in Spectris.

\*) The fund may have additional share classes, the concerned share class is stated in the Fund facts. Refer to fund statistics for comparable index.

### Outlook

Our focus is on constructing a portfolio of high-quality companies with a variety of drivers, given that we believe these companies deliver the best returns over time. High-quality companies can benefit as well as be negatively affected over the short-term relative to other equities. The valuations for high-quality companies became more attractive relative to the stock market as a whole in 2016. At the same time, we remain positive to the long-term profit outlooks for companies in the fund and we believe that conditions are also favourable for the portfolio to perform well

over time relative to the underlying market.

### Significant risks

As of the balance sheet date, the fund does not have any other significant risks in its holdings than those stated in the fact sheet and information brochure.

### Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund did not use this option in 2016. The fund has the option of lending securities. The fund did not use this option in 2016. The fund may use other techniques and instruments. The fund did not use this option in 2016.

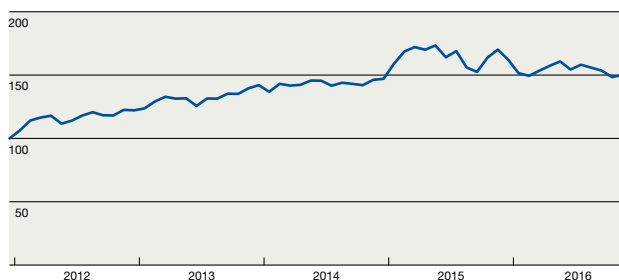
### Information

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

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

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

### Fund Performance\*



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

### Fund Facts - History

	2016	2015	17/10-31/12 2014	2013	2012	2011	2010	2009	2008	2007
Net asset value										
Europa Selektiv A1 - SEK <sup>1)</sup>	236.23	234.87	220.38	-	-	-	-	-	-	-
Europa Selektiv B1 - SEK <sup>1)</sup>	159.39	165.38	160.83	-	-	-	-	-	-	-
Europa Selektiv A1 - EUR <sup>1)</sup>	24.65	25.65	23.27	-	-	-	-	-	-	-
Europa Selektiv A9 - EUR <sup>1)</sup>	26.39	27.22	24.48	-	-	-	-	-	-	-
Europa Selektiv B1 - EUR <sup>1)</sup>	16.63	18.06	16.98	-	-	-	-	-	-	-
Europa Selektiv A1 - NOK <sup>1)</sup>	223.83	246.59	211.07	-	-	-	-	-	-	-
The fund's total net flow, mEUR <sup>2) (3) 4)</sup>	-8	53	-29	-	-	-	-	-	-	-
Fund capital total, mEUR	532	557	419	-	-	-	-	-	-	-
Europa Selektiv A1 - SEK	3,478	3,521	2,904	-	-	-	-	-	-	-
Europa Selektiv B1 - SEK	182	475	356	-	-	-	-	-	-	-
Europa Selektiv A1 - EUR	31	34	22	-	-	-	-	-	-	-
Europa Selektiv A9 - EUR	91	60	33	-	-	-	-	-	-	-
Europa Selektiv B1 - EUR	4	4	1	-	-	-	-	-	-	-
Europa Selektiv A1 - NOK	216	226	171	-	-	-	-	-	-	-
Number of units, 1000's	21,777	22,514	18,530	-	-	-	-	-	-	-
Europa Selektiv A1 - SEK	14,723	14,992	13,177	-	-	-	-	-	-	-
Europa Selektiv B1 - SEK	1,141	2,870	2,216	-	-	-	-	-	-	-
Europa Selektiv A1 - EUR	1,251	1,316	956	-	-	-	-	-	-	-
Europa Selektiv A9 - EUR	3,459	2,196	1,341	-	-	-	-	-	-	-
Europa Selektiv B1 - EUR	240	222	30	-	-	-	-	-	-	-
Europa Selektiv A1 - NOK	963	918	810	-	-	-	-	-	-	-
Total returns in %, SEK										
Europa Selektiv A1 - SEK	+0.6	+6.6	+10.8	+20.0	+17.7	-6.3	+21.6	+26.4	-20.3	-7.7
Europa Selektiv B1 - SEK	+0.6	+6.6	+10.8	+20.0	+17.7	-6.3	+21.6	+26.4	-20.3	-

Europa Selektiv, cont.

## Fund Facts - History cont.

	2016	2015	17/10-31/12 2014	2013	2012	2011	2010	2009	2008	2007
Europa Selektiv A1 - EUR	-3.9	+10.2	+3.5	+16.3	+22.2	-5.1	+38.2	+35.6	-31.5	-11.9
Europa Selektiv A9 - EUR	-3.0	+11.2	+4.2	-	-	-	-	-	-	-
Europa Selektiv B1 - EUR	-3.9	+10.2	+3.5	+16.3	+22.2	-5.1	+38.1	+35.6	-31.5	-
Europa Selektiv A1 - NOK	-9.2	+16.8	+12.3	+32.5	+15.7	-5.7	+30.0	+15.5	-16.0	-
Index including dividends in %, SEK										
Europa Selektiv A1 - SEK	+7.8	+3.2	-	-	-	-	-	-	-	-
Europa Selektiv B1 - SEK	+7.8	+3.2	-	-	-	-	-	-	-	-
Europa Selektiv A1 - EUR	+3.0	+6.7	-	-	-	-	-	-	-	-
Europa Selektiv A9 - EUR	+3.0	+6.7	-	-	-	-	-	-	-	-
Europa Selektiv B1 - EUR	+3.0	+6.7	-	-	-	-	-	-	-	-
Europa Selektiv A1 - NOK	-2.7	+13.1	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Europa Selektiv A1 - SEK	+3.5	+8.7	+15.3	+18.9	+5.0	+6.7	+24.0	+0.3	-14.2	+3.2
Europa Selektiv B1 - SEK	+3.5	+8.7	+15.3	+18.8	+5.0	+6.7	+24.0	+0.3	-	-
Europa Selektiv A1 - EUR	+2.9	+6.8	+9.7	+19.2	+7.7	+14.5	+36.9	-3.6	-22.3	+2.8
Europa Selektiv A9 - EUR	+3.8	-	-	-	-	-	-	-	-	-
Europa Selektiv B1 - EUR	+2.9	+6.8	+9.7	+19.2	+7.7	+14.5	+36.9	-3.6	-	-
Europa Selektiv A1 - NOK	+3.0	+14.6	+22.0	+23.8	+4.5	+10.7	+22.5	-1.5	-	-
Comparison to index including dividends, %										
SEK	+5.5	+8.4	-	-	-	-	-	-	-	-
EUR	+4.9	+6.6	-	-	-	-	-	-	-	-
NOK	+4.9	+14.3	-	-	-	-	-	-	-	-
Average yearly return, 5 yrs. %										
Europa Selektiv A1 - SEK	+10.9	+9.3	+12.3	+15.3	+6.2	+1.1	+5.4	-	-	-
Europa Selektiv B1 - SEK	+10.9	+9.3	+12.3	+15.2	+6.2	-	-	-	-	-
Europa Selektiv A1 - EUR	+9.3	+9.0	+14.0	+20.4	+8.3	+1.4	+6.3	-	-	-
Europa Selektiv B1 - EUR	+9.3	+9.0	+14.0	+20.4	+8.3	-	-	-	-	-
Europa Selektiv A1 - NOK	+12.8	+13.7	+16.1	+16.8	+6.6	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+11.8	+8.3	-	-	-	-	-	-	-	-
EUR	+10.2	+8.0	-	-	-	-	-	-	-	-
NOK	+13.7	+12.6	-	-	-	-	-	-	-	-
Average yearly return, 10 yrs. %										
Europa Selektiv A1 - SEK	+5.9	+7.4	-	-	-	-	-	-	-	-
Europa Selektiv A1 - EUR	+5.3	+7.6	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+3.1	+3.7	-	-	-	-	-	-	-	-
EUR	+2.5	+3.9	-	-	-	-	-	-	-	-
Dividends per unit, SEK										
Europa Selektiv B1 - SEK	6.71	6.30	-	-	-	-	-	-	-	-
Europa Selektiv B1 - EUR	0.72	0.68	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK										
	9.58	9.16	9.47	-	-	-	-	-	-	-
Exchange rate EUR/NOK										
	9.08	9.62	9.07	-	-	-	-	-	-	-

1) Following a judgment in the Administrative Court of Appeal that changed the withholding tax on dividends in US equities from 15% to 30%, the previously reserved withholding has been added back in the fund as of March 30, 2015.

2) The fund's total net inflows do not include reinvested dividends in funds with a distribution share class. This is new information as of the full-year 2012.

3) The fund's net flow does not include the merger with Placeringsfonden Handelsbanken Europa Selektiv and Placeringsfonden Handelsbanken Europa Aggressiv which took place on October 17, 2014.

4) The fund's net flow does not include the merger with Handelsbanken Funds Europe Selective which took place on September 25, 2014.

Index: MSCI Pan Euro Net Index

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

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

Refer to the last page for definitions.

## Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Europa Selektiv A1	2.00
Europa Selektiv A9	1.60
Europa Selektiv B1	2.00
Collected mgmt. costs in % of average fund capital	
Europa Selektiv A1	1.85
Europa Selektiv A9	1.00
Europa Selektiv B1	1.85
Annual fees in %	
Europa Selektiv A1	1.91
Europa Selektiv A9	1.06
Europa Selektiv B1	1.91
Analyzing costs, tEUR <sup>1)</sup>	
	300
Transaction costs, tEUR	
	332
Transaction costs in % of turnover	
	0.09
Costs in EUR for a one-time subscription, 1 000 EUR	
Europa Selektiv A1	17.37
Europa Selektiv A9	9.43
Europa Selektiv B1	17.37
Costs in EUR for monthly savings, 10 EUR	
Europa Selektiv A1	1.19
Europa Selektiv A9	0.64
Europa Selektiv B1	1.19

1) Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

## Fund Facts - Other Key Figures

Turnover rate	0.3
Share of turnover conducted via closely-related securities companies in %	8.0

## Risk and Return Measurements\*

Total risk % - A1 SEK	14.3	Active return % - A9 EUR	-1.0
Total risk % - B1 SEK	14.3	Active return % - B1 EUR	-1.9
Total risk % - A1 EUR	14.8	Active return % - A1 NOK	-1.9
Total risk % - A9 EUR	14.8	Information ratio - A1 SEK	Negative
Total risk % - B1 EUR	14.8	Information ratio - B1 SEK	Negative
Total risk % - A1 NOK	13.0	Information ratio - A1 EUR	Negative
Total risk in index % - A1 SEK	15.6	Information ratio - A9 EUR	Negative
Total risk in index % - A9 SEK	15.6	Information ratio - B1 EUR	Negative
Total risk in index % - B1 SEK	15.6	Information ratio - A1 NOK	Negative
Total risk in index % - A1 EUR	15.4	Sharpe ratio - A1 SEK	0.3
Total risk in index % - A9 EUR	15.4	Sharpe ratio - B1 SEK	0.3
Total risk in index % - B1 EUR	15.4	Sharpe ratio - A1 EUR	0.2
Total risk in index % - A1 NOK	13.2	Sharpe ratio - A9 EUR	0.3
Total risk in index % - A9 NOK	13.2	Sharpe ratio - B1 EUR	0.2
Active Share % <sup>1)</sup>	88.9	Sharpe ratio - A1 NOK	0.2
Tracking error % - A1 SEK	4.6	Sharpe ratio in index - A1 SEK	0.4
Tracking error % - B1 SEK	4.6	Sharpe ratio in index - A9 SEK	0.4
Tracking error % - A1 EUR	4.6	Sharpe ratio in index - B1 SEK	0.4
Tracking error % - A9 EUR	4.6	Sharpe ratio in index - A1 EUR	0.3
Tracking error % - B1 EUR	4.6	Sharpe ratio in index - A9 EUR	0.3
Tracking error % - A1 NOK	4.6	Sharpe ratio in index - B1 EUR	0.3
Index	MSCI Pan Euro Net Index	Sharpe ratio in index - A1 NOK	0.3
Active return % - A1 SEK	-1.9	Sharpe ratio in index - A9 NOK	0.3
Active return % - B1 SEK	-1.9		
Active return % - A1 EUR	-1.9		

1) As of the balance sheet date.

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

Europa Selektiv, cont.

**Income Statement, EURt**

	2016	2015
<b>INCOME AND CHANGES IN VALUE</b>		
Changes in value for transferable securities*	-25,619	41,077
Interest income	-30	-3
Dividends	13,308	10,690
Currency exchange profits and losses, net	-675	4,289
Other income	1	0
<b>Total income and changes in value</b>	<b>-13,015</b>	<b>56,053</b>
<b>EXPENSES</b>		
Management Company expenses	9,228	9,270
Interest expense	2	9
Other expenses	633	781
<b>Total expenses</b>	<b>9,863</b>	<b>10,060</b>
<b>Net income</b>	<b>-22,878</b>	<b>45,993</b>
* Details of changes in value		
Changes in value for transferable securities – Capital gains	16,422	51,061
Changes in value for transferable securities – Capital losses	-15,464	-8,827
Changes in value for transferable securities – Unrealised	-26,577	-1,157
Sum	-25,619	41,077

**Balance Sheet, tEUR**

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
<b>ASSETS</b>				
Transferable securities	524,140	98.6	544,362	97.7
<b>Total financial instruments with positive market value</b> <sup>Note 2)</sup>	<b>524,140</b>	<b>98.6</b>	<b>544,362</b>	<b>97.7</b>
Bank assets and other liquid assets	6,911	1.3	13,130	2.4
Prepaid expenses and accrued income	318	0.1	310	0.0
Other assets	863	0.1	-	-
<b>Total assets</b>	<b>532,232</b>	<b>100.1</b>	<b>557,802</b>	<b>100.1</b>
<b>LIABILITIES</b>				
Accrued expenses and prepaid income	404	0.1	412	0.1
Other liabilities	0	0.0	3	0.0
<b>Total liabilities</b>	<b>404</b>	<b>0.1</b>	<b>415</b>	<b>0.1</b>
<b>Fund capital</b> <sup>Note 1)</sup>	<b>531,828</b>	<b>100.0</b>	<b>557,387</b>	<b>100.0</b>

Note 1) for Balance Sheet

**Changes in fund capital, EURt**

	2016	2015
Fund capital at beginning of year	557,387	418,631
Units issued <sup>1)</sup>	186,519	244,250
Units redeemed	-187,640	-149,916
Profit according to Income Statement	-22,878	45,993
Dividends to unit holders	-1,560	-1,571
<b>Fund capital at the close of the period</b>	<b>531,828</b>	<b>557,387</b>

1) EUR 41,184t derives from the merger with Funds Europe Selective that took place on September 25, 2015.

Note 2) for Balance Sheet

**Fund holdings in financial instruments**
**TRANSFERABLE SECURITIES\***

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
<b>LISTED EQUITIES</b>			
<b>DENMARK (DKK)</b>			
Novo Nordisk (Pharmaceuticals)	675,000	23,122	4.3
Pandora (Other)	226,000	28,085	5.3
		<b>51,207</b>	<b>9.6</b>
<b>FINLAND (EUR)</b>			
Huhtamaki (Containers and Packaging)	705,000	24,872	4.7
		<b>24,872</b>	<b>4.7</b>
<b>FRANCE (EUR)</b>			
Air Liquide (Chemicals)	210,000	22,187	4.2
Legrand (Electrical Equipment)	580,000	31,291	5.9
L'Oreal (Personal Products)	148,000	25,663	4.8
		<b>79,141</b>	<b>14.9</b>
<b>GERMANY (EUR)</b>			
BASF (Chemicals)	250,000	22,078	4.2
Continental (Auto Components)	137,000	25,167	4.7
		<b>47,244</b>	<b>8.9</b>
<b>NETHERLANDS (EUR)</b>			
Heineken (Beverages)	435,000	30,998	5.8
		<b>30,998</b>	<b>5.8</b>

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
<b>SPAIN (EUR)</b>			
Prosegur (Commercial Services and Supplies)	2,700,000	16,038	3.0
		<b>16,038</b>	<b>3.0</b>
<b>SWEDEN (SEK)</b>			
Assa Abloy B (Building Products)	1,430,000	25,236	4.7
Autoliv (Auto Components)	259,500	27,840	5.2
Handelsbanken A (Commercial Banks)	2,070,000	27,349	5.1
Hennes & Mauritz B (Specialty Retail)	935,000	24,727	4.6
		<b>105,153</b>	<b>19.8</b>
<b>SWITZERLAND (CHF)</b>			
Roche Holding (Pharmaceuticals)	65,000	14,104	2.7
SGS (Professional Services)	8,700	16,816	3.2
		<b>30,919</b>	<b>5.8</b>
<b>UNITED KINGDOM (GBP)</b>			
Bunzl (Trading Companies and Distributors)	1,120,000	27,672	5.2
Burberry (Textiles, Apparel and Luxury Goods)	520,000	9,120	1.7
Compass Group (Hotels, Restaurants and Leisure)	1,360,000	23,915	4.5
Johnson Matthey (Chemicals)	510,000	19,011	3.6
Prudential (Insurance)	1,720,000	32,794	6.2
Reckitt Benckiser (Household Products)	323,000	26,056	4.9
		<b>138,568</b>	<b>26.1</b>
<b>Total listed equities</b>		<b>524,140</b>	<b>98.6</b>
<b>Total transferable securities</b>		<b>524,140</b>	<b>98.6</b>
<b>Total holdings in financial instruments</b>		<b>524,140</b>	<b>98.6</b>
<b>Net, other assets and liabilities</b>		<b>7,688</b>	<b>1.4</b>
<b>Total fund capital</b>		<b>531,828</b>	<b>100.0</b>

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

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

98.6

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

\*\*\* Refers to other financial instruments.



# Europafond Index

## Management Report

### Investment Focus

The fund is an index fund and its objective is to follow the performance of the MSCI Europe Net Index as closely as possible. The fund invests in the European market. The fund may invest in derivative instruments as part of the fund's investment focus.

### Portfolio

Europafond Index rose 6.9% during the full year 2016\*. Nestlé, Novartis, Roche and HSBC were the four largest equity holdings in the fund at year-end. The largest sectors in the fund were finance, consumer staples and industrials.

\*) The fund may have additional share classes, the concerned share class is stated in the Fund facts. Refer to fund statistics for comparable index.

### Outlook

The European economy is continuing its recovery. In December 2016, European purchasing managers showed their greatest optimism since 2011. The greatest improvement is currently being seen in southern Europe, which we expect will continue during 2017. There are many indications that the negative pressure on rates in Europe is reaching the end given positive inflation trends and strong European economies. The greatest risks ahead are primarily political with elections in France and Germany, as well as the aftermath of the UK's EU referendum.

### Significant risks

As of the balance sheet date, the fund does not have any other significant risks in its holdings than those stated in the fact sheet and information brochure.

### Trading with derivatives

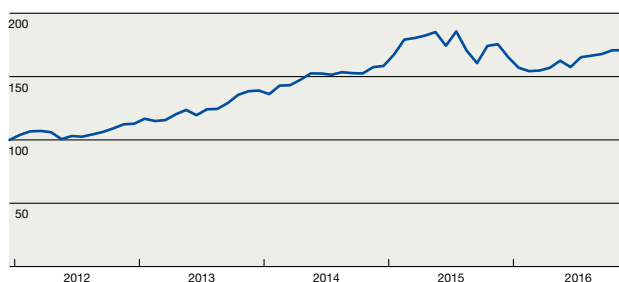
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option to a limited extent in 2016. The fund has the option of lending securities. The fund used this option quite extensively in 2016. The fund may use other techniques and instruments. The fund did not use this option in 2016.

### Information

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

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

### Fund Performance\*



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

## Fund Facts - History

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Net asset value</b>										
Europafond Index A1 - SEK	100.68	94.14	90.19	79.14	64.22	58.19	66.72	71.38	62.22	98.80
Europafond Index A1 - EUR	10.51	10.28	-	-	-	-	-	-	-	-
Europafond Index A1 - NOK	95.40	98.84	-	-	-	-	-	-	-	-
Europafond Index B1 - SEK	88.08	85.47	84.56	76.81	64.22	-	-	-	-	-
<b>The fund's total net flow, mSEK</b>	-195	1,040	1,015	508	1,068	-	-	-	-	-
<b>Fund capital total, mSEK</b>	6,846	6,629	5,460	3,852	2,713	1,414	967	1,084	1,010	1,492
Europafond Index A1 - SEK	6,281	5,808	5,384	3,843	2,713	1,414	967	1,084	1,010	1,492
Europafond Index A1 - EUR	35	40	-	-	-	-	-	-	-	-
Europafond Index A1 - NOK	121	343	-	-	-	-	-	-	-	-
Europafond Index B1 - SEK	105	125	76	9	-	-	-	-	-	-
<b>Number of units, 1000's</b>	68,146	70,546	60,588	48,678	42,243	24,303	14,490	15,189	16,226	15,099
Europafond Index A1 - SEK	62,379	61,690	59,693	48,559	42,243	24,303	14,490	15,189	16,226	15,099
Europafond Index A1 - EUR	3,305	3,918	-	-	-	-	-	-	-	-
Europafond Index A1 - NOK	1,266	3,473	-	-	-	-	-	-	-	-
Europafond Index B1 - SEK	1,196	1,465	895	119	-	-	-	-	-	-
<b>Total returns in %, SEK</b>										
Europafond Index A1 - SEK	+6.9	+4.4	+14.0	+23.2	+12.8	-9.6	-2.4	+22.0	-34.5	+8.6
Europafond Index A1 - EUR	+2.2	+8.0	-	-	-	-	-	-	-	-
Europafond Index A1 - NOK	-3.5	+14.4	-	-	-	-	-	-	-	-
Europafond Index B1 - SEK	+6.9	+4.4	+14.0	+23.2	+3.2	-	-	-	-	-
<b>Index including dividends in %, SEK</b>										
Europafond Index A1 - SEK	+7.3	+4.6	+14.4	+23.6	+13.0	-9.3	-2.2	+22.6	-34.7	+8.9
Europafond Index A1 - EUR	+2.6	+8.2	-	-	-	-	-	-	-	-
Europafond Index A1 - NOK	-3.1	+14.7	-	-	-	-	-	-	-	-
Europafond Index B1 - SEK	+7.3	+4.6	+14.4	+23.6	+3.6	-	-	-	-	-
<b>Average yearly return, 2 yrs. %</b>										
Europafond Index A1 - SEK	+5.7	+9.1	+18.5	+17.9	+1.0	-6.1	+9.1	-10.6	-15.7	+11.0
Europafond Index A1 - EUR	+5.0	+7.2	-	-	-	-	-	-	-	-
Europafond Index A1 - NOK	+5.1	+15.0	-	-	-	-	-	-	-	-
Europafond Index B1 - SEK	+5.7	+9.1	+18.5	-	-	-	-	-	-	-
<b>Comparison to index including dividends, %</b>										
SEK	+6.0	+9.4	+18.9	+18.2	+1.3	-5.8	+9.5	-10.5	-15.7	+11.4
EUR	+5.4	+7.5	-	-	-	-	-	-	-	-
NOK	+5.4	+15.3	-	-	-	-	-	-	-	-
<b>Average yearly return, 5 yrs. %</b>										
Europafond Index A1 - SEK	+12.1	+8.4	+6.9	+8.4	-4.5	-5.2	-0.8	+5.0	+2.7	+14.4
Europafond Index A1 - EUR	+10.4	+8.1	-	-	-	-	-	-	-	-
Europafond Index A1 - NOK	+14.0	+12.7	-	-	-	-	-	-	-	-
<b>Comparison to index including dividends, %</b>										
SEK	+12.4	+8.7	+7.2	+8.7	-4.3	-5.0	-0.6	+5.3	+3.1	+15.0

Europafond Index, cont.

## Fund Facts - History cont.

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
EUR	+10.8	+8.4	-	-	-	-	-	-	-	-
NOK	+14.3	+13.0	-	-	-	-	-	-	-	-
Average yearly return, 10 yrs. %										
Europafond Index A1 - SEK	+3.1	+3.7	+6.0	+5.5	+4.6	-0.8	-1.0	-	-	-
Europafond Index A1 - EUR	+2.5	+3.9	-	-	-	-	-	-	-	-
Europafond Index A1 - NOK	+3.5	+5.9	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+3.3	+3.9	+6.3	+5.9	+4.9	-0.4	-0.7	-	-	-
EUR	+2.7	+4.2	-	-	-	-	-	-	-	-
NOK	+3.8	+6.2	-	-	-	-	-	-	-	-
Dividends per unit, SEK										
Europafond Index A1 - SEK	-	-	-	-	1.33	2.44	2.80	3.46	3.29	3.37
Europafond Index B1 - SEK	2.99	2.96	2.69	1.93	-	-	-	-	-	-
Exchange rate EUR/SEK	9.58	9.16	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.06	0.95	-	-	-	-	-	-	-	-

Index: MSCI Europa Net Index

Up to 15/02/2008: MSCI Pan Euro Index

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

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

Refer to the last page for definitions.

## Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Europafond Index A1	0.80
Europafond Index B1	0.80
Collected mgmt. costs in % of average fund capital	
Europafond Index A1	0.40
Europafond Index B1	0.40
Annual fees in %	
Europafond Index A1	0.40
Europafond Index B1	0.40
Analyzing costs, tSEK <sup>1)</sup>	-
Transaction costs, tSEK	2,477
Transaction costs in % of turnover	0.07
Costs in SEK for a one-time subscription, 10 000 SEK	
Europafond Index A1	38.66
Europafond Index B1	38.66
Costs in SEK for monthly savings, 100 SEK	
Europafond Index A1	2.68
Europafond Index B1	2.68

<sup>1)</sup> Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

## Fund Facts - Other Key Figures

Turnover rate	0.3
Share of turnover conducted via closely-related securities companies in %	0.1

## Risk and Return Measurements\*

Total risk % - A1 SEK	15.4	Active return % - A1 NOK	-0.3
Total risk % - A1 EUR	15.3	Active return % - B1 SEK	-0.3
Total risk % - A1 NOK	13.3	Information ratio - A1 SEK	Negative
Total risk % - B1 SEK	15.4	Information ratio - A1 EUR	Negative
Total risk in index % - A1 SEK	15.4	Information ratio - A1 NOK	Negative
Total risk in index % - A1 EUR	15.3	Information ratio - B1 SEK	Negative
Total risk in index % - A1 NOK	13.2	Sharpe ratio - A1 SEK	0.4
Total risk in index % - B1 SEK	15.4	Sharpe ratio - A1 EUR	0.3
Tracking error % - A1 SEK	0.2	Sharpe ratio - A1 NOK	0.3
Tracking error % - A1 EUR	0.2	Sharpe ratio - B1 SEK	0.4
Tracking error % - A1 NOK	0.2	Sharpe ratio in index - A1 SEK	0.4
Tracking error % - B1 SEK	0.2	Sharpe ratio in index - A1 EUR	0.4
Index	MSCI Europa Net Index	Sharpe ratio in index - A1 NOK	0.4
Active return % - A1 SEK	-0.3	Sharpe ratio in index - B1 SEK	0.4
Active return % - A1 EUR	-0.3		

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

## Income Statement, SEKt

	2016	2015
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	235,378	-22,048
Changes in value for other derivative instruments **	2,023	-2,530
Changes in value for fund units ***	-2,212	-8,976
Interest income	-102	-13
Dividends	204,041	200,419
Currency exchange profits and losses, net	-1,147	-6,340
Other financial income <sup>1)</sup>	1,973	875
Other income	1	4
<b>Total income and changes in value</b>	<b>439,955</b>	<b>161,391</b>
EXPENSES		
Management Company expenses	24,923	26,217
Interest expense	117	106
Other expenses <sup>2)</sup>	2,528	5,315
<b>Total expenses</b>	<b>27,568</b>	<b>31,638</b>
<b>Net income</b>	<b>412,387</b>	<b>129,753</b>

## \* Details of changes in value

Changes in value for transferable securities - Capital gains	206,092	296,973
Changes in value for transferable securities - Capital losses	-155,720	-100,205
Changes in value for transferable securities - Unrealised	185,006	-218,816
Sum	235,378	-22,048

## \*\* Details of changes in value

Changes in value for other derivative instruments - Capital gains	28,137	26,210
Changes in value for other derivative instruments - Capital losses	-26,114	-28,740
Sum	2,023	-2,530

## \*\*\* Details of changes in value

Changes in value for fund units - Capital gains	11,671	17,042
Changes in value for fund units - Capital losses	-16,247	-23,520
Changes in value for fund units - Unrealised	2,364	-2,498
Sum	-2,212	-8,976

<sup>1)</sup> The item consists primarily of net premiums for securities lent. Securities lending has generated total revenues of SEK <vplncomex>, of which 80% have been allocated to the fund and 20% have been allocated to JP Morgan Chase Bank N.A. (London branch) for its role as the intermediary for the securities loans. Counterparties in securities lending during the year were: Citigroup Global Markets Ltd, Credit Suisse Securities (Europe) Ltd, Deutsche Bank AG London Branch, J.P. Morgan Securities Plc, Svenska Handelsbanken AB (publ)

<sup>2)</sup> The item consists primarily of transaction costs.

# Annual Review 2016 – Xact Kapitalförvaltning AB

Europafond Index, cont.

## Balance Sheet, tSEK

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
<b>ASSETS</b>				
Transferable securities	6,780,845	99.0	6,498,158	98.0
Fund units	38,906	0.6	108,130	1.6
<b>Total financial instruments with positive market value</b> <small>Note 2)</small>	<b>6,819,751</b>	<b>99.6</b>	<b>6,606,288</b>	<b>99.6</b>
Bank assets and other liquid assets	23,281	0.3	23,532	0.4
Prepaid expenses and accrued income	5,956	0.1	7,424	0.1
Other assets	2,956	0.1	52,940	0.7
<b>Total assets</b>	<b>6,851,944</b>	<b>100.1</b>	<b>6,690,184</b>	<b>100.8</b>
<b>LIABILITIES</b>				
OTC derivative instruments with negative market value	-	-	277	0.0
<b>Total financial instruments with negative market value</b> <small>Note 2)</small>	<b>-</b>	<b>-</b>	<b>277</b>	<b>0.0</b>
Accrued expenses and prepaid income	1,208	0.0	1,083	0.0
Other liabilities	4,614	0.1	60,078	0.8
<b>Total liabilities</b>	<b>5,822</b>	<b>0.1</b>	<b>61,438</b>	<b>0.8</b>
<b>Fund capital</b> <small>Note 1)</small>	<b>6,846,122</b>	<b>100.0</b>	<b>6,628,746</b>	<b>100.0</b>
Financial instruments lent	175,536	2.6	344,952	5.2
Collateral received for financial instruments lent <sup>1)</sup>	188,186	2.7	376,275	5.7
Other derivative instruments with negative market value <sup>2)</sup>	1,999	0.0	4,445	0.1

<sup>1)</sup> Equities total SEK 207,643t

<sup>2)</sup> Liquid assets total SEK 5,418t.

Note 1) for Balance Sheet

## Changes in fund capital, SEK

	2016	2015
Fund capital at beginning of year	6,628,746	5,459,611
Units issued	1,675,478	3,016,124
Units redeemed	-1,866,238	-1,973,436
Profit according to Income Statement	412,387	129,753
Dividends to unit holders	-4,251	-3,306
<b>Fund capital at the close of the period</b>	<b>6,846,122</b>	<b>6,628,746</b>

Note 2) for Balance Sheet

## Fund holdings in financial instruments

### TRANSFERABLE SECURITIES\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>LISTED EQUITIES</b>			
<b>AUSTRIA (EUR)</b>			
Andritz (Machinery)	8,152	3,726	0.1
Erste Group Bank (Commercial Banks)	27,039	7,209	0.1
OMV (Oil, Gas and Consumable Fuels)	13,758	4,424	0.1
Raiffeisen Bank International (Diversified Financial Services)	9,859	1,642	0.0
Voestalpine (Metals and Mining)	11,314	4,043	0.1
		<b>21,043</b>	<b>0.3</b>
<b>BELGIUM (EUR)</b>			
Ageas (Insurance)	18,778	6,767	0.1
Anheuser-Busch InBev (Beverages)	73,469	70,785	1.0
Belgacom (Diversified Telecommunication Services)	13,543	3,550	0.1
Colruyt (Food and Staples Retailing)	7,252	3,266	0.0
GBL (Diversified Financial Services)	8,835	6,749	0.1
KBC (Commercial Banks)	23,527	13,262	0.2
Solvay (Chemicals)	6,936	7,400	0.1
Telenet Group Holding (Diversified Telecommunication Services)	6,913	3,492	0.1
UCB (Pharmaceuticals)	13,175	7,689	0.1
Umicore (Metals and Mining)	9,422	4,889	0.1
		<b>127,851</b>	<b>1.9</b>
<b>DENMARK (DKK)</b>			
A.P. Møller-Mærsk A (Marine)	349	4,799	0.1
A.P. Møller-Mærsk B (Marine)	627	9,106	0.1
Carlsberg (Beverages)	10,055	7,898	0.1
Christian Hansen Holding (Chemicals)	8,578	4,323	0.1
Coloplast B (Health Care Equipment and Supplies)	10,949	6,720	0.1
Danske Bank (Commercial Banks)	69,161	19,091	0.3
DONG Energy Ord Shs (Electric Utilities)	7,391	2,549	0.0
DSV (Road and Rail)	19,430	7,867	0.1
Genmab (Biotechnology)	5,390	8,148	0.1
ISS (Commercial Services and Supplies)	14,965	4,598	0.1
Novo Nordisk (Pharmaceuticals)	185,485	60,881	0.9
Novozymes (Chemicals)	20,962	6,578	0.1
Pandora (Other)	10,579	12,597	0.2
TDC (Diversified Telecommunication Services)	76,192	3,560	0.1
Tryg (Insurance)	11,451	1,884	0.0
Vestas Wind Systems (Electrical Equipment)	21,073	12,465	0.2
William Demant (Health Care Equipment and Supplies)	10,106	1,599	0.0
		<b>174,663</b>	<b>2.6</b>

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>FINLAND (EUR)</b>			
Elisa (Diversified Telecommunication Services)	13,755	4,077	0.1
Fortum (Electric Utilities)	40,929	5,714	0.1
Kone (Machinery)	33,052	13,482	0.2
Metso (Machinery)	11,561	3,002	0.0
Neste Oil (Oil, Gas and Consumable Fuels)	10,887	3,808	0.1
Nokia (Communications Equipment)	566,373	24,899	0.4
Nokian Tyres (Auto Components)	11,619	3,943	0.1
Orion B (Health Care Equipment and Supplies)	11,389	4,615	0.1
Sampo A (Insurance)	42,729	17,438	0.3
Stora Enso R EUR (Paper and Forest Products)	53,002	5,185	0.1
UPM-Kymmene (Paper and Forest Products)	51,926	11,613	0.2
Wärtsilä (Machinery)	15,175	6,206	0.1
		<b>103,982</b>	<b>1.5</b>
<b>FRANCE (EUR)</b>			
Accor (Hotels, Restaurants and Leisure)	18,446	6,262	0.1
Aéroports de Paris (Commercial Services and Supplies)	3,031	2,957	0.0
Air Liquide (Chemicals)	37,676	38,141	0.6
Alstom (Electrical Equipment)	16,032	4,021	0.1
Arkema (Chemicals)	6,928	6,170	0.1
Atos Origin (IT Services)	9,248	8,884	0.1
AXA (Insurance)	187,533	43,100	0.6
BIC (Commercial Services and Supplies)	2,817	3,486	0.1
BNP Paribas (Commercial Banks)	102,528	59,486	0.9
Bolloré (Air Freight and Logistics)	80,894	2,597	0.0
Bouygues (Construction and Engineering)	24,372	7,951	0.1
Bureau Veritas (Diversified Financial Services)	27,086	4,778	0.1
Cappemini (IT Services)	16,601	12,749	0.2
Carrefour (Food and Staples Retailing)	58,013	12,724	0.2
Christian Dior (Textiles, Apparel and Luxury Goods)	5,233	9,991	0.1
CNP Assurances (Insurance)	17,764	2,996	0.0
Crédit Agricole (Commercial Banks)	114,151	12,885	0.2
Danone (Food Products)	58,589	33,796	0.5
Dassault Aviation Ord Shs (Aerospace and Defense)	843	8,575	0.1
Dassault Systèmes (Software)	13,267	9,203	0.1
Edenred (Hotels, Restaurants and Leisure)	21,017	3,793	0.1
Eiffage (Construction and Engineering)	5,552	3,524	0.1
Électricité de France (Electric Utilities)	21,900	2,031	0.0
Essilor International (Health Care Equipment and Supplies)	19,377	19,932	0.3
Eurazeo (Diversified Financial Services)	4,474	2,383	0.0
Eurofins Scientific (Life Sciences Tools and Services)	1,013	3,931	0.1
Eurotunnel (Road and Rail)	45,950	3,978	0.1
Eutelsat Communications (Media)	16,390	2,889	0.0
Foncière des Régions (Real Estate Investment Trusts)	3,684	2,928	0.0
France Télécom (Diversified Telecommunication Services)	198,429	27,446	0.4
GDF Suez (Multi-Utilities)	142,525	16,552	0.2
Gecina (Real Estate Investment Trusts)	3,599	4,533	0.1
Groupe Casino (Food and Staples Retailing)	5,627	2,458	0.0
Groupe SEB (Household Durables)	2,209	2,725	0.0
Hermes International (Textiles, Apparel and Luxury Goods)	2,563	9,578	0.1
Icade (Real Estate Investment Trusts)	3,477	2,259	0.0
Iliad (Software)	2,665	4,664	0.1
Imerys (Construction Materials)	4,386	3,029	0.0
Ingenico (Elec Equip, Instr & Comp)	5,526	4,017	0.1
JCDecaux (Media)	7,641	2,045	0.0
Klépierre (Real Estate)	21,705	7,767	0.1
Lagardère (Media)	11,517	2,913	0.0
Legrand (Electrical Equipment)	28,625	14,798	0.2
L'Oréal (Personal Products)	24,681	41,008	0.6
LVMH (Textiles, Apparel and Luxury Goods)	27,071	47,054	0.7
Michelin (Auto Components)	18,067	18,299	0.3
Natixis (Commercial Banks)	86,595	4,447	0.1
Numericable (Media)	8,292	2,132	0.0
Pernod Ricard (Beverages)	19,976	19,706	0.3
Peugeot (Automobiles)	47,163	7,002	0.1
PPR (Multiline Retail)	7,378	15,079	0.2
Publicis Group (Media)	18,483	11,609	0.2
Rémy Cointreau (Beverages)	2,394	1,859	0.0
Renault (Automobiles)	18,430	14,924	0.2
Rexel (Trading Companies and Distributors)	30,449	4,562	0.1
Saint-Gobain (Building Products)	50,051	21,224	0.3
Sanofi (Pharmaceuticals)	113,059	83,308	1.2
Schneider Electric (Electrical Equipment)	57,350	36,329	0.5
SCOR (Insurance)	15,755	4,956	0.1
Société Générale (Commercial Banks)	75,398	33,771	0.5
Sodexo (Hotels, Restaurants and Leisure)	9,226	9,654	0.1
Suez Environnement (Oil, Gas and Consumable Fuels)	28,989	3,893	0.1
Technip (Energy Equipment and Services)	9,733	6,324	0.1
Total (Oil, Gas and Consumable Fuels)	218,062	101,799	1.5
Unibail-Rodamco (Real Estate Investment Trusts)	9,856	21,414	0.3
Valeo (Auto Components)	21,836	11,426	0.2
Veolia Environnement (Multi-Utilities)	46,081	7,142	0.1
Vinci (Construction and Engineering)	51,441	31,891	0.5
Vivendi (Media)	103,240	17,861	0.3
Wendel (Diversified Financial Services)	3,278	3,593	0.1
Zodiac Aerospace (Aerospace and Defense)	36,206	7,568	0.1
		<b>1,030,756</b>	<b>15.1</b>



# Annual Review 2016 – Xact Kapitalförvaltning AB

Europafond Index, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital		Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>GERMANY (EUR)</b>							
Aldidas (Textiles, Apparel and Luxury Goods)	18,711	26,920	0.4	Terna (Energy Equipment and Services)	150,824	6,289	0.1
Allianz (Insurance)	44,305	66,651	1.0	UniCredit (Commercial Banks)	505,421	13,241	0.2
Axel Springer (Media)	4,549	2,011	0.0	UnipolSai (Insurance)	106,511	2,072	0.0
BASF (Chemicals)	89,451	75,692	1.1			<b>199,324</b>	<b>2.9</b>
Bayer (Pharmaceuticals)	80,248	76,225	1.1	<b>JERSEY (GBP)</b>			
Beiersdorf (Personal Products)	9,686	7,481	0.1	Petrofac (Oil, Gas and Consumable Fuels)	24,323	2,373	0.0
BMW (Automobiles)	32,697	27,806	0.4	Randgold Resources (Metals and Mining)	8,694	6,261	0.1
BMW PR (Automobiles)	4,199	2,925	0.0			<b>8,633</b>	<b>0.1</b>
Brenntag (Trading Companies and Distributors)	15,211	7,696	0.1	<b>LUXEMBOURG (EUR)</b>			
Commerzbank (Commercial Banks)	99,866	6,934	0.1	ArcelorMittal (Metals and Mining)	177,005	11,900	0.2
Continental (Auto Components)	10,357	18,230	0.3	RTL Group (Media)	3,772	2,520	0.0
Covestro (Chemicals)	6,956	4,344	0.1	SES (Media)	34,846	6,987	0.1
Daimler (Automobiles)	93,418	63,304	0.9	Tenaris (Energy Equipment and Services)	45,476	7,395	0.1
Deutsche Annington Immobilien (Real Estate Management and Development)	43,121	12,769	0.2			<b>28,801</b>	<b>0.4</b>
Deutsche Bank (Capital Markets)	135,384	22,378	0.3	<b>MEXICO (MXN)</b>			
Deutsche Börse (Diversified Financial Services)	19,658	14,395	0.2	Fresnillo (Metals and Mining)	21,002	2,879	0.0
Deutsche Post (Air Freight and Logistics)	94,998	28,432	0.4			<b>2,879</b>	<b>0.0</b>
Deutsche Telekom (Diversified Telecommunication Services)	317,541	49,763	0.7	<b>NETHERLANDS (EUR)</b>			
Deutsche Wohnen (Real Estate Management and Development)	32,538	9,303	0.1	ABN AMRO Group (Commercial Banks)	29,029	5,855	0.1
E.ON (Electric Utilities)	183,418	11,775	0.2	Aegon (Insurance)	178,495	8,942	0.1
Evonik Industries (Chemicals)	14,254	3,876	0.1	AkzoNobel (Chemicals)	24,694	14,053	0.2
Fraport (Transportation Infrastructure)	3,581	1,927	0.0	Altice A (Media)	34,849	6,288	0.1
Fresenius (Health Care Equipment and Supplies)	40,318	28,689	0.4	Altice B (Media)	10,948	1,986	0.0
Fresenius Medical Care (Health Care Providers and Services)	20,363	15,697	0.2	ASML Holding (Semiconductors and Semiconductor Eq.)	35,593	36,373	0.5
Fuchs Petrolub (Chemicals)	6,727	2,571	0.0	EADS (Aerospace and Defense)	62,974	37,919	0.6
GEA Group (Industrial Conglomerates)	17,439	6,388	0.1	Gemalto (Computers and Peripherals)	7,368	3,877	0.1
Hannover Re (Insurance)	5,778	5,691	0.1	Heineken (Beverages)	22,958	15,676	0.2
HeidelbergCement (Construction Materials)	15,441	13,113	0.2	Heineken Holding (Beverages)	10,707	6,786	0.1
Henkel (Household Products)	8,586	8,143	0.1	ING Groep Ord Shs (Commercial Banks)	381,200	48,836	0.7
Henkel pref (Household Products)	18,520	20,097	0.3	Koninklijke Ahold Delhaize Ord Shs (Food and Staples Retailing)	128,433	24,650	0.4
Hochtief (Construction and Engineering)	1,997	2,546	0.0	Koninklijke DSM (Chemicals)	18,434	10,061	0.1
Hugo Boss (Household Durables)	6,229	3,470	0.1	Koninklijke KPN (Diversified Telecommunication Services)	336,141	9,064	0.1
Infineon Technologies (Semiconductors and Semiconductor Eq.)	110,746	17,520	0.3	NN Group (Insurance)	31,155	9,611	0.1
Innogy Ord Shs (Multi-Utilities)	13,000	4,112	0.1	NXP Semiconductors (Semiconductors and Semiconductor Eq.)	28,687	25,542	0.4
K&S (Chemicals)	17,922	3,897	0.1	Philips Electronics (Industrial Conglomerates)	97,291	27,035	0.4
Lanxess (Chemicals)	9,676	5,781	0.1	Qiagen (Biotechnology)	21,264	5,436	0.1
Linde (Chemicals)	18,326	27,411	0.4	Randstad (Professional Services)	11,997	5,924	0.1
Lufthansa (Airlines)	23,100	2,716	0.0	Reed Elsevier NL (Media)	94,041	14,409	0.2
MAN (Machinery)	5,604	5,065	0.1	Royal Boskalis Westminster (Construction and Engineering)	8,238	2,604	0.0
Merck KGaA (Pharmaceuticals)	13,867	13,174	0.2	Royal Dutch Shell A EUR (Oil, Gas and Consumable Fuels)	375,737	93,554	1.4
Metro (Multiline Retail)	17,645	5,340	0.1	Royal Dutch Shell B (Oil, Gas and Consumable Fuels)	403,766	106,693	1.6
Münchener Rück (Insurance)	16,286	28,035	0.4	Unilever A NL (Food Products)	159,091	59,627	0.9
OSRAM Licht (Electrical Equipment)	7,908	3,775	0.1	Vopak (Road and Rail)	6,372	2,740	0.0
Porsche Automobil Holding (Automobiles)	14,521	7,199	0.1	Wolters Kluwer (Media)	29,874	9,853	0.1
ProSiebenSat.1 Media (Media)	21,586	7,572	0.1			<b>593,392</b>	<b>8.7</b>
RWE (Multi-Utilities)	44,780	5,070	0.1	<b>NORWAY (NOK)</b>			
SAP (Software)	94,788	75,213	1.1	DNB (Commercial Banks)	97,414	13,201	0.2
Schaeffler (Auto Components)	16,202	2,182	0.0	Gjensidige Forsikring (Insurance)	19,385	2,803	0.0
Siemens (Industrial Conglomerates)	74,316	83,173	1.2	Marine Harvest (Food Products)	37,137	6,103	0.1
Symrise (Chemicals)	12,249	6,787	0.1	Norsk Hydro (Metals and Mining)	130,223	5,676	0.1
Telefónica Germany (Diversified Telecommunication Services)	73,284	2,858	0.0	Orkla (Industrial Conglomerates)	79,419	6,555	0.1
ThyssenKrupp (Metals and Mining)	34,421	7,467	0.1	Schibsted (Media)	7,158	1,497	0.0
TUI (Hotels, Restaurants and Leisure)	48,229	6,153	0.1	Schibsted B (Media)	6,686	1,291	0.0
United Internet (Software)	11,237	3,994	0.1	Statoil (Oil, Gas and Consumable Fuels)	109,601	18,323	0.3
Volkswagen (Automobiles)	3,036	3,978	0.1	Telenor (Diversified Telecommunication Services)	70,691	9,624	0.1
Volkswagen pref (Automobiles)	17,826	22,777	0.3	Yara International (Chemicals)	17,070	6,125	0.1
Zalando (Internet and Catalog Retail)	8,121	2,824	0.0			<b>71,198</b>	<b>1.0</b>
		<b>1,001,316</b>	<b>14.6</b>	<b>PORTUGAL (EUR)</b>			
<b>IRELAND (EUR)</b>				Banco Espírito Santo (Commercial Banks)	211,055	8	0.0
AerCap (Trading Companies and Distributors)	17,063	6,450	0.1	Electricidade de Portugal (Electric Utilities)	214,574	5,950	0.1
Bank of Ireland (Commercial Banks)	2,544,152	5,704	0.1	Galp Energia (Oil, Gas and Consumable Fuels)	43,857	5,963	0.1
CRH (Construction Materials)	83,696	26,429	0.4	Jerónimo Martins (Food and Staples Retailing)	26,408	3,730	0.1
DCC (Industrial Conglomerates)	8,471	5,743	0.1			<b>15,651</b>	<b>0.2</b>
Experian Group (Professional Services)	101,387	17,914	0.3	<b>SPAIN (EUR)</b>			
Kerry Group (Distributors)	14,222	9,253	0.1	Abertis Infraestructuras (Transportation Infrastructure)	60,092	7,655	0.1
Paddy Power (Hotels, Restaurants and Leisure)	7,523	7,317	0.1	ACS (Construction and Engineering)	19,069	5,485	0.1
Ryanair (Airlines)	10,998	1,529	0.0	Aena (Transportation Infrastructure)	6,623	8,228	0.1
Shire (Pharmaceuticals)	88,093	46,319	0.7	Amadeus IT Holdings (IT Services)	44,145	18,261	0.3
WPP (Media)	127,338	25,958	0.4	Banco Popular Español (Commercial Banks)	328,743	2,892	0.0
		<b>152,616</b>	<b>2.2</b>	Banco Sabadell (Commercial Banks)	508,131	6,442	0.1
<b>ITALY (EUR)</b>				Banco Santander (Commercial Banks)	1,406,002	66,809	1.0
Assicurazioni Generali (Insurance)	113,740	15,389	0.2	Bankia (Commercial Banks)	435,957	4,056	0.1
Atlantia (Transportation Infrastructure)	40,446	8,627	0.1	Bankinter (Commercial Banks)	71,333	5,031	0.1
Enel (Electric Utilities)	760,316	30,511	0.4	BBVA (Commercial Banks)	646,485	39,732	0.6
Eni (Oil, Gas and Consumable Fuels)	246,463	36,534	0.5	CaixaBank (Diversified Financial Services)	311,349	9,368	0.1
Exor Ord Shs (Diversified Financial Services)	11,645	4,573	0.1	Distribuidora Internacional (Food and Staples Retailing)	61,330	2,741	0.0
Ferrari (Automobiles)	11,711	6,193	0.1	Enagás (Oil, Gas and Consumable Fuels)	21,022	4,860	0.1
Intesa SanPaolo (Commercial Banks)	1,217,883	28,311	0.4	Endesa (Electric Utilities)	30,605	5,902	0.1
Intesa SanPaolo RSP (Commercial Banks)	131,029	2,805	0.0	Ferrovial (Construction and Engineering)	46,356	7,549	0.1
Luxottica Group (Health Care Equipment and Supplies)	16,711	8,182	0.1	Gas Natural (Gas Utilities)	34,053	5,844	0.1
Mediobanca (Capital Markets)	56,804	4,221	0.1	Grifols (Biotechnology)	28,525	5,160	0.1
Poste Italiane (Insurance)	52,565	3,176	0.0	Iberdrola (Electric Utilities)	519,555	31,035	0.5
Prysmian (Other)	22,357	5,227	0.1	Inditex (Specialty Retail)	108,604	33,748	0.5
Saipem (Energy Equipment and Services)	569,427	2,919	0.0	Mapfre (Insurance)	92,795	2,579	0.0
Snam Rete Gas (Gas Utilities)	250,885	9,409	0.1	Red Elctrica (Electric Utilities)	40,860	7,018	0.1
Telecom Italia (Diversified Telecommunication Services)	927,497	7,439	0.1	Repsol (Oil, Gas and Consumable Fuels)	102,951	13,238	0.2
Telecom Italia R (Diversified Telecommunication Services)	639,106	4,207	0.1	Telefónica (Diversified Telecommunication Services)	457,166	38,637	0.6

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Europafond Index, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital		Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Zardoya Otis (Machinery)	22,480	1,730	0.0	Associated British Foods (Food and Staples Retailing)	36,091	11,121	0.2
		<b>333,998</b>	<b>4.9</b>	AstraZeneca (Pharmaceuticals)	123,429	61,483	0.9
<b>SWEDEN (SEK)</b>				Auto Trader Group (Internet Software and Services)	92,521	4,248	0.1
Alfa Laval (Machinery)	28,067	4,233	0.1	Aviva (Insurance)	402,704	21,988	0.3
Assa Abloy B (Building Products)	94,892	16,046	0.2	Barclays Bank (Commercial Banks)	1,625,898	40,783	0.6
Atlas Copco A (Machinery)	62,289	17,285	0.3	Barratt Developments (Household Durables)	86,727	4,502	0.1
Atlas Copco B (Machinery)	46,313	11,513	0.2	Berkeley Group Holdings (Household Durables)	13,017	4,103	0.1
Boliden (Metals and Mining)	26,481	6,300	0.1	BHP Billiton (Metals and Mining)	205,100	30,080	0.4
Electrolux B (Household Durables)	22,918	5,186	0.1	BP (Other)	1,829,267	104,642	1.5
Ericsson B (Communications Equipment)	306,496	16,398	0.2	British American Tobacco (Tobacco)	180,997	93,898	1.4
Getinge B (Health Care Equipment and Supplies)	9,907	1,447	0.0	British Land (Real Estate)	92,590	6,543	0.1
Handelsbanken A (Commercial Banks)	150,844	19,097	0.3	British Sky Broadcasting (Media)	99,474	11,066	0.2
Hennes & Mauritz B (Specialty Retail)	90,042	22,817	0.3	BT Group (Diversified Telecommunication Services)	817,864	33,684	0.5
Hexagon B (Machinery)	24,236	7,889	0.1	Bunzl (Trading Companies and Distributors)	32,523	7,700	0.1
Husqvarna B (Household Durables)	40,265	2,853	0.0	Burberry (Textiles, Apparel and Luxury Goods)	41,974	7,053	0.1
ICA Gruppen (Food Products)	7,615	2,116	0.0	Capita Group (Professional Services)	63,653	3,794	0.1
Industrivärden C (Diversified Financial Services)	15,715	2,668	0.0	Capital Shopping Centres (Real Estate Investment Trusts)	92,739	2,928	0.0
Investor B (Diversified Financial Services)	43,155	14,694	0.2	Carnival (Hotels, Restaurants and Leisure)	18,407	8,523	0.1
Kinnevik B (Diversified Financial Services)	22,214	4,849	0.1	Centrica (Multi-Utilities)	530,558	13,942	0.2
Lundbergs B (Real Estate)	2,869	1,602	0.0	CNH Industrial (Machinery)	99,937	7,915	0.1
Lundin Petroleum (Oil, Gas and Consumable Fuels)	18,596	3,684	0.1	Cobham (Aerospace and Defense)	284,301	5,224	0.1
Millicom (Wireless Telecommunication Services)	6,293	2,450	0.0	Coca-Cola European Partners (Beverages)	21,314	6,131	0.1
Nordea (Commercial Banks)	302,596	30,653	0.4	Compass Group (Hotels, Restaurants and Leisure)	158,160	26,649	0.4
Sandvik (Machinery)	104,835	11,815	0.2	Croda International (Chemicals)	13,375	4,798	0.1
SCA B (Paper and Forest Products)	55,323	14,235	0.2	Diageo (Beverages)	243,522	57,680	0.8
SEB A (Commercial Banks)	143,742	13,735	0.2	Direct Line Insurance Group (Insurance)	136,382	5,655	0.1
Securitas B (Commercial Services and Supplies)	30,716	4,405	0.1	Dixons Carphone (Specialty Retail)	94,184	3,749	0.1
Skanska B (Construction and Engineering)	39,304	8,454	0.1	EasyJet (Airlines)	12,370	1,396	0.0
SKF B (Machinery)	37,824	6,339	0.1	Fiat Chrysler Automobiles (Automobiles)	90,071	7,478	0.1
Swedbank A (Commercial Banks)	85,951	18,935	0.3	G4S (Commercial Services and Supplies)	153,701	4,055	0.1
Swedish Match (Tobacco)	18,229	5,283	0.1	GKN (Auto Components)	163,676	6,094	0.1
Tele2 B (Diversified Telecommunication Services)	25,077	1,832	0.0	GlaxoSmithKline (Pharmaceuticals)	484,821	85,009	1.2
TeliaSonera (Diversified Telecommunication Services)	245,854	9,025	0.1	Hammerson (Real Estate Investment Trusts)	74,997	4,824	0.1
Volvo B (Machinery)	149,741	15,932	0.2	Hargreaves Lansdown (Capital Markets)	25,765	3,508	0.1
		<b>303,771</b>	<b>4.4</b>	Hikma Pharmaceuticals (Pharmaceuticals)	13,533	2,876	0.0
<b>SWITZERLAND (CHF)</b>				HSBC (Commercial Banks)	1,932,295	142,487	2.1
ABB (Electrical Equipment)	189,714	36,425	0.5	IMI (Machinery)	28,046	3,274	0.0
Actelion (Pharmaceuticals)	9,522	18,767	0.3	Imperial Tobacco Group (Tobacco)	92,456	36,766	0.5
Adecco (Commercial Services and Supplies)	15,650	9,323	0.1	Inmarsat (Media)	45,044	3,800	0.1
Aryzta (Food Products)	8,235	3,301	0.0	InterContinental Hotels Group (Hotels, Restaurants and Leisure)	17,812	7,274	0.1
Baloise Holding (Insurance)	4,702	5,392	0.1	International Airlines Group (Airlines)	81,381	4,000	0.1
Barry Callebaut (Food Products)	235	2,617	0.0	Intertek Group (Commercial Services and Supplies)	18,706	7,309	0.1
Coca-Cola HBC (Beverages)	16,443	3,267	0.0	Investec (Capital Markets)	57,030	3,431	0.1
Credit Suisse Group (Other)	191,394	24,994	0.4	ITV (Media)	324,912	7,528	0.1
Dufry (Specialty Retail)	4,247	4,821	0.1	Johnson Matthey (Chemicals)	18,882	6,744	0.1
Ems Chemie (Chemicals)	818	3,784	0.1	Kingfisher (Specialty Retail)	219,094	8,615	0.1
Galenica (Pharmaceuticals)	364	3,738	0.1	Land Securities Group (Real Estate Investment Trusts)	74,805	8,951	0.1
Geberit (Building Products)	3,758	13,712	0.2	Legal & General Group (Insurance)	564,806	15,698	0.2
Givaudan (Chemicals)	945	15,762	0.2	Lloyds Banking Group (Commercial Banks)	6,243,832	43,813	0.6
Glencore International (Metals and Mining)	1,214,904	37,824	0.6	London Stock Exchange (Diversified Financial Services)	33,298	10,892	0.2
Holcim (Construction Materials)	45,823	21,974	0.3	Marks & Spencer Group (Multiline Retail)	157,225	6,177	0.1
Julius Baer Group (Capital Markets)	21,063	8,515	0.1	Meggitt (Aerospace and Defense)	150,238	7,734	0.1
Kuehne & Nagel (Transportation Infrastructure)	5,161	6,209	0.1	Merlin Entertainments (Hotels, Restaurants and Leisure)	67,565	3,402	0.0
Lindt (Food Products)	93	4,385	0.1	Mondi (Paper and Forest Products)	36,225	6,775	0.1
Lindt & Sprüngli (Food Products)	10	5,533	0.1	Morrison Supermarkets (Food and Staples Retailing)	213,780	5,536	0.1
Lonza Group (Life Sciences Tools and Services)	4,575	7,210	0.1	National Grid (Multi-Utilities)	371,343	39,667	0.6
Nestlé (Food Products)	301,060	196,578	2.9	Next (Multiline Retail)	12,901	7,216	0.1
Novartis (Pharmaceuticals)	217,246	143,891	2.1	Old Mutual (Insurance)	472,398	10,993	0.2
Pargesa Holding (Diversified Financial Services)	3,687	2,185	0.0	Pearson (Media)	80,012	7,351	0.1
Partners Group (Capital Markets)	1,655	7,060	0.1	Persimmon (Household Durables)	27,059	5,395	0.1
Richemont (Textiles, Apparel and Luxury Goods)	51,408	30,994	0.5	Provident Financial (Consumer Finance)	14,324	4,581	0.1
Roche Holding (Pharmaceuticals)	68,573	142,569	2.1	Prudential (Insurance)	252,255	46,085	0.7
Schindler Holding (Industrial Conglomerates)	5,839	9,374	0.1	Reckitt Benckiser (Household Products)	62,049	47,963	0.7
Schindler Holding (Machinery)	118	188	0.0	Reed Elsevier (Media)	104,250	16,957	0.2
SGS (Professional Services)	492	9,112	0.1	Rio Tinto GBP (Metals and Mining)	120,020	42,554	0.6
Sika (Chemicals)	197	8,614	0.1	Rolls-Royce (Aerospace and Defense)	195,307	14,645	0.2
Sonova Holding (Pharmaceuticals)	3,943	4,349	0.1	Royal Bank of Scotland (Commercial Banks)	326,705	8,237	0.1
STMicroelectronics (Semiconductors and Semiconductor Equip.)	60,907	6,288	0.1	Royal Mail (Air Freight and Logistics)	94,120	4,882	0.1
Swatch Group (Household Durables)	2,584	7,315	0.1	RSA Insurance Group (Insurance)	100,343	6,601	0.1
Swatch Group B (Household Durables)	7,356	4,093	0.1	Sage Group (Software)	106,063	7,798	0.1
Swiss Life Holding (Insurance)	3,054	7,867	0.1	Sainsbury's (Food and Staples Retailing)	169,104	4,732	0.1
Swiss Prime Site (Other)	6,622	4,934	0.1	Schroders (Diversified Financial Services)	12,715	4,279	0.1
Swiss Re (Insurance)	32,898	28,377	0.4	SEGRO (Real Estate)	71,293	3,666	0.1
Swisscom (Diversified Telecommunication Services)	2,467	10,058	0.1	Seyn Trent (Water Utilities)	21,764	5,429	0.1
Syngenta (Chemicals)	8,967	32,261	0.5	Smith & Nephew (Health Care Equipment and Supplies)	83,421	11,434	0.2
UBS (Capital Markets)	354,609	50,556	0.7	Smiths Group (Aerospace and Defense)	45,141	7,175	0.1
Wolseley (Trading Companies and Distributors)	25,506	14,207	0.2	SSE (Electric Utilities)	95,087	16,577	0.2
Zürich Financial Services (Insurance)	15,259	38,244	0.6	St. James's Place (Insurance)	51,782	5,894	0.1
		<b>996,668</b>	<b>14.6</b>	Standard Chartered (Commercial Banks)	312,055	23,245	0.3
<b>UNITED KINGDOM (GBP)</b>				Standard Life (Insurance)	181,773	7,591	0.1
3i (Diversified Financial Services)	91,075	7,197	0.1	Tate & Lyle (Food Products)	39,184	3,112	0.0
Aberdeen Asset (Capital Markets)	88,377	2,553	0.0	Taylor Wimpey (Household Durables)	314,937	5,427	0.1
Admiral Group (Insurance)	20,774	4,260	0.1	Tesco (Food and Staples Retailing)	786,904	18,272	0.3
Al Noor Hospitals (Health Care Providers and Services)	37,205	3,220	0.0	Travis Perkins (Trading Companies and Distributors)	21,238	3,462	0.1
Anglo American (Metals and Mining)	142,111	18,505	0.3	Unilever (Food Products)	124,541	46,030	0.7
Antofagasta GBP (Metals and Mining)	37,171	2,816	0.0	United Utilities Group (Multi-Utilities)	63,092	6,381	0.1
Ashtead Group (Trading Companies and Distributors)	49,521	8,783	0.1	Vodafone Group (Wireless Telecommunication Services)	2,566,505	57,577	0.8

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Europafond Index, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Weir Group (Machinery)	20,927	4,440	0.1
Whitbread (Hotels, Restaurants and Leisure)	17,188	7,285	0.1
William Hill (Hotels, Restaurants and Leisure)	86,527	2,819	0.0
Worldpay Group (IT Services)	186,235	5,642	0.1
		<b>1,610,839</b>	<b>23.5</b>
<b>Total listed equities</b>		<b>6,780,601</b>	<b>99.0</b>

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>UNLISTED EQUITIES***</b>			
UNITED KINGDOM (GBP)			
Rolls-Royce C 161020 (Aerospace and Defense)	8,341,870	94	0.0
Rolls-Royce C 2013 (Aerospace and Defense)	13,389,535	150	0.0
		<b>244</b>	<b>0.0</b>
<b>Total unlisted equities</b>		<b>244</b>	<b>0.0</b>
<b>Total transferable securities</b>		<b>6,780,845</b>	<b>99.0</b>

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>EXCHANGE-TRADED DERIVATIVES**</b>			
<b>STOCK INDEX FUTURES</b>			
Eurostoxx 50@ FESX17H	82	0	0.0
<b>Total stock index futures</b>		<b>0</b>	<b>0.0</b>
<b>Total exchange-traded derivatives</b>		<b>0</b>	<b>0.0</b>

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>OTHER FINANCIAL INSTRUMENTS***</b>			
<b>FUND UNITS</b>			
LISTED EQUITY FUNDS**			
Lyxor ETF MSCI Europe (Europe)	33,648	38,906	0.6
		<b>38,906</b>	<b>0.6</b>
<b>Total fund units</b>		<b>38,906</b>	<b>0.6</b>
<b>Total other financial instruments</b>		<b>38,906</b>	<b>0.6</b>
<b>Total holdings in financial instruments</b>		<b>6,819,751</b>	<b>99.6</b>
<b>Net, other assets and liabilities</b>		<b>26,371</b>	<b>0.4</b>
<b>Total fund capital</b>		<b>6,846,122</b>	<b>100.0</b>

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

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

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

\*\*\* Refers to other financial instruments.

UBS Ag, London Branch, Great Britain	16 455
Deutsche Bank Ag, London Branch, Great Britain	15 589
Svenska Handelsbanken AB (Publ), Sweden	3 496
Skandinaviska Enskilda Banken AB (Publ), Sweden	2 645
Citigroup Global Markets Ltd, Great Britain	656
	<b>175 536</b>

<b>TYPE AND QUALITY OF COLLATERAL, SEK thousand:</b>	
Equities	58 822
Bonds and other interest-bearing instruments	129 364
	<b>188 186</b>

We accept government bonds and treasury bills with a rating of AA- from S&P or Aa3 from Moody's or higher issued by the United States, the British government, states within the eurozone (Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain) as well as Australia, Canada, Denmark, Japan, New Zealand, Norway, Sweden and Switzerland. We also accept equities in major and well-known indexes as collateral.

<b>PROFILE OF THE COLLATERAL'S DURATION, SEK thousand:</b>	
Less than one day	0
One day to one week	52
One week to one month	2 328
One to three months	1 299
Three months to one year	9 270
Greater than one year	116 415
Indeterminate duration	58 822
	<b>188 186</b>

<b>CURRENCY OF THE COLLATERAL, SEK thousand:</b>	
AUD	3 006
CAD	2 951
CHF	193
DKK	88
EUR	48 390
GBP	90 517
HKD	13 111
JPY	16 517
SEK	506
SGD	1 721
USD	11 186
	<b>188 186</b>

The profile of the duration for securities lending is undetermined, but may be immediately terminated. Settlement and clearing for securities lending is conducted through a third party. The collateral received is held at JP Morgan Chase Bank N.A. (London Branch) and may not be reused.

**INFORMATION ABOUT RETURNS AND EXPENSES:**  
Securities lending for the full year generated a total revenue of SEK 2 468 thousand, of which 80% was passed on to the fund and 20% to JP Morgan Bank N.A. (London Branch) in its role as the intermediary of securities lending.  
Counterparties for securities lending during the year:  
-Citigroup Global Markets Ltd, Great Britain  
-Credit Suisse Securities (Europe) Ltd, Great Britain  
-Deutsche Bank AG, London Branch, Great Britain  
-J.P. Morgan Securities Plc, Great Britain  
-Morgan Stanley & Co International Plc, Great Britain  
-Skandinaviska Enskilda Banken AB (Publ), Sweden  
-Svenska Handelsbanken AB (Publ), Sweden  
-UBS AG, London Branch, Great Britain

## Compilation, Company and Group exposure\*

Company/Group	% of fund capital	Company/Group	% of fund capital
Royal Dutch Shell	3.0	Reed Elsevier	0.4
Unilever	1.6	Heineken	0.3
Fresenius	0.6	A.P. Møller-Mærsk	0.2
Telefónica	0.6	Koninklijke	0.2
Atlas Copco	0.5	Rolls-Royce Group	0.2
Volkswagen	0.5	Swatch Group	0.2
BMW	0.4	Telecom Italia	0.2
Henkel	0.4	Altice	0.1
Intesa SanPaolo	0.4	Schindler Holding	0.1
		The Coca-Cola Company	0.1

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

## ADDITIONAL INFORMATION ON LENT SECURITIES

The volume of lent securities as a % of total lendable assets 2.59

<b>THE TEN LARGEST ISSUERS OF COLLATERAL FOR SECURITIES LENDING PER ISSUER, SEK thousand:</b>	
The British Government	84 979
The French Government	33 673
The Belgium Government	5 902
The Austrian Government	1 897
Sumitomo Mitsui Financial Group Inc	1 578
China Life Insurance Co Ltd	1 413
Tencent Holdings Ltd	1 364
The Dutch Government	1 181
Softbank Group Corp	1 156
Sumitomo Realty & Development Co Ltd	1 006

<b>THE LARGEST COUNTERPARTIES FOR SECURITIES LENDING, SEK thousand:</b>	
Morgan Stanley & Co International Plc, Great Britain	65 943
Credit Suisse Securities (Europe) Ltd, Great Britain	43 250
J.P. Morgan Securities Plc, Great Britain	27 502



Flexibel Ränita, cont.

Fund Facts - History cont.

	2016	2015	15/1-31/12 2014	2013	2012	2011	2010	2009	2008	2007
Flexibel Ränita A1	+1.3	-	-	-	-	-	-	-	-	-
Flexibel Ränita A7	+1.5	-	-	-	-	-	-	-	-	-
Flexibel Ränita B1	+1.3	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+1.6	-	-	-	-	-	-	-	-	-
Dividends per unit, SEK										
Flexibel Ränita A1	-	-	-	-	-	-	-	-	-	-
Flexibel Ränita A7	-	-	-	-	-	-	-	-	-	-
Flexibel Ränita B1	1.99	2.57	2.64	-	-	-	-	-	-	-

Index: OMRX Treasury Bill Index 37,0%, HMNI Swe All Gov Dur Const 6Y 19,0%, NOMX Credit SEK Total Return Index 14,0%, JP Morgan EM Diversified Index 10,0%, BARX Euro Government Bond Index 9,0%, EURIBOR 6,0%, HMNI Real 5,0%

The fund's benchmark represents a comparable reference with regard to the fund's investment focus, types of assets, markets or relevant sectors. In the event the fund issues dividends, performance is calculated with distributions added back. Detailed information for the share classes' designation (nomenclature) is provided in the information provided by the Management Company.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Flexibel Ränita A1	1.00
Flexibel Ränita A7	0.75
Flexibel Ränita B1	1.00
Collected mgmt. costs in % of average fund capital	
Flexibel Ränita A1	0.65
Flexibel Ränita A7	0.50
Flexibel Ränita B1	0.65
Annual fees in %	
Flexibel Ränita A1 <sup>1)</sup>	0.66
Flexibel Ränita A7 <sup>1)</sup>	0.51
Flexibel Ränita B1 <sup>1)</sup>	0.66
Analyzing costs, tSEK <sup>2)</sup>	-
Transaction costs, tSEK	269
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Flexibel Ränita A1	66.48
Flexibel Ränita A7	51.18
Flexibel Ränita B1	66.48
Costs in SEK for monthly savings, 100 SEK	
Flexibel Ränita A1	4.28
Flexibel Ränita A7	3.29
Flexibel Ränita B1	4.28

<sup>1)</sup> Ongoing charges are calculated as synthetic ongoing charges.

<sup>2)</sup> Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

A maximum annual fixed fee of 3% may be charged for the management of the underlying funds in which the fund invests. Any applicable performance-based fee for the management of the underlying funds may not exceed 30% of the excess yields for the respective period measured relative to each fund's benchmark (index or equivalent).

Fund Facts - Other Key Figures

Turnover rate	0.2
Share of turnover conducted via closely-related securities companies in %	7.0

Risk and Return Measurements\*

Total risk % - A1 SEK	2.9	Active return % - B1 SEK	-0.3
Total risk % - A7 SEK	2.9	Information ratio - A1 SEK	Negative
Total risk % - B1 SEK	2.9	Information ratio - A7 SEK	Negative
Total risk in index % - A1 SEK	2.7	Information ratio - B1 SEK	Negative
Total risk in index % - A7 SEK	2.7	Sharpe ratio - A1 SEK	0.6
Total risk in index % - B1 SEK	2.7	Sharpe ratio - A7 SEK	0.7
Tracking error % - A1 SEK	1.2	Sharpe ratio - B1 SEK	0.6
Tracking error % - A7 SEK	1.3	Sharpe ratio in index - A1 SEK	0.7
Tracking error % - B1 SEK	1.3	Sharpe ratio in index - A7 SEK	0.7
Index	OMRX Treasury Bill Index 37,0%, HMNI Swe All Gov Dur Const 6Y 19,0%, NOMX Credit SEK Total Return Index 14,0%, JP Morgan EM Diversified Index 10,0%, BARX Euro Government Bond Index 9,0%, EURIBOR 6,0%, HMNI Real 5,0%	Sharpe ratio in index - B1 SEK	0.7
Active return % - A1 SEK	-0.3	Duration, years <sup>1)</sup>	3.0
Active return % - A7 SEK	-0.1		

<sup>1)</sup> As of the balance sheet date.

\* Risk statistics are based on historical monthly returns over two years. Refer to the last page for definitions.

Total exposure in the fund is calculated in accordance with the commitment method.

Income Statement, SEKt

	2016	2015
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	5,083	-41,205
Changes in value for other derivative instruments	6,275	6,909
Changes in value for fund units ***	231,464	-234,430
Interest income	35,698	30,716
Dividends	5,609	6,834
Currency exchange profits and losses, net	-14,260	103,156
Other financial income	32,336	44,393
Other income	0	0
<b>Total income and changes in value</b>	<b>302,205</b>	<b>-83,627</b>
EXPENSES		
Management Company expenses	39,466	47,191
Interest expense	145	459
Other expenses	269	420
<b>Total expenses</b>	<b>39,880</b>	<b>48,070</b>
<b>Net income</b>	<b>262,325</b>	<b>-131,697</b>
* Details of changes in value		
Changes in value for transferable securities - Capital gains	3,819	20,090
Changes in value for transferable securities - Capital losses	-25,363	-19,007
Changes in value for transferable securities - Unrealised	26,627	-42,288
Sum	5,083	-41,205
** Details of changes in value		
Changes in value for other derivative instruments - Capital gains	79,694	189,016
Changes in value for other derivative instruments - Capital losses	-73,419	-182,107
Sum	6,275	6,909
*** Details of changes in value		
Changes in value for fund units - Capital gains	39,131	30,283
Changes in value for fund units - Capital losses	-8,349	-111,111
Changes in value for fund units - Unrealised	200,682	-153,602
Sum	231,464	-234,430

Balance Sheet, tSEK

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
ASSETS				
Transferable securities	629,447	10.0	918,473	12.5
OTC derivative instruments with positive market value	19,886	0.3	47,312	0.6
Fund units	5,596,200	89.2	6,249,575	85.2
<b>Total financial instruments with positive market value <sup>Note 2)</sup></b>	<b>6,245,533</b>	<b>99.5</b>	<b>7,215,360</b>	<b>98.3</b>
Bank assets and other liquid assets	20,583	0.3	116,601	1.6
Prepaid expenses and accrued income	18,509	0.3	22,232	0.3
Other assets	2,721	0.0	5,555	0.0
<b>Total assets</b>	<b>6,287,346</b>	<b>100.1</b>	<b>7,359,748</b>	<b>100.2</b>
LIABILITIES				
OTC derivative instruments with negative market value	9,308	0.1	5,255	0.1
<b>Total financial instruments with negative market value <sup>Note 2)</sup></b>	<b>9,308</b>	<b>0.1</b>	<b>5,255</b>	<b>0.1</b>
Accrued expenses and prepaid income	1,729	0.0	1,902	0.0
Other liabilities	3,092	0.0	8,755	0.1
<b>Total liabilities</b>	<b>14,129</b>	<b>0.1</b>	<b>15,912</b>	<b>0.2</b>
<b>Fund capital <sup>Note 1)</sup></b>	<b>6,273,217</b>	<b>100.0</b>	<b>7,343,836</b>	<b>100.0</b>
Other derivative instruments with negative market value <sup>1)</sup>	-		23,125	0.3

<sup>1)</sup> Liquid assets total SEK 17,193t.

Flexibel Ränta, cont.

Note 1) for Balance Sheet

## Changes in fund capital, SEK

	2016	2015
Fund capital at beginning of year	7,343,836	6,108,491
Units issued	1,461,322	5,304,616
Units redeemed	-2,786,583	-3,932,198
Profit according to Income Statement	262,325	-131,697
Dividends to unit holders	-7,683	-5,376
<b>Fund capital at the close of the period</b>	<b>6,273,217</b>	<b>7,343,836</b>

Note 2) for Balance Sheet

## Fund holdings in financial instruments

## TRANSFERABLE SECURITIES\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>LISTED FIXED-INCOME SECURITIES</b>			
<b>FOREIGN ISSUER, STATE</b>			
Buono del Tesoro Poliennale 4,75% 2023-08-01	6,000	70,881	1.1
		<b>70,881</b>	<b>1.1</b>
<b>MORTGAGE</b>			
Nordea Hypotek 5531 1,00% 2022-04-08	150,000	151,730	2.4
		<b>151,730</b>	<b>2.4</b>
<b>OTHER</b>			
Länsförsäkringar CB FRN perp	169,000	163,087	2.6
Nordea CB 1,935% 2020-09-17	100,000	100,560	1.6
SBAB CB FRN 2020-03-16	148,000	143,190	2.3
		<b>406,836</b>	<b>6.5</b>
<b>Total listed fixed-income securities</b>		<b>629,447</b>	<b>10.0</b>
<b>Total transferable securities</b>		<b>629,447</b>	<b>10.0</b>

## OTHER FINANCIAL INSTRUMENTS\*\*\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>FUND UNITS</b>			
<b>EXCHANGE-TRADED FIXED INCOME FUNDS**</b>			
iShares Emerging Markets Local Gov Bond (Europe)	583,469	328,530	5.2
		<b>328,530</b>	<b>5.2</b>
<b>FIXED INCOME FUNDS</b>			
Handelsbanken Euro Corporate Bond Fund A7 EUR (Nordic countries)	36,989	36,157	0.6
Handelsbanken Euro Corporate Bond Fund B7 EUR (Nordic countries)	49,695	48,576	0.8
Handelsbanken Euro Obligation A1 SEK (Europe)	41,756	155,486	2.5
Handelsbanken Företagsobligation A1 (Nordic countries)	7,360,862	931,875	14.9
Handelsbanken Företagsobligation Criteria A 1 (Nordic countries)	2,501,752	251,474	4.0
Handelsbanken Høyrente (Nordic countries)	5,714,070	653,069	10.4
Handelsbanken Inst KorträntCri A4 (Nordic countries)	739,738	73,943	1.2
Handelsbanken Långränta Criteria A1 (Nordic countries)	6,839,458	786,425	12.5
Handelsbanken Ränteaavkastningsfond A7 (Nordic countries)	471,897	887,841	14.2
Handelsbanken Räntestrategi Criteria A2 (Nordic countries)	9,640,490	987,362	15.7
Handelsbanken Räntestrategi Plus Criteria A 2 (Nordic countries)	500	50	0.0
Handelsbanken Räntestrategi Plus Criteria A 7 (Nordic countries)	698,492	69,716	1.1
Handelsbanken Räntestrategi Plus Criteria B 2 (Nordic countries)	510	50	0.0
Handelsbanken Tillväxtmarknadsfond Obligation A SEK (Rest of the world)	1,712,726	179,451	2.9
Handelsinvest Virksomhedsobligationer (Nordic countries)	1,508,057	206,195	3.3
		<b>5,267,670</b>	<b>84.0</b>
<b>Total fund units</b>		<b>5,596,200</b>	<b>89.2</b>

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>OTC DERIVATIVE INSTRUMENTS</b>			
<b>CURRENCY FUTURES</b>			
EUR/SEK <sup>1)</sup>		-9,308	-0.1
SEK/DKK <sup>2)</sup>		2,190	0.0
SEK/NOK <sup>3)</sup>		17,696	0.3
		<b>10,578</b>	<b>0.2</b>
<b>Total OTC derivative instruments</b>		<b>10,578</b>	<b>0.2</b>
<b>Total other financial instruments</b>		<b>5,606,778</b>	<b>89.4</b>
<b>Total holdings in financial instruments</b>		<b>6,236,225</b>	<b>99.4</b>
<b>Net, other assets and liabilities</b>		<b>36,992</b>	<b>0.6</b>
<b>Total fund capital</b>		<b>6,273,217</b>	<b>100.0</b>

1) EUR 30,000t/SEK -278,130t, counterparty: JP Morgan Securities Plc.  
EUR 31,000t/SEK -291,895t, counterparty: Skandinaviska Enskilda Banken AB (publ).

2) SEK 102,056t/DKK -81,000t, counterparty: JP Morgan Securities Plc.

3) SEK 249,044t/NOK -250,000t, counterparty: JP Morgan Securities Plc.

SEK 301,036t/NOK -300,000t, counterparty: Skandinaviska Enskilda Banken (publ).

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

\* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 10.0

\*\* Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46). 5.2

\*\*\* Refers to other financial instruments. 84.2

## Compilation, Company and Group exposure\*

Company/Group	% of fund capital	Company/Group	% of fund capital
Handelsbanken	80.8	Nordea	4.0

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



# Företagsobligation

## Management Report

### Investment Focus

The fund is actively managed, which means that the portfolio manager takes active, independent investment decisions. The objective of the fund is to attain returns over the long term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in fixed income securities and corporate bonds issued in SEK and EUR. Fund investments are made primarily in companies that have a credit rating of Investment Grade, i.e., a minimum of BBB- from Standard & Poor's or Baa3 from Moody's, or alternatively an equivalent internal rating. The fund may also invest a maximum of 30% in companies with a rating below Investment Grade (however, with a minimum rating of BB- from S&P or corresponding rating of Ba3 from Moody's), alternatively an equivalent internal rating. Fund investments can have a high concentration in one region. The average remaining duration of fund investments may total a maximum of seven years. If we believe market rates will be falling, we will select a longer fixed interest period and conversely, we will select a shorter fixed interest period if we believe market rates are rising.

### Portfolio

Företagsobligation rose 3.0% during the full year 2016\*. Interest rates fell sharply, particularly at the beginning of the year. Concerns about the Chinese economy and declining oil prices drove long-term rates down worldwide. The fund was positioned at the outset of the year for falling rates, as risk aversion was significant and credit spreads, most notably in subordinated banks, widened substantially. This benefited fund performance. The central banks then provided additional stimulus measures. Both the European Central Bank, ECB, and the Riksbank cut key rates and expanded their bond buying programmes. The ECB also included corporate bonds in the programme, which reversed credit performance, primarily in EUR. In addition to the actions of the central banks, the political agenda has been in focus and drove the fixed income market in 2016. The fixed income market was impacted during the year by the UK Brexit in June, the US presidential election in November and Italy's referendum in December. Interest rates rose sharply after Donald Trump's victory in the US and the German 10-year yields closed the year at approximately 0.53%. The fund gained on positions for rising rates during H2. Fund returns also benefited from the high demand on credits.

\*) The fund may have additional share classes, the concerned share class is stated in the Fund facts. Refer to fund statistics for comparable index.

### Outlook

The political agenda is expected to remain in focus going forward. Many countries in the eurozone will be holding elections in 2017 at the same time as there is uncertainty about how Brexit will be carried out. The newly elected US president is also creating uncertainty. Although the political developments can wreak havoc, economic growth is slowly moving in the right direction, with the US at the forefront. Growth outlooks

in Sweden and Germany also look strong, which bodes well for corporate profit growth. We are also beginning to see signs of higher inflation, which leads us to believe that interest rates will be rising in 2017. However, we do not expect any dramatic upturns in interest rates given that the ECB's additional bond buying throughout 2017 mitigates the upturn. Risks have increased, although we believe that corporate bonds have even greater potential during H1 2017, in particular in light of the ECB's substantial bond buying programme and relatively low interest rates.

### Significant risks

As of the balance sheet date, the fund does not have any other significant risks in its holdings than those stated in the fact sheet and information brochure.

### Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option extensively in 2016. The fund has the option of lending securities. The fund did not use this option in 2016. The fund may use other techniques and instruments. The fund did not use this option in 2016.

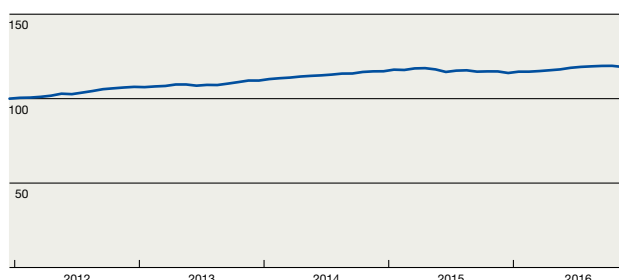
### Information

The name of Handelsbanken Företagsobligationsfond was changed to Handelsbanken Företagsobligation on March 8, 2016. The 30% limit of unrated companies that may be below a credit rating of BBB- (investment grade) was also eliminated from the fund rules.

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

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

### Fund Performance\*



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

### Fund Facts - History

	2016	2015	10/10-31/12 2014	2013	2012	2011	2010	2009	2008	2007
Net asset value, SEK										
Företagsobligation A1	126.60	122.86	123.95	-	-	-	-	-	-	-
Företagsobligation B5	111.32	109.72	113.59	-	-	-	-	-	-	-
The fund's total net flow, mSEK <sup>1) 2)</sup>	-2,620	385	2,700	-	-	-	-	-	-	-
Fund capital total, mSEK	10,844	13,133	12,883	-	-	-	-	-	-	-
Företagsobligation A1	8,017	8,700	7,408	-	-	-	-	-	-	-
Företagsobligation B5	2,827	4,432	5,475	-	-	-	-	-	-	-
Number of units, 1000's	88,722	111,214	107,964	-	-	-	-	-	-	-
Företagsobligation A1	63,322	70,816	59,761	-	-	-	-	-	-	-
Företagsobligation B5	25,400	40,399	48,203	-	-	-	-	-	-	-
Total returns in %, SEK										
Företagsobligation A1	+3.0	-0.9	+5.0	+3.5	+7.0	+6.2	-	-	-	-
Företagsobligation B5	+3.5	-0.4	+5.4	+3.8	+7.3	+6.6	-	-	-	-
Index including dividends in %, SEK										
Företagsobligation A1	+3.0	+0.4	+6.2	+2.8	+6.2	+8.1	-	-	-	-

Företagsobligation, cont.

Fund Facts - History cont.

	2016	2015	10/10-31/12 2014	2013	2012	2011	2010	2009	2008	2007
Företagsobligation B5	+3.0	+0.4	+6.2	+2.8	+6.2	+8.1	-	-	-	-
Average yearly return, 2 yrs. %										
Företagsobligation A1	+1.1	+2.0	+4.2	+5.2	+6.6	-	-	-	-	-
Företagsobligation B5	+1.5	+2.5	+4.6	+5.6	+7.0	-	-	-	-	-
Comparison to index including dividends, %	+1.7	+3.3	+4.5	+4.5	+7.1	-	-	-	-	-
Average yearly return, 5 yrs. %										
Företagsobligation A1	+3.5	+4.1	-	-	-	-	-	-	-	-
Företagsobligation B5	+3.9	+4.5	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+3.7	+4.7	-	-	-	-	-	-	-	-
Dividends per unit, SEK										
Företagsobligation A1	-	-	-	-	-	-	-	-	-	-
Företagsobligation B5	2.19	3.41	-	-	-	-	-	-	-	-

1) The fund's total net inflows do not include reinvested dividends in funds with a distribution share class. This is new information as of the full-year 2012.

2) The fund's net flow does not include the merger with Placeringsfonden Handelsbanken Företagsobligation which took place on October 10, 2014.

Index: NOMX Credit SEK Total Return

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

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

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Företagsobligation A1	1.00
Företagsobligation B5	0.75
Collected mgmt. costs in % of average fund capital	
Företagsobligation A1	0.95
Företagsobligation B5	0.50
Annual fees in %	
Företagsobligation A1	0.95
Företagsobligation B5	0.50
Analyzing costs, tSEK <sup>1)</sup>	-
Transaction costs, tSEK	596
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Företagsobligation A1	96.84
Företagsobligation B5	51.09
Costs in SEK for monthly savings, 100 SEK	
Företagsobligation A1	6.23
Företagsobligation B5	3.28

1) Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

Fund Facts - Other Key Figures

Turnover rate	0.4
Share of turnover conducted via closely-related securities companies in %	14.6

Risk and Return Measurements\*

Total risk % - A1 SEK	1.9	Information ratio - A1 SEK	Negative
Total risk % - B5 SEK	1.9	Information ratio - B5 SEK	Negative
Total risk in index % - A1 SEK	1.5	Sharpe ratio - A1 SEK	0.8
Total risk in index % - B5 SEK	1.5	Sharpe ratio - B5 SEK	1.0
Tracking error % - A1 SEK	0.7	Sharpe ratio in index - A1 SEK	1.4
Tracking error % - B5 SEK	0.7	Sharpe ratio in index - B5 SEK	1.4
Index	NOMX Credit SEK Total Return	Duration, years <sup>1)</sup>	3.1
Active return % - A1 SEK	-0.7		
Active return % - B5 SEK	-0.2		

1) As of the balance sheet date.

\* Risk statistics are based on historical monthly returns over two years. Refer to the last page for definitions.

Total exposure in the fund is calculated in accordance with the commitment method.

Income Statement, SEKt

	2016	2015
<b>INCOME AND CHANGES IN VALUE</b>		
Changes in value for transferable securities	122,752	-290,345
Changes in value for other derivative instruments **	124,302	12,888
Interest income	175,860	270,013
Currency exchange profits and losses, net	3	-2
Other income	1,250	168
<b>Total income and changes in value</b>	<b>424,167</b>	<b>-7,278</b>
<b>EXPENSES</b>		
Management Company expenses	86,038	110,184
Interest expense	147	97
Other expenses	596	771
<b>Total expenses</b>	<b>86,781</b>	<b>111,052</b>
<b>Net income</b>	<b>337,386</b>	<b>-118,330</b>
* Details of changes in value		
Changes in value for transferable securities - Capital gains	44,044	64,323
Changes in value for transferable securities - Capital losses	-71,398	-75,037
Changes in value for transferable securities - Unrealised	150,106	-279,632
Sum	122,752	-290,345
** Details of changes in value		
Changes in value for other derivative instruments - Capital gains	614,332	771,188
Changes in value for other derivative instruments - Capital losses	-490,030	-758,300
Changes in value for other derivative instruments - Unrealised	-	0
Sum	124,302	12,888

Balance Sheet, tSEK

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
<b>ASSETS</b>				
Transferable securities	9,986,249	92.1	12,262,032	93.4
Money market instruments	519,954	4.8	-	-
<b>Total financial instruments with positive market value <sup>Note 2)</sup></b>	<b>10,506,203</b>	<b>96.9</b>	<b>12,262,032</b>	<b>93.4</b>
Bank assets and other liquid assets	292,901	2.7	777,612	5.9
Prepaid expenses and accrued income	49,982	0.5	94,256	0.7
Other assets	-	-	3,351	0.0
<b>Total assets</b>	<b>10,849,086</b>	<b>100.1</b>	<b>13,137,251</b>	<b>100.0</b>
<b>LIABILITIES</b>				
Accrued expenses and prepaid income	3,936	0.1	4,311	0.0
Other liabilities	1,142	0.0	0	0.0
<b>Total liabilities</b>	<b>5,078</b>	<b>0.1</b>	<b>4,311</b>	<b>0.0</b>
<b>Fund capital <sup>Note 1)</sup></b>	<b>10,844,008</b>	<b>100.0</b>	<b>13,132,940</b>	<b>100.0</b>
Other derivative instruments with negative market value <sup>1)</sup>	40,552	0.4	39,907	0.3

1) Liquid assets total SEK 47,711t.

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2016	2015
Fund capital at beginning of year	13,132,940	12,882,994
Units issued	3,762,967	8,777,994
Units redeemed	-6,306,300	-8,225,615
Profit according to Income Statement	337,386	-118,330
Dividends to unit holders	-82,985	-184,103
<b>Fund capital at the close of the period</b>	<b>10,844,008</b>	<b>13,132,940</b>



Företagsobligation, cont.

Note 2) for Balance Sheet

## Fund holdings in financial instruments

## TRANSFERABLE SECURITIES\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>LISTED FIXED-INCOME SECURITIES</b>			
<b>FOREIGN ISSUER, OTHERS</b>			
A.P. Møller-Mærsk 3,75% 2018-02-26	106,000	110,073	1.0
Arla FRN 2021-05-31	128,000	129,210	1.2
Danske Bank 4,75% 2019-06-05	51,000	55,241	0.5
Danske Bank FRN 2017-02-15	50,000	49,625	0.5
Danske Bank FRN 2019-12-09	140,000	139,812	1.3
Jyske Bank 0,91% 2020-04-22	264,000	264,417	2.4
LeasePlan 1,65% 2018-01-05	121,000	122,611	1.1
LeasePlan 1,792% 2020-09-10	221,000	223,358	2.1
Millicom FRN 2019-04-17	80,000	82,300	0.8
Pohjola Bank FRN 2020-08-25	85,000	84,559	0.8
Sampo 1,25% 2020-05-28	238,000	241,796	2.2
Santander Consumer Bank 0,88% 2018-06-12	188,000	189,604	1.7
Telenor 2,38% 2019-03-19	150,000	156,629	1.4
TVO 3,875% 2018-09-13	88,000	92,140	0.8
TVO 4,50% 2017-11-08	85,000	87,667	0.8
TVO FRN 2018-09-13	175,000	174,911	1.6
		<b>2,203,951</b>	<b>20.3</b>
<b>MORTGAGE</b>			
Stadshypotek 1585 1,50% 2021-12-15	50,000	51,989	0.5
		<b>51,989</b>	<b>0.5</b>
<b>OTHER</b>			
Atrium Ljungberg FRN 2019-03-19	86,000	86,504	0.8
Atrium Ljungberg FRN 2019-07-01	100,000	100,343	0.9
Balder FRN 2019-03-12	80,000	80,450	0.7
Bonnier 1,75% 2018-06-17	100,000	100,327	0.9
Castellum 1,58% 2020-06-17	211,000	210,677	1.9
Castellum 1,75% 2020-09-17	110,000	110,086	1.0
Castellum 1,875% RB 118 2021-10-04	130,000	128,348	1.2
Electrolux FRN 2019-05-28	75,000	75,298	0.7
Fabege FRN 2018-05-23	60,000	60,180	0.6
Fabege FRN 2018-11-28	24,000	23,983	0.2
Fortum FRN 2019-09-16	55,000	55,241	0.5
Fortum Värme 1,75% 2022-05-18	158,000	160,765	1.5
Getinge FRN 2018-05-21	115,000	115,244	1.1
Handelsbanken 4,472% 2022-10-12	245,000	252,446	2.3
Hemsö 1,00% 2020-06-04	143,000	144,158	1.3
Hexagon 1,625% 108 2020-09-17	279,000	283,110	2.6
Hufvudstaden 1,2% 2021-12-08	50,000	49,804	0.5
Husqvarna FRN 2021-05-03	104,000	105,422	1.0
ICA Gruppen FRN 2019-06-17	202,000	205,464	1.9
Ikano Bank FRN 2018-11-14	64,000	63,806	0.6
Ikano Bank FRN 2019-04-29	72,000	72,284	0.7
Intrum Justitia FRN 2018-06-28	60,000	60,610	0.6
Intrum Justitia FRN 2019-05-15	127,000	126,530	1.2
Klövern FRN 2020-06-01	150,000	152,624	1.4
Kungsleden 1,20% 2017-05-04	95,000	94,983	0.9
Landshypotek 0,65% 2020-02-03	160,000	162,038	1.5
Landshypotek FRN 2022-06-01	32,000	32,377	0.3
Länsförsäkringar 1,00% 2020-02-03	165,000	167,556	1.5
Länsförsäkringar CB FRN perp	149,000	143,786	1.3
Länsförsäkringar FRN 2023-03-28	90,000	91,480	0.8
Loomis FRN 2019-12-18	90,000	90,923	0.8
Lundbergforetag 1,337% 2023-10-24	150,000	146,334	1.3
Lundbergs 3,05% 2019-03-20	62,000	65,621	0.6
Nordea 0,85% 2020-02-18	286,000	289,269	2.7
Nordea CB 1,935% 2020-09-17	190,000	191,064	1.8
Nordea CB FRN 2020-03-12	222,000	213,058	2.0
Nya SFF 0,858% 2018-03-09	156,000	156,956	1.4
Nya SFF 1,42% 2020-04-20	200,000	201,918	1.9
Rikshem 1,25% 2022-02-22	80,000	79,515	0.7
Rikshem FRN 2020-01-20	54,000	54,433	0.5
Rikshem FRN 2021-04-22	115,000	117,318	1.1
Rodamco FRN 2019-06-03	80,000	80,073	0.7
Rodamco Sverige AB 0,85% 2021-10-20	250,000	245,968	2.3
SAAB 2,75% 2019-12-12	10,000	10,536	0.1
SAAB 3,25% 2018-12-10	114,000	120,021	1.1
SAAB FRN 2019-12-12	30,000	30,182	0.3
Sandvik 2,625% 2020-01-14	30,000	31,736	0.3
Sandvik FRN 2020-01-14	217,000	218,220	2.0
SBAB CB FRN 2020-03-16	192,000	185,760	1.7
SBAB FRN 2022-11-16	52,000	52,719	0.5
SCA 0,75% 2019-06-10	230,000	231,672	2.1
Swedish Match 3,875% 2018-02-01	40,000	41,539	0.4
Swedish Match FRN 2018-02-01	63,000	63,852	0.6
Tele2 FRN 2021-05-11	180,000	182,293	1.7
Tele2 FRN 2022-03-16	150,000	150,245	1.4
Unibail-Rodamco 3,00 2018-12-10	70,000	73,583	0.7
Volvo Cars AB FRN 2022-03-07	275,000	277,406	2.6
Volvo Treasury 2,70% 2019-04-15	73,000	76,817	0.7
Volvo Treasury FRN 2019-04-15	100,000	100,660	0.9
Volvofinans Bank 1,04% 2020-02-13	168,000	169,956	1.6
Wihlborgs FRN102 2018-04-23	45,000	45,171	0.4
Wilhelm FRN 2022-06-08	220,000	219,569	2.0
		<b>7,730,309</b>	<b>71.3</b>
<b>Total listed fixed-income securities</b>		<b>9,986,249</b>	<b>92.1</b>
<b>Total transferable securities</b>		<b>9,986,249</b>	<b>92.1</b>

## MONEY MARKET INSTRUMENTS\*\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>CERTIFICATE</b>			
Boliden 2017-04-04	70,000	69,979	0.6
Bonnier 2017-01-13	150,000	149,995	1.4
Getinge 2017-01-30	150,000	149,987	1.4
Kungsleden 2017-01-16	150,000	149,993	1.4
<b>Total certificate</b>		<b>519,954</b>	<b>4.8</b>
<b>Total money market instruments</b>		<b>519,954</b>	<b>4.8</b>

## EXCHANGE-TRADED DERIVATIVES\*\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>INTEREST RATE FUTURES</b>			
Svenska staten BTOH7	1,980	0	0.0
Svenska staten BUOH7	380	0	0.0
<b>Total interest rate futures</b>		<b>0</b>	<b>0.0</b>
<b>Total exchange-traded derivatives</b>		<b>0</b>	<b>0.0</b>
<b>Total holdings in financial instruments</b>		<b>10,506,203</b>	<b>96.9</b>
<b>Net, other assets and liabilities</b>		<b>337,805</b>	<b>3.1</b>
<b>Total fund capital</b>		<b>10,844,008</b>	<b>100.0</b>

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

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

92.1

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

4.8

\*\*\* Refers to other financial instruments.

## Compilation, Company and Group exposure\*

Company/Group	% of fund capital	Company/Group	% of fund capital
Nordea	6.5	Kungsleden	2.3
Castellum	4.1	Rikshem	2.3
Länsförsäkringar	3.6	Sandvik	2.3
Nya Svenska FastighetsFinansiering	3.3	SBAB	2.2
LeasePlan	3.2	Fortum	2.0
TVO	3.2	Lundbergs	1.9
Volvo	3.2	Intrum Justitia	1.8
Tele2	3.1	Landshypotek	1.8
Rodamco	3.0	Atrium Ljungberg	1.7
Handelsbanken	2.8	SAAB	1.5
Getinge	2.5	Ikano Bank	1.3
Bonnier	2.3	Swedish Match	1.0
Danske Bank	2.3	Fabege	0.8

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



# Global Dynamisk 90

## Handelsbanken Funds Global Dynamic Allocation Preserve 90

### Management Report

#### Investment Focus

The fund is a mixed fund that utilises a dynamic management technique to benefit from the upturns in the global markets while avoiding the most substantial downturns when the markets fall. A new protective floor is set every year-end at 90% of the fund's net asset value, which is applicable until the following year-end.

#### Portfolio

Global Dynamisk 90 rose 7.2% during the full year 2016\*. The fund's proportion of risk assets, such as equities and commodities, was 63% on average during the year and varied between 23% and 100%. Due to the relatively limited portion of risk assets at the outset of the year, the fund fared well when the market declined. During H2 we increased the fund's risk assets, which contributed positively to returns. The proportion of risk assets was 100% at year-end. Novo Nordisk, Alphabet and Microsoft were the three largest equity holdings. The fund's protective floor was adjusted upward to 132.09 on December 31, 2016. The protective floor may be adjusted upward or downward no earlier than December 31, 2017.

\*) The fund may have additional share classes, the concerned share class is stated in the Fund facts.

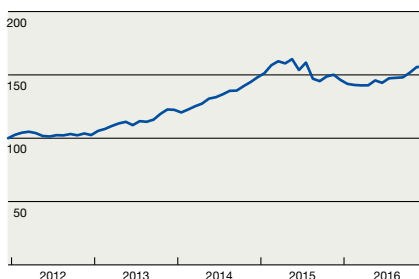
#### Outlook

Political risks are expected to continue going forward. Many countries in the eurozone, including France and Germany, will be holding elections in 2017. The risk for a new election in Italy is also imminent, at the same time as there is uncertainty about Great Britain's EU exit, Brexit. The newly elected US president is also creating uncertainty. Although the political developments can wreak havoc, economic growth is slowly moving in the right direction, with the US at the forefront. Growth outlooks in Sweden, Spain and Germany also look strong, which bodes well for corporate profit growth. We are also beginning to see signs of higher inflation, which leads us to believe that interest rates will be rising in 2017.

#### Information

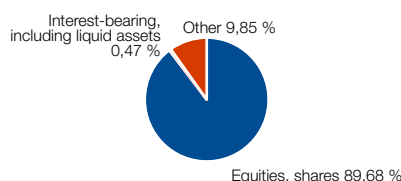
The Global Dynamisk 90 A2 SEK share class was launched on January 4, 2016.

#### Fund Performance\*



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

#### Market Exposure\*



\* The fund's allocation of investments within the markets as of 31/12/2016, relative to the fund's total assets on this date.

#### Top Ten Holdings

	% of fund capital
Lyxor ETF Commodities CRB Non-Energy	10.0
Novo Nordisk (Health Care)	3.2
Alphabet C (Information Technology)	2.5
Microsoft (Information Technology)	1.8
SAP (Information Technology)	1.8
Atlas Copco A (Industrials)	1.7
Hennes & Mauritz B (Consumer Discretionary)	1.7
PepsiCo (Consumer Staples)	1.7
Johnson & Johnson (Health Care)	1.7
ABB (Industrials)	1.7

#### Fund Facts - History

	2016	2015	2014	2013	2012	6/5-31/12 2011	2010	2009	2008	2007
Net asset value, SEK										
Global Dynamisk 90 AI	147.08	137.24	139.18	115.06	96.34	94.02	-	-	-	-
Global Dynamisk 90 BI	132.23	125.90	131.63	112.19	96.34	-	-	-	-	-
Fund capital total, mSEK	2,116	2,605	1,917	1,057	697	518	-	-	-	-
Global Dynamisk 90 AI	1,868	1,732	1,662	928	697	518	-	-	-	-
Global Dynamisk 90 BI	225	872	255	128	75	-	-	-	-	-
Number of units, '000's	14,611	19,551	13,879	9,212	8,019	5,512	-	-	-	-
Global Dynamisk 90 AI	12,703	12,624	11,942	8,070	7,238	5,512	-	-	-	-
Global Dynamisk 90 BI	1,702	6,927	1,937	1,142	781	-	-	-	-	-
Total returns in %, SEK										
Global Dynamisk 90 AI	+7.2	-1.4	+21.0	+19.4	+2.5	-6.0	-	-	-	-
Global Dynamisk 90 BI	+7.2	-1.4	+21.0	+19.4	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Global Dynamisk 90 AI	+2.8	+9.2	+20.2	+10.6	-	-	-	-	-	-
Global Dynamisk 90 BI	+2.8	+9.2	+20.2	-	-	-	-	-	-	-
Average yearly return, 5 yrs. %										
Global Dynamisk 90 AI	+9.4	-	-	-	-	-	-	-	-	-

Relevant benchmark is not available.

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

Refer to the last page for definitions.

#### Fund Facts - Costs

Collected mgmt. costs in % of average fund capital	
Global Dynamisk 90 AI <sup>1)</sup>	0.40
Global Dynamisk 90 BI <sup>1)</sup>	0.40
Annual fees in %	
Global Dynamisk 90 AI <sup>2)</sup>	0.43
Global Dynamisk 90 BI <sup>2)</sup>	0.43

1) A Luxemburg wealth tax of 0.01% of fund assets will be added annually.

2) Ongoing charges are calculated as synthetic ongoing charges.

#### Fund Facts - Other Key Figures

Turnover rate	0.9
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Global Dynamisk 90, cont.

**Risk and Return Measurements\***

Total risk % - AI SEK	10.0	Sharpe ratio - AI SEK	0.3
Total risk % - BI SEK	10.0	Sharpe ratio - BI SEK	0.3

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



# Global Index Criteria *Handelsbanken Funds Global Index Criteria*

## Management Report

### Investment Focus

The fund is an index fund and its objective is to emulate the performance of the MSCI ACWI Select Global Norms and Criteria Index. The fund invests in equities in accordance with this index. The fund's investment objective is to attain capital growth over the long term by investing in companies worldwide that the portfolio manager deems take social responsibility based on the targets selected and the predefined criteria. The fund will invest primarily, directly or through financial derivative instruments, in companies deemed by the portfolio manager as being socially responsible based on the criteria of the objectives, such that the companies normally attain a high level of corporate, social and environmental responsibility. This includes environmental sustainability, fair competition, respect for employees and stakeholders, as well as the protection of human rights.

### Portfolio

Global Index Criteria rose 13.8% during the full year 2016\*. Apple, Alphabet and Microsoft were the three largest equity holdings at year-end. The three largest sectors constituted just over 60 percent of the

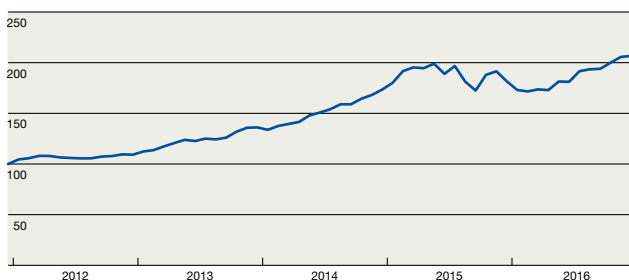
portfolio and consisted of financials, information technology and healthcare. At year-end approximately 58% of the fund's assets were in North American companies, 20% in European companies, 8% in Japanese companies and 14% in Asian and emerging market companies.

\*) The fund may have additional share classes, the concerned share class is stated in the Fund facts. Refer to fund statistics for comparable index.

### Outlook

Political risks are expected to continue going forward. Many countries in the eurozone, including France and Germany, will be holding elections in 2017. The risk for a new election in Italy is also imminent, at the same time as it is unclear about how Brexit will be carried out. The newly elected US president is also creating uncertainty. Although the political developments can wreak havoc, economic growth is slowly moving in the right direction, with the US at the forefront, which bodes well for corporate profit growth. Higher commodity prices offer an economic and financial stabilisation in many emerging market countries, which contributes to our optimism.

## Fund Performance\*



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

## Top Ten Holdings

	% of fund capital
Apple (Information Technology)	2.2
Microsoft (Information Technology)	1.6
Johnson & Johnson (Health Care)	1.2
JPMorgan Chase (Financials)	1.1
Amazon.com (Consumer Discretionary)	1.1
Facebook (Information Technology)	1.0
AT&T (Telecommunication Services)	0.9
Alphabet A (Information Technology)	0.9
Wells Fargo (Financials)	0.9
Alphabet C (Information Technology)	0.8

## Fund Facts - History

	2016	2015	2014	2013	2012	2011	2010	2009	30/9-31/12 2008	2007
<b>Net asset value</b>										
Global Index Criteria A - SEK	210.93	185.38	177.03	138.95	107.79	102.08	108.10	104.47	89.21	-
Global Index Criteria A - EUR	22.01	20.24	18.69	-	-	-	-	-	-	-
Global Index Criteria A - NOK	199.86	194.63	169.55	-	-	-	-	-	-	-
Global Index Criteria AI - SEK	216.06	189.33	180.28	141.09	112.91	103.23	109.06	104.97	89.26	-
Global Index Criteria AI - EUR	22.55	20.67	19.03	-	-	-	-	-	-	-
Global Index Criteria AI - NOK	204.71	198.78	172.66	-	-	-	-	-	-	-
Global Index Criteria BI - SEK	169.33	152.96	150.16	121.16	99.96	94.22	102.61	101.82	-	-
<b>Fund capital total, mSEK</b>	21,724	18,051	12,615	8,826	5,865	3,712	3,237	2,610	726	-
Global Index Criteria A - SEK	1,878	1,502	1,108	652	345	233	292	191	42	-
Global Index Criteria A - EUR	5	5	4	-	-	-	-	-	-	-
Global Index Criteria A - NOK	378	386	231	-	-	-	-	-	-	-
Global Index Criteria AI - SEK	15,289	12,532	7,827	5,521	3,405	2,066	2,665	2,254	683	-
Global Index Criteria AI - EUR	66	26	16	-	-	-	-	-	-	-
Global Index Criteria AI - NOK	358	321	268	-	-	-	-	-	-	-
Global Index Criteria BI - SEK	3,095	3,064	2,971	2,652	2,115	1,412	279	165	-	-
<b>Number of units, 1000's</b>	104,763	99,406	73,410	65,720	54,412	37,289	29,868	24,918	8,131	-
Global Index Criteria A - SEK	8,905	8,100	6,258	4,693	3,092	2,286	2,705	1,824	476	-
Global Index Criteria A - EUR	240	238	212	-	-	-	-	-	-	-
Global Index Criteria A - NOK	1,892	1,982	1,365	-	-	-	-	-	-	-
Global Index Criteria AI - SEK	70,762	66,190	43,413	39,133	30,161	20,015	24,400	21,470	7,654	-
Global Index Criteria AI - EUR	2,937	1,249	825	-	-	-	-	-	-	-
Global Index Criteria AI - NOK	1,751	1,614	1,553	-	-	-	-	-	-	-
Global Index Criteria BI - SEK	18,277	20,032	19,785	21,894	21,159	14,987	2,724	1,623	-	-
<b>Total returns in %, SEK</b>										
Global Index Criteria A - SEK	+13.8	+4.7	+27.4	+24.7	+9.2	-5.6	+3.5	+17.1	-10.8	-
Global Index Criteria A - EUR	+8.8	+8.3	+19.0	+20.8	+13.3	-4.3	+17.5	+25.8	-	-
Global Index Criteria A - NOK	+2.7	+14.8	+29.2	+37.7	+7.3	-4.8	+10.6	+7.0	-	-
Global Index Criteria AI - SEK	+14.1	+5.0	+27.8	+25.0	+9.4	-	-	-	-	-
Global Index Criteria AI - EUR	+9.1	+8.6	+19.4	+21.1	+13.5	-4.1	+18.0	+26.2	-	-
Global Index Criteria AI - NOK	+3.0	+15.1	+29.6	+38.0	+7.5	-4.7	+11.0	+7.4	-	-
Global Index Criteria BI - SEK	+14.1	+5.0	+27.8	+25.0	+9.4	-	-	-	-	-
<b>Index including dividends in %, SEK</b>										

# Annual Review 2016 – Handelsbanken Funds

Global Index Criteria, cont.

## Fund Facts - History cont.

	2016	2015	2014	2013	2012	2011	2010	2009	30/9-31/12 2008	2007
Global Index Criteria A - SEK	+14.7	+5.4	+28.2	+25.2	+10.2	-4.9	+4.5	+18.7	-12.2	-
Global Index Criteria A - EUR	+9.6	+9.1	+19.8	+21.4	+14.3	-3.6	+18.7	+27.4	-	-
Global Index Criteria A - NOK	+3.5	+15.6	+30.0	+38.3	+8.3	-4.2	+11.6	+8.5	-	-
Global Index Criteria AI - SEK	+14.7	+5.4	+28.2	+25.2	+10.2	-	-	-	-	-
Global Index Criteria AI - EUR	+9.6	+9.1	+19.8	+21.4	+14.3	-3.6	+18.7	+27.4	-	-
Global Index Criteria AI - NOK	+3.5	+15.6	+30.0	+38.3	+8.3	-4.2	+11.6	+8.5	-	-
Global Index Criteria BI - SEK	+14.7	+5.4	+28.2	+25.2	+10.2	-	-	-	-	-
Average yearly return, 2 yrs. %										
Global Index Criteria A - SEK	+9.2	+15.5	+26.0	+16.7	+1.5	-1.2	+10.1	-	-	-
Global Index Criteria A - EUR	+8.5	+13.5	+19.9	+17.0	+4.1	+6.0	+21.6	-	-	-
Global Index Criteria A - NOK	+8.6	+21.8	+33.4	+21.5	+1.0	+2.6	+8.8	-	-	-
Global Index Criteria AI - SEK	+9.5	+15.8	+26.4	+16.9	+1.7	-	-	-	-	-
Global Index Criteria AI - EUR	+8.8	+13.9	+20.2	+17.2	+4.3	+6.4	+22.0	-	-	-
Global Index Criteria AI - NOK	+8.9	+22.1	+33.7	+21.8	+1.2	+2.9	+9.2	-	-	-
Global Index Criteria BI - SEK	+9.5	+15.8	+26.4	+16.9	+1.7	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+10.0	+16.3	+26.7	+17.5	+2.4	-0.3	+11.4	-	-	-
EUR	+9.4	+14.3	+20.6	+17.8	+5.0	+7.0	+23.0	-	-	-
NOK	+9.4	+22.6	+34.1	+22.4	+1.8	+3.4	+10.1	-	-	-
Average yearly return, 5 yrs. %										
Global Index Criteria A - SEK	+15.6	+11.4	+11.1	+9.3	-	-	-	-	-	-
Global Index Criteria A - EUR	+13.9	+11.0	+12.9	+14.1	-	-	-	-	-	-
Global Index Criteria A - NOK	+17.6	+15.8	+15.0	+10.7	-	-	-	-	-	-
Global Index Criteria AI - SEK	+15.9	+11.7	+11.4	+9.6	-	-	-	-	-	-
Global Index Criteria AI - EUR	+14.2	+11.3	+13.2	+14.4	-	-	-	-	-	-
Global Index Criteria AI - NOK	+17.9	+16.1	+15.2	+11.0	-	-	-	-	-	-
Global Index Criteria BI - SEK	+15.9	+11.7	+11.4	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+16.4	+12.2	+11.9	+10.2	-	-	-	-	-	-
EUR	+14.7	+11.8	+13.7	+15.1	-	-	-	-	-	-
NOK	+18.4	+16.6	+15.8	+11.7	-	-	-	-	-	-

Index: MSCI ACWI Select Global Norms and Criteria Index

Up to 26/06/2014: Socially Responsible World Index on MSCI World

The fund's benchmark represents a comparable reference with regard to the fund's investment focus, types of assets, markets or relevant sectors. In the event the fund issues dividends, performance is calculated with distributions added back. Detailed information for the share classes' designation (nomenclature) is provided in the information provided by the Management Company.

Refer to the last page for definitions.

## Fund Facts - Costs

Collected mgmt. costs in % of average fund capital

Global Index Criteria A <sup>1)</sup>	0.65
Global Index Criteria AI <sup>2)</sup>	0.40
Global Index Criteria BI <sup>2)</sup>	0.40
Annual fees in %	
Global Index Criteria A	0.70
Global Index Criteria AI	0.41
Global Index Criteria BI	0.41

1) A Luxemburg wealth tax of 0.05% of fund assets will be added annually.

2) A Luxemburg wealth tax of 0.01% of fund assets will be added annually.

## Fund Facts - Other Key Figures

Turnover rate	-0.1
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## Risk and Return Measurements\*

Total risk % - A SEK	14.2	Active return % - AI EUR	-0.5
Total risk % - A EUR	14.0	Active return % - AI NOK	-0.5
Total risk % - A NOK	12.5	Active return % - BI SEK	-0.5
Total risk % - AI SEK	14.2	Information ratio - A SEK	Negative
Total risk % - AI EUR	14.0	Information ratio - A EUR	Negative
Total risk % - AI NOK	12.5	Information ratio - A NOK	Negative
Total risk % - BI SEK	14.2	Information ratio - AI SEK	Negative
Total risk in index % - A SEK	14.3	Information ratio - AI EUR	Negative
Total risk in index % - A EUR	14.0	Information ratio - AI NOK	Negative
Total risk in index % - A NOK	12.5	Information ratio - BI SEK	Negative
Total risk in index % - AI SEK	14.3	Sharpe ratio - A SEK	0.7
Total risk in index % - AI EUR	14.0	Sharpe ratio - A EUR	0.6
Total risk in index % - AI NOK	12.5	Sharpe ratio - A NOK	0.6
Total risk in index % - BI SEK	14.3	Sharpe ratio - AI SEK	0.7
Tracking error % - A SEK	0.2	Sharpe ratio - AI EUR	0.6
Tracking error % - A EUR	0.2	Sharpe ratio - AI NOK	0.7
Tracking error % - A NOK	0.2	Sharpe ratio - BI SEK	0.7
Tracking error % - AI SEK	0.2	Sharpe ratio in index - A SEK	0.7
Tracking error % - AI EUR	0.2	Sharpe ratio in index - A EUR	0.7
Tracking error % - AI NOK	0.2	Sharpe ratio in index - A NOK	0.7
Tracking error % - BI SEK	0.2	Sharpe ratio in index - AI SEK	0.7
Index	MSCI ACWI Select Global Norms and Criteria Index	Sharpe ratio in index - AI EUR	0.7
		Sharpe ratio in index - AI NOK	0.7
Active return % - A SEK	-0.8	Sharpe ratio in index - BI SEK	0.7
Active return % - A EUR	-0.8		
Active return % - A NOK	-0.8		
Active return % - AI SEK	-0.5		

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



# Global Selektiv Hedge

## Management Report

### Investment Focus

The fund is an actively managed hedge fund. The fund is a non-UCITS fund and differentiates itself from a securities fund in that it may sell securities borrowed by the fund and may have significant holdings in individual companies. The objective of the fund is to generate sustainable returns irrespective of the upturns and downturns in the underlying markets. The fund invests in global equities, equity-related securities, unlisted securities, fixed income securities and derivatives such as futures. The fund may sell securities borrowed by the fund. Issuers of the fixed income investments shall have a minimum credit rating of BB- from Standard & Poor's or Ba3 from Moody's. The fund may also invest in companies that lack a credit rating that are deemed to have an equivalent credit quality.

### Portfolio

Global Selektiv Hedge fell 2.5% during the full year 2016\*. Following a strong H1, the market changed character and assets that were riskier were rewarded. Volatility on the exchange market was also high. These two factors were difficult for the fund to counter, which led to a less negative result. Holdings in Novo Nordisk weighed most heavily on the portfolio's returns. Prosegur, Compass and SGS were the strongest contributors to returns. The portfolio's short-term positions (short selling) in Saipem, Marks & Spencer and RWE also contributed significantly to returns. The fund's gross exposure was 90% at year-end and had a neutral position to the market.

\*) Refer to fund statistics for comparable index.

### Outlook

Focus in the fund is on constructing a portfolio consisting of high-quality companies with varying drivers, as we believe these companies will deliver the strongest returns over time. The fund's investment focus was changed from Europe to a global mandate towards year-end. This increases opportunities for creating returns by giving the fund access to additional selective companies in new markets and opportunities for short-selling in structurally challenging sectors and countries. The fund is also working on an improved portfolio composition, which should be favourable for fund unit holders. The risk level may also be gradually increased as a result of these changes.

### Significant risks

As of the balance sheet date, the fund does not have any other significant risks in its holdings than those stated in the fact sheet and information

brochure.

### Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option extensively in 2016 through futures transactions. According to the fund rules, the fund has the option of lending and accepting securities deposits. The fund used this option quite extensively in 2016. The fund may use other techniques and instruments such as short-selling, repurchase agreements and underwriting. The fund used short-selling of equities and index futures extensively in 2016.

- Highest leverage during the financial year 40.1%
- Lowest leverage during the financial year 19.4%
- Average leverage during the financial year 30.3%

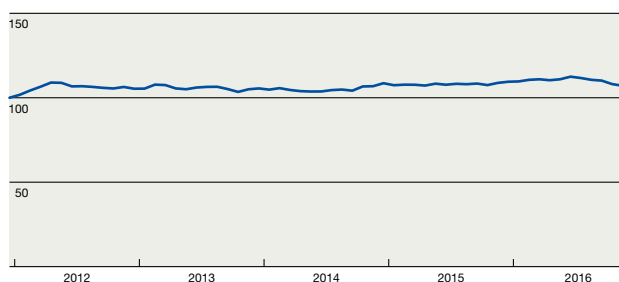
### Information

The fund's name was changed from Handelsbanken Europa Hedge Selektiv to Handelsbanken Global Selektiv Hedge on November 23, 2016. The investment focus was also changed from Europe to global.

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

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

### Fund Performance\*



\* Performance is shown in the fund's base currency.

### Fund Facts - History

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net asset value, SEK <sup>1) 2)</sup>	104.30	106.94	106.08	103.07	102.90	100.62	103.15	96.85	102.20	95.14
The fund's total net flow, mSEK	332	99	-533	95	286	-	-	-	-	-
Fund capital, mSEK	740	433	330	861	767	468	387	306	332	1,030
Number of units, 1000's	7,090	4,051	3,110	8,356	7,458	4,656	3,748	3,155	3,252	10,823
Total returns in %, SEK	-2.5	+0.8	+2.9	+0.2	+5.3	-1.5	+6.5	+1.1	+10.3	+1.1
STIBOR performance, %	0.0	0.0	+0.6	+1.2	+1.9	+2.2	+0.7	+0.9	+4.7	+3.8
Average yearly return, 2 yrs. %	-0.8	+1.9	+1.5	+2.7	+1.9	+2.4	+3.8	+5.6	+5.6	+1.8
Comparison to STIBOR, %	0.0	+0.3	+0.9	+1.5	+2.0	+1.4	+0.8	+2.8	+4.2	+3.1
Average yearly return, 5 yrs. %	+1.3	+1.5	+2.6	+2.3	+4.3	+3.4	+4.3	+3.5	+3.7	+1.1
Comparison to STIBOR, %	+0.7	+1.2	+1.3	+1.4	+2.0	+2.4	+2.5	+2.7	+3.0	+2.8
Average yearly return, 10 yrs. %	+2.4	+2.9	+3.1	+3.0	+2.7	+2.4	-	-	-	-
Comparison to STIBOR, %	+1.6	+1.8	+2.0	+2.2	+2.4	+2.7	-	-	-	-
Dividends per unit, SEK	-	-	-	-	3.12	0.93	0.01	6.53	2.62	3.67

1) The net asset value's change is calculated with dividends added back, total returns in accordance with the Swedish Investment Fund Association's accounting recommendations. Value growth has also been affected by the performance fees deducted. The value of issued compensation units has been added back in the calculation of performance. October 31, 2001 was the first quotation date.

2) Following a judgment in the Administrative Court of Appeal that changed the withholding tax on dividends in US equities from 15% to 30%, the previously reserved withholding has been added back in the fund as of March 30, 2015.

Index: STIBOR 30 dagar, Dow Jones STOXX

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

Refer to the last page for definitions.

## Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.00
Collected mgmt. costs in % of average fund capital <sup>1)</sup>	0.70
Collected performance-based fee in % of average fund capital <sup>2)</sup>	0.60
Annual fees in %	0.74
Analyzing costs, tSEK <sup>3)</sup>	283
Transaction costs, tSEK	2,410
Transaction costs in % of turnover	0.03
Costs in SEK for a one-time subscription, 10 000 SEK	135.43
Costs in SEK for monthly savings, 100 SEK	7.68

1) A performance-related management fee will be added if the fund exceeds STIBOR 30 days. The performance-based management fee to the Management Company, 20% of returns in excess of STIBOR 30 days.

2) A performance-related management fee is deducted on a daily basis (the fee was deducted for the full year up to and including August 31, 2014) if the fund exceeds STIBOR 30 days.

3) Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

A maximum annual fixed fee of 3% may be charged for the management of the underlying funds in which the fund invests. Any applicable performance-based fee for the management of the underlying funds may not exceed 30% of the excess yields for the respective period measured relative to each fund's benchmark (index or equivalent).

## Fund Facts - Other Key Figures

Turnover rate	2.7
Share of turnover conducted via closely-related securities companies in %	9.3

## Risk and Return Measurements\*

Total risk %	2.8	Sharpe ratio	-0.2
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\* Risk statistics are based on historical monthly returns over two years. Refer to the last page for definitions. Total exposure in the fund is calculated in accordance with the commitment method.

## Income Statement, SEKt

	2016	2015
<b>INCOME AND CHANGES IN VALUE</b>		
Changes in value for transferable securities	-7,162	10,934
Changes in value for other derivative instruments **	-20,166	-5,746
Changes in value for fund units ***	3,221	-
Interest income	6	211
Dividends	7,374	5,782
Currency exchange profits and losses, net	2,921	-2,567
Other financial income <sup>1)</sup>	42	0
Other income	423	0
<b>Total income and changes in value</b>	<b>-13,342</b>	<b>8,614</b>
<b>EXPENSES</b>		
Management Company expenses	8,293	3,318
Interest expense	87	211
Other financial expenses <sup>2)</sup>	751	448
Other expenses	2,694	577
<b>Total expenses</b>	<b>11,825</b>	<b>4,554</b>
<b>Net income</b>	<b>-25,167</b>	<b>4,060</b>

## \* Details of changes in value

Changes in value for transferable securities – Capital gains	101,181	18,944
Changes in value for transferable securities – Capital losses	-65,543	-9,439
Changes in value for transferable securities – Unrealised	-42,800	1,429
Sum	-7,162	10,934

## \*\* Details of changes in value

Changes in value for other derivative instruments – Capital gains	204,846	197,788
Changes in value for other derivative instruments – Capital losses	-225,012	-203,534
Changes in value for other derivative instruments – Unrealised	0	0
Sum	-20,166	-5,746

## \*\*\* Details of changes in value

Changes in value for fund units – Capital gains	3,482	-
Changes in value for fund units – Capital losses	-288	-
Changes in value for fund units – Unrealised	27	-
Sum	3,221	-

1) The item consists primarily of net premiums for securities lent. Securities lending has generated total revenues of SEK <vIncome> t, of which 80% have been allocated to the fund and 20% have been allocated to JP Morgan Chase Bank N.A. (London branch) for its role as the intermediary for the securities loans.

Counterparties in securities lending during the year were:

Citigroup Global Markets Ltd

Credit Suisse Securities (Europe) Ltd

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

## Balance Sheet, tSEK

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
<b>ASSETS</b>				
Transferable securities	341,804	46.2	273,532	63.1
Money market instruments	329,928	44.6	64,925	15.0
OTC derivative instruments with positive market value	6,345	0.9	7,632	1.8
Fund units	32,305	4.4	-	-
<b>Total financial instruments with positive market value</b> <sup>Note 2)</sup>	<b>710,382</b>	<b>96.1</b>	<b>346,089</b>	<b>79.9</b>
Bank assets and other liquid assets	102,660	13.9	134,272	31.0
Prepaid expenses and accrued income	565	0.0	209	0.0
Other assets	-	-	314	0.1
<b>Total assets</b>	<b>813,607</b>	<b>110.0</b>	<b>480,884</b>	<b>111.0</b>
<b>LIABILITIES</b>				
Transferable securities with negative market value	72,703	9.8	47,567	11.0
<b>Total financial instruments with negative market value</b> <sup>Note 2)</sup>	<b>-</b>	<b>-</b>	<b>47,567</b>	<b>11.0</b>
Accrued expenses and prepaid income	240	0.0	133	0.0
Other liabilities	1,120	0.2	0	0.0
<b>Total liabilities</b>	<b>74,063</b>	<b>10.0</b>	<b>47,700</b>	<b>11.0</b>
<b>Fund capital</b> <sup>Note 1)</sup>	<b>739,544</b>	<b>100.0</b>	<b>433,184</b>	<b>100.0</b>
Secured collateral for deposits of financial instruments <sup>1)</sup>	77,966	10.5	51,509	11.9
Other derivative instruments with negative market value <sup>2)</sup>	14,095	1.9	36,751	8.5

1) Equities total SEK 91,322t.

2) Liquid assets total SEK 33,464t.

Note 1) for Balance Sheet

## Changes in fund capital, SEKt

	2016	2015
Fund capital at beginning of year	433,184	329,967
Units issued	508,449	255,118
Units redeemed	-176,922	-155,961
Profit according to Income Statement	-25,167	4,060
Dividends to unit holders	-	-
<b>Fund capital at the close of the period</b>	<b>739,544</b>	<b>433,184</b>

Note 2) for Balance Sheet

## Fund holdings in financial instruments

## TRANSFERABLE SECURITIES\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>LISTED EQUITIES</b>			
<b>CHINA (CNY)</b>			
NetEase (Software)	2,000	3,913	0.5
		<b>3,913</b>	<b>0.5</b>
<b>DENMARK (DKK)</b>			
Carlsberg (Beverages)	-5,000	-3,927	-0.5
Coloplast B (Health Care Equipment and Supplies)	-7,000	-4,297	-0.6
Novo Nordisk (Pharmaceuticals)	53,000	17,396	2.4
		<b>9,172</b>	<b>1.2</b>
<b>FINLAND (EUR)</b>			
DNA Ord Shs (Diversified Telecommunication Services)	50,000	4,863	0.7
Huhtamaki (Containers and Packaging)	30,000	10,142	1.4
Lassila & Tikanoja (Commercial Services and Supplies)	30,000	5,519	0.7
		<b>20,524</b>	<b>2.8</b>
<b>FRANCE (EUR)</b>			
Accor (Hotels, Restaurants and Leisure)	-12,000	-4,074	-0.6
Danone (Food Products)	-10,000	-5,768	-0.8
Groupe Casino (Food and Staples Retailing)	-9,500	-4,150	-0.6
Legrand (Electrical Equipment)	19,000	9,822	1.3
L'Oreal (Personal Products)	4,000	6,646	0.9
Michelin (Auto Components)	-4,000	-4,051	-0.5
Sanofi (Pharmaceuticals)	-6,000	-4,421	-0.6
Unibail-Rodamco (Real Estate Investment Trusts)	-2,000	-4,345	-0.6
		<b>-10,342</b>	<b>-1.4</b>
<b>GERMANY (EUR)</b>			
Aroundtown Property Holdings (Real Estate Management and Development)	300,000	12,275	1.7
Continental (Auto Components)	5,500	9,681	1.3
Fresenius (Health Care Equipment and Supplies)	10,000	7,116	1.0
SAP (Software)	-8,000	-6,348	-0.9
Siemens (Industrial Conglomerates)	-3,500	-3,917	-0.5
		<b>18,806</b>	<b>2.5</b>

# Annual Review 2016 – Handelsbanken Fonder AB

Global Selektiv Hedge, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>NETHERLANDS (EUR)</b>			
Heineken (Beverages)	25,000	17,070	2.3
Koninklijke Ahold Delhaize Ord Shs (Food and Staples Retailing)	70,000	13,435	1.8
		<b>30,505</b>	<b>4.1</b>
<b>NORWAY (NOK)</b>			
Atea (IT Services)	161,311	13,535	1.8
DNB (Commercial Banks)	45,000	6,098	0.8
Veidekke (Construction and Engineering)	56,000	7,299	1.0
		<b>26,932</b>	<b>3.6</b>
<b>SPAIN (EUR)</b>			
Iberdrola (Electric Utilities)	-65,000	-3,883	-0.5
		<b>-3,883</b>	<b>-0.5</b>
<b>SWEDEN (SEK)</b>			
AarhusKarlshamn (Food Products)	10,000	5,995	0.8
ÅF B (Professional Services)	70,000	11,690	1.6
Assa Abloy B (Building Products)	56,000	9,470	1.3
Atlas Copco A (Machinery)	30,000	8,325	1.1
Axfood (Food and Staples Retailing)	-30,000	-4,296	-0.6
Corem Property Group pref (Real Estate)	70,000	9,940	1.3
Hexagon B (Machinery)	25,000	8,138	1.1
Hexpol B (Chemicals)	100,000	8,435	1.1
Indutrade (Trading Companies and Distributors)	60,000	10,980	1.5
Lagercrantz B (Elec Equip, Instr & Comp)	54,101	4,517	0.6
Ratos pref (Capital Markets)	8,576	15,866	2.1
Sandvik (Machinery)	-50,300	-5,669	-0.8
SSAB B (Metals and Mining)	-120,000	-3,455	-0.5
		<b>79,936</b>	<b>10.9</b>
<b>SWITZERLAND (CHF)</b>			
Dufry (Specialty Retail)	-5,000	-5,676	-0.8
		<b>-5,676</b>	<b>-0.8</b>
<b>UNITED KINGDOM (GBP)</b>			
Bunzl (Trading Companies and Distributors)	74,000	17,519	2.4
Compass Group (Hotels, Restaurants and Leisure)	118,000	19,882	2.7
Prudential (Insurance)	70,000	12,789	1.7
Reckitt Benckiser (Household Products)	30,000	23,189	3.1
		<b>73,379</b>	<b>9.9</b>
<b>UNITED STATES (USD)</b>			
Centene (Health Care Providers and Services)	10,000	5,134	0.7
Nike B (Textiles, Apparel and Luxury Goods)	20,000	9,235	1.2
Pfizer (Pharmaceuticals)	-15,000	-4,426	-0.6
The Cooper Companies (Health Care Equipment and Supplies)	10,000	15,892	2.1
		<b>25,835</b>	<b>3.6</b>
<b>Total listed equities<sup>1)</sup></b>		<b>269,101</b>	<b>36.4</b>
<b>Total transferable securities</b>		<b>269,101</b>	<b>36.4</b>

## MONEY MARKET INSTRUMENTS\*\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>CERTIFICATE</b>			
Akelius 2017-03-08	80,000	79,984	10.8
Boliden 2017-14-18	25,000	24,991	3.4
Castellum 2017-04-28	45,000	44,982	6.1
Citycon 2017-03-08	55,000	54,989	7.4
Fabege 2017-01-30	35,000	34,997	4.7
Klövern 2017-05-22	25,000	24,987	3.4
Wallenstam 2017-01-09	65,000	64,998	8.8
<b>Total certificate</b>		<b>329,928</b>	<b>44.6</b>
<b>Total money market instruments</b>		<b>329,928</b>	<b>44.6</b>

## EXCHANGE-TRADED DERIVATIVES\*\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>STOCK INDEX FUTURES</b>			
E-mini S&PMar17	-20	0	0.0
Eurex SMI Mars 2017	-32	0	0.0
Eurostoxx 50@ FESX17H	-196	0	0.0
FTSE Future mars 17	-43	0	0.0
OMXS307A	-467	0	0.0
<b>Total stock index futures</b>		<b>0</b>	<b>0.0</b>
<b>Total exchange-traded derivatives</b>		<b>0</b>	<b>0.0</b>

## OTHER FINANCIAL INSTRUMENTS\*\*\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>FUND UNITS</b>			
<b>EQUITY FUNDS</b>			
Amundi ETF MSCI Europe Banks UCITS (Europe)	10,000	8,077	1.1
		<b>8,077</b>	<b>1.1</b>
<b>LABEL MISSING: BÖRSHANDLADE ÖVRIGA FONDER</b>			
Amundi ETF FTSE MIB UCITS ETF (Europe)	10,000	3,306	0.4
		<b>3,306</b>	<b>0.5</b>
<b>FIXED INCOME FUNDS</b>			
Amundi ETF Floating Rate USD Corporate (Europe)	3,000	2,790	0.4
Handelsbanken Ränstrategi Plus Criteria A 2 (Nordic countries)	182,149	18,133	2.5
		<b>20,922</b>	<b>2.8</b>
<b>Total fund units</b>		<b>32,305</b>	<b>4.4</b>

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>OTC DERIVATIVE INSTRUMENTS</b>			
<b>CURRENCY FUTURES</b>			
SEK/CHF <sup>2)</sup>		385	0.1
SEK/EUR <sup>3)</sup>		4,574	0.6
SEK/GBP <sup>4)</sup>		1,386	0.2
		<b>6,345</b>	<b>0.9</b>
<b>Total OTC derivative instruments</b>		<b>6,345</b>	<b>0.9</b>
<b>Total other financial instruments</b>		<b>38,650</b>	<b>5.3</b>
<b>Total holdings in financial instruments</b>		<b>637,679</b>	<b>86.3</b>
<b>Net, other assets and liabilities</b>		<b>101,865</b>	<b>13.7</b>
<b>Total fund capital</b>		<b>739,544</b>	<b>100.0</b>

1) The amount represents the net amount after deducting for equity deposits totalling SEK 61,825.  
2) SEK 14,313/CHF -1,700t, counterparty: Skandinaviska Enskilda Banken (Publ).  
3) SEK 51,356/EUR -5,500t, counterparty: Svenska Handelsbanken AB (Publ).  
4) SEK 80,560/GBP -6,700t, counterparty: Skandinaviska Enskilda Banken (Publ).  
SEK 28,133/GBP -2,500t, counterparty: Svenska Handelsbanken AB (Publ).

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

\* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 36.4

\*\* Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46). 44.6

\*\*\* Refers to other financial instruments. 5.3

## Compilation, Company and Group exposure\*

Company/Group	% of fund capital
Amundi Investme	1.9

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

## ADDITIONAL INFORMATION ON LENT SECURITIES

### THE TEN LARGEST ISSUERS OF COLLATERAL FOR SECURITIES LENDING PER ISSUER, SEK thousand:

Svenska Handelsbanken AB (Publ), Sweden	72 703
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The profile of the duration for securities lending is undetermined, but may be immediately terminated. Settlement and clearing for securities lending is conducted bilaterally. The secured collateral is held at Svenska Handelsbanken AB (Publ) in an omnibus account.





# Global Selektiv *Handelsbanken Funds Global Selective Shares*

## Management Report

### Investment Focus

The fund is actively managed, which means that the portfolio manager takes active, independent investment decisions. The objective of the fund is to attain returns over the long term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in a limited number of global companies. We select companies that have historically demonstrated stable profit growth, strong balance sheets, sound business operations and dividend growth. We compare fund performance with an index consisting of MSCI All Country World Index Net. Given that the fund is actively managed, returns will deviate from this index over time.

### Portfolio

Global Selektiv rose 7.4% during the full year 2016\*. Following a strong H1, the market changed character and assets that were riskier were rewarded. The exchange market was also volatile. These two factors had a negative impact on relative returns. Johnson & Johnson, Intuit, Rockwell Automation and ADP, as well as the new position, UnitedHealth Group, were the strongest contributors to fund returns. Perrigo and Novo Nordisk

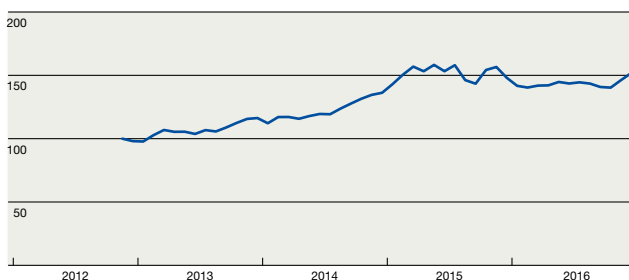
had the most negative impact. Both companies declined due to lower growth outlooks. Perrigo was also about to be acquired, but averted the bid from Mylan, which lowered the share price. We reinvested in Compass Group, Cooper Companies, G8 Education, Pandora and UnitedHealth Group during the year. The fund sold holdings in Brown Forman, Grainger, Perrigo, Roche and SGS.

\* The fund may have additional share classes, the concerned share class is stated in the Fund facts. Refer to fund statistics for comparable index.

### Outlook

Our focus is on constructing a portfolio of high-quality companies with a variety of drivers, as we believe these companies deliver the highest returns over time. High-quality companies can benefit as well as be negatively affected over the short-term relative to other equities. We are positive to the long-term profit outlooks for companies in the fund and believe that conditions are also favourable for positive returns going forward. We will continue to refine the portfolio's composition during 2017 based on the drivers we see across the world. Particular focus will be on companies with autonomous growth opportunities.

## Fund Performance\*



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

## Top Ten Holdings

	% of fund capital
Pandora (Other)	7.0
Prudential (Financials)	6.2
Compass Group (Consumer Discretionary)	5.3
Automatic Data Processing (Information Technology)	5.3
Air Liquide (Materials)	5.2
Reckitt Benckiser (Consumer Staples)	5.2
Novo Nordisk (Health Care)	5.2
Heineken (Consumer Staples)	5.2
Mastercard (Information Technology)	5.2
Johnson & Johnson (Health Care)	5.1

## Fund Facts - History

	2016	2015	2014	2013	5/11-31/12 2012	2011	2010	2009	2008	2007
<b>Net asset value</b>										
Global Selektiv A - SEK	170.99	159.26	151.60	120.88	98.46	-	-	-	-	-
Global Selektiv A - EUR	17.85	17.39	16.00	13.66	-	-	-	-	-	-
Global Selektiv A - NOK	162.02	167.21	145.19	114.04	-	-	-	-	-	-
Global Selektiv AI - SEK	176.92	163.32	154.08	121.78	98.51	-	-	-	-	-
Global Selektiv AI - EUR	18.46	17.83	16.27	13.76	-	-	-	-	-	-
Global Selektiv BI - SEK	145.38	141.04	139.82	116.10	98.47	-	-	-	-	-
<b>Fund capital total, mEUR</b>										
Global Selektiv A - SEK	176	257	185	110	40	-	-	-	-	-
Global Selektiv A - EUR	573	596	530	557	131	-	-	-	-	-
Global Selektiv A - NOK	9	11	10	-	-	-	-	-	-	-
Global Selektiv AI - SEK	485	650	201	-	-	-	-	-	-	-
Global Selektiv AI - EUR	202	388	424	235	73	-	-	-	-	-
Global Selektiv AI - EUR	10	9	10	-	-	-	-	-	-	-
Global Selektiv BI - SEK	203	564	392	185	136	-	-	-	-	-
<b>Number of units, 1000's</b>										
Global Selektiv A - SEK	9,931	15,147	11,681	8,133	3,460	-	-	-	-	-
Global Selektiv A - EUR	3,349	3,742	3,493	4,609	1,335	-	-	-	-	-
Global Selektiv A - NOK	518	614	624	-	-	-	-	-	-	-
Global Selektiv AI - SEK	2,996	3,886	1,387	-	-	-	-	-	-	-
Global Selektiv AI - EUR	1,142	2,378	2,749	1,927	740	-	-	-	-	-
Global Selektiv AI - EUR	528	528	623	-	-	-	-	-	-	-
Global Selektiv BI - SEK	1,398	3,999	2,805	1,597	1,385	-	-	-	-	-
<b>Total returns in %, SEK</b>										
Global Selektiv A - SEK	+7.4	+5.1	+25.4	+22.4	-1.2	-	-	-	-	-
Global Selektiv A - EUR	+2.6	+8.7	+17.2	+18.6	-	-	-	-	-	-
Global Selektiv A - NOK	-3.1	+15.2	+27.2	+35.1	-	-	-	-	-	-
Global Selektiv AI - SEK	+8.3	+6.0	+26.5	+23.2	-1.2	-	-	-	-	-
Global Selektiv AI - EUR	+3.5	+9.6	+18.2	+19.4	-	-	-	-	-	-
Global Selektiv BI - SEK	+7.4	+5.1	+25.5	+22.4	-1.2	-	-	-	-	-
<b>Index including dividends in %, SEK</b>										
Global Selektiv A - SEK	+16.2	+5.1	-	-	-	-	-	-	-	-
Global Selektiv A - EUR	+11.1	+8.8	-	-	-	-	-	-	-	-
Global Selektiv A - NOK	+4.9	+15.3	-	-	-	-	-	-	-	-

Global Selektiv, cont.

### Fund Facts - History cont.

	2016	2015	2014	2013	5/11-31/12 2012	2011	2010	2009	2008	2007
Global Selektiv AI - SEK	+16.2	+5.1	-	-	-	-	-	-	-	-
Global Selektiv AI - EUR	+11.1	+8.8	-	-	-	-	-	-	-	-
Global Selektiv BI - SEK	+16.2	+5.1	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Global Selektiv A - SEK	+6.2	+14.8	+23.9	-	-	-	-	-	-	-
Global Selektiv A - EUR	+5.6	+12.8	-	-	-	-	-	-	-	-
Global Selektiv A - NOK	+5.6	+21.0	-	-	-	-	-	-	-	-
Global Selektiv AI - SEK	+7.2	+15.8	+24.9	-	-	-	-	-	-	-
Global Selektiv AI - EUR	+6.5	+13.8	-	-	-	-	-	-	-	-
Global Selektiv BI - SEK	+6.2	+14.8	+23.9	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+10.6	+15.5	-	-	-	-	-	-	-	-
EUR	+9.9	+13.6	-	-	-	-	-	-	-	-
NOK	+10.0	+21.8	-	-	-	-	-	-	-	-

Index: MSCI All Country World Index Net

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

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

Refer to the last page for definitions.

### Fund Facts - Costs

Collected mgmt. costs in % of average fund capital

Global Selektiv A <sup>1)</sup>	1.85
Global Selektiv AI <sup>2)</sup>	1.00
Global Selektiv BI <sup>2)</sup>	1.85

Annual fees in %

Global Selektiv A	1.96
Global Selektiv AI	1.07
Global Selektiv BI	1.92

1) A Luxemburg wealth tax of 0.05% of fund assets will be added annually.

2) A Luxemburg wealth tax of 0.01% of fund assets will be added annually.

### Fund Facts - Other Key Figures

Turnover rate	0.5
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### Risk and Return Measurements\*

Total risk % - A SEK	12.8	Active return % - AI EUR	-3.4
Total risk % - A EUR	12.7	Active return % - BI SEK	-4.3
Total risk % - A NOK	11.9	Information ratio - A SEK	Negative
Total risk % - AI SEK	12.8	Information ratio - A EUR	Negative
Total risk % - AI EUR	12.7	Information ratio - A NOK	Negative
Total risk % - BI SEK	12.8	Information ratio - AI SEK	Negative
Total risk in index % - A SEK	14.0	Information ratio - AI EUR	Negative
Total risk in index % - A EUR	13.8	Information ratio - BI SEK	Negative
Total risk in index % - A NOK	12.0	Sharpe ratio - A SEK	0.5
Total risk in index % - AI SEK	14.0	Sharpe ratio - A EUR	0.5
Total risk in index % - AI EUR	13.8	Sharpe ratio - A NOK	0.4
Total risk in index % - BI SEK	14.0	Sharpe ratio - AI SEK	0.6
Tracking error % - A SEK	4.4	Sharpe ratio - AI EUR	0.5
Tracking error % - A EUR	4.4	Sharpe ratio - BI SEK	0.5
Tracking error % - A NOK	4.4	Sharpe ratio in index - A SEK	0.8
Tracking error % - AI SEK	4.4	Sharpe ratio in index - A EUR	0.7
Tracking error % - AI EUR	4.4	Sharpe ratio in index - A NOK	0.8
Tracking error % - BI SEK	4.4	Sharpe ratio in index - AI SEK	0.8
Index	MSCI All Country World Index Net	Sharpe ratio in index - AI EUR	0.7
Active return % - A SEK	-4.3	Sharpe ratio in index - BI SEK	0.8
Active return % - A EUR	-4.3	Active Share % <sup>1)</sup>	96.8
Active return % - A NOK	-4.3		
Active return % - AI SEK	-3.4		

1) As of the balance sheet date.

\* Risk statistics are based on historical monthly returns over two years. Refer to the last page for definitions.

Total exposure in the fund is calculated in accordance with the commitment method.



Global Tema (Criteria), cont.

## Fund Facts - History cont.

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Global Tema (Criteria) A1 - NOK	463	466	-	-	-	-	-	-	-	-
Global Tema (Criteria) B1 - SEK	116	1,284	-	-	-	-	-	-	-	-
of which are outstanding share certificates, 1000's	69	69	70	70	70	70	70	70	70	70
Total returns in %, SEK										
Global Tema (Criteria) A1 - SEK	+7.4	+9.8	+23.3	+18.2	+10.5	-9.9	+7.1	+19.9	-29.6	+4.9
Global Tema (Criteria) A1 - EUR	+2.7	+13.6	+15.2	+14.6	+14.6	-8.7	+21.6	+28.6	-39.5	+0.2
Global Tema (Criteria) A1 - NOK	-3.1	+20.3	+25.1	+30.6	+8.6	-9.3	+14.4	+9.5	-25.8	-3.1
Global Tema (Criteria) B1 - SEK	+7.4	+9.8	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Global Tema (Criteria) A1 - SEK	+16.3	+5.1	+27.0	+21.2	+10.2	-5.5	+6.1	+17.7	-27.5	+3.0
Global Tema (Criteria) A1 - EUR	+11.1	+8.8	+18.6	+17.5	+14.3	-4.2	+20.5	+26.3	-37.6	-1.7
Global Tema (Criteria) A1 - NOK	+4.9	+15.3	+28.7	+33.9	+8.3	-4.9	+13.4	+7.6	-23.5	-4.9
Global Tema (Criteria) B1 - SEK	+16.3	+5.1	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Global Tema (Criteria) A1 - SEK	+8.6	+16.4	+20.8	+14.3	-0.2	-1.8	+13.3	-8.1	-14.1	+2.4
Global Tema (Criteria) A1 - EUR	+8.0	+14.4	+14.9	+14.6	+2.3	+5.4	+25.1	-11.8	-22.1	+2.1
Global Tema (Criteria) A1 - NOK	+8.0	+22.7	+27.8	+19.1	-0.7	+1.9	+11.9	-9.8	-15.2	+1.8
Global Tema (Criteria) B1 - SEK	+8.6	+16.4	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+10.6	+15.5	+24.1	+15.6	+2.0	+0.1	+11.8	-7.6	-13.6	+3.1
EUR	+9.9	+13.6	+18.1	+15.9	+4.6	+7.4	+23.4	-11.3	-21.7	+2.8
NOK	+10.0	+21.8	+31.3	+20.4	+1.5	+3.8	+10.4	-9.3	-14.7	+2.5
Average yearly return, 5 yrs. %										
Global Tema (Criteria) A1 - SEK	+13.7	+9.8	+9.2	+8.6	-2.1	-3.1	-1.1	+3.3	-0.5	+8.1
Global Tema (Criteria) A1 - EUR	+12.0	+9.4	+11.0	+13.4	-0.2	-2.8	-0.3	+0.7	-4.2	+7.4
Global Tema (Criteria) A1 - NOK	+15.6	+14.1	+13.0	+10.0	-1.7	-4.0	-0.7	+0.9	-1.3	+9.3
Global Tema (Criteria) B1 - SEK	+13.7	+9.8	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+15.7	+11.0	+11.2	+9.5	-1.2	-2.5	-0.8	+3.5	+0.4	+8.7
EUR	+14.0	+10.7	+13.0	+14.4	+0.8	-2.2	0.0	+1.0	-3.3	+8.0
NOK	+17.7	+15.4	+15.0	+11.0	-0.8	-3.4	-0.4	+1.1	-0.4	+9.9
Average yearly return, 10 yrs. %										
Global Tema (Criteria) A1 - SEK	+5.0	+4.2	+6.2	+4.0	+2.9	-2.9	-3.2	-5.4	-3.8	+2.0
Global Tema (Criteria) A1 - EUR	+4.3	+4.5	+5.7	+4.2	+3.5	-2.4	-3.4	-7.1	-5.2	+1.1
Global Tema (Criteria) A1 - NOK	+5.4	+6.4	+6.7	+4.2	+3.6	-2.7	-4.0	-6.8	-4.4	+0.9
Global Tema (Criteria) B1 - SEK	+5.0	+4.2	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+6.2	+5.0	+7.3	+4.9	+3.6	-1.4	-1.5	-2.6	-1.4	+3.9
EUR	+5.6	+5.2	+6.8	+5.2	+4.3	-0.9	-1.7	-4.4	-2.8	+3.1
NOK	+6.6	+7.2	+7.8	+5.1	+4.4	-1.2	-2.3	-4.1	-2.0	+2.8
Dividends per unit, SEK										
Global Tema (Criteria) A1 - SEK	-	-	-	-	3.65	3.31	2.99	5.25	4.75	4.38
Global Tema (Criteria) B1 - SEK	14.31	-	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK	9.58	9.16	9.47	8.85	8.58	8.90	9.02	10.24	10.99	9.45
Exchange rate NOK/SEK	1.06	0.95	1.04	1.06	1.17	1.15	1.16	1.24	1.13	1.19

1) Based on a judgment in the Administrative Court of Appeal, the share price in funds with holdings in US equities have been impacted. A full withholding tax (30%) will now be imposed on the funds instead of the previous 15%. The tax change is applicable for distributions effective as of January 1, 2012, and this has resulted in an adjustment to the net asset value of the fund as of June 16, 2014.

2) Following a judgment in the Administrative Court of Appeal that changed the withholding tax on dividends in US equities from 15% to 30%, the previously reserved withholding has been added back in the fund as of March 30, 2015.

3) The fund's total net inflows do not include reinvested dividends in funds with a distribution share class.

4) The fund's net flow does not include the merger with Sverige/Världen and Funds Global Thematic which took place on May 22, 2015.

Index: MSCI All Country World Index Net

Up to 31/10/2009: MSCI World Index

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

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

Refer to the last page for definitions.

## Fund Facts - Costs

As of the balance sheet date.

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

Max. allowed mgmt. costs in % according to fund rules	
Global Tema (Criteria) A1	1.40
Global Tema (Criteria) B1	1.40
Collected mgmt. costs in % of average fund capital	
Global Tema (Criteria) A1	1.40
Global Tema (Criteria) B1	1.40
Annual fees in %	
Global Tema (Criteria) A1	1.45
Global Tema (Criteria) B1	1.45
Analyzing costs, tSEK <sup>1)</sup>	10,142
Transaction costs, tSEK	7,038
Transaction costs in % of turnover	0.05
Costs in SEK for a one-time subscription, 10 000 SEK	
Global Tema (Criteria) A1	139.35
Global Tema (Criteria) B1	139.35
Costs in SEK for monthly savings, 100 SEK	
Global Tema (Criteria) A1	9.56
Global Tema (Criteria) B1	9.56

1) Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

## Fund Facts - Other Key Figures

Turnover rate	0.3
Share of turnover conducted via closely-related securities companies in %	4.9

## Risk and Return Measurements\*

Total risk % - A1 SEK	13.9	Active return % - A1 NOK	-2.0
Total risk % - A1 EUR	13.7	Active return % - B1 SEK	-2.0
Total risk % - A1 NOK	12.7	Information ratio - A1 SEK	Negative
Total risk % - B1 SEK	13.9	Information ratio - A1 EUR	Negative
Total risk in index % - A1 SEK	14.2	Information ratio - A1 NOK	Negative
Total risk in index % - A1 EUR	14.0	Information ratio - B1 SEK	Negative
Total risk in index % - A1 NOK	12.3	Sharpe ratio - A1 SEK	0.6
Total risk in index % - B1 SEK	14.2	Sharpe ratio - A1 EUR	0.6
Active Share % <sup>1)</sup>	85.6	Sharpe ratio - A1 NOK	0.6

### Income Statement, SEKt

	2016	2015
<b>INCOME AND CHANGES IN VALUE</b>		
Changes in value for transferable securities **	1,325,205	232,093
Changes in value for fund units **	-	7,380
Interest income	-420	-172
Dividends	244,962	198,143
Currency exchange profits and losses, net	7,038	10,849
Other income	0	10
<b>Total income and changes in value</b>	<b>1,576,785</b>	<b>448,303</b>
<b>EXPENSES</b>		
Management Company expenses	258,766	206,779
Interest expense	-2	54
Other expenses	17,453	19,241
<b>Total expenses</b>	<b>276,217</b>	<b>226,074</b>
<b>Net income</b>	<b>1,300,568</b>	<b>222,229</b>
* Details of changes in value		
Changes in value for transferable securities – Capital gains	1,007,293	980,908
Changes in value for transferable securities – Capital losses	-1,044,917	-496,547
Changes in value for transferable securities – Unrealised	1,362,829	-252,268
Sum	1,325,205	232,093
** Details of changes in value		
Changes in value for fund units – Capital gains	-	4,423
Changes in value for fund units – Capital losses	-	-2,543
Changes in value for fund units – Unrealised	-	5,500
Sum	-	7,380

### Balance Sheet, tSEK

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
<b>ASSETS</b>				
Transferable securities	19,152,345	99.1	18,796,351	98.6
Fund units	0	0.0	0	0.0
<b>Total financial instruments with positive market value</b> <sup>Note 2)</sup>	<b>19,152,345</b>	<b>99.1</b>	<b>18,796,351</b>	<b>98.6</b>
Bank assets and other liquid assets	184,620	1.0	289,710	1.5
Prepaid expenses and accrued income	6,191	0.0	6,929	0.0
Other assets	13	0.0	-	-
<b>Total assets</b>	<b>19,343,169</b>	<b>100.1</b>	<b>19,092,990</b>	<b>100.1</b>
<b>LIABILITIES</b>				
Accrued expenses and prepaid income	12,317	0.1	11,497	0.0
Other liabilities	0	0.0	21,213	0.1
<b>Total liabilities</b>	<b>12,317</b>	<b>0.1</b>	<b>32,710</b>	<b>0.1</b>
<b>Fund capital</b> <sup>Note 1)</sup>	<b>19,330,852</b>	<b>100.0</b>	<b>19,060,280</b>	<b>100.0</b>

Note 1) for Balance Sheet

### Changes in fund capital, SEKt

	2016	2015
Fund capital at beginning of year	19,060,280	4,926,059
Units issued <sup>1)</sup>	756,871	15,462,294
Units redeemed	-1,774,621	-1,550,572
Profit according to Income Statement	1,300,568	222,229
Dividends to unit holders	-12,246	270
<b>Fund capital at the close of the period</b>	<b>19,330,852</b>	<b>19,060,280</b>

1) SEK 12,112,489t derives from the merger with Sverige/Världen that took place on May 8, 2015. SEK 1,181,797t derives from the merger with Global Thematic that took place on May 22, 2015.

Note 2) for Balance Sheet

### Fund holdings in financial instruments

#### TRANSFERABLE SECURITIES\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>LISTED EQUITIES</b>			
<b>BRAZIL (BRL)</b>			
Kroton (Commercial Services and Supplies)	5,600,000	208,359	1.1
Odontoprev (Health Care Providers and Services)	3,400,000	119,576	0.6
		<b>327,935</b>	<b>1.7</b>
<b>CHILE (CLP)</b>			
Andina B ADR (Beverages)	577,500	117,886	0.6
Banmedica (Health Care Providers and Services)	3,150,000	55,209	0.3
		<b>173,095</b>	<b>0.9</b>
<b>CHINA (CNY)</b>			
Baidu ADR (Internet Software and Services)	92,100	137,560	0.7
Hollysys Automation Technologies (Elec Equip, Instr & Comp)	1,014,000	168,760	0.9
NetEase (Software)	185,500	362,890	1.9
Tencent (Internet Software and Services)	1,389,000	308,743	1.6
Xinyi Solar Holdings (Semiconductors and Semiconductor Eq.)	48,300,000	142,618	0.7
		<b>1,120,571</b>	<b>5.8</b>
<b>DENMARK (DKK)</b>			
Pandora (Other)	158,000	188,137	1.0
Rockwool International B (Building Products)	136,074	218,493	1.1
Vestas Wind Systems (Electrical Equipment)	333,000	196,971	1.0
		<b>603,600</b>	<b>3.1</b>
<b>FINLAND (EUR)</b>			
Amer Sports A (Leisure Equipment and Products)	368,000	89,142	0.5
Huhtamaki (Containers and Packaging)	360,200	121,766	0.6
		<b>210,908</b>	<b>1.1</b>
<b>FRANCE (EUR)</b>			
Capgemini (IT Services)	122,000	93,695	0.5
Danone (Food Products)	258,000	148,824	0.8
Dassault Systèmes (Software)	210,000	145,664	0.8
JCDecaux (Media)	191,000	51,116	0.3
		<b>439,300</b>	<b>2.3</b>
<b>GERMANY (EUR)</b>			
Aidas (Textiles, Apparel and Luxury Goods)	60,000	86,324	0.4
Nordex (Electrical Equipment)	577,000	112,732	0.6
SAP (Software)	398,869	316,496	1.6
		<b>515,553</b>	<b>2.7</b>
<b>HONG KONG (HKD)</b>			
AIA Group (Insurance)	4,937,000	253,086	1.3
		<b>253,086</b>	<b>1.3</b>
<b>INDIA (INR)</b>			
ICICI Bank (Commercial Banks)	2,580,000	88,165	0.5
Infosys Technologies ADR (IT Services)	986,000	132,838	0.7
		<b>221,004</b>	<b>1.1</b>
<b>INDONESIA (IDR)</b>			
Bank Rakyat Indonesia (Commercial Banks)	24,082,700	189,592	1.0
		<b>189,592</b>	<b>1.0</b>
<b>IRELAND (EUR)</b>			
Shire (Pharmaceuticals)	326,000	171,410	0.9
		<b>171,410</b>	<b>0.9</b>
<b>ISRAEL (ILS)</b>			
Check Point Software Technologies (Internet Software and Services)	340,900	261,568	1.4
		<b>261,568</b>	<b>1.4</b>
<b>JAPAN (JPY)</b>			
Astellas Pharma (Pharmaceuticals)	1,780,000	225,086	1.2
CyberAgent (Media)	380,000	85,479	0.4
DeNA (Internet Software and Services)	575,000	114,384	0.6
Ichigo Group (Capital Markets)	2,550,000	86,001	0.4
Keyence (Elec Equip, Instr & Comp)	33,000	206,141	1.1
Nintendo (Software)	78,000	149,089	0.8
Resorttrust (Hotels, Restaurants and Leisure)	450,000	75,638	0.4
Square Enix Holdings (Software)	697,000	163,138	0.8
Sugi Pharmacy (Food and Staples Retailing)	149,000	64,526	0.3
Temp Holdings (Professional Services)	1,845,000	260,538	1.3
		<b>1,430,021</b>	<b>7.4</b>
<b>KOREA, REPUBLIC OF (KRW)</b>			
Hynix Semiconductor (Semiconductors and Semiconductor Eq.)	524,700	176,413	0.9
Woongjin Coway (Energy Equipment and Services)	231,400	153,686	0.8
		<b>330,099</b>	<b>1.7</b>
<b>MEXICO (MXN)</b>			
Gruma (Food Products)	1,782,197	207,004	1.1
Grupo Aeroportuario del Centro Norte (Transportation Infrastructure)	3,741,162	147,206	0.8
Grupo Aeroportuario del Pacifico ADR (Transportation Infrastructure)	160,600	209,934	1.1
		<b>564,143</b>	<b>2.9</b>

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Global Tema (Criteria), cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>NETHERLANDS (EUR)</b>			
ASML Holding (Semiconductors and Semiconductor Equip.)	153,000	156,354	0.8
GrandVision (Specialty Retail)	778,000	155,842	0.8
ING Groep Ord Shs (Commercial Banks)	2,270,000	290,812	1.5
Unilever A NL (Food Products)	484,000	181,403	0.9
		<b>784,411</b>	<b>4.1</b>
<b>PHILIPPINES (PHP)</b>			
Metrobank (Commercial Banks)	5,834,478	77,407	0.4
		<b>77,407</b>	<b>0.4</b>
<b>RUSSIAN FEDERATION (RUB)</b>			
Sberbank ADR (Commercial Banks)	1,550,000	162,989	0.8
		<b>162,989</b>	<b>0.8</b>
<b>SPAIN (EUR)</b>			
Aena (Transportation Infrastructure)	156,000	193,799	1.0
BBVA (Commercial Banks)	1,620,000	99,563	0.5
EDP Renováveis (Electric Utilities)	1,500,000	86,755	0.4
Gamesa (Electrical Equipment)	1,038,000	191,661	1.0
		<b>571,779</b>	<b>3.0</b>
<b>SWEDEN (SEK)</b>			
Assa Abloy B (Building Products)	292,125	49,398	0.3
AstraZeneca SDB (Pharmaceuticals)	235,127	116,882	0.6
		<b>166,280</b>	<b>0.9</b>
<b>SWITZERLAND (CHF)</b>			
Julius Baer Group (Capital Markets)	738,000	298,363	1.5
Luxoft (IT Services)	186,000	94,963	0.5
Roche Holding (Pharmaceuticals)	45,000	93,559	0.5
Straumann (Health Care Equipment and Supplies)	34,000	120,803	0.6
		<b>607,689</b>	<b>3.1</b>
<b>TAIWAN, PROVINCE OF CHINA (TWD)</b>			
Largan Precision (Leisure Equipment and Products)	206,000	220,072	1.1
Taiwan Semiconductor ADR (Semiconductors and Semiconductor Equip.)	1,070,000	279,465	1.4
		<b>499,537</b>	<b>2.6</b>
<b>THAILAND (THB)</b>			
Airports of Thailand f/r (Transportation Infrastructure)	1,750,000	176,692	0.9
		<b>176,692</b>	<b>0.9</b>
<b>UNITED KINGDOM (GBP)</b>			
Delphi Automotive (Auto Components)	295,000	180,495	0.9
Pets at Home Group (Specialty Retail)	2,921,000	78,367	0.4
Prudential (Insurance)	1,838,000	335,790	1.7
Reckitt Benckiser (Household Products)	256,000	197,883	1.0
Worldpay Group (IT Services)	4,800,000	145,427	0.8
		<b>937,962</b>	<b>4.9</b>
<b>UNITED STATES (USD)</b>			
A. O. Smith (Building Products)	346,000	148,834	0.8
AbbVie (Pharmaceuticals)	357,000	203,089	1.1
Activision Blizzard (Software)	652,051	213,902	1.1
Aetna (Health Care Providers and Services)	185,000	208,418	1.1
Affiliated Managers Group (Capital Markets)	107,700	142,163	0.7
Alliance Data Systems (Commercial Services and Supplies)	97,000	201,356	1.0
Alphabet C (Internet Software and Services)	43,709	306,473	1.6
Amazon.com (Internet and Catalog Retail)	26,000	177,119	0.9
Ambarella Ord Shs (Semiconductors and Semiconductor Equip.)	167,000	82,122	0.4
Amgen (Biotechnology)	36,163	48,034	0.2
Ansys (Software)	234,800	197,287	1.0
Apple (Computers and Peripherals)	260,800	274,408	1.4
Ball (Containers and Packaging)	175,000	119,347	0.6
Bright Horizons Family Solutions (Diversified Consumer Services)	349,200	222,127	1.1
Celgene (Biotechnology)	230,443	242,321	1.3
Colgate-Palmolive (Household Products)	364,000	216,397	1.1
East West Bancorp (Commercial Banks)	920,000	424,829	2.2
Facebook (Internet Software and Services)	300,000	313,555	1.6
First Republic Bank (Commercial Banks)	540,000	452,010	2.3
Home Depot (Specialty Retail)	180,404	219,743	1.1
InterActiveCorp (Media)	217,000	127,724	0.7
IPG Photonics (Elec Equip, Instr & Comp)	167,000	149,756	0.8
Johnson & Johnson (Pharmaceuticals)	240,000	251,193	1.3
Mastercard (IT Services)	359,000	336,737	1.7
Middleby (Machinery)	221,000	258,611	1.3
NASDAQ OMX Group (Diversified Financial Services)	445,200	271,464	1.4
Nielsen Holding (Professional Services)	514,000	195,885	1.0
Nike B (Textiles, Apparel and Luxury Goods)	199,000	91,892	0.5
NVIDIA (Semiconductors and Semiconductor Equip.)	166,000	160,969	0.8
PayPal (IT Services)	400,800	143,715	0.7
Priceline.com (Internet and Catalog Retail)	19,560	260,511	1.3
Progressive Ohio (Insurance)	598,617	193,056	1.0
Royal Caribbean Cruises (Hotels, Restaurants and Leisure)	140,000	104,342	0.5
Sensient Technologies (Chemicals)	298,700	213,232	1.1
Service Corporation International (Diversified Consumer Services)	451,000	116,359	0.6
The Cooper Companies (Health Care Equipment and Supplies)	130,500	207,387	1.1
Time Warner (Media)	319,000	279,743	1.4
UnitedHealth Group (Health Care Providers and Services)	120,000	174,468	0.9
Walt Disney (Media)	254,000	240,486	1.2
Xylem (Machinery)	366,000	164,652	0.9
		<b>8,355,714</b>	<b>43.1</b>
<b>Total listed equities</b>		<b>19,152,345</b>	<b>99.1</b>
<b>Total transferable securities</b>		<b>19,152,345</b>	<b>99.1</b>

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>Total holdings in financial instruments</b>		<b>19,152,345</b>	<b>99.1</b>
<b>Net, other assets and liabilities</b>		<b>178,507</b>	<b>0.9</b>
<b>Total fund capital</b>		<b>19,330,852</b>	<b>100.0</b>

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

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

99.1

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

\*\*\* Refers to other financial instruments.

Physical fund certificates should be redeemed. Some unit holders in Global Tema have physical fund certificates (bearer paper) instead of a fund account. The certificate is issued by "Koncentra Reinvest" or "Öppna Aktiefonden Lågkoncentra". According to the Securities Fund Act, all such certificates must be redeemed and, in their place, the fund units must be registered. Since there is no register of unit holders with such certificates, we urge those who have these certificates to contact a Handelsbanken branch office to register these fund units.



Fund Facts - History cont.

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Kortrränta Criteria A1	-0.7	-0.3	+0.5	+0.9	+1.2	+1.6	+0.3	+0.4	+4.5	+3.4
Kortrränta Criteria B1	-0.7	-0.3	+0.5	+0.9	+0.1	-	-	-	-	-
Average yearly return, 2 yrs. %										
Kortrränta Criteria A1	0.0	+0.4	+1.1	+1.9	+2.5	+1.4	+1.2	+2.2	+2.6	+2.2
Kortrränta Criteria B1	0.0	+0.4	+1.1	-	-	-	-	-	-	-
Comparison to index including dividends, %	-0.5	+0.1	+0.7	+1.0	+1.4	+1.0	+0.4	+2.5	+4.0	+2.8
Average yearly return, 5 yrs. %										
Kortrränta Criteria A1	+0.9	+1.4	+1.5	+1.7	+2.0	+2.0	+1.9	+2.1	+2.2	+2.2
Comparison to index including dividends, %	+0.3	+0.8	+0.9	+0.9	+1.6	+2.1	+2.2	+2.5	+2.9	+2.7
Average yearly return, 10 yrs. %										
Kortrränta Criteria A1	+1.5	+1.6	+1.8	+1.9	+2.1	+2.2	+2.4	+2.7	+2.8	+3.0
Comparison to index including dividends, %	+1.2	+1.5	+1.7	+1.9	+2.2	+2.5	+2.8	+3.2	+3.4	+3.5
Dividends per unit, SEK										
Kortrränta Criteria A1	-	-	-	-	0.25	1.59	0.56	1.85	3.60	3.22
Kortrränta Criteria B1	0.98	1.49	1.50	1.76	1.64	-	-	-	-	-

1) The fund's total net inflows do not include reinvested dividends in funds with a distribution share class. This is new information as of the full-year 2012.

Index: OMRX Treasury Bill Index

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

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

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Kortrränta Criteria A1	0.80
Kortrränta Criteria B1	0.80
Collected mgmt. costs in % of average fund capital	
Kortrränta Criteria A1	0.15
Kortrränta Criteria B1 <sup>1)</sup>	0.15
Annual fees in %	
Kortrränta Criteria A1	0.15
Kortrränta Criteria B1	0.15
Analyzing costs, tSEK <sup>1)</sup>	-
Transaction costs, tSEK	-
Transaction costs in % of turnover	-
Costs in SEK for a one-time subscription, 10 000 SEK	
Kortrränta Criteria A1	14.98
Kortrränta Criteria B1	14.98
Costs in SEK for monthly savings, 100 SEK	
Kortrränta Criteria A1	0.97
Kortrränta Criteria B1	0.97

1) Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

Fund Facts - Other Key Figures

Turnover rate	0.7
Share of turnover conducted via closely-related securities companies in %	12.7

Risk and Return Measurements\*

Total risk % - A1 SEK	0.2	Information ratio - A1 SEK	2.5
Total risk % - B1 SEK	0.2	Information ratio - B1 SEK	2.5
Total risk in index % - A1 SEK	0.1	Sharpe ratio - A1 SEK	2.4
Total risk in index % - B1 SEK	0.1	Sharpe ratio - B1 SEK	2.4
Tracking error % - A1 SEK	0.2	Sharpe ratio in index - A1 SEK	-0.5
Tracking error % - B1 SEK	0.2	Sharpe ratio in index - B1 SEK	-0.5
Index	OMRX Treasury Bill Index	Duration, months <sup>1)</sup>	5.5
Active return % - A1 SEK	0.4		
Active return % - B1 SEK	0.4		

1) As of the balance sheet date.

\* Risk statistics are based on historical monthly returns over two years. Refer to the last page for definitions.

Total exposure in the fund is calculated in accordance with the commitment method.

Income Statement, SEKt

	2016	2015
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	-290,026	-192,144
Changes in value for other derivative instruments **	-	273
Interest income	405,211	175,859
Other income	0	0
<b>Total income and changes in value</b>	<b>115,185</b>	<b>-16,012</b>
EXPENSES		
Management Company expenses	57,116	47,078
Interest expense	33	17
Other expenses	0	-
<b>Total expenses</b>	<b>57,149</b>	<b>47,095</b>
<b>Net income</b>	<b>58,036</b>	<b>-63,107</b>
* Details of changes in value		
Changes in value for transferable securities - Capital gains	1,883	950
Changes in value for transferable securities - Capital losses	-146,553	-121,495
Changes in value for transferable securities - Unrealised	-145,356	-71,599
Sum	-290,026	-192,144
** Details of changes in value		
Changes in value for other derivative instruments - Capital gains	-	273
Sum	-	273

Balance Sheet, tSEK

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
ASSETS				
Transferable securities	26,576,324	84.5	24,188,087	74.1
Money market instruments	3,921,882	12.5	5,496,855	16.8
<b>Total financial instruments with positive market value <sup>Note 2)</sup></b>	<b>30,498,206</b>	<b>97.0</b>	<b>29,684,942</b>	<b>90.9</b>
Bank assets and other liquid assets	291,854	0.9	2,890,446	8.9
Prepaid expenses and accrued income	173,209	0.6	75,597	0.2
Other assets	466,523	1.5	49	0.0
<b>Total assets</b>	<b>31,429,792</b>	<b>100.0</b>	<b>32,651,034</b>	<b>100.0</b>
LIABILITIES				
Accrued expenses and prepaid income	2,034	0.0	1,988	0.0
<b>Total liabilities</b>	<b>2,034</b>	<b>0.0</b>	<b>1,988</b>	<b>0.0</b>
<b>Fund capital <sup>Note 1)</sup></b>	<b>31,427,758</b>	<b>100.0</b>	<b>32,649,046</b>	<b>100.0</b>

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2016	2015
Fund capital at beginning of year	32,649,046	23,180,611
Units issued	23,824,696	23,278,640
Units redeemed	-25,031,386	-13,721,694
Profit according to Income Statement	58,036	-63,107
Dividends to unit holders	-72,634	-25,404
<b>Fund capital at the close of the period</b>	<b>31,427,758</b>	<b>32,649,046</b>



Kortränta Criteria, cont.

Note 2) for Balance Sheet

## Fund holdings in financial instruments

## TRANSFERABLE SECURITIES\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>LISTED FIXED-INCOME SECURITIES</b>			
<b>FOREIGN ISSUER, OTHERS</b>			
BMW finance NV 2017-11-27	140,000	139,919	0.4
Credit Suisse FRN 2017-05-29	500,000	499,810	1.6
Danske Bank 0,45% 2017-08-18	500,000	501,330	1.6
Danske Bank FRN 2017-09-29	710,000	711,569	2.3
LeasePlan FRN 2017-07-05	245,000	245,674	0.8
Olav Thon FRN 2017-09-22	105,000	105,013	0.3
Realkredit Danmark FRN 2017-10-01	300,000	300,552	1.0
Santander Consumer Bank 0,48% 2017-06-12	475,000	475,698	1.5
Santander Consumer Bank FRN 2017-08-10	385,000	385,054	1.2
Volkswagen FRN 2017-08-25	395,000	395,521	1.3
		<b>3,760,140</b>	<b>12.0</b>
<b>GOVERNMENT</b>			
Linköpings Stadshus FRN 2017-09-18	120,000	120,222	0.4
		<b>120,222</b>	<b>0.4</b>
<b>MORTGAGE</b>			
Nordea Hypotek 5528 3,00% 2017-06-21	1,290,000	1,311,504	4.2
Nordea Hypotek 5529 2,00% 2018-06-20	1,000,000	1,034,730	3.3
Stadshypotek 1579 6,00% 2017-06-21	950,000	979,099	3.1
Stadshypotek 1580 3,00% 2018-03-21	3,000,000	3,125,640	9.9
Stadshypotek FRN 2018-01-03	635,000	642,188	2.0
Swedbank Hypotek 186 3,75% 2017-12-20	1,500,000	1,561,155	5.0
		<b>8,654,316</b>	<b>27.5</b>
<b>OTHER</b>			
Akademiska Hus 0,11% 2018-01-29	250,000	250,683	0.8
Assa Abloy 3,38% 2017-05-30	110,000	111,538	0.4
Atrium Ljungberg FRN 2018-04-12	108,000	108,420	0.3
Atrium Ljungberg FRN 2018-09-14	105,000	104,951	0.3
Balder FRN 2017-03-17	235,000	235,054	0.7
Castellum 0,625% 2017-04-07	170,000	170,177	0.5
Castellum FRN 2017-03-01	120,000	120,229	0.4
Castellum FRN 2017-09-01	60,000	59,942	0.2
Castellum FRN 2018-10-10	200,000	199,992	0.6
Fabege FRN 2018-05-23	30,000	30,090	0.1
Fabege FRN 2018-11-28	24,000	23,983	0.1
Framtiden FRN 117 2017-10-30	50,000	50,214	0.2
Hemsö Fastighets FRN 2018-06-14	95,000	95,039	0.3
Hemsö FRN 2017-10-26	200,000	200,050	0.6
Hexagon FRN 2017-03-10	500,000	500,440	1.6
Husqvarna FRN 2017-11-28	159,000	161,372	0.5
ICA Gruppen FRN 2018-06-25	15,000	15,342	0.0
Ikano Bank FRN 2018-02-01	260,000	260,244	0.8
Landshypotek 0,20% 2017-05-22	870,000	870,966	2.8
Landshypotek FRN 2017-01-30	50,000	50,006	0.2
Landshypotek FRN 2017-11-30	250,000	251,473	0.8
Landshypotek FRN 2018-01-29	300,000	301,131	1.0
Landshypotek FRN 2018-01-29	250,000	250,333	0.8
Länsförsäkringar FRN 2017-03-15	100,000	100,030	0.3
Länsförsäkringar FRN 2017-05-26	140,000	140,178	0.4
Länsförsäkringar FRN 2017-06-30	360,000	360,234	1.1
Länsförsäkringar FRN 2017-10-09	100,000	101,084	0.3
Länsförsäkringar FRN 2018-04-06	500,000	501,835	1.6
Länsförsäkringar FRN 761 2017-08-21	127,000	127,089	0.4
Loomis FRN 2017-11-27	135,000	134,984	0.4
Nya SFF FRN 2017-11-20	48,000	48,010	0.2
Nya SFF FRN 2018-05-31	59,000	59,112	0.2
Nya SFF FRN 2018-09-07	98,000	98,016	0.3
Nya SFF FRN 2018-12-03	267,000	266,776	0.8
Rikshem FRN 2017-08-25	360,000	359,816	1.1
Rikshem FRN 2017-11-06	150,000	149,958	0.5
Rikshem FRN 2018-09-12	150,000	149,837	0.5
Sandvik FRN 2017-08-24	80,000	80,734	0.3
SBAB FRN 2017-02-01	45,000	45,069	0.1
SBAB FRN 2017-03-23	650,000	651,996	2.1
SBAB FRN 2017-11-14	204,000	204,218	0.6
SBAB FRN 2018-01-29	155,000	155,246	0.5
Scania FRN 2017-04-24	515,000	515,592	1.6
SEB Bolån 571 3,00% 2018-06-20	663,000	695,712	2.2
Skandiabanken FRN 2017-11-20	150,000	150,051	0.5
Skandiabanken FRN 2018-02-23	400,000	400,460	1.3
Sparbanken Skåne FRN 2018-02-12	296,000	296,574	0.9
Sparbanken Skåne FRN 2018-04-09	51,000	51,051	0.2
Specialfastigheter FRN 2017-07-03	100,000	100,161	0.3
Specialfastigheter FRN 2017-12-22	300,000	300,774	1.0
Sveaskog 3,625% 2017-02-09	40,000	40,146	0.1
Sveaskog FRN 2017-02-09	100,000	100,112	0.3
Swedbank 3,30% 2017-08-15	200,000	204,176	0.6
Swedbank FRN 2017-08-17	40,000	40,219	0.1
Swedbank FRN 2017-08-25	30,000	30,037	0.1
Swedbank FRN 2017-09-15	50,000	50,060	0.2
Tele2 4,875% 2017-05-15	51,500	52,389	0.2
Tele2 FRN 2017-05-15	245,000	246,884	0.8
Vasakronan 1,965% 2017-02-03	500,000	500,830	1.6
Vasakronan 3,66% 2017-08-31	265,000	271,135	0.9
Vasakronan 3,89% 2017-11-14	90,000	92,913	0.3
Vasakronan FRN 2017-06-30	400,000	400,000	1.3
Vasakronan FRN 2017-11-02	273,000	273,044	0.9
Vasakronan FRN 2018-01-17	100,000	100,427	0.3
Vasakronan FRN 2018-01-22	200,000	199,992	0.6
Vasakronan FRN 2018-04-04	160,000	160,256	0.5
Vasakronan FRN 2018-10-24	100,000	100,590	0.3
Volvofinans Bank FRN 2017-10-20	200,000	200,038	0.6
Wallenstam FRN 2018-05-30	47,000	47,042	0.1
Willhem FRN 2017-09-18	265,000	265,093	0.8
		<b>14,041,646</b>	<b>44.6</b>
<b>Total listed fixed-income securities</b>		<b>26,576,324</b>	<b>84.5</b>
<b>Total transferable securities</b>		<b>26,576,324</b>	<b>84.5</b>

## MONEY MARKET INSTRUMENTS\*\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>CERTIFICATE</b>			
Akelius 2017-01-11	150,000	149,995	0.5
Akelius 2017-08-24	35,000	34,938	0.1
Akelius 2017-08-25	75,000	74,865	0.2
Ålandsbanken 2017-01-10	150,000	150,029	0.5
Aria 2017-01-30	150,000	149,987	0.5
Atrium Ljungberg 2017-01-12	30,000	29,999	0.1
Atrium Ljungberg 2017-03-22	75,000	74,982	0.2
Atrium Ljungberg 2017-04-06	120,000	119,964	0.4
Atrium Ljungberg 2017-10-23	75,000	74,753	0.2
Balder 2017-01-13	25,000	24,999	0.1
Balder 2017-03-29	75,000	74,980	0.2
Balder 2017-05-12	20,000	19,991	0.1
Castellum 2017-04-18	75,000	74,973	0.2
Castellum 2017-06-02	200,000	199,884	0.6
Castellum 2017-06-20	130,000	129,911	0.4
Castellum 2017-11-17	140,000	139,432	0.4
Castellum 2017-12-01	55,000	54,752	0.2
Citycon 2017-03-23	40,000	39,990	0.1
Fabege 2017-04-07	190,000	189,942	0.6
Fabege 2017-10-17	185,000	184,422	0.6
Hexagon 2017-01-18	180,000	179,991	0.6
Hexagon 2017-02-22	200,000	199,969	0.6
Hexagon 2017-03-13	390,000	389,915	1.2
Hexagon 2017-03-23	150,000	149,963	0.5
Hexagon 2019-04-19	130,000	129,953	0.4
Humlegården Fastigheter 2017-11-20	185,000	184,232	0.6
Ikano Bank 2017-06-28	20,000	20,053	0.1
Ikano Bank 2017-07-28	100,000	100,260	0.3
Intrum Justitia 2017-02-08	25,000	24,997	0.1
Intrum Justitia 2017-02-15	50,000	49,993	0.2
Olav Thon Elen 2017-05-23	60,000	59,969	0.2
Trelleborg Treasury 2017-01-18	110,000	109,994	0.3
Trelleborg Treasury 2017-03-07	60,000	59,988	0.2
Wallenstam 2017-01-09	70,000	69,998	0.2
Wallenstam 2017-05-19	150,000	149,924	0.5
Wallenstam 2017-09-08	50,000	49,894	0.2
<b>Total certificate</b>		<b>3,921,882</b>	<b>12.5</b>
<b>Total money market instruments</b>		<b>3,921,882</b>	<b>12.5</b>
<b>Total holdings in financial instruments</b>		<b>30,498,206</b>	<b>97.0</b>
<b>Net, other assets and liabilities</b>		<b>929,552</b>	<b>3.0</b>
<b>Total fund capital</b>		<b>31,427,758</b>	<b>100.0</b>

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

\* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 84.5

\*\* Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46). 12.5

\*\*\* Refers to other financial instruments. -

## Compilation, Company and Group exposure\*

Company/Group	% of fund capital	Company/Group	% of fund capital
Handelsbanken	15.0	Nya Svensk FastighetsFinansiering	1.5
Nordea	7.5	Fabege	1.4
Vasakronan	6.7	Specialfastigheter	1.3
Swedbank	6.0	Balder	1.1
Landshypotek	5.6	Sparbanken Skåne	1.1
Hexagon	4.9	Tele2	1.0
Länsförsäkringar	4.1	Wallenstam	1.0
Danske Bank	3.9	Hemsö	0.9
Castellum	3.5	Ikano Bank	0.9
SBAB	3.3	Akelius	0.8
Santander Group	2.7	Olav Thon Elen	0.5
Rikshem	2.1	TrelleTr	0.5
Skandiabanken	1.8	Sveaskog	0.4
Atrium Ljungberg	1.5	Intrum Justitia	0.3

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



Latinamerikafond, cont.

Fund Facts - History cont.

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Latinamerikafond A1 - SEK	+41.2	-25.7	+6.9	-14.5	+4.0	-17.0	+10.5	+82.9	-38.3	+35.3
Latinamerikafond A1 - EUR	+35.0	-23.2	-	-	-	-	-	-	-	-
Latinamerikafond A1 - NOK	+27.4	-18.6	-	-	-	-	-	-	-	-
Latinamerikafond B1 - SEK	+41.2	-25.7	+6.9	-14.5	+3.7	-	-	-	-	-
Average yearly return, 2 yrs. %										
Latinamerikafond A1 - SEK	+2.1	-9.1	-4.5	+0.3	-3.7	-3.6	+47.7	+4.8	-10.3	+29.0
Latinamerikafond A1 - EUR	+1.5	-10.6	-	-	-	-	-	-	-	-
Latinamerikafond A1 - NOK	+1.6	-4.2	-	-	-	-	-	-	-	-
Latinamerikafond B1 - SEK	+2.1	-9.1	-4.5	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+2.4	-10.9	-4.4	-5.7	-7.1	-4.2	+42.2	+6.3	-8.6	+29.0
EUR	+1.8	-12.4	-	-	-	-	-	-	-	-
NOK	+1.9	-6.1	-	-	-	-	-	-	-	-
Average yearly return, 5 yrs. %										
Latinamerikafond A1 - SEK	+2.2	-8.0	-0.2	+11.7	+3.6	+6.8	+16.4	+26.2	+17.2	+38.9
Latinamerikafond A1 - EUR	+0.7	-8.3	-	-	-	-	-	-	-	-
Latinamerikafond A1 - NOK	+3.9	-4.4	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	-0.1	-10.1	-2.7	+8.3	+1.5	+7.0	+15.7	+27.6	+18.9	+40.7
EUR	-1.5	-10.4	-	-	-	-	-	-	-	-
NOK	+1.7	-6.6	-	-	-	-	-	-	-	-
Average yearly return, 10 yrs. %										
Latinamerikafond A1 - SEK	+4.5	+3.5	+12.3	+14.4	+20.0	+13.0	+16.5	+13.7	+12.6	+13.3
Latinamerikafond A1 - EUR	+3.8	+3.7	-	-	-	-	-	-	-	-
Latinamerikafond A1 - NOK	+4.9	+5.7	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+3.4	+2.0	+11.4	+13.5	+19.5	+13.9	+17.2	+15.1	+14.1	+14.5
EUR	+2.8	+2.2	-	-	-	-	-	-	-	-
NOK	+3.8	+4.2	-	-	-	-	-	-	-	-
Dividends per unit, SEK										
Latinamerikafond A1 - SEK	-	-	-	-	7.78	5.17	3.28	5.31	2.37	3.93
Latinamerikafond B1 - SEK	5.34	7.07	6.89	9.69	0.00	-	-	-	-	-
Exchange rate EUR/SEK	9.58	9.16	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.06	0.95	-	-	-	-	-	-	-	-

Index: MSCI Emerging Markets Latin America 10/40 Net

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

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

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Latinamerikafond A1	1.60
Latinamerikafond B1	1.60
Collected mgmt. costs in % of average fund capital	
Latinamerikafond A1	1.60
Latinamerikafond B1	1.60
Annual fees in %	
Latinamerikafond A1	1.65
Latinamerikafond B1	1.65
Analyzing costs, tSEK <sup>1)</sup>	1,124
Transaction costs, tSEK	1,495
Transaction costs in % of turnover	0.07
Costs in SEK for a one-time subscription, 10 000 SEK	
Latinamerikafond A1	193.77
Latinamerikafond B1	193.77
Costs in SEK for monthly savings, 100 SEK	
Latinamerikafond A1	12.07
Latinamerikafond B1	12.07

1) Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

Fund Facts - Other Key Figures

Turnover rate	0.3
Share of turnover conducted via closely-related securities companies in %	2.1

Risk and Return Measurements\*

Total risk % - A1 SEK	22.0	Active return % - A1 NOK	-0.3
Total risk % - A1 EUR	20.7	Active return % - B1 SEK	-0.3
Total risk % - A1 NOK	18.6	Information ratio - A1 SEK	Negative
Total risk % - B1 SEK	22.0	Information ratio - A1 EUR	Negative
Total risk in index % - A1 SEK	25.4	Information ratio - A1 NOK	Negative
Total risk in index % - A1 EUR	24.4	Information ratio - B1 SEK	Negative
Total risk in index % - A1 NOK	21.9	Sharpe ratio - A1 SEK	0.1
Total risk in index % - B1 SEK	25.4	Sharpe ratio - A1 EUR	0.1
Active Share % <sup>1)</sup>	72.4	Sharpe ratio - A1 NOK	0.0
Tracking error % - A1 SEK	6.6	Sharpe ratio - B1 SEK	0.1
Tracking error % - A1 EUR	6.6	Sharpe ratio in index - A1 SEK	0.1
Tracking error % - A1 NOK	6.6	Sharpe ratio in index - A1 EUR	0.1
Tracking error % - B1 SEK	6.6	Sharpe ratio in index - A1 NOK	0.1
Index	MSCI Emerging Markets Latin America 10/40 Net	Sharpe ratio in index - B1 SEK	0.1
Active return % - A1 SEK	-0.3		
Active return % - A1 EUR	-0.3		

1) As of the balance sheet date.

\* Risk statistics are based on historical monthly returns over two years. Refer to the last page for definitions.

Total exposure in the fund is calculated in accordance with the commitment method.

Income Statement, SEKt

	2016	2015
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	580,436	-563,138
Interest income	27	94
Dividends	65,474	64,001
Currency exchange profits and losses, net	-1,964	-2,370
Other income	77	0
<b>Total income and changes in value</b>	<b>644,050</b>	<b>-501,413</b>
EXPENSES		
Management Company expenses	39,735	37,404
Interest expense	61	26
Other expenses	2,953	3,591
<b>Total expenses</b>	<b>42,749</b>	<b>41,021</b>
<b>Net income</b>	<b>601,301</b>	<b>-542,434</b>
* Details of changes in value		
Changes in value for transferable securities - Capital gains	222,046	299,478
Changes in value for transferable securities - Capital losses	-158,380	-304,827
Changes in value for transferable securities - Unrealised	516,770	-557,789
Sum	580,436	-563,138

Balance Sheet, tSEK

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
ASSETS				
Transferable securities	2,917,479	99.3	1,753,891	97.8
<b>Total financial instruments with positive market value</b> <sup>Note 2)</sup>	<b>2,917,479</b>	<b>99.3</b>	<b>1,753,891</b>	<b>97.8</b>
Bank assets and other liquid assets	11,864	0.4	37,863	2.1
Prepaid expenses and accrued income	10,115	0.3	3,816	0.2
Other assets	40	0.1	-	-
<b>Total assets</b>	<b>2,939,498</b>	<b>100.1</b>	<b>1,795,570</b>	<b>100.1</b>
LIABILITIES				
Accrued expenses and prepaid income	2,082	0.1	1,275	0.1
Other liabilities	11	0.0	17	0.0
<b>Total liabilities</b>	<b>2,093</b>	<b>0.1</b>	<b>1,292</b>	<b>0.1</b>
<b>Fund capital</b> <sup>Note 1)</sup>	<b>2,937,405</b>	<b>100.0</b>	<b>1,794,278</b>	<b>100.0</b>

Note 1) for Balance Sheet

### Changes in fund capital, SEK

	2016	2015
Fund capital at beginning of year	1,794,278	2,784,871
Units issued	1,862,214	394,882
Units redeemed	-1,320,382	-842,942
Profit according to Income Statement	601,301	-542,434
Dividends to unit holders	-6	-99
<b>Fund capital at the close of the period</b>	<b>2,937,405</b>	<b>1,794,278</b>

Note 2) for Balance Sheet

### Fund holdings in financial instruments

#### TRANSFERABLE SECURITIES\*

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

##### ARGENTINA (ARS)

Galicia Financial Group ADR (Commercial Banks)	124,500	30,447	1.0
		<b>30,447</b>	<b>1.0</b>

##### BRAZIL (BRL)

Aliança Shopping Centers (Real Estate)	415,348	16,752	0.6
Arezzo (Other)	572,000	40,010	1.4
Banco do Brasil (Commercial Banks)	855,000	67,037	2.3
BM&FBovespa (Diversified Financial Services)	2,414,500	111,200	3.8
BR Malls (Real Estate)	2,486,500	82,938	2.8
Brasil Foods (Food Products)	632,255	85,150	2.9
CCR (Road and Rail)	3,058,200	136,237	4.6
CETIP (Diversified Financial Services)	151,275	18,832	0.6
Cielo (IT Services)	301,776	23,492	0.8
CTEEP (Electric Utilities)	207,737	37,614	1.3
Estácio Participações (Diversified Consumer Services)	564,800	24,908	0.8
GAEC Educação (Diversified Consumer Services)	187,000	7,114	0.2
Itaú Unibanco Holding pref (Commercial Banks)	2,155,203	203,630	6.9
Itaú Unibanco Holding pref ADR (Commercial Banks)	475,142	44,373	1.5
Itaúsa (Commercial Banks)	5,510,600	127,357	4.3
Kroton (Commercial Services and Supplies)	2,589,923	96,363	3.3
Light (Electric Utilities)	1,035,000	50,152	1.7
Localiza Rent a Car (Road and Rail)	242,500	23,163	0.8
M. Dias Branco (Food Products)	40,500	13,001	0.4
Mahle-Metal Leve (Auto Components)	198,400	11,496	0.4
Multiplus (Commercial Services and Supplies)	204,000	19,246	0.7
Petrobras pref (Oil, Gas and Consumable Fuels)	2,425,000	100,651	3.4
Profarma (Pharmaceuticals)	241,000	5,563	0.2
SABESP (Water Utilities)	360,000	28,929	1.0
São Paulo Alpargatas (Textiles, Apparel and Luxury Goods)	1,804,145	50,408	1.7
Ser Educacional (Diversified Consumer Services)	1,890,000	98,492	3.4
T4F Entrenimento (Leisure Equipment and Products)	1,153,200	18,026	0.6
Telefônica Brasil (Diversified Telecommunication Services)	409,300	50,359	1.7
Ultrapar Participações (Oil, Gas and Consumable Fuels)	148,000	28,277	1.0
Valid (Media)	235,240	16,172	0.6
WEG (Industrial Conglomerates)	361,600	15,644	0.5
		<b>1,652,589</b>	<b>56.3</b>

##### CHILE (CLP)

AFP Habitat (Capital Markets)	3,588,490	38,938	1.3
Andina B ADR (Beverages)	499,370	101,937	3.5
Andina pref (Beverages)	420,000	14,191	0.5
Banmedica (Health Care Providers and Services)	4,360,000	76,416	2.6
Coca-Cola Embonor B pref (Beverages)	2,365,000	43,176	1.5
Forus (Textiles, Apparel and Luxury Goods)	473,586	14,485	0.5
Hortifrut (Food Products)	4,599,434	85,778	2.9
VSPT Wine Group (Beverages)	640,000,000	59,896	2.0
		<b>434,819</b>	<b>14.8</b>

##### COLOMBIA (COP)

Banco de Bogotá (Commercial Banks)	197,014	35,891	1.2
Corficolombiana (Diversified Financial Services)	204,287	22,923	0.8
Grupo Odinsa (Construction and Engineering)	1,102,450	31,094	1.1
Terpel (Specialty Retail)	135,000	4,616	0.2
		<b>94,524</b>	<b>3.2</b>

##### MEXICO (MXN)

Activinver (Software)	2,716,400	15,213	0.5
Banorte (Commercial Banks)	1,577,000	71,001	2.4
Bolsa Mexicana de Valores (Diversified Financial Services)	1,494,000	17,959	0.6
Consorcio ARA (Household Durables)	5,228,000	14,893	0.5
Crédito Real (Real Estate Management and Development)	1,660,370	20,076	0.7
Fomento ADR (Beverages)	61,820	42,800	1.5
Gruma (Food Products)	653,200	75,870	2.6
Grupo Aeroportuario del Centro Norte (Transportation Infrastructure)	1,473,600	57,983	2.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Grupo Aeroportuario del Pacifico ADR (Transportation Infrastructure)	72,459	94,717	3.2
Grupo Herdez (Food Products)	1,302,567	21,551	0.7
Grupo Sports World (Multiline Retail)	1,200,000	8,837	0.3
Hoteles City Express (Hotels, Restaurants and Leisure)	5,190,579	39,140	1.3
PINFRA (Transportation Infrastructure)	1,159,970	88,491	3.0
Vesta (Real Estate Management and Development)	2,332,000	25,606	0.9
		<b>594,136</b>	<b>20.2</b>

##### PERU (PEN)

Alicorp (Food Products)	920,352	18,204	0.6
Andino Investment (Transportation Infrastructure)	1,350,000	4,755	0.2
Graña y Montero (Construction and Engineering)	781,622	9,954	0.3
Inretail Peru (Food and Staples Retailing)	162,000	28,522	1.0
Intergroup (Commercial Banks)	170,300	49,507	1.7
		<b>110,942</b>	<b>3.8</b>
<b>Total listed equities</b>		<b>2,917,457</b>	<b>99.3</b>

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
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#### LISTED FIXED-INCOME SECURITIES

##### FOREIGN ISSUER, OTHERS

Vale FRN perp	80	22	0.0
		<b>22</b>	<b>0.0</b>

<b>Total listed fixed-income securities</b>		<b>22</b>	<b>0.0</b>
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<b>Total transferable securities</b>		<b>2,917,479</b>	<b>99.3</b>
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<b>Total holdings in financial instruments</b>		<b>2,917,479</b>	<b>99.3</b>
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<b>Net, other assets and liabilities</b>		<b>19,926</b>	<b>0.7</b>
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<b>Total fund capital</b>		<b>2,937,405</b>	<b>100.0</b>
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The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

\* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 99.3

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

\*\*\* Refers to other financial instruments.

### Compilation, Company and Group exposure\*

Company/Group	% of fund capital	Company/Group	% of fund capital
Itaúsa	12.7	Embotelladora Andina	4.0

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



# Lux Korträntefond Sverige

## Handelsbanken Funds Swedish Short Term Assets

### Management Report

#### Investment Focus

The fund is actively managed, which means that the portfolio manager takes active, independent investment decisions. The objective of the fund is to attain returns over the long term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in fixed income securities denominated in SEK and issued by states and companies. These shall have a minimum credit rating of BBB- (investment grade) according to Standard & Poor's or Baa3 according to Moody's rating scale. The fund may also invest in securities that lack an official credit rating if we consider it as having an equivalent credit quality. The average residual fixed interest period for the fund's investments is a maximum of one year. If we believe market rates will be falling, we may choose a longer fixed interest period and conversely, we may choose a shorter fixed interest period if we believe market rates are rising.

#### Portfolio

Lux Korträntefond Sverige rose 0.1% during the full year 2016\*. Short-term market rates fell sharply during the year. The two-year Swedish government bond fell 50 bp to -0.63%. The Stibor 3-month, which is critical for the fund, fell from -0.29% to -0.6%. The Riksbank cut the repo rate in February to -0.5%, which historically is the lowest level. As with other central banks, the Riksbank also continued to buy government bonds to hold down short- and long-term interest rates in an effort to increase inflation outlooks. Bond-buying was expanded in the spring to also apply to real government bonds, rather than being limited to only nominal bonds as previously. The fund was positioned for falling and low rates during the year and benefited from the declining rates, given that we increased duration at the outset of the year. Credit spreads widened sharply at the beginning of the year on the back of negative stock market performance. However, after the announcement of the ECB's purchase of corporate bonds, spreads narrowed and closed at a lower level, which benefited fund returns. Very low and even negative short-term rates together with narrowing credit spreads made it more

difficult for the fund to create positive returns. As older holdings matured, they were reinvested in new share issues at a lower rate, which resulted in a decline to fund returns. Investments during the year focused on sustainability and the fund invested in several new share issues of so-called green bonds at attractive levels.

\*) The fund may have additional share classes, the concerned share class is stated in the Fund facts. Refer to fund statistics for comparable index.

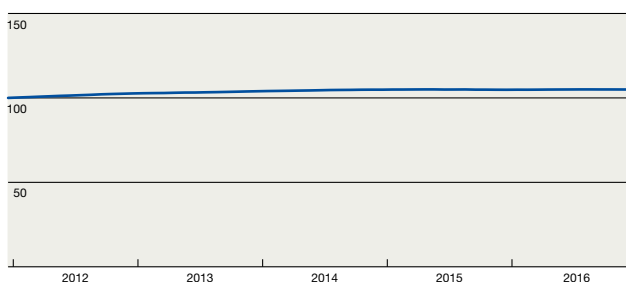
#### Outlook

The Swedish economy has performed well with strong growth and a good labour market. The Riksbank's expansive monetary policy has made a stimulating impact. Both inflation and inflation outlooks are on the rise and are approaching the Riksbank's target. However, inflation remains below the Riksbank's inflation target and the risk is that the strengthening of the SEK during the autumn will ease the rise in inflation. The European Central Bank's (ECB) expansive monetary policy has forced the Riksbank to take measures to avoid a higher strengthening of the exchange rate than the forecast. It is reasonable to expect that the Riksbank will refrain from increasing stimulus further. We expect the repo rate to remain at the current rate throughout 2017. Several political challenges can have an impact on interest rate trends during 2017, including the presidential election in France and negotiations regarding the UK's exit from the EU. Donald Trump's election victory in the US has already driven up the stock market index and long-rates on the expectation that growth and inflation will increase further in the US. However, we expect short-term rates to remain low in 2017 and there is a risk for a widening of credit spreads as summer approaches, driven by lower demand. In this climate we expect the fund to benefit from the overweight in high-quality corporate bonds with a slightly shorter duration.

#### Information

The fund's management fee was temporarily lowered to 0.15% March 11, 2015.

### Fund Performance\*



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

### Top Ten Holdings

	% of fund capital
SEB Bolån 571 3,00% 2018-06-20	7.6
Volvo FRN 2017-09-11	5.2
Danske Bank FRN 2017-09-29	3.4
Landshypotek FRN 2017-11-30	2.7
Länsförsäkringar FRN 2018-04-06	2.4
Volvo Treasury FRN 2018-05-30	2.4
Castellum FRN 2018-10-10	2.4
DNB Bank FRN 2017-01-25	2.3
Landshypotek FRN 2018-01-29	2.2
Stadshypotek 1580 3,00% 2018-03-21	2.1

### Fund Facts - History

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net asset value, SEK										
Lux Korträntefond Sverige A	144.61	144.42	144.49	143.20	141.41	137.77	134.56	134.06	131.80	128.72
Lux Korträntefond Sverige A2	145.72	145.46	145.43	143.85	141.83	137.98	-	-	-	-
Fund capital total, mSEK	21,265	25,343	28,337	31,940	29,429	21,747	16,849	16,510	13,923	22,707
Lux Korträntefond Sverige A	19,392	22,931	24,500	26,114	24,441	19,649	16,849	16,510	13,923	22,707
Lux Korträntefond Sverige A2	1,873	2,411	3,838	5,826	4,987	2,098	-	-	-	-
Number of units, 1000's	146,953	175,357	195,949	222,859	208,004	157,832	125,219	123,148	105,638	176,400
Lux Korträntefond Sverige A	134,101	158,782	169,559	182,355	172,839	142,630	125,219	123,148	105,638	176,400
Lux Korträntefond Sverige A2	12,852	16,576	26,390	40,503	35,165	15,202	-	-	-	-
Total returns in %, SEK										
Lux Korträntefond Sverige A	+0.1	0.0	+0.9	+1.3	+2.6	+2.4	+0.4	+1.7	+2.4	+2.6

Lux Kortråntefond Sverige, cont.

## Fund Facts - History cont.

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Lux Kortråntefond Sverige A2	+0.2	0.0	+1.1	+1.4	+2.8	-	-	-	-	-
Index including dividends in %, SEK										
Lux Kortråntefond Sverige A	-0.7	-0.3	+0.5	+0.9	+1.2	+1.6	+0.3	+0.4	+4.5	+3.4
Lux Kortråntefond Sverige A2	-0.7	-0.3	+0.5	+0.9	+1.2	-	-	-	-	-
Average yearly return, 2 yrs. %										
Lux Kortråntefond Sverige A	0.0	+0.4	+1.1	+2.0	+2.5	+1.4	+1.0	+2.1	+2.5	+2.2
Lux Kortråntefond Sverige A2	+0.1	+0.6	+1.3	-	-	-	-	-	-	-
Comparison to index including dividends, %	-0.5	+0.1	+0.7	+1.0	+1.4	+1.0	+0.4	+2.5	+4.0	+2.8
Average yearly return, 5 yrs. %										
Lux Kortråntefond Sverige A	+1.0	+1.4	+1.5	+1.7	+1.9	+1.9	+1.8	+2.0	+2.1	+2.2
Lux Kortråntefond Sverige A2	+1.1	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+0.3	+0.8	+0.9	+0.9	+1.6	+2.1	+2.2	+2.5	+2.9	+2.7
Average yearly return, 10 yrs. %										
Lux Kortråntefond Sverige A	+1.4	+1.6	+1.8	+1.9	+2.0	+2.2	+2.3	+2.6	-	-
Comparison to index including dividends, %	+1.2	+1.5	+1.7	+1.9	+2.2	+2.5	+2.8	+3.2	-	-

Index: OMRX Treasury Bill Index

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

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

Refer to the last page for definitions.

## Fund Facts - Costs

Collected mgmt. costs in % of average fund capital

Lux Kortråntefond Sverige A <sup>1) 2)</sup>	0.15
Lux Kortråntefond Sverige A2 <sup>1) 3)</sup>	0.10
Annual fees in %	
Lux Kortråntefond Sverige A	0.16
Lux Kortråntefond Sverige A2	0.11

1) A Luxembourg wealth tax of 0.05% of fund assets will be added annually.

2) The fund's management fee was lowered temporarily from 0.3% to 0.15% on March 11, 2015.

3) The fund's management fee was lowered temporarily from 0.15% to 0.1% on March 11, 2015.

## Fund Facts - Other Key Figures

Turnover rate	0.2
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## Risk and Return Measurements\*

Total risk % - A SEK	0.1	Information ratio - A SEK	3.4
Total risk % - A2 SEK	0.1	Information ratio - A2 SEK	3.8
Total risk in index % - A SEK	0.1	Sharpe ratio - A SEK	3.3
Total risk in index % - A2 SEK	0.1	Sharpe ratio - A2 SEK	3.7
Tracking error % - A SEK	0.1	Sharpe ratio in index - A SEK	-0.5
Tracking error % - A2 SEK	0.1	Sharpe ratio in index - A2 SEK	-0.5
Index	OMRX Treasury Bill Index	Duration, months <sup>1)</sup>	4.1
Active return % - A SEK	0.5		
Active return % - A2 SEK	0.6		

1) As of the balance sheet date.

\* Risk statistics are based on historical monthly returns over two years. Refer to the last page for definitions.

Total exposure in the fund is calculated in accordance with the commitment method.



## Fund Facts - History cont.

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Långränta Criteria A1	+0.9	+2.1	+3.1	+2.6	+7.3	+5.4	+1.1	+6.8	+6.6	+0.2
Långränta Criteria B1	+0.9	+2.1	+3.1	-	-	-	-	-	-	-
Comparison to index including dividends, %	+1.7	+4.7	+4.0	+0.6	+6.7	+6.7	+1.7	+7.5	+7.9	+1.3
Average yearly return, 5 yrs. %										
Långränta Criteria A1	+2.6	+3.7	+4.5	+3.3	+5.9	+4.9	+3.1	+3.7	+4.9	+3.1
Comparison to index including dividends, %	+2.7	+4.3	+4.7	+3.1	+6.2	+6.0	+4.0	+4.6	+6.1	+4.2
Average yearly return, 10 yrs. %										
Långränta Criteria A1	+3.8	+3.4	+4.1	+4.1	+4.5	+4.8	+4.1	+4.8	+4.6	+4.6
Comparison to index including dividends, %	+4.4	+4.1	+4.7	+4.6	+5.2	+5.8	+5.0	+5.7	+5.4	+5.3
Dividends per unit, SEK										
Långränta Criteria A1	-	-	-	-	2.28	4.28	3.76	7.16	2.33	0.70
Långränta Criteria B1	2.02	2.64	2.55	2.88	1.50	-	-	-	-	-

1) The fund's total net inflows do not include reinvested dividends in funds with a distribution share class. This is new information as of the full-year 2012.

Index: HMNI Swe All Government Dur Const 6Y (HMSD6) 70%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 30%

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

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

Refer to the last page for definitions.

## Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Långränta Criteria A1	0.80
Långränta Criteria B1	0.80
Collected mgmt. costs in % of average fund capital	
Långränta Criteria A1	0.75
Långränta Criteria B1	0.75
Annual fees in %	
Långränta Criteria A1	0.75
Långränta Criteria B1	0.75
Analyzing costs, tSEK <sup>1)</sup>	-
Transaction costs, tSEK	893
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Långränta Criteria A1	77.35
Långränta Criteria B1	77.35
Costs in SEK for monthly savings, 100 SEK	
Långränta Criteria A1	4.93
Långränta Criteria B1	4.93

1) Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

## Fund Facts - Other Key Figures

Turnover rate	0.7
Share of turnover conducted via closely-related securities companies in %	13.0

## Risk and Return Measurements\*

Total risk % - A1 SEK	3.2	Information ratio - A1 SEK	Negative
Total risk % - B1 SEK	3.2	Information ratio - B1 SEK	Negative
Total risk in index % - A1 SEK	2.9	Sharpe ratio - A1 SEK	0.4
Total risk in index % - B1 SEK	2.9	Sharpe ratio - B1 SEK	0.4
Tracking error % - A1 SEK	0.8	Sharpe ratio in index - A1 SEK	0.7
Tracking error % - B1 SEK	0.8	Sharpe ratio in index - B1 SEK	0.7
Index	HMNI Swe All Government Dur Const 6Y (HMSD6) 70%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 30%	Duration, years <sup>1)</sup>	4.9
Active return % - A1 SEK	-0.8		
Active return % - B1 SEK	-0.8		

1) As of the balance sheet date.

\* Risk statistics are based on historical monthly returns over two years. Refer to the last page for definitions.

Total exposure in the fund is calculated in accordance with the commitment method.

## Income Statement, SEK

	2016	2015
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	207,885	-310,706
Changes in value for other derivative instruments**	34,321	-62,170
Interest income	175,505	235,980
Other financial income	-	27
Other income	619	41
<b>Total income and changes in value</b>	<b>418,330</b>	<b>-136,828</b>
EXPENSES		
Management Company expenses	67,562	81,766
Interest expense	83	92
Other expenses	993	1,114
<b>Total expenses</b>	<b>68,638</b>	<b>82,972</b>
<b>Net income</b>	<b>349,692</b>	<b>-219,800</b>
* Details of changes in value		
Changes in value for transferable securities - Capital gains	69,651	119,487
Changes in value for transferable securities - Capital losses	-87,843	-87,978
Changes in value for transferable securities - Unrealised	226,077	-342,215
Sum	207,885	-310,706
** Details of changes in value		
Changes in value for other derivative instruments - Capital gains	830,606	1,021,060
Changes in value for other derivative instruments - Capital losses	-796,285	-1,083,230
Changes in value for other derivative instruments - Unrealised	0	-
Sum	34,321	-62,170

## Balance Sheet, tSEK

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
ASSETS				
Transferable securities	8,842,072	97.5	9,469,099	98.0
<b>Total financial instruments with positive market value</b> <sup>Note 2)</sup>	<b>8,842,072</b>	<b>97.5</b>	<b>9,469,099</b>	<b>98.0</b>
Bank assets and other liquid assets	163,514	1.8	105,145	1.1
Prepaid expenses and accrued income	74,854	0.8	105,906	1.1
Other assets	122	0.0	-	-
<b>Total assets</b>	<b>9,080,562</b>	<b>100.1</b>	<b>9,680,150</b>	<b>100.2</b>
LIABILITIES				
Accrued expenses and prepaid income	2,965	0.0	2,980	0.0
Other liabilities	9,100	0.1	18,921	0.2
<b>Total liabilities</b>	<b>12,065</b>	<b>0.1</b>	<b>21,901</b>	<b>0.2</b>
<b>Fund capital</b> <sup>Note 1)</sup>	<b>9,068,497</b>	<b>100.0</b>	<b>9,658,249</b>	<b>100.0</b>
Other derivative instruments with negative market value <sup>1)</sup>	54,966	0.6	57,936	0.6

1) Liquid assets total SEK 57,936t.

Note 1) for Balance Sheet

## Changes in fund capital, SEK

	2016	2015
Fund capital at beginning of year	9,658,249	10,646,300
Units issued	3,134,859	3,605,824
Units redeemed	-4,048,369	-4,332,285
Profit according to Income Statement	349,692	-219,800
Dividends to unit holders	-25,934	-41,790
<b>Fund capital at the close of the period</b>	<b>9,068,497</b>	<b>9,658,249</b>



Note 2) for Balance Sheet

## Fund holdings in financial instruments

**TRANSFERABLE SECURITIES\***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>LISTED FIXED-INCOME SECURITIES</b>			
<b>FOREIGN ISSUER, OTHERS</b>			
BNP Paribas 1,00% 2020-05-12	164,000	165,519	1.8
Danske Bank 1,225% 2019-12-09	190,000	193,950	2.1
Sampo 1,25% 2020-05-28	127,000	129,026	1.4
		<b>488,494</b>	<b>5.4</b>
<b>GOVERNMENT</b>			
Kommuninvest 1,00% 2021-09-15	272,000	280,291	3.1
Statsobligation 1047 5,00% 2020-12-01	180	218	0.0
Statsobligation 1052 4,25% 2019-03-12	200	222	0.0
Statsobligation 1053 3,50% 2039-03-30	345,100	472,435	5.2
Statsobligation 1054 3,50% 2022-06-01	200	239	0.0
Statsobligation 1056 2,25% 2032-06-01	95,300	109,967	1.2
Statsobligation 1057 1,50% 2023-11-13	100	109	0.0
Statsobligation 1058 2,50% 2025-05-12	200	236	0.0
Statsobligation 1059 1,00% 2026-11-12	100	104	0.0
		<b>863,821</b>	<b>9.5</b>
<b>MORTGAGE</b>			
Länsförsäkringar Hypotek 513 3,25% 2020-09-16	261,000	289,076	3.2
Nordea Hypotek 5521 3,25% 2020-06-17	459,000	506,823	5.6
Nordea Hypotek 5529 2,00% 2018-06-20	130,000	134,515	1.5
Nordea Hypotek 5531 1,00% 2022-04-08	892,000	902,285	9.9
Nordea Hypotek 5532 1,25% 2021-05-19	462,800	477,698	5.3
SCBC 143 1,25 2022-06-15	180,000	183,672	2.0
Stadshypotek 1580 3,00% 2018-03-21	254,000	264,638	2.9
Stadshypotek 1582 2,50% 2019-09-18	213,000	227,475	2.5
Stadshypotek 1583 4,25% 2020-06-17	142,000	161,650	1.8
Stadshypotek 1584 1,50% 2021-03-17	666,000	694,685	7.7
Swedbank Hypotek 189 1,00% 2020-12-16	355,000	363,548	4.0
Swedbank Hypotek 5,70% 2020-05-12	306,000	362,497	4.0
		<b>4,568,561</b>	<b>50.4</b>
<b>OTHER</b>			
Castellum 1,29% 2019-10-23	119,000	118,849	1.3
Castellum 1,875% RB 118 2021-10-04	92,000	90,831	1.0
Hexagon 1,625% 108 2020-09-17	177,000	179,607	2.0
Länsförsäkringar 1,00% 2020-02-03	136,000	138,107	1.5
Länsförsäkringar 1,265% 2019-11-18	214,000	219,110	2.4
Loomis 1,875% 2019-12-18	88,000	90,134	1.0
Lundbergforetag 1,337% 2023-10-24	119,000	116,092	1.3
Nya SFF 1,42% 2020-04-20	82,000	82,786	0.9
SBAB 1,24% 2019-11-18	127,000	129,997	1.4
SCA 0,75% 2019-06-10	209,000	210,519	2.3
Scania 0,875% 2018-12-03	129,000	130,222	1.4
SEB Bolån 572 3,00% 2019-06-19	78,000	83,911	0.9
SEB Bolån 574 1,50% 2021-12-15	513,000	533,407	5.9
Swedbank 0,875% 2020-05-11	199,000	201,032	2.2
Swedbank 1,115% 2019-11-19	117,000	119,416	1.3
TeliaSonera 1,125% 2019-12-04	204,000	207,376	2.3
Vasakronan 0,875% 2021-10-11	183,000	179,724	2.0
Willhem 0,93% 2021-11-01	92,000	90,075	1.0
		<b>2,921,196</b>	<b>32.2</b>
<b>Total listed fixed-income securities</b>		<b>8,842,072</b>	<b>97.5</b>
<b>Total transferable securities</b>		<b>8,842,072</b>	<b>97.5</b>

**EXCHANGE-TRADED DERIVATIVES\*\***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>INTEREST RATE FUTURES</b>			
Stadshypotek CEYH7	-1,604	0	0.0
Svenska staten BTOH7	-153	0	0.0
Svenska staten BUOH7	1,147	0	0.0
<b>Total interest rate futures</b>		<b>0</b>	<b>0.0</b>
<b>Total exchange-traded derivatives</b>		<b>0</b>	<b>0.0</b>
<b>Total holdings in financial instruments</b>		<b>8,842,072</b>	<b>97.5</b>
<b>Net, other assets and liabilities</b>		<b>226,425</b>	<b>2.5</b>
<b>Total fund capital</b>		<b>9,068,497</b>	<b>100.0</b>

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

\* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 97.5

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

\*\*\* Refers to other financial instruments. -

## Compilation, Company and Group exposure\*

Company/Group	% of fund capital	Company/Group	% of fund capital
Nordea	22.3	Länsförsäkringar	7.1
Handelsbanken	14.9	SEB	6.8
Swedbank	11.5	Svenska staten	6.5
		Castellum	2.3

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

Portfolio Manager: ANDERS DOLATA  
Up to 31/03/2016 EMMA VIOTTI  
Up to 12/01/2016 PETER FAHLSTEDT

BASE CURRENCY



# MSCI Emerging Markets Index

## Handelsbanken Funds MSCI Emerging Markets Index

### Management Report

#### Investment Focus

The fund is an index fund and its objective is to follow the performance of the MSCI Emerging Markets Index as closely as possible. The fund invests in equities included in this index. The index consists of companies in Asia, Latin America, Eastern Europe and Africa. The fund may use derivatives such as futures to protect the fund's value or to enable cost savings.

#### Portfolio

Handelsbanken MSCI Emerging Markets Index rose 18.6% during the full year 2016\*. The portfolio consists of equities included in the MSCI Emerging Markets Index. Samsung Electronics, Tencent Holdings and Taiwan Semiconductor were the three largest equity holdings at year-end. The four largest sectors represented approximately 66% of the portfolio and consisted of financials, information technology, consumer discretionary and energy. Seventy-one percent of fund assets at year-end were invested in Asian companies, 13% invested in Latin American

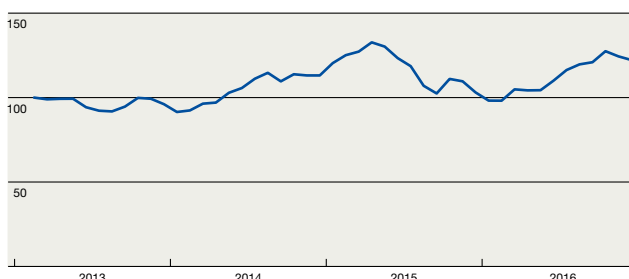
companies, 9% in the Middle East and African companies and the remaining 7% were invested in Eastern Europe.

\*) The fund may have additional share classes, the concerned share class is stated in the Fund facts. Refer to fund statistics for comparable index.

#### Outlook

Emerging markets continue to have good growth potential. Many companies have strong drivers and are showing good profitability. This applies not least within the fund's "Demographics", "Productivity", "Lifestyles" and "Environment" themes. "Digitalisation", within the main theme of "Productivity" remains as the largest theme in the fund. A number of political events are on the agenda during 2017: Donald Trump's inauguration as the US president, the party convention in China, the election in Europe and uncertainty surrounding the Middle East. Thus, there is a risk for volatility in the equity market during the year. However, we believe there is good potential in markets that benefit from higher commodity prices, e.g., Russia.

### Fund Performance\*



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

### Top Ten Holdings

	% of fund capital
Samsung Electronics (Information Technology)	4.0
Tencent (Information Technology)	3.8
Taiwan Semiconductor (Information Technology)	3.8
Alibaba Group Holding ADR (Information Technology)	2.7
China Construction Bank (Financials)	1.8
China Mobile HKD (Telecommunication Services)	1.8
Naspers (Consumer Discretionary)	1.8
Baidu ADR (Information Technology)	1.2
Industrial & Commercial Bank of China HKD (Financials)	1.2
Hon Hai Precision Industry (Information Technology)	1.1

### Fund Facts - History

	2016	2015	2014	31/1-31/12 2013	2012	2011	2010	2009	2008	2007
Net asset value										
MSCI Emerging Markets Index A - SEK	121.90	102.75	112.80	95.83	-	-	-	-	-	-
MSCI Emerging Markets Index A - EUR	12.72	11.22	11.91	-	-	-	-	-	-	-
MSCI Emerging Markets Index A - NOK	115.50	107.88	108.04	-	-	-	-	-	-	-
MSCI Emerging Markets Index AI - SEK	123.89	103.97	113.64	96.11	-	-	-	-	-	-
MSCI Emerging Markets Index AI - EUR	12.93	11.35	12.00	-	-	-	-	-	-	-
MSCI Emerging Markets Index BI - SEK	109.18	94.35	107.30	93.45	-	-	-	-	-	-
Fund capital total, mSEK										
MSCI Emerging Markets Index A - SEK	3,903	2,204	2,214	1,442	-	-	-	-	-	-
MSCI Emerging Markets Index A - EUR	341	212	205	94	-	-	-	-	-	-
MSCI Emerging Markets Index A - NOK	5	2	2	-	-	-	-	-	-	-
MSCI Emerging Markets Index AI - SEK	4	3	1	-	-	-	-	-	-	-
MSCI Emerging Markets Index AI - EUR	3,498	1,963	1,845	1,284	-	-	-	-	-	-
MSCI Emerging Markets Index AI - NOK	0	0	1	-	-	-	-	-	-	-
MSCI Emerging Markets Index BI - SEK	9	8	131	64	-	-	-	-	-	-
Number of units, 1000's										
MSCI Emerging Markets Index A - SEK	31,570	21,230	19,528	15,024	-	-	-	-	-	-
MSCI Emerging Markets Index A - EUR	2,800	2,062	1,817	981	-	-	-	-	-	-
MSCI Emerging Markets Index A - NOK	414	179	166	-	-	-	-	-	-	-
MSCI Emerging Markets Index AI - SEK	38	29	9	-	-	-	-	-	-	-
MSCI Emerging Markets Index AI - EUR	28,234	18,877	16,232	13,355	-	-	-	-	-	-
MSCI Emerging Markets Index AI - NOK	0	0	81	-	-	-	-	-	-	-
MSCI Emerging Markets Index BI - SEK	84	83	1,222	687	-	-	-	-	-	-
Total returns in %, SEK										
MSCI Emerging Markets Index A - SEK	+18.6	-8.9	+17.7	-4.2	-	-	-	-	-	-
MSCI Emerging Markets Index A - EUR	+13.4	-5.8	+10.0	-	-	-	-	-	-	-
MSCI Emerging Markets Index A - NOK	+7.1	-0.1	+19.4	-	-	-	-	-	-	-
MSCI Emerging Markets Index AI - SEK	+19.2	-8.5	+18.2	-3.9	-	-	-	-	-	-
MSCI Emerging Markets Index AI - EUR	+13.9	-5.4	+10.5	-	-	-	-	-	-	-
MSCI Emerging Markets Index BI - SEK	+18.7	-8.9	+17.8	-4.1	-	-	-	-	-	-
Index including dividends in %, SEK										
MSCI Emerging Markets Index A - SEK	+19.8	-8.4	+19.2	-3.0	-	-	-	-	-	-
MSCI Emerging Markets Index A - EUR	+14.5	-5.2	+11.4	-	-	-	-	-	-	-
MSCI Emerging Markets Index A - NOK	+8.1	+0.4	+20.9	-	-	-	-	-	-	-
MSCI Emerging Markets Index AI - SEK	+19.8	-8.4	+19.2	-3.0	-	-	-	-	-	-

# Annual Review 2016 – Handelsbanken Funds

MSCI Emerging Markets Index, cont.

## Fund Facts - History cont.

	2016	2015	2014	31/1-31/12 2013	2012	2011	2010	2009	2008	2007
MSCI Emerging Markets Index AI - EUR	+14.5	-5.2	+11.4	-	-	-	-	-	-	-
MSCI Emerging Markets Index BI - SEK	+19.8	-8.4	+19.2	-3.0	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
MSCI Emerging Markets Index A - SEK	+4.0	+3.5	-	-	-	-	-	-	-	-
MSCI Emerging Markets Index A - EUR	+3.4	+1.8	-	-	-	-	-	-	-	-
MSCI Emerging Markets Index A - NOK	+3.4	+9.2	-	-	-	-	-	-	-	-
MSCI Emerging Markets Index AI - SEK	+4.4	+4.0	-	-	-	-	-	-	-	-
MSCI Emerging Markets Index AI - EUR	+3.8	+2.2	-	-	-	-	-	-	-	-
MSCI Emerging Markets Index BI - SEK	+4.0	+3.6	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+4.8	+4.5	-	-	-	-	-	-	-	-
EUR	+4.2	+2.7	-	-	-	-	-	-	-	-
NOK	+4.2	+10.2	-	-	-	-	-	-	-	-

Index: MSCI Emerging Markets Index

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

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

Refer to the last page for definitions.

## Fund Facts - Costs

Collected mgmt. costs in % of average fund capital	
MSCI Emerging Markets Index A <sup>1)</sup>	0.80
MSCI Emerging Markets Index AI <sup>2)</sup>	0.40
MSCI Emerging Markets Index BI <sup>2)</sup>	0.80
Annual fees in %	
MSCI Emerging Markets Index A	0.85
MSCI Emerging Markets Index AI	0.41
MSCI Emerging Markets Index BI	0.80

1) A Luxembourg wealth tax of 0.05% of fund assets will be added annually.

2) A Luxembourg wealth tax of 0.01% of fund assets will be added annually.

## Fund Facts - Other Key Figures

Turnover rate	-0.4
---------------	------

## Risk and Return Measurements\*

Total risk % - A SEK	16.5	Active return % - AI SEK	-0.4
Total risk % - A EUR	16.4	Active return % - AI EUR	-0.4
Total risk % - A NOK	12.9	Active return % - BI SEK	-0.8
Total risk % - AI SEK	16.5	Information ratio - A SEK	Negative
Total risk % - AI EUR	16.4	Information ratio - A EUR	Negative
Total risk % - BI SEK	16.5	Information ratio - A NOK	Negative
Total risk in index % - A SEK	16.5	Information ratio - AI SEK	Negative
Total risk in index % - A EUR	16.4	Information ratio - AI EUR	Negative
Total risk in index % - A NOK	13.1	Information ratio - BI SEK	Negative
Total risk in index % - AI SEK	16.5	Sharpe ratio - A SEK	0.3
Total risk in index % - AI EUR	16.4	Sharpe ratio - A EUR	0.2
Total risk in index % - BI SEK	16.5	Sharpe ratio - A NOK	0.2
Tracking error % - A SEK	0.6	Sharpe ratio - AI SEK	0.3
Tracking error % - A EUR	0.6	Sharpe ratio - AI EUR	0.2
Tracking error % - A NOK	0.6	Sharpe ratio - BI SEK	0.3
Tracking error % - AI SEK	0.6	Sharpe ratio in index - A SEK	0.3
Tracking error % - AI EUR	0.6	Sharpe ratio in index - A EUR	0.3
Tracking error % - BI SEK	0.6	Sharpe ratio in index - A NOK	0.3
Index	MSCI Emerging Markets	Sharpe ratio in index - AI SEK	0.3
	Index	Sharpe ratio in index - AI EUR	0.3
Active return % - A SEK	-0.8	Sharpe ratio in index - BI SEK	0.3
Active return % - A EUR	-0.8		
Active return % - A NOK	-0.8		

\* Risk statistics are based on historical monthly returns over two years. Refer to the last page for definitions.

Total exposure in the fund is calculated in accordance with the commitment method.

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MSCI USA Index, cont.

## Fund Facts - History cont.

	2016	2015	2014	2013	2012	31/8-31/12 2011	2010	2009	2008	2007
MSCI USA Index A1 - EUR	+18.3	-	-	-	-	-	-	-	-	-
MSCI USA Index A1 - NOK	+22.1	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+20.4	-	-	-	-	-	-	-	-	-
EUR	+18.7	-	-	-	-	-	-	-	-	-
NOK	+22.5	-	-	-	-	-	-	-	-	-
Dividends per unit, SEK										
MSCI USA Index A1 - SEK	-	-	-	-	0.20	-	-	-	-	-
MSCI USA Index B1 - SEK	7.49	7.12	5.42	3.68	0.00	-	-	-	-	-
Exchange rate EUR/SEK	9.58	9.16	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.06	0.95	-	-	-	-	-	-	-	-

1) Based on a judgment in the Administrative Court of Appeal, the share price in funds with holdings in US equities have been impacted. A full withholding tax (30%) will now be imposed on the funds instead of the previous 15%. The tax change is applicable for distributions effective as of January 1, 2012, and this has resulted in an adjustment to the net asset value of the fund as of June 16, 2014.

2) Following a judgment in the Administrative Court of Appeal that changed the withholding tax on dividends in US equities from 15% to 30%, the previously reserved withholding has been added back in the fund as of March 30, 2015.

3) The fund's total net inflows do not include reinvested dividends in funds with a distribution share class. This is new information as of the full-year 2012.

4) The fund's net flow does not include the merger with IT-fond which took place on Mars 7, 2015.

Index: MSCI USA Net

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

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

Refer to the last page for definitions.

## Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
MSCI USA Index A1	0.90
MSCI USA Index B1	0.90
Collected mgmt. costs in % of average fund capital	
MSCI USA Index A1	0.40
MSCI USA Index B1	0.40
Annual fees in %	
MSCI USA Index A1	0.40
MSCI USA Index B1	0.40
Analyzing costs, tSEK <sup>1)</sup>	-
Transaction costs, tSEK	4,470
Transaction costs in % of turnover	0.04
Costs in SEK for a one-time subscription, 10 000 SEK	
MSCI USA Index A1	41.15
MSCI USA Index B1	41.15
Costs in SEK for monthly savings, 100 SEK	
MSCI USA Index A1	2.80
MSCI USA Index B1	2.80

1) Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

## Fund Facts - Other Key Figures

Turnover rate	0.3
Share of turnover conducted via closely-related securities companies in %	10.4

## Risk and Return Measurements\*

Total risk % - A1 SEK	14.4	Active return % - A1 NOK	0.0
Total risk % - A1 EUR	14.2	Active return % - B1 SEK	0.0
Total risk % - A1 NOK	13.3	Information ratio - A1 SEK	Negative
Total risk % - B1 SEK	14.4	Information ratio - A1 EUR	Negative
Total risk in index % - A1 SEK	14.4	Information ratio - A1 NOK	Negative
Total risk in index % - A1 EUR	14.1	Information ratio - B1 SEK	Negative
Total risk in index % - A1 NOK	13.2	Sharpe ratio - A1 SEK	1.0
Total risk in index % - B1 SEK	14.4	Sharpe ratio - A1 EUR	0.9
Tracking error % - A1 SEK	0.4	Sharpe ratio - A1 NOK	0.9
Tracking error % - A1 EUR	0.4	Sharpe ratio - B1 SEK	1.0
Tracking error % - A1 NOK	0.4	Sharpe ratio in index - A1 SEK	1.0
Tracking error % - B1 SEK	0.4	Sharpe ratio in index - A1 EUR	0.9
Index	MSCI USA Net	Sharpe ratio in index - A1 NOK	0.9
Active return % - A1 SEK	0.0	Sharpe ratio in index - B1 SEK	1.0
Active return % - A1 EUR	0.0		

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

## Income Statement, SEKt

	2016	2015
<b>INCOME AND CHANGES IN VALUE</b>		
Changes in value for transferable securities <sup>1)</sup>	1,826,076	445,374
Changes in value for other derivative instruments <sup>2)</sup>	2,669	21
Changes in value for fund units <sup>3)</sup>	10,477	20,918
Interest income	-15	-2
Dividends	185,411	180,136
Currency exchange profits and losses, net	-6,038	-17,433
Other financial income <sup>1)</sup>	594	229
Other income	56	89
<b>Total income and changes in value</b>	<b>2,019,230</b>	<b>629,332</b>
<b>EXPENSES</b>		
Management Company expenses	39,815	32,015
Interest expense	168	170
Other expenses	5,323	3,280
<b>Total expenses</b>	<b>45,306</b>	<b>35,465</b>
<b>Net income</b>	<b>1,973,924</b>	<b>593,867</b>

## \* Details of changes in value

Changes in value for transferable securities - Capital gains	403,618	521,964
Changes in value for transferable securities - Capital losses	-105,176	-73,561
Changes in value for transferable securities - Unrealised	1,527,634	-3,029
<b>Sum</b>	<b>1,826,076</b>	<b>445,374</b>

## \*\* Details of changes in value

Changes in value for other derivative instruments - Capital gains	13,254	7,440
Changes in value for other derivative instruments - Capital losses	-10,585	-7,419
Changes in value for other derivative instruments - Unrealised	0	0
<b>Sum</b>	<b>2,669</b>	<b>21</b>

## \*\*\* Details of changes in value

Changes in value for fund units - Capital gains	27,303	39,183
Changes in value for fund units - Capital losses	-18,272	-14,238
Changes in value for fund units - Unrealised	1,446	-4,027
<b>Sum</b>	<b>10,477</b>	<b>20,918</b>

1) The item consists primarily of net premiums for securities lent. Securities lending has generated total revenues of SEK 4,470, of which 80% have been allocated to the fund and 20% have been allocated to JP Morgan Chase Bank N.A. (London branch) for its role as the intermediary for the securities loans.  
The counterparty in securities lending during the year was:  
Credit Suisse Securities (Europe) Ltd  
JP Morgan Securities Plc

# Annual Review 2016 – Xact Kapitalförvaltning AB

MSCI USA Index, cont.

## Balance Sheet, tSEK

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
<b>ASSETS</b>				
Transferable securities	13,195,019	99.5	7,936,912	98.1
OTC derivative instruments with positive market value	-	-	7	0.0
Fund units	41,120	0.3	140,419	1.7
<b>Total financial instruments with positive market value</b> <sup>Note 2)</sup>	<b>13,236,139</b>	<b>99.8</b>	<b>8,077,338</b>	<b>99.8</b>
Bank assets and other liquid assets	11,622	0.1	12,883	0.2
Prepaid expenses and accrued income	14,601	0.1	8,984	0.1
Other assets	-	-	74,875	0.9
<b>Total assets</b>	<b>13,262,362</b>	<b>100.0</b>	<b>8,174,080</b>	<b>101.0</b>
<b>LIABILITIES</b>				
Accrued expenses and prepaid income	2,395	0.0	1,325	0.0
Other liabilities	227	0.0	78,816	1.0
<b>Total liabilities</b>	<b>2,622</b>	<b>0.0</b>	<b>80,141</b>	<b>1.0</b>
<b>Fund capital</b> <sup>Note 1)</sup>	<b>13,259,740</b>	<b>100.0</b>	<b>8,093,939</b>	<b>100.0</b>
Financial instruments lent	78,077	0.6	28,470	0.4
Collateral received for financial instruments lent <sup>1)</sup>	86,679	0.7	30,666	0.4
Other derivative instruments with negative market value <sup>2)</sup>	548	0.0	1,108	0.0

1) Equities total SEK 11,434t  
2) Liquid assets total SEK 3,192t.

Note 1) for Balance Sheet

## Changes in fund capital, SEKt

	2016	2015
Fund capital at beginning of year	8,093,939	6,799,849
Units issued <sup>1)</sup>	5,382,075	4,530,610
Units redeemed	-2,184,042	-3,823,953
Profit according to Income Statement	1,973,924	593,867
Dividends to unit holders	-6,156	-6,434
<b>Fund capital at the close of the period</b>	<b>13,259,740</b>	<b>8,093,939</b>

1) SEK 828,899t derives from the merger with IT-fonden that took place on Mars 6, 2015.

Note 2) for Balance Sheet

## Fund holdings in financial instruments

### TRANSFERABLE SECURITIES\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>LISTED EQUITIES</b>			
<b>CONSUMER DISCRETIONARY</b>			
21st Century Fox A (Media)	75,491	19,230	0.1
21st Century Fox B (Media)	33,915	8,396	0.1
Advance Auto Parts (Auto Components)	5,230	8,035	0.1
Amazon.com (Internet and Catalog Retail)	28,883	196,759	1.5
Aramark (Hotels, Restaurants and Leisure)	17,359	5,633	0.0
Autoliv SDB (Auto Components)	5,499	5,653	0.0
AutoNation (Specialty Retail)	3,745	1,655	0.0
AutoZone (Specialty Retail)	2,095	15,031	0.1
Bed Bath & Beyond (Specialty Retail)	11,275	4,163	0.0
Best Buy (Specialty Retail)	20,693	8,021	0.1
BorgWarner (Auto Components)	13,232	4,741	0.0
CarMax (Automobiles)	13,588	7,948	0.1
Carnival Paired CTF (Hotels, Restaurants and Leisure)	25,191	11,914	0.1
CBS (Media)	28,732	16,606	0.1
Charter Communications (Media)	15,493	40,524	0.3
Chipotle Mexican Grill (Hotels, Restaurants and Leisure)	2,153	7,380	0.1
Coach (Textiles, Apparel and Luxury Goods)	20,694	6,584	0.0
Comcast A (Media)	173,753	108,994	0.8
Costco Wholesale (Multiline Retail)	31,818	46,280	0.3
Darden Restaurants (Hotels, Restaurants and Leisure)	8,999	5,945	0.0
Delphi Automotive (Auto Components)	19,079	11,673	0.1
Dick's Sporting Goods (Specialty Retail)	7,268	3,506	0.0
Discovery Communications (Media)	13,486	3,281	0.0
Discovery Communications Inc A (Media)	12,469	3,105	0.0
Dish Network (Media)	16,068	8,456	0.1
Dollar General (Multiline Retail)	20,525	13,811	0.1
Dollar Tree (Multiline Retail)	17,011	11,927	0.1
Domino's Pizza (Hotels, Restaurants and Leisure)	3,932	5,688	0.0
Expedia (Internet and Catalog Retail)	8,827	9,084	0.1
Foot Locker (Specialty Retail)	9,994	6,436	0.0
Ford (Automobiles)	264,178	29,111	0.2
GAP (Specialty Retail)	17,222	3,511	0.0
Garmin (Media)	8,776	3,866	0.0
General Motors (Automobiles)	98,436	31,156	0.2
Genuine Parts (Distributors)	10,830	9,400	0.1
Goodyear Tire & Rubber (Auto Components)	18,819	5,278	0.0
Hanesbrands (Textiles, Apparel and Luxury Goods)	26,306	5,155	0.0
Harley-Davidson (Automobiles)	13,185	6,988	0.1
Hasbro (Leisure Equipment and Products)	8,742	6,178	0.0
Hilton Worldwide (Hotels, Restaurants and Leisure)	39,804	9,836	0.1

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Home Depot (Specialty Retail)	88,625	107,951	0.8
Interpublic Group (Media)	29,651	6,306	0.0
Kohl's (Multiline Retail)	13,363	5,995	0.0
L Brands (Specialty Retail)	17,181	10,276	0.1
Las Vegas Sands (Leisure Equipment and Products)	32,245	15,646	0.1
Lear (Auto Components)	4,987	5,997	0.0
Leggett & Platt (Household Durables)	11,355	5,042	0.0
Lennar (Household Durables)	12,868	5,019	0.0
Liberty BroadbandK (Media)	8,120	5,464	0.0
Liberty Global A (Media)	15,827	4,398	0.0
Liberty Global C (Media)	47,174	12,728	0.1
Liberty LiLAC Group C (Media)	6,428	1,236	0.0
Liberty Media A (Media)	4,986	1,564	0.0
Liberty Media C (Media)	18,156	5,595	0.0
Liberty Media International (Internet and Catalog Retail)	31,504	5,718	0.0
LKQ (Distributors)	22,097	6,153	0.0
Lowe's (Specialty Retail)	62,906	40,643	0.3
Lululemon Athletica (Textiles, Apparel and Luxury Goods)	7,040	4,156	0.0
Macy's (Multiline Retail)	24,133	7,851	0.1
Marriott International (Hotels, Restaurants and Leisure)	23,032	17,300	0.1
Mattel (Leisure Equipment and Products)	25,299	6,332	0.0
McDonald's (Hotels, Restaurants and Leisure)	61,454	67,954	0.5
MGM Resorts International (Leisure Equipment and Products)	31,105	8,147	0.1
Michael Kors Holdings (Textiles, Apparel and Luxury Goods)	12,484	4,874	0.0
Netflix (Media)	30,507	34,310	0.3
Newell Rubbermaid (Household Durables)	31,870	12,927	0.1
News Corporation (Media)	28,194	2,935	0.0
Nike B (Textiles, Apparel and Luxury Goods)	96,866	44,730	0.3
Nordstrom (Multiline Retail)	9,669	4,210	0.0
Norwegian Cruise Line (Hotels, Restaurants and Leisure)	10,845	4,190	0.0
Omnicom Group (Media)	18,131	14,019	0.1
O'Reilly Auto Parts (Auto Components)	6,650	16,819	0.1
Polaris Industries (Automobiles)	4,434	3,319	0.0
Priceline.com (Internet and Catalog Retail)	3,514	46,801	0.4
Pulte Homes (Household Durables)	20,090	3,355	0.0
PVH (Textiles, Apparel and Luxury Goods)	6,030	4,943	0.0
Ralph Lauren (Textiles, Apparel and Luxury Goods)	4,202	3,448	0.0
Roper Industries (Household Durables)	7,971	13,257	0.1
Ross Stores (Specialty Retail)	30,282	18,047	0.1
Royal Caribbean Cruises (Hotels, Restaurants and Leisure)	12,086	9,008	0.1
Scripps Networks Interactive (Media)	6,443	4,177	0.0
Sherwin-Williams (Specialty Retail)	5,771	14,089	0.1
Signet Jewelers (Specialty Retail)	4,694	4,020	0.0
Sirius XM Holdings (Media)	139,141	5,625	0.0
Stanley Black & Decker (Household Durables)	13,440	14,003	0.1
Staples (Specialty Retail)	47,778	3,928	0.0
Starbucks (Hotels, Restaurants and Leisure)	106,198	53,564	0.4
Target (Multiline Retail)	40,894	26,834	0.2
TEGNA (Media)	15,614	3,034	0.0
Tesla Motors (Automobiles)	9,007	17,485	0.1
Tiffany & Co (Specialty Retail)	8,985	6,320	0.0
Time Warner (Media)	56,062	49,163	0.4
TJX Companies (Specialty Retail)	48,215	32,908	0.2
Tractor Supply (Specialty Retail)	9,718	6,693	0.1
TripAdvisor (Internet and Catalog Retail)	8,441	3,556	0.0
Ulta Salon, Cosmetics & Fragrance (Specialty Retail)	4,230	9,797	0.1
Under Armour (Textiles, Apparel and Luxury Goods)	16,462	4,344	0.0
Under Armour C (Textiles, Apparel and Luxury Goods)	10,444	2,388	0.0
VF (Textiles, Apparel and Luxury Goods)	24,892	12,064	0.1
Viacom (Media)	26,354	8,403	0.1
Walt Disney (Media)	109,386	103,566	0.8
Whirlpool (Household Durables)	5,101	8,423	0.1
Wyndham Worldwide (Hotels, Restaurants and Leisure)	7,311	5,072	0.0
Wynn Resorts (Hotels, Restaurants and Leisure)	6,369	5,005	0.0
Yum Brands (Hotels, Restaurants and Leisure)	27,860	16,029	0.1
		<b>1,736,095</b>	<b>13.1</b>
<b>CONSUMER STAPLES</b>			
Altria Group (Household Products)	139,200	85,511	0.6
Archer Daniels Midland (Food Products)	42,016	17,425	0.1
Brown-Forman (Beverages)	15,358	6,267	0.0
Bunge (Food Products)	10,377	6,810	0.1
Campbell Soup (Food Products)	13,888	7,629	0.1
Church & Dwight (Household Products)	18,016	7,232	0.1
Clorox (Household Products)	8,730	9,519	0.1
Coca-Cola (Beverages)	294,858	111,058	0.8
Colgate-Palmolive (Household Products)	61,746	36,708	0.3
ConAgra (Food Products)	29,576	10,627	0.1
Constellation Brands (Beverages)	12,579	17,520	0.1
Coty A (Personal Products)	34,426	5,726	0.0
CVS Caremark (Food and Staples Retailing)	76,388	54,760	0.4
Dr Pepper Snapple Group (Beverages)	12,324	10,151	0.1
Edgewell Personal Care (Personal Products)	5,243	3,477	0.0
General Mills (Food Products)	43,925	24,649	0.2
Harman International Industries (Household Products)	5,028	5,077	0.0
Hormel Foods (Food and Staples Retailing)	21,569	6,821	0.1

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MSCI USA Index, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital		Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Idexx Laboratories (Household Products)	6,519	6,945	0.1	Valero Energy			
Ingredion (Food Products)	5,120	5,812	0.0	(Oil, Gas and Consumable Fuels)	33,250	20,637	0.2
J.M. Smucker (Food Products)	8,249	9,597	0.1	Weatherford International			
Kellogg's (Food Products)	19,884	13,315	0.1	(Energy Equipment and Services)	61,165	2,773	0.0
Kimberly-Clark (Household Products)	25,595	26,535	0.2	Williams (Oil, Gas and Consumable Fuels)	50,585	14,310	0.1
Kroger (Food and Staples Retailing)	64,105	20,098	0.2			<b>973,460</b>	<b>7.3</b>
McCormick (Food Products)	8,820	7,478	0.1	<b>FINANCIALS</b>			
Mead Johnson Nutrition (Personal Products)	12,798	8,227	0.1	ACE (Insurance)	33,589	40,315	0.3
Mohawk Industries (Household Products)	4,364	7,916	0.1	Affiliated Managers Group (Capital Markets)	3,617	4,774	0.0
Molson Coors Brewing (Beverages)	13,357	11,808	0.1	Aflac (Insurance)	30,867	19,517	0.1
Mondelēz International (Food Products)	111,456	44,886	0.3	AGNC (Commercial Banks)	26,848	4,422	0.0
Monster Beverage (Beverages)	27,489	11,073	0.1	AIG (Insurance)	76,974	45,670	0.3
PepsiCo (Beverages)	102,873	97,783	0.7	Alexandria Real Estate Equities			
Philip Morris International (Tobacco)	110,978	92,239	0.7	(Real Estate Investment Trusts)	5,846	5,902	0.0
Procter & Gamble (Household Products)	183,976	140,527	1.1	Alleghany (Insurance)	1,099	6,071	0.0
Reynolds American (Tobacco)	60,869	30,988	0.2	Allstate (Insurance)	27,743	18,681	0.1
Rite Aid (Food and Staples Retailing)	74,734	5,594	0.0	Ally Financial (Consumer Finance)	32,867	5,679	0.0
Spectrum Brands Holdings Inc				American Express (Consumer Finance)	56,772	38,207	0.3
(Household Products)	1,719	1,910	0.0	Ameriprise Financial (Capital Markets)	11,784	11,876	0.1
Sysco (Food and Staples Retailing)	39,053	19,644	0.1	Annaly Capital Management			
The Hershey Company (Food Products)	10,571	9,933	0.1	(Real Estate Investment Trusts)	75,665	6,853	0.1
The Kraft Heinz Company (Food Products)	43,809	34,752	0.3	Aon (Insurance)	19,852	20,114	0.2
Tyson Foods (Food Products)	20,842	11,679	0.1	Arch Capital Group (Insurance)	8,526	6,684	0.1
Walgreens Boots Alliance				Arthur J. Gallagher & Co. (Insurance)	15,977	7,542	0.1
(Food and Staples Retailing)	67,242	50,555	0.4	Assurant (Insurance)	3,867	3,262	0.0
Walmart Stores (Food and Staples Retailing)	112,514	70,651	0.5	AvalonBay Communities			
WhiteWave Foods (Food Products)	13,157	6,646	0.1	(Real Estate Investment Trusts)	9,525	15,329	0.1
Whole Foods Market:				Axis Capital Holdings (Insurance)	6,240	3,700	0.0
(Food and Staples Retailing)	22,907	6,401	0.0	Bank of America			
		<b>1,179,958</b>	<b>8.9</b>	(Diversified Financial Services)	730,616	146,686	1.1
<b>ENERGY</b>				Bank of New York Mellon (Capital Markets)	78,164	33,644	0.3
Anadarko Petroleum				BB&T (Commercial Banks)	58,945	25,179	0.2
(Oil, Gas and Consumable Fuels)	39,989	25,332	0.2	Berkshire Hathaway B (Insurance)	88,333	130,787	1.0
Antero Resources				BlackRock (Diversified Financial Services)	8,842	30,567	0.2
(Oil, Gas and Consumable Fuels)	12,369	2,657	0.0	Boston Properties			
Apache (Oil, Gas and Consumable Fuels)	27,928	16,103	0.1	(Real Estate Investment Trusts)	10,855	12,404	0.1
Baker Hughes				Brixmor Property Group			
(Energy Equipment and Services)	29,318	17,304	0.1	(Real Estate Investment Trusts)	21,068	4,674	0.0
Cabot Oil & Gas				Camden Property Trust (Real Estate)	5,522	4,217	0.0
(Oil, Gas and Consumable Fuels)	31,948	6,780	0.1	Cap One Finance (Consumer Finance)	36,305	28,773	0.2
CenterPoint Energy				CBRE Group			
(Energy Equipment and Services)	32,580	7,293	0.1	(Real Estate Management and Development)	20,210	5,782	0.0
Chevron (Oil, Gas and Consumable Fuels)	135,420	144,799	1.1	Charles Schwab (Capital Markets)	85,853	30,784	0.2
Cimarex Energy				Cincinnati Financial (Insurance)	13,229	9,104	0.1
(Oil, Gas and Consumable Fuels)	7,126	8,798	0.1	CIT Group (Commercial Banks)	12,778	4,954	0.0
Concho Resources				Citigroup (Diversified Financial Services)	207,454	112,004	0.8
(Oil, Gas and Consumable Fuels)	10,009	12,057	0.1	Citizens Financial Group (Commercial Banks)	35,690	11,552	0.1
ConocoPhillips				CME Group (Diversified Financial Services)	24,501	25,675	0.2
(Oil, Gas and Consumable Fuels)	87,827	40,005	0.3	Comerica (Commercial Banks)	12,365	7,651	0.1
Continental Resources				Crown Castle (Real Estate Investment Trusts)	23,874	18,819	0.1
(Oil, Gas and Consumable Fuels)	7,609	3,563	0.0	Digital Realty Trust			
Core Laboratories				(Real Estate Investment Trusts)	11,424	10,198	0.1
(Energy Equipment and Services)	2,706	2,951	0.0	Discover Financial Services			
Devon Energy				(Diversified Financial Services)	29,741	19,478	0.1
(Oil, Gas and Consumable Fuels)	34,404	14,274	0.1	Duke Realty (Real Estate)	25,208	6,082	0.0
Diamondback Eng				Eaton Vance (Capital Markets)	9,545	3,632	0.0
(Oil, Gas and Consumable Fuels)	6,371	5,849	0.0	Equity Residential			
EOG Resources				(Real Estate Investment Trusts)	25,471	14,893	0.1
(Oil, Gas and Consumable Fuels)	41,376	38,002	0.3	Essex Property Trust			
Exxon Mobil				(Real Estate Investment Trusts)	4,523	9,553	0.1
(Oil, Gas and Consumable Fuels)	297,777	244,170	1.8	E-Trade Financial (Capital Markets)	19,638	6,182	0.0
FMC Technologies				Everest Reinsurance Group (Insurance)	2,928	5,756	0.0
(Energy Equipment and Services)	14,869	4,799	0.0	Extra Space Storage			
Halliburton (Energy Equipment and Services)	60,014	29,490	0.2	(Real Estate Investment Trusts)	8,675	6,087	0.0
Helmerich & Payne				Federal Realty Investment Trust (Real Estate)	5,505	7,107	0.1
(Energy Equipment and Services)	7,242	5,092	0.0	Fidelity National Financial			
Hess (Oil, Gas and Consumable Fuels)	19,928	11,277	0.1	(Diversified Financial Services)	17,647	5,444	0.0
HollyFrontier				Fidelity National Information Services			
(Oil, Gas and Consumable Fuels)	11,899	3,541	0.0	(Insurance)	23,530	16,169	0.1
Kinder Morgan				Fifth Third Bancorp (Commercial Banks)	54,521	13,358	0.1
(Oil, Gas and Consumable Fuels)	136,631	25,706	0.2	First Republic Bank (Commercial Banks)	10,118	8,469	0.1
Marathon Oil				Franklin Resources (Capital Markets)	27,466	9,876	0.1
(Oil, Gas and Consumable Fuels)	58,675	9,227	0.1	General Growth Properties (Real Estate)	42,583	9,664	0.1
Marathon Petroleum				Goldman Sachs (Capital Markets)	25,725	55,960	0.4
(Oil, Gas and Consumable Fuels)	37,436	17,124	0.1	Hartford Financial Services Group			
Murphy Oil (Oil, Gas and Consumable Fuels)	11,739	3,320	0.0	(Insurance)	29,187	12,635	0.1
National Oilwell Varco				HCP (Real Estate Investment Trusts)	32,952	8,897	0.1
(Energy Equipment and Services)	25,234	8,583	0.1	Host Hotel & Resorts (Real Estate)	52,848	9,045	0.1
Newfield Exploration				Huntington Bancshares (Commercial Banks)	78,133	9,384	0.1
(Oil, Gas and Consumable Fuels)	15,037	5,533	0.0	IntercontinentalExchange			
Noble Energy				(Diversified Financial Services)	42,942	22,010	0.2
(Oil, Gas and Consumable Fuels)	30,164	10,430	0.1	Invesco (Diversified Financial Services)	28,945	7,978	0.1
Occidental Petroleum				Iron Mountain			
(Oil, Gas and Consumable Fuels)	54,971	35,572	0.3	(Real Estate Investment Trusts)	19,483	5,749	0.0
Parsley Energy-A				Jones Lang LaSalle			
(Oil, Gas and Consumable Fuels)	10,796	3,456	0.0	(Real Estate Management and Development)	3,320	3,047	0.0
Phillips 66 (Oil, Gas and Consumable Fuels)	33,690	26,447	0.2	JPMorgan Chase			
Pioneer Natural Resources				(Diversified Financial Services)	258,936	202,983	1.5
(Oil, Gas and Consumable Fuels)	12,449	20,365	0.2	KeyCorp (Commercial Banks)	76,920	12,767	0.1
Plains GP Holdings Ord Shs Class A1				Kimco Realty (Real Estate Investment Trusts)	31,749	7,257	0.1
(Oil, Gas and Consumable Fuels)	6,304	1,986	0.0	Leucadia National			
SCANA (Energy Equipment and Services)	10,403	6,925	0.1	(Diversified Financial Services)	23,846	5,037	0.0
Schlumberger				Liberty Property Trust (Real Estate)	10,858	3,896	0.0
(Energy Equipment and Services)	99,607	75,965	0.6	Lincoln National (Insurance)	16,515	9,943	0.1
Southwestern Energy				Loews (Insurance)	21,366	9,090	0.1
(Oil, Gas and Consumable Fuels)	34,897	3,430	0.0	M&T Bank (Commercial Banks)	9,832	13,972	0.1
Spectra Energy				Macerich (Real Estate Investment Trusts)	9,298	5,984	0.0
(Oil, Gas and Consumable Fuels)	51,962	19,397	0.1	Markel (Insurance)	1,061	8,718	0.1
Targa Resources Inc				Marsh & McLennan (Insurance)	39,971	24,543	0.2
(Oil, Gas and Consumable Fuels)	11,856	6,039	0.0	McGraw-Hill (Diversified Financial Services)	20,085	19,622	0.1
Tesoro (Oil, Gas and Consumable Fuels)	8,233	6,541	0.0	MetLife (Insurance)	68,555	33,562	0.3
UGI (Oil, Gas and Consumable Fuels)	13,280	5,559	0.0	Mid-America Apartment Communities			
				(Real Estate Investment Trusts)	7,813	6,950	0.1

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MSCI USA Index, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital		Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Moody's (Diversified Financial Services)	13,313	11,401	0.1	HCA Holdings			
Morgan Stanley (Capital Markets)	103,479	39,718	0.3	(Health Care Providers and Services)	21,642	14,553	0.1
MSCI (Diversified Financial Services)	6,805	4,870	0.0	Henry Schein			
NASDAQ OMX Group				(Health Care Providers and Services)	5,546	7,644	0.1
(Diversified Financial Services)	8,886	5,418	0.0	Hologic			
National Retail Properties REIT (Real Estate)	10,240	4,112	0.0	(Health Care Equipment and Supplies)	14,885	5,425	0.0
Navient (Consumer Finance)	24,947	3,724	0.0	Humana			
New York Community Bancorp				(Health Care Providers and Services)	10,635	19,712	0.1
(Thriffs and Mortgage Finance)	34,935	5,049	0.0	Illumina			
Northern Trust (Capital Markets)	14,980	12,119	0.1	(Health Care Equipment and Supplies)	10,363	12,054	0.1
People's United Financial				Incyte (Biotechnology)	12,417	11,311	0.1
(Thriffs and Mortgage Finance)	22,599	3,975	0.0	Intuitive Surgical			
PNC Bank (Commercial Banks)	35,585	37,810	0.3	(Health Care Equipment and Supplies)	2,754	15,866	0.1
Principal Financial Group (Insurance)	22,372	11,760	0.1	Jazz Pharmaceuticals (Pharmaceuticals)	5,023	4,975	0.0
Progressive Ohio (Insurance)	41,419	13,358	0.1	Johnson & Johnson (Pharmaceuticals)	199,489	208,793	1.6
Prologis (Real Estate Investment Trusts)	37,914	18,183	0.1	Laboratory Corporation of America			
Prudential Financial (Insurance)	31,863	30,121	0.2	(Health Care Providers and Services)	7,326	8,544	0.1
Public Storage				Mallinckrodt Pharmaceuticals			
(Real Estate Investment Trusts)	10,369	21,053	0.2	(Pharmaceuticals)	8,151	3,689	0.0
Raymond James				McKesson			
(Diversified Financial Services)	9,760	6,142	0.0	(Health Care Providers and Services)	16,336	20,844	0.2
Realty Income				Mednax			
(Real Estate Investment Trusts)	18,715	9,773	0.1	(Health Care Providers and Services)	6,942	4,204	0.0
Regency Centers (Commercial Banks)	6,958	4,358	0.0	Medtronic			
Regions Financial (Commercial Banks)	86,308	11,259	0.1	(Health Care Equipment and Supplies)	99,364	64,298	0.5
Reinsurce Gr Amer (Insurance)	5,694	6,509	0.0	Merck (Pharmaceuticals)	201,094	107,547	0.8
RenaissanceRe Holdings (Insurance)	3,379	4,182	0.0	Mettler-Toledo			
SEI (Capital Markets)	10,470	4,695	0.0	(Life Sciences Tools and Services)	1,833	6,970	0.1
Signature Bank (Commercial Banks)	3,842	5,242	0.0	Mylan (Pharmaceuticals)	34,000	11,784	0.1
Simon Property Group				Patterson			
(Real Estate Investment Trusts)	23,096	37,278	0.3	(Health Care Providers and Services)	5,008	1,867	0.0
SL Green Realty				Perrigo (Pharmaceuticals)	10,743	8,123	0.1
(Real Estate Investment Trusts)	7,076	6,914	0.1	Pfizer (Pharmaceuticals)	441,472	130,264	1.0
State Street (Capital Markets)	29,115	20,557	0.2	Quest Diagnostics			
SunTrust Banks (Commercial Banks)	35,785	17,831	0.1	(Health Care Providers and Services)	10,076	8,412	0.1
Synchrony Financial (Consumer Finance)	59,298	19,539	0.1	Quintiles Transnational			
T. Rowe Price (Capital Markets)	18,591	12,711	0.1	(Life Sciences Tools and Services)	10,227	7,066	0.1
TD Ameritrade Holding (Commercial Banks)	18,275	7,239	0.1	Range Resources			
Torchmark (Insurance)	9,888	6,626	0.0	(Health Care Equipment and Supplies)	13,215	4,125	0.0
Travelers (Insurance)	20,392	22,679	0.2	Regeneron Pharmaceuticals			
U.S. Bancorp (Commercial Banks)	123,569	57,667	0.4	(Pharmaceuticals)	5,724	19,089	0.1
UDR (Real Estate)	18,401	6,098	0.0	ResMed			
Unum Group (Insurance)	18,421	7,352	0.1	(Health Care Equipment and Supplies)	9,416	5,308	0.0
Ventas (Real Estate)	25,747	14,624	0.1	Seattle Genetics (Biotechnology)	7,416	3,555	0.0
VEREIT (Real Estate Investment Trusts)	65,776	5,055	0.0	St. Jude Medical			
Vornado Realty Trust				(Health Care Equipment and Supplies)	19,334	14,085	0.1
(Real Estate Investment Trusts)	12,135	11,506	0.1	Stryker			
Voya Financial				(Health Care Equipment and Supplies)	23,355	25,420	0.2
(Diversified Financial Services)	15,308	5,454	0.0	Teleflex			
W.R. Berkley (Insurance)	7,389	4,465	0.0	(Health Care Equipment and Supplies)	2,933	4,294	0.0
Wells Fargo (Commercial Banks)	343,676	172,062	1.3	The Cooper Companies			
Welltower (Real Estate Investment Trusts)	25,202	15,324	0.1	(Health Care Equipment and Supplies)	2,753	4,375	0.0
Willis Towers Watson (Insurance)	9,824	10,913	0.1	Thermo Fisher Scientific			
XL Group Ltd (Insurance)	19,517	6,606	0.0	(Life Sciences Tools and Services)	28,522	36,561	0.3
				United Therapeutics (Biotechnology)	3,001	3,910	0.0
				UnitedHealth Group			
				(Health Care Providers and Services)	68,252	99,232	0.7
				Universal Health Services			
				(Health Care Providers and Services)	6,937	6,704	0.1
				Varian Medical System			
				(Health Care Equipment and Supplies)	5,851	4,772	0.0
				Vertex Pharmaceuticals			
				(Health Care Providers and Services)	18,804	12,585	0.1
				Zimmer Holdings			
				(Health Care Equipment and Supplies)	14,096	13,215	0.1
				Zoetis (Pharmaceuticals)	34,501	16,778	0.1
						1,754,966	13.2
<b>HEALTH CARE</b>				<b>INDUSTRIALS</b>			
Abbott Laboratories (Pharmaceuticals)	105,289	36,739	0.3	3M (Industrial Conglomerates)	44,677	72,477	0.5
AbbVie (Pharmaceuticals)	116,818	66,455	0.5	A. O. Smith (Building Products)	13,193	5,675	0.0
Aetna (Health Care Providers and Services)	25,481	28,706	0.2	Acuty Brands (Electrical Equipment)	3,383	7,095	0.1
Alexion Pharmaceuticals (Pharmaceuticals)	16,291	18,107	0.1	AGCO (Machinery)	6,963	3,660	0.0
Align Technology				Alliance Data Systems			
(Health Care Equipment and Supplies)	4,786	4,180	0.0	(Commercial Services and Supplies)	4,008	8,320	0.1
Alkermes (Biotechnology)	11,813	5,965	0.0	AMERCO (Road and Rail)	474	1,591	0.0
Allergan (Pharmaceuticals)	28,476	54,328	0.4	American Airlines (Airlines)	9,366	3,973	0.0
AmerisourceBergen				AMETEK (Electrical Equipment)	18,489	8,163	0.1
(Health Care Providers and Services)	13,788	9,794	0.1	ARCONIC (Aerospace and Defense)	44,203	7,445	0.1
Amgen (Biotechnology)	53,737	71,377	0.5	Avery Dennison			
Anthem (Health Care Providers and Services)	18,661	24,373	0.2	(Commercial Services and Supplies)	6,889	4,395	0.0
Baxter International				B/E Aerospace (Aerospace and Defense)	13,976	7,642	0.1
(Health Care Equipment and Supplies)	36,151	14,562	0.1	Boeing (Aerospace and Defense)	54,998	77,783	0.6
Becton Dickinson				C.H. Robinson Worldwide			
(Health Care Equipment and Supplies)	14,952	22,487	0.2	(Air Freight and Logistics)	10,990	7,314	0.1
Biogen Idec (Biotechnology)	15,774	40,637	0.3	Caterpillar (Machinery)	43,676	36,797	0.3
Biomarin Pharmaceutical (Biotechnology)	12,234	9,207	0.1	Cintas (Commercial Services and Supplies)	6,276	6,589	0.0
Boston Scientific				CSX (Road and Rail)	70,295	22,945	0.2
(Health Care Equipment and Supplies)	92,552	18,186	0.1	Cummins (Machinery)	12,635	15,688	0.1
Bristol-Myers Squibb (Pharmaceuticals)	120,466	63,956	0.5	Danaher (Machinery)	44,283	31,315	0.2
C. R. Bard				Deere & Company (Machinery)	19,282	18,049	0.1
(Health Care Equipment and Supplies)	4,769	9,733	0.1	Delta Air Lines (Airlines)	14,162	6,329	0.0
Cardinal Health				Dover (Machinery)	11,723	7,980	0.1
(Health Care Providers and Services)	22,750	14,874	0.1	Dun & Bradstreet			
Celgene (Biotechnology)	56,253	59,152	0.4	(Commercial Services and Supplies)	2,782	3,066	0.0
Centene				Eaton (Machinery)	35,010	21,338	0.2
(Health Care Providers and Services)	11,948	6,134	0.0	Emerson Electric (Electrical Equipment)	47,586	24,101	0.2
Cerner (Health Care Providers and Services)	20,117	8,657	0.1	Equifax (Commercial Services and Supplies)	8,924	9,585	0.1
CIGNA (Health Care Providers and Services)	18,725	22,691	0.2	Expeditors International			
Davita (Health Care Providers and Services)	11,427	6,665	0.1	(Air Freight and Logistics)	13,654	6,569	0.0
Dentsply Sirona				Fastenal			
(Health Care Equipment and Supplies)	15,771	8,271	0.1	(Trading Companies and Distributors)	23,643	10,091	0.1
DexCom Ord Shs				FedEx (Air Freight and Logistics)	18,534	31,351	0.2
(Health Care Equipment and Supplies)	5,604	3,039	0.0	Flowserve (Industrial Conglomerates)	10,474	4,572	0.0
Edwards Lifesciences (Pharmaceuticals)	14,984	12,755	0.1				
Eli Lilly (Pharmaceuticals)	71,838	48,000	0.4				
Endo International (Pharmaceuticals)	14,507	2,171	0.0				
Envision Healthcare Ord Shs							
(Health Care Providers and Services)	8,144	4,683	0.0				
Estée Lauder Companies A							
(Health Care Equipment and Supplies)	16,133	11,211	0.1				
Express Scripts							
(Health Care Providers and Services)	45,414	28,381	0.2				
Gilead Science (Biotechnology)	94,595	61,539	0.5				



# Annual Review 2016 – Xact Kapitalförvaltning AB

MSCI USA Index, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital		Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Fortune Brands Home & Security (Building Products)	13,330	6,474	0.0	F5 Networks (Software)	5,460	7,178	0.1
General Electric (Industrial Conglomerates)	649,769	186,531	1.4	Facebook (Internet Software and Services)	166,234	173,745	1.3
H & R Block (Commercial Services and Supplies)	15,154	3,165	0.0	First Data (IT Services)	20,326	2,620	0.0
Honeywell International (Aerospace and Defense)	52,394	55,142	0.4	Fiserv (IT Services)	16,468	15,900	0.1
Huntington Ingalls Industries (Aerospace and Defense)	6,878	11,509	0.1	FleetCor Technologies (IT Services)	6,625	8,517	0.1
IHS Markit Ord Shs (Professional Services)	27,457	8,833	0.1	Flextronic International (Elec Equip, Instr & Comp)	39,429	5,147	0.0
Illinois Tool Works (Machinery)	27,150	30,204	0.2	FLIR Systems (Elec Equip, Instr & Comp)	9,164	3,013	0.0
Ingersoll-Rand (Machinery)	21,003	14,318	0.1	Fortinet (Software)	10,755	2,943	0.0
J.B. Hunt Transport Services (Transportation Infrastructure)	7,483	6,599	0.0	Gartner (IT Services)	6,139	5,637	0.0
Johnson Controls International (Building Products)	70,125	26,240	0.2	Global Payments (IT Services)	10,953	6,907	0.1
Kansas City Southern (Road and Rail)	8,381	6,460	0.0	Hewlett-Packard (Computers and Peripherals)	123,460	16,644	0.1
Lam Research (Machinery)	11,217	10,774	0.1	Hewlett-Packard Enterprise (Computers and Peripherals)	121,305	25,500	0.2
Macquarie Infrs (Transportation Infrastructure)	5,072	3,764	0.0	IBM (Computers and Peripherals)	65,536	98,825	0.7
ManpowerGroup (Commercial Services and Supplies)	4,432	3,578	0.0	Intel (Semiconductors and Semiconductor Eqp.)	337,575	111,230	0.8
Masco (Building Products)	23,750	6,822	0.1	Intuit (Software)	17,586	18,310	0.1
Middleby (Machinery)	4,536	5,308	0.0	Juniper Networks (Communications Equipment)	24,659	6,331	0.0
Nielsen Holding (Professional Services)	25,670	9,783	0.1	KLA-Tencor (Semiconductors and Semiconductor Eqp.)	11,759	8,405	0.1
Norfolk Southern (Road and Rail)	22,502	22,092	0.2	Linear Technology (Semiconductors and Semiconductor Eqp.)	17,332	9,817	0.1
PACCAR (Machinery)	27,390	15,900	0.1	Marvell Technology Group (Semiconductors and Semiconductor Eqp.)	32,463	4,090	0.0
Parker Hannifin (Machinery)	10,933	13,905	0.1	Mastercard (IT Services)	70,120	65,772	0.5
Pentair (Machinery)	15,600	7,946	0.1	Maxim Integrated Products (Semiconductors and Semiconductor Eqp.)	22,106	7,746	0.1
Progressive Waste Solutions (Commercial Services and Supplies)	12,536	8,950	0.1	MercadoLibre (Internet Software and Services)	2,821	4,002	0.0
Republic Services (Commercial Services and Supplies)	22,062	11,434	0.1	Microchip Technology (Semiconductors and Semiconductor Eqp.)	15,440	8,998	0.1
Robert Half International (Commercial Services and Supplies)	9,274	4,110	0.0	Micron Technology (Semiconductors and Semiconductor Eqp.)	72,902	14,517	0.1
Rockwell Automation (Electrical Equipment)	10,095	12,326	0.1	Microsoft (Software)	530,102	299,252	2.3
Rockwell Collins (Aerospace and Defense)	22,328	18,816	0.1	Motorola Solutions (Communications Equipment)	12,958	9,758	0.1
Sensata Technologies Holding (Electrical Equipment)	13,039	4,614	0.0	NetApp (IT Services)	19,926	6,385	0.0
Snap-on (Machinery)	5,379	8,369	0.1	Nuance Communication (Software)	18,732	2,536	0.0
Southwest Airlines (Airlines)	12,140	5,497	0.0	NVIDIA (Semiconductors and Semiconductor Eqp.)	38,246	37,087	0.3
Stericycle (Commercial Services and Supplies)	6,080	4,255	0.0	Oracle (Software)	222,584	77,749	0.6
Toll Brothers (Construction and Engineering)	10,058	2,833	0.0	Palo Alto Networks (Communications Equipment)	6,537	7,426	0.1
Transdigm Group (Aerospace and Defense)	7,464	16,881	0.1	Paychex (IT Services)	23,578	13,040	0.1
Union Pacific (Road and Rail)	61,083	57,534	0.4	PayPal (IT Services)	77,860	27,925	0.2
United Continental Holdings (Airlines)	6,513	4,312	0.0	Qorvo (Semiconductors and Semiconductor Eqp.)	8,970	4,297	0.0
United Rentals (Trading Companies and Distributors)	6,597	6,328	0.0	Qualcomm (Communications Equipment)	105,636	62,570	0.5
United Technologies (Aerospace and Defense)	83,606	83,259	0.6	Red Hat (Software)	12,362	7,828	0.1
UPS (Air Freight and Logistics)	51,851	54,001	0.4	Sabre (IT Services)	16,281	3,690	0.0
Verisk Analytics (Professional Services)	12,112	8,931	0.1	Salesforce.com (Software)	46,605	28,985	0.2
W.W. Grainger (Trading Companies and Distributors)	4,665	9,843	0.1	SBA Communications (Communications Equipment)	8,821	8,275	0.1
WABCO Holdings (Machinery)	4,184	4,035	0.0	Seagate Technology (Computers and Peripherals)	21,363	7,408	0.1
Wabtec (Machinery)	7,883	5,945	0.0	ServiceNow (Software)	12,443	8,403	0.1
Waste Management (Commercial Services and Supplies)	35,232	22,696	0.2	Skyworks Solutions (Semiconductors and Semiconductor Eqp.)	13,308	9,026	0.1
Xylem (Machinery)	18,391	8,274	0.1	Splunk (Software)	9,122	4,239	0.0
		<b>1,290,487</b>	<b>9.7</b>	Symantec (Software)	44,731	9,708	0.1
<b>INFORMATION TECHNOLOGY</b>				Synopsys (Software)	11,553	6,178	0.0
Accenture (IT Services)	45,443	48,355	0.4	TE Connectivity (Elec Equip, Instr & Comp)	25,078	15,784	0.1
Activision Blizzard (Software)	42,524	13,950	0.1	TEX Instruments (Semiconductors and Semiconductor Eqp.)	72,615	48,137	0.4
Adobe Systems (Software)	35,471	33,175	0.3	Total System Services (Computers and Peripherals)	11,882	5,292	0.0
Agilent (Elec Equip, Instr & Comp)	23,542	9,744	0.1	Trimble Navigation (Communications Equipment)	18,685	5,118	0.0
Akamai Technologies (Internet Software and Services)	12,484	7,562	0.1	Twitter (Internet Software and Services)	39,638	5,870	0.0
Alphabet A (Internet Software and Services)	21,150	152,261	1.1	Vantiv A (IT Services)	11,498	6,228	0.0
Alphabet C (Internet Software and Services)	22,010	154,327	1.2	VeriSign (Internet Software and Services)	6,666	4,607	0.0
Amphenol (Computers and Peripherals)	24,565	14,997	0.1	Visa (IT Services)	135,976	96,377	0.7
Analog Devices (Semiconductors and Semiconductor Eqp.)	21,424	14,134	0.1	VMware (Software)	5,119	3,661	0.0
Ansys (Software)	6,414	5,389	0.0	Waters (Elec Equip, Instr & Comp)	5,377	6,565	0.0
Apple (Computers and Peripherals)	386,574	406,745	3.1	Western Digital (Computers and Peripherals)	19,697	12,159	0.1
Applied Material (Semiconductors and Semiconductor Eqp.)	78,081	22,890	0.2	Western Union (IT Services)	36,538	7,210	0.1
Arrow Electronics (Computers and Peripherals)	6,098	3,950	0.0	Workday (Software)	9,122	5,477	0.0
Autodesk (Software)	14,219	9,560	0.1	Xerox (Office Electronics)	64,643	5,127	0.0
Automatic Data Processing (IT Services)	32,561	30,403	0.2	Xilinx (Semiconductors and Semiconductor Eqp.)	15,870	8,704	0.1
Avnet (Elec Equip, Instr & Comp)	8,438	3,650	0.0	Yahoo (Internet Software and Services)	64,320	22,596	0.2
Broadcom (Semiconductors and Semiconductor Eqp.)	28,366	45,553	0.3	Zillow Group C (Internet Software and Services)	8,182	2,711	0.0
Broadridge Financial Solutions (IT Services)	9,738	5,865	0.0			<b>2,759,630</b>	<b>20.8</b>
CA (Software)	22,060	6,367	0.0	<b>MATERIALS</b>			
Cadence Design Systems (Software)	23,772	5,446	0.0	Air Products & Chemicals (Chemicals)	15,755	20,585	0.2
CDK Global (Software)	8,458	4,586	0.0	Albemarle (Chemicals)	8,023	6,274	0.0
CDW (Elec Equip, Instr & Comp)	11,483	5,434	0.0	Ashland Global Ord Shs (Chemicals)	4,621	4,588	0.0
Cisco Systems (Communications Equipment)	370,887	101,822	0.8	Axalta Coating Systems (Chemicals)	15,949	3,941	0.0
Citrix Systems (Software)	10,764	8,733	0.1	Ball (Containers and Packaging)	12,138	8,278	0.1
Cognizant Technology Solutions (IT Services)	43,723	22,255	0.2	Celanese A (Chemicals)	10,790	7,718	0.1
Computer Sciences (IT Services)	10,611	5,728	0.0	CF Industries Holdings (Chemicals)	15,958	4,564	0.0
Corning (Communications Equipment)	78,468	17,301	0.1	Crown Holdings (Metals and Mining)	11,177	5,338	0.0
CoStar Group (Internet Software and Services)	2,285	3,913	0.0	D. R. Horton (Construction Materials)	24,835	6,166	0.0
Dell Technologies CL V (Software)	16,002	7,991	0.1	Dow Chemical (Chemicals)	80,831	42,018	0.3
eBay (Internet Software and Services)	76,998	20,768	0.2	DuPont (Chemicals)	63,365	42,252	0.3
Electronic Arts (Software)	21,297	15,238	0.1	Eastman Chemical (Chemicals)	10,543	7,204	0.1
Equinix Real Estate Investment Trust (Internet Software and Services)	5,038	16,358	0.1	Ecolab (Chemicals)	19,454	20,717	0.2
				FMC (Chemicals)	9,992	5,134	0.0
				Freeport McMoRan (Metals and Mining)	93,473	11,200	0.1

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MSCI USA Index, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
International Flavors & Fragrances (Chemicals)	5,796	6,204	0.0
International Paper (Paper and Forest Products)	28,326	13,654	0.1
LyondellBasell (Chemicals)	25,952	20,224	0.2
Martin Marietta Materials (Construction Materials)	4,665	9,388	0.1
Monsanto (Chemicals)	32,006	30,591	0.2
Mosaic (Chemicals)	22,835	6,084	0.0
Newmont Mining (Metals and Mining)	38,670	11,969	0.1
Nucor (Metals and Mining)	24,502	13,249	0.1
Packaging (Containers and Packaging)	7,144	5,505	0.0
PPG Industries (Chemicals)	20,054	17,264	0.1
Praxair (Chemicals)	21,293	22,669	0.2
Sealed Air (Containers and Packaging)	15,448	6,363	0.0
Valspar (Chemicals)	6,422	6,045	0.0
Vulcan Materials (Construction Materials)	10,367	11,787	0.1
W. R. Grace and Company (Chemicals)	5,254	3,228	0.0
WestRock (Containers and Packaging)	18,427	8,499	0.1
Weyerhaeuser (Paper and Forest Products)	57,079	15,603	0.1
		<b>404,302</b>	<b>3.1</b>
<b>TELECOMMUNICATION SERVICES</b>			
American Tower (Wireless Telecommunication Services)	30,584	29,362	0.2
AT&T (Diversified Telecommunication Services)	441,063	170,413	1.3
CenturyLink (Diversified Telecommunication Services)	38,205	8,253	0.1
Frontier Communications (Diversified Telecommunication Services)	85,715	2,632	0.0
Level 3 Communications (Diversified Telecommunication Services)	21,897	11,211	0.1
Sprint (Wireless Telecommunication Services)	58,623	4,484	0.0
T-Mobile US (Wireless Telecommunication Services)	19,403	10,137	0.1
Verizon Communications (Diversified Telecommunication Services)	292,259	141,727	1.1
Zayo Group Hldgs (Diversified Telecommunication Services)	12,009	3,585	0.0
		<b>381,805</b>	<b>2.9</b>
<b>UTILITIES</b>			
AEP (Electric Utilities)	33,630	19,235	0.1
AES (Multi-Utilities)	44,415	4,689	0.0
American Water Works (Water Utilities)	13,931	9,158	0.1
Atmos Energy (Gas Utilities)	7,997	5,387	0.0
Calpine (Multi-Utilities)	19,589	2,034	0.0
Cheniere Energy (Gas Utilities)	14,099	5,307	0.0
CMS Energy (Multi-Utilities)	22,743	8,599	0.1
Consolidated Edison (Multi-Utilities)	22,289	14,919	0.1
Dominion Resources (Multi-Utilities)	45,087	31,371	0.2
DTE Energy (Multi-Utilities)	13,474	12,058	0.1
Duke Energy (Electric Utilities)	49,109	34,629	0.3
Edison International (Electric Utilities)	23,272	15,220	0.1
Entergy (Electric Utilities)	12,166	8,120	0.1
EQT (Gas Utilities)	13,363	7,939	0.1
Eversource Energy (Electric Utilities)	21,040	10,557	0.1
Exelon (Electric Utilities)	65,285	21,049	0.2
FirstEnergy (Electric Utilities)	29,506	8,302	0.1
NextEra Energy (Electric Utilities)	33,044	35,861	0.3
NiSource (Multi-Utilities)	28,093	5,650	0.0
OGE Energy (Electric Utilities)	14,026	4,262	0.0
ONEOK (Electric Utilities)	15,926	8,306	0.1
PG&E (Multi-Utilities)	36,478	20,138	0.2
Pinnacle West Capital (Electric Utilities)	7,881	5,587	0.0
PPL (Electric Utilities)	46,650	14,430	0.1
Public Service Enterprise Group (Multi-Utilities)	35,873	14,300	0.1
Sempra Energy (Multi-Utilities)	17,679	16,163	0.1
Southern (Electric Utilities)	70,173	31,358	0.2
WEC Energy Group (Multi-Utilities)	23,815	12,689	0.1
Westar Energy (Electric Utilities)	11,994	6,140	0.0
Xcel Energy (Multi-Utilities)	35,679	13,192	0.1
		<b>406,650</b>	<b>3.1</b>
<b>OTHER</b>			
Alliant Energy (Other)	16,002	5,508	0.0
		<b>5,508</b>	<b>0.0</b>
<b>Total listed equities</b>		<b>13,195,019</b>	<b>99.5</b>
<b>Total transferable securities</b>		<b>13,195,019</b>	<b>99.5</b>

## EXCHANGE-TRADED DERIVATIVES\*\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>STOCK INDEX FUTURES</b>			
E-mini S&PMar17	14	0	0.0
<b>Total stock index futures</b>		<b>0</b>	<b>0.0</b>
<b>Total exchange-traded derivatives</b>		<b>0</b>	<b>0.0</b>

## OTHER FINANCIAL INSTRUMENTS\*\*\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>FUND UNITS</b>			
<b>LISTED EQUITY FUNDS**</b>			
DB X-trackers S&P 500 (Europe)	114,706	41,120	0.3
		<b>41,120</b>	<b>0.3</b>
<b>Total fund units</b>		<b>41,120</b>	<b>0.3</b>
<b>Total other financial instruments</b>		<b>41,120</b>	<b>0.3</b>
<b>Total holdings in financial instruments</b>		<b>13,236,139</b>	<b>99.8</b>
<b>Net, other assets and liabilities</b>		<b>23,601</b>	<b>0.2</b>
<b>Total fund capital</b>		<b>13,259,740</b>	<b>100.0</b>

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

\* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 99.5

\*\* Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46). 0.3

\*\*\* Refers to other financial instruments. -

## Compilation, Company and Group exposure\*

Company/Group	% of fund capital	Company/Group	% of fund capital
Alphabet	2.3	News Corporation	0.2
Hewlett-Packard	0.3	Liberty Global	0.1

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

## ADDITIONAL INFORMATION ON LENT SECURITIES

The volume of lent securities as a % of total lendable assets 0.59

## THE TEN LARGEST ISSUERS OF COLLATERAL FOR SECURITIES LENDING PER ISSUER, SEK thousand:

U.S.A.	6 255
Tencent Holdings Ltd	3 332
Aetna Inc	3 215
United Continental Holdings Inc	3 149
China Life Insurance Co Ltd	3 138
Anthem Inc	2 235
Industrial & Commercial Bank Of China Ltd	2 090
American Electric Power Co Inc	1 944
Bank Of China Ltd	1 943
Humana Inc	1 898

## THE LARGEST COUNTERPARTIES FOR SECURITIES LENDING, SEK thousand:

UBS AG, London Branch, Great Britain	78 077
	<b>78 077</b>

## TYPE AND QUALITY OF COLLATERAL, SEK thousand:

Equities	78 871
Bonds and other interest-bearing instruments	7 808
	<b>86 679</b>

We accept government bonds and treasury bills with a rating of AA- from S&P or Aa3 from Moody's or higher issued by the United States, the British government, states within the eurozone (Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain) as well as Australia, Canada, Denmark, Japan, New Zealand, Norway, Sweden and Switzerland. We also accept equities in major and well-known indexes as collateral.

## PROFILE OF THE COLLATERAL'S DURATION, SEK thousand:

Less than one day	0
One day to one week	2 011
One week to one month	180
One to three months	352
Three months to one year	367
Greater than one year	4 899
Indeterminate duration	78 870
	<b>86 679</b>

## CURRENCY OF THE COLLATERAL, SEK thousand:

AUD	2 138
CAD	111
EUR	3 490
GBP	13 357
HKD	19 444
JPY	4 168
USD	43 971
	<b>86 679</b>

The profile of the duration for securities lending is undetermined, but may be immediately terminated. Settlement and clearing for securities lending is conducted through a third party. The collateral received is held at JP Morgan Chase Bank N.A. (London Branch) and may not be reused.

## INFORMATION ABOUT RETURNS AND EXPENSES:

Securities lending for the full year generated a total revenue of SEK 745 thousand, of which 80% was passed on to the fund and 20% to JP Morgan Bank N.A. (London Branch) in its role as the intermediary of securities lending.

Counterparties for securities lending during the year:

-J.P. Morgan Securities Plc, Great Britain

This fund is not in any way sponsored, endorsed, sold or promoted by MSCI Inc. ("MSCI"), any of their respective affiliates, any of its information providers or any other third-party involved in or related to the compiling, computing or creating of any of the MSCI indices (collectively, "MSCI parties"). MSCI has exclusive ownership of the MSCI Index. MSCI and the MSCI Index name are the service marks for MSCI or its respective

MSCI USA Index, cont.

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# Multi Asset H *Handelsbanken Funds Multi Asset H*

## Management Report

### Investment Focus

The fund is actively managed, which means that the portfolio manager takes active, independent investment decisions. The objective of the fund is to attain returns over the long term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in Swedish fixed income funds as well as in Nordic and global equity funds, in both Handelsbanken's funds and the funds of other fund management companies. The fund also invests in so-called alternative investments such as hedge funds and commodity funds. The allocation between asset classes varies based on the portfolio manager's outlook on the market. Depending upon the countries, assets and regions in which we invest, we select the funds we believe have the best outlooks based on fund performance and the portfolio manager's investment process. The share of equities in the fund is normally 60%, although this may vary between 40% and 100% depending on the state of the market. The share of fixed income holdings in the fund is normally 20%, although this may vary between 0% and 40% depending on the state of the market. The share of commodity funds in the fund is normally 10%, although this may vary between 0% and 20% depending on the state of the market. The share of hedge funds in the fund is normally 10%, although this may vary between 0% and 25% depending on the state of the market. Refer to "Portfolio Allocation" at [www.handelsbanken.se/fonder](http://www.handelsbanken.se/fonder) for the fund's current allocation.

### Portfolio

Multi Asset H rose 7.2% during the full year 2016\*. The year was dominated by political turbulence when the UK voted for Brexit, the US elected Donald Trump as president and Italy's government fell after a referendum. Consequently, financial markets were impacted to a large extent and movement throughout the year can best be described as a roller coaster. At the same time, the World Index rose approximately 16%, measured in SEK. The fund began the year with an underweight in equities, which we increased gradually to a normal level during the spring. The significant uncertainty with Brexit led us to decrease the equity weighting during the early summer. We then increased this when the

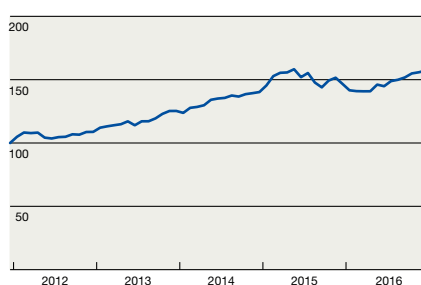
market turbulence subsided as the short-term effects of an EU exit are limited. We increased the equity weighting further during the autumn as we expected markets to edge higher with support from stronger economic data. The US presidential election led to both higher rates as well as markets. The fund's small cap holdings were the strongest contribution to returns during the year. The overweight in US equities benefited from higher equity prices and a stronger USD. Equity and fixed income holdings in emerging markets were also positive contributions. In addition, the fund's fixed income holdings posted strength and benefited from a stronger USD. Holdings in Handelsbanken Nordiska Småbolag and Handelsbanken Amerika Småbolag, which both rose over 20%, were the strongest contributions to returns during the year. In contrast, the hedge funds lagged and had a negative impact on returns. The short-term durations on fixed income holdings also had a negative impact.

\*) The fund may have additional share classes, the concerned share class is stated in the Fund facts. Refer to fund statistics for comparable index.

### Outlook

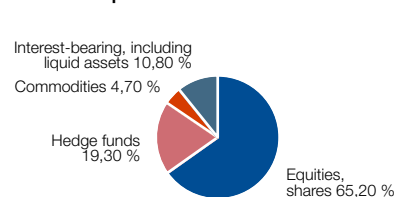
The world is facing further major political and economic challenges. Many countries in the Europe, including France and Germany, will be holding elections in 2017. The risk for a new election in Italy is also imminent, at the same time as it is unclear about how the UK's exit from the EU, Brexit, will be carried out. The newly elected US president, Donald Trump, is also creating uncertainty about future policies and which election promises will be carried through. The market is expecting Trump to implement major financial stimulus, including tax cuts and investments in infrastructure. Despite the political uncertainty, economic growth is slowly moving in the right direction, with the US at the forefront. Growth outlooks are also strong in Sweden, Germany and Spain, which bodes well for company profit growth. Thus, conditions are favourable for markets to edge higher and we are beginning 2017 with an equity overweight in the portfolio. We expect market rates to rise as the economy accelerates and inflation begins to rise. Thereby, we prefer fixed income holdings with shorter duration as these are less negatively affected by a rising fixed income market.

### Fund Performance\*



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

### Market Exposure\*



\* The fund's allocation of investments within the markets as of 31/12/2016, relative to the fund's total assets on this date.

### Top Ten Holdings

	% of fund capital
Handelsbanken Nordenfond A1 SEK	20.7
JPM Systematic Alpha Fund C SEK	9.3
Handelsbanken Amerikafond A1 SEK	6.8
Handelsbanken Nordiska Småbolagsfond A1 SEK	5.9
Handelsbanken Råvarufond BI	5.2
JPM Europe Equity Absolute Alpha Fund	5.1
BlackRock Strategic Funds Global Absolute Return A2	4.7
Handelsbanken Tillväxtmarknad Tema A1 SEK	4.7
Handelsbanken Amerika Småbolag A SEK	3.2
Handelsbanken Norden Selektiv A1 SEK	3.0

### Fund Facts - History

	2016	2015	2014	2013	2012	29/8-31/12 2011	2010	2009	2008	2007
Net asset value										
Multi Asset H A2 - SEK	158.09	147.53	141.10	126.08	109.45	100.62	-	-	-	-
Multi Asset H A2 - EUR	16.50	16.11	14.90	-	-	-	-	-	-	-
Multi Asset H A2 - NOK	149.79	154.90	135.14	-	-	-	-	-	-	-
Multi Asset H BI - SEK	129.77	126.10	125.57	116.84	105.63	-	-	-	-	-
Fund capital total, mSEK	5,599	4,958	3,749	2,314	918	114	-	-	-	-
Multi Asset H A2 - SEK	5,585	4,941	3,734	2,312	916	114	-	-	-	-
Multi Asset H A2 - EUR	1	1	1	-	-	-	-	-	-	-
Multi Asset H A2 - NOK	1	1	1	-	-	-	-	-	-	-
Multi Asset H BI - SEK	7	7	6	2	2	-	-	-	-	-

# Annual Review 2016 – Handelsbanken Funds

Multi Asset H, cont.

	2016	2015	2014	2013	2012	29/8-31/12 2011	2010	2009	2008	2007
Number of units, 1000's	35,427	33,616	26,569	18,366	8,390	1,133	-	-	-	-
Multi Asset H A2 - SEK	35,327	33,488	26,463	18,341	8,370	1,133	-	-	-	-
Multi Asset H A2 - EUR	42	64	53	-	-	-	-	-	-	-
Multi Asset H A2 - NOK	3	8	8	-	-	-	-	-	-	-
Multi Asset H BI - SEK	55	56	45	25	20	-	-	-	-	-
Total returns in %, SEK										
Multi Asset H A2 - SEK	+7.2	+4.6	+11.9	+15.2	+8.8	+0.6	-	-	-	-
Multi Asset H A2 - EUR	+2.4	+8.2	+4.6	+11.6	-	-	-	-	-	-
Multi Asset H A2 - NOK	-3.3	+14.6	+13.5	-	-	-	-	-	-	-
Multi Asset H BI - SEK	+7.2	+4.6	+12.0	+15.2	+0.9	-	-	-	-	-
Index including dividends in %, SEK										
Multi Asset H A2 - SEK	+10.6	+2.0	+13.1	+12.8	+8.3	+2.6	-	-	-	-
Multi Asset H A2 - EUR	+5.8	+5.5	+5.7	+9.3	-	-	-	-	-	-
Multi Asset H A2 - NOK	-0.1	+11.8	+14.7	-	-	-	-	-	-	-
Multi Asset H BI - SEK	+10.6	+2.0	+13.1	+12.8	+0.7	-	-	-	-	-
Average yearly return, 2 yrs. %										
Multi Asset H A2 - SEK	+5.8	+8.2	+13.5	+11.9	-	-	-	-	-	-
Multi Asset H A2 - EUR	+5.2	+6.3	+8.0	-	-	-	-	-	-	-
Multi Asset H A2 - NOK	+5.3	+14.0	-	-	-	-	-	-	-	-
Multi Asset H BI - SEK	+5.9	+8.2	+13.6	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+6.2	+7.4	+13.0	+10.5	-	-	-	-	-	-
EUR	+5.6	+5.6	+7.5	-	-	-	-	-	-	-
NOK	+5.6	+13.2	-	-	-	-	-	-	-	-
Average yearly return, 5 yrs. %										
Multi Asset H A2 - SEK	+9.5	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+9.3	-	-	-	-	-	-	-	-	-

Index: VINX Benchmark Cap SEK\_NI 30%, MSCI All Country World Index Net 30%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 3%, HMNI Swe All Government Dur Const 6Y (HMSD6) 7%, OMRXTBILL 10%, Handelsbanken Råvaruindex 10% and STIBOR 30 10%

Up to 02/01/2014: SHB NORDIX Port Nordic Net (NHXPORT) 30%, MSCI All Country World Index Net 30%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 3%, HMNI Swe All Government Dur Const 6Y (HMSD6) 7%, OMRXTBILL 10%, Handelsbanken Råvaruindex 10% and STIBOR 30 10%

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

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

Refer to the last page for definitions.

## Fund Facts - Costs

Collected mgmt. costs in % of average fund capital	
Multi Asset H A2 <sup>1)</sup>	1.50
Multi Asset H BI <sup>2)</sup>	1.50
Annual fees in %	
Multi Asset H A2 <sup>3)</sup>	1.86
Multi Asset H BI <sup>3)</sup>	1.84

1) A Luxembourg wealth tax of 0.05% of fund assets will be added annually.

2) A Luxembourg wealth tax of 0.01% of fund assets will be added annually.

3) Ongoing charges are calculated as synthetic ongoing charges.

## Fund Facts - Other Key Figures

Turnover rate	-0.2
---------------	------

## Risk and Return Measurements\*

Total risk % - A2 SEK	9.1	Active return % - A2 NOK	-0.4
Total risk % - A2 EUR	9.5	Active return % - BI SEK	-0.3
Total risk % - A2 NOK	8.7	Information ratio - A2 SEK	Negative
Total risk % - BI SEK	9.1	Information ratio - A2 EUR	Negative
Total risk in index % - A2 SEK	9.0	Information ratio - A2 NOK	Negative
Total risk in index % - A2 EUR	9.3	Information ratio - BI SEK	Negative
Total risk in index % - A2 NOK	8.0	Sharpe ratio - A2 SEK	0.7
Total risk in index % - BI SEK	9.0	Sharpe ratio - A2 EUR	0.6
Tracking error % - A2 SEK	2.1	Sharpe ratio - A2 NOK	0.5
Tracking error % - A2 EUR	2.1	Sharpe ratio - BI SEK	0.7
Tracking error % - A2 NOK	2.1	Sharpe ratio in index - A2 SEK	0.7
Tracking error % - BI SEK	2.1	Sharpe ratio in index - A2 EUR	0.6
Index	VINX Benchmark Cap SEK_NI 30%, MSCI All Country World Index Net 30%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 3%, HMNI Swe All Government Dur Const 6Y (HMSD6) 7%, OMRXTBILL 10%, Handelsbanken Råvaruindex 10% och STIBOR 30 10%	Sharpe ratio in index - A2 NOK	0.6
Active return % - A2 SEK	-0.4	Sharpe ratio in index - BI SEK	0.7
Active return % - A2 EUR	-0.4		

\* Risk statistics are based on historical monthly returns over two years. Refer to the last page for definitions.

Total exposure in the fund is calculated in accordance with the commitment method.



# Multi Asset L *Handelsbanken Funds Multi Asset L*

## Management Report

### Investment Focus

The fund is actively managed, which means that the portfolio manager takes active, independent investment decisions. The objective of the fund is to attain returns over the long term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in Swedish fixed income funds as well as in Nordic and global equity funds, in both Handelsbanken's funds and the funds of other fund management companies. The fund also invests in so-called alternative investments such as hedge funds and commodity funds. The allocation between asset classes varies based on the portfolio manager's outlook on the market. Depending upon the countries, assets and regions in which we invest, we select the funds we believe have the best outlooks based on fund performance and the portfolio manager's investment process. The share of equities in the fund is normally 20%, although this may vary between 10% and 30% depending on the state of the market. The share of fixed income holdings in the fund is normally 65%, although this may vary between 40% and 90% depending on the state of the market. The share of commodity funds in the fund is normally 5%, although this may vary between 0% and 10% depending on the state of the market. The share of hedge funds in the fund is normally 10%, although this may vary between 0% and 25% depending on the state of the market. Refer to "Portfolio Allocation" at [www.handelsbanken.se/fonder](http://www.handelsbanken.se/fonder) for the fund's current allocation.

### Portfolio

Multi Asset L rose 2.4% during the full year 2016\*. The year was dominated by political turbulence when the UK voted for Brexit, the US elected Donald Trump as president and Italy's government fell after a referendum. Consequently, financial markets were impacted to a large extent and movement throughout the year can best be described as a roller coaster. At the same time, the World Index rose approximately 16%, measured in SEK. The fund began the year with an underweight in equities, which we increased gradually to a normal level during the spring. The significant uncertainty with Brexit led us to decrease the equity weighting during the early summer. We then increased this when the

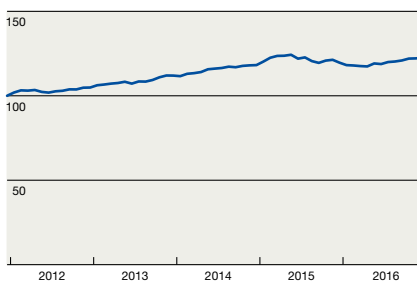
market turbulence subsided as the short-term effects of an EU exit are limited. We increased the equity weighting further during the autumn as we expected markets to edge higher with support from stronger economic data. The US presidential election led to both higher rates as well as markets. The fund's small cap holdings were the strongest contribution to returns during the year. The overweight in US equities benefited from higher equity prices and a stronger USD. Equity and fixed income holdings in emerging markets were also positive contributions. In addition, the fund's fixed income holdings posted strength and benefited from a stronger USD. Holdings in Handelsbanken Nordiska Småbolag and Handelsbanken Amerika Småbolag, which both rose over 20%, were the strongest contributions to returns during the year. In contrast, the hedge funds lagged and had a negative impact on returns. The short-term durations on fixed income holdings also had a negative impact.

\*) The fund may have additional share classes, the concerned share class is stated in the Fund facts. Refer to fund statistics for comparable index.

### Outlook

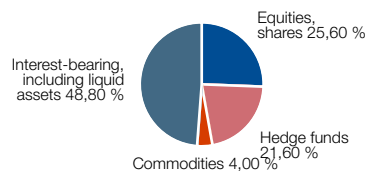
The world is facing further major political and economic challenges. Many countries in the Europe, including France and Germany, will be holding elections in 2017. The risk for a new election in Italy is also imminent, at the same time as it is unclear about how the UK's exit from the EU, Brexit, will be carried out. The newly elected US president, Donald Trump, is also creating uncertainty about future policies and which election promises will be carried through. The market is expecting Trump to implement major financial stimulus, including tax cuts and investments in infrastructure. Despite the political uncertainty, economic growth is slowly moving in the right direction, with the US at the forefront. Growth outlooks are also strong in Sweden, Germany and Spain, which bodes well for company profit growth. Thus, conditions are favourable for markets to edge higher and we are beginning 2017 with an equity overweight in the portfolio. We expect market rates to rise as the economy accelerates and inflation begins to rise. Thereby, we prefer fixed income holdings with shorter duration as these are less negatively affected by a rising fixed income market.

### Fund Performance\*



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

### Market Exposure\*



\* The fund's allocation of investments within the markets as of 31/12/2016, relative to the fund's total assets on this date.

### Top Ten Holdings

	% of fund capital
JPM Systematic Alpha Fund C SEK	10.5
Handelsbanken Räntestrategi Criteria A2	10.3
Handelsbanken Lux Korträntefond A	8.2
Handelsbanken Företagsobligation A1	8.2
Handelsbanken Nordenfond A1 SEK	7.1
Handelsbanken Kortränta Criteria A1	6.6
BlackRock Strategic Funds Global Absolute Return A2	5.3
JPM Europe Equity Absolute Alpha Fund	4.3
Handelsbanken Företagsobligation Criteria A1	4.0
Handelsbanken Ränteavkastningsfond A7	4.0

### Fund Facts - History

	2016	2015	2014	2013	2012	29/8-31/12 2011	2010	2009	2008	2007
Net asset value										
Multi Asset L A2 - SEK	122.47	119.58	118.16	118.21	104.87	99.99	-	-	-	-
Multi Asset L A2 - EUR	12.78	13.06	12.47	-	-	-	-	-	-	-
Multi Asset L BI - SEK	106.35	105.92	108.97	105.36	104.87	-	-	-	-	-
Fund capital total, mSEK	15,384	15,461	10,643	4,389	1,955	385	-	-	-	-
Multi Asset L A2 - SEK	15,208	15,273	10,536	4,371	1,954	385	-	-	-	-
Multi Asset L A2 - EUR	3	3	3	-	-	-	-	-	-	-
Multi Asset L BI - SEK	149	159	78	18	1	-	-	-	-	-

# Annual Review 2016 – Handelsbanken Funds

Multi Asset L, cont.

	2016	2015	2014	2013	2012	29/8-31/12 2011	2010	2009	2008	2007
Number of units, 1000's	125,799	129,459	90,124	37,147	18,645	3,854	-	-	-	-
Multi Asset L A2 - SEK	124,174	127,724	89,164	36,977	18,638	3,854	-	-	-	-
Multi Asset L A2 - EUR	227	237	240	-	-	-	-	-	-	-
Multi Asset L BI - SEK	1,397	1,499	720	169	7	-	-	-	-	-
Total returns in %, SEK										
Multi Asset L A2 - SEK	+2.4	+1.2	+5.6	+6.7	+4.9	0.0	-	-	-	-
Multi Asset L A2 - EUR	-2.1	+4.7	-1.4	+3.4	+8.8	-	-	-	-	-
Multi Asset L BI - SEK	+2.5	+1.2	+5.6	+6.8	-0.2	-	-	-	-	-
Index including dividends in %, SEK										
Multi Asset L A2 - SEK	+4.8	+0.2	+7.0	+4.0	+3.9	+1.9	-	-	-	-
Multi Asset L A2 - EUR	+0.1	+3.7	0.0	+0.8	+7.8	-	-	-	-	-
Multi Asset L BI - SEK	+4.8	+0.2	+7.0	+4.0	0.0	-	-	-	-	-
Average yearly return, 2 yrs. %										
Multi Asset L A2 - SEK	+1.8	+3.4	+6.1	+5.8	-	-	-	-	-	-
Multi Asset L A2 - EUR	+1.2	+1.6	+1.0	+6.1	-	-	-	-	-	-
Multi Asset L BI - SEK	+1.8	+3.4	+6.2	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+2.5	+3.6	+5.5	+4.0	-	-	-	-	-	-
EUR	+1.9	+1.8	+0.4	+4.3	-	-	-	-	-	-
Average yearly return, 5 yrs. %										
Multi Asset L A2 - SEK	+4.1	-	-	-	-	-	-	-	-	-
Multi Asset L A2 - EUR	+2.6	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+4.0	-	-	-	-	-	-	-	-	-
EUR	+2.4	-	-	-	-	-	-	-	-	-

Index: VINX Benchmark Cap SEK\_NI 10%, MSCI All Country World Index Net 10%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 9,75%, HMNI Swe All Government Dur Const 6Y (HMSD6) 22,75%, OMRXTBILL 32,5%, Handelsbanken Råvaruindex 5% and Stibor 30 10%

Up to 02/01/2014: SHB NORDIX Port Nordic Net (NHNXPOR) 10%, MSCI All Country World Index Net 10%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 9,75%, HMNI Swe All Government Dur Const 6Y (HMSD6) 22,75%, OMRXTBILL 32,5%, Handelsbanken Råvaruindex 5% and Stibor 30 10%

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

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

Refer to the last page for definitions.

## Fund Facts - Costs

Collected mgmt. costs in % of average fund capital	
Multi Asset L A2 <sup>1)</sup>	1.00
Multi Asset L BI <sup>2)</sup>	1.00
Annual fees in %	
Multi Asset L A2 <sup>3)</sup>	1.32
Multi Asset L BI <sup>3)</sup>	1.29

1) A Luxembourg wealth tax of 0.05% of fund assets will be added annually.

2) A Luxembourg wealth tax of 0.01% of fund assets will be added annually.

3) Ongoing charges are calculated as synthetic ongoing charges.

## Fund Facts - Other Key Figures

Turnover rate	0.0
---------------	-----

## Risk and Return Measurements\*

Total risk % - A2 SEK	3.6	Active return % - BI SEK	-0.6
Total risk % - A2 EUR	5.3	Information ratio - A2 SEK	Negative
Total risk % - BI SEK	3.6	Information ratio - A2 EUR	Negative
Total risk in index % - A2 SEK	3.4	Information ratio - BI SEK	Negative
Total risk in index % - A2 EUR	4.9	Sharpe ratio - A2 SEK	0.6
Total risk in index % - BI SEK	3.4	Sharpe ratio - A2 EUR	0.3
Tracking error % - A2 SEK	1.3	Sharpe ratio - BI SEK	0.6
Tracking error % - A2 EUR	1.3	Sharpe ratio in index - A2 SEK	0.9
Tracking error % - BI SEK	1.3	Sharpe ratio in index - A2 EUR	0.4
Index	VINX Benchmark Cap SEK_NI 10%, MSCI All Country World Index Net 10%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 9,75%, HMNI Swe All Government Dur Const 6Y (HMSD6) 22,75%, OMRXTBILL 32,5%, Handelsbanken Råvaruindex 5% och Stibor 30 10%	Sharpe ratio in index - BI SEK	0.9
Active return % - A2 SEK	-0.7		
Active return % - A2 EUR	-0.7		

\* Risk statistics are based on historical monthly returns over two years. Refer to the last page for definitions.

Total exposure in the fund is calculated in accordance with the commitment method.



# Multi Asset M *Handelsbanken Funds Multi Asset M*

## Management Report

### Investment Focus

The fund is actively managed, which means that the portfolio manager takes active, independent investment decisions. The objective of the fund is to attain returns over the long term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in Swedish fixed income funds as well as in Nordic and global equity funds, in both Handelsbanken's funds and the funds of other fund management companies. The fund also invests in so-called alternative investments such as hedge funds and commodity funds. The allocation between asset classes varies based on the portfolio manager's outlook on the market. Depending upon the countries, assets and regions in which we invest, we select the funds we believe have the best outlooks based on fund performance and the portfolio manager's investment process. The share of equities in the fund is normally 40%, although this may vary between 20% and 60% depending on the state of the market. The share of fixed income holdings in the fund is normally 40%, although this may vary between 20% and 60% depending on the state of the market. The share of commodity funds in the fund is normally 10%, although this may vary between 0% and 20% depending on the state of the market. The share of hedge funds in the fund is normally 10%, although this may vary between 0% and 25% depending on the state of the market. Refer to "Portfolio Allocation" at [www.handelsbanken.se/fonder](http://www.handelsbanken.se/fonder) for the fund's current allocation.

### Portfolio

Multi Asset M rose 5.1% during the full year 2016\*. The year was dominated by political turbulence when the UK voted for Brexit, the US elected Donald Trump as president and Italy's government fell after a referendum. Consequently, financial markets were impacted to a large extent and movement throughout the year can best be described as a roller coaster. At the same time, the World Index rose approximately 16%, measured in SEK. The fund began the year with an underweight in equities, which we increased gradually to a normal level during the spring. The significant uncertainty with Brexit led us to decrease the equity weighting during the early summer. We then increased this when the

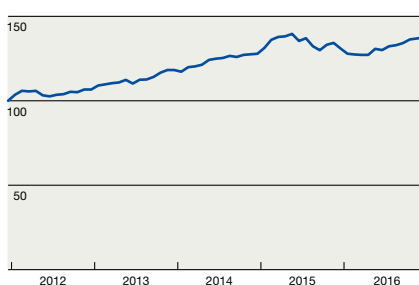
market turbulence subsided as the short-term effects of an EU exit are limited. We increased the equity weighting further during the autumn as we expected markets to edge higher with support from stronger economic data. The US presidential election led to both higher rates as well as markets. The fund's small cap holdings were the strongest contribution to returns during the year. The overweight in US equities benefited from higher equity prices and a stronger USD. Equity and fixed income holdings in emerging markets were also positive contributions. In addition, the fund's fixed income holdings posted strength and benefited from a stronger USD. Holdings in Handelsbanken Nordiska Småbolag and Handelsbanken Amerika Småbolag, which both rose over 20%, were the strongest contributions to returns during the year. In contrast, the hedge funds lagged and had a negative impact on returns. The short-term durations on fixed income holdings also had a negative impact.

\*) The fund may have additional share classes, the concerned share class is stated in the Fund facts. Refer to fund statistics for comparable index.

### Outlook

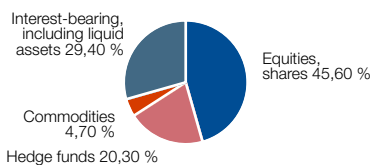
The world is facing further major political and economic challenges. Many countries in the Europe, including France and Germany, will be holding elections in 2017. The risk for a new election in Italy is also imminent, at the same time as it is unclear about how the UK's exit from the EU, Brexit, will be carried out. The newly elected US president, Donald Trump, is also creating uncertainty about future policies and which election promises will be carried through. The market is expecting Trump to implement major financial stimulus, including tax cuts and investments in infrastructure. Despite the political uncertainty, economic growth is slowly moving in the right direction, with the US at the forefront. Growth outlooks are also strong in Sweden, Germany and Spain, which bodes well for company profit growth. Thus, conditions are favourable for markets to edge higher and we are beginning 2017 with an equity overweight in the portfolio. We expect market rates to rise as the economy accelerates and inflation begins to rise. Thereby, we prefer fixed income holdings with shorter duration as these are less negatively affected by a rising fixed income market.

### Fund Performance\*



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

### Market Exposure\*



\* The fund's allocation of investments within the markets as of 31/12/2016, relative to the fund's total assets on this date.

### Top Ten Holdings

	% of fund capital
Handelsbanken Nordenfond A1 SEK	14.1
JPM Systematic Alpha Fund C SEK	10.1
Handelsbanken Råntestrategi Criteria A2	6.6
BlackRock Strategic Funds Global Absolute Return A2	5.4
Handelsbanken Lux Korträntefond A	5.1
JPM Europe Equity Absolute Alpha Fund	4.8
Handelsbanken Amerikafond A1 SEK	4.5
Handelsbanken Nordiska Småbolagsfond A1 SEK	3.9
Handelsbanken Råvarufond BI	3.6
Handelsbanken Tillväxtmarknad Tema A1 SEK	3.5

### Fund Facts - History

	2016	2015	2014	2013	2012	29/8-31/12 2011	2010	2009	2008	2007
Net asset value										
Multi Asset M A2 - SEK	137.60	130.95	127.84	111.94	106.66	100.00	-	-	-	-
Multi Asset M A2 - EUR	14.36	14.30	13.50	-	-	-	-	-	-	-
Multi Asset M BI - SEK	110.62	107.65	109.43	107.50	99.00	-	-	-	-	-
Fund capital total, mSEK	11,933	10,728	8,218	5,425	1,765	300	-	-	-	-
Multi Asset M A2 - SEK	11,851	10,654	8,149	5,401	1,764	300	-	-	-	-
Multi Asset M A2 - EUR	4	5	4	-	-	-	-	-	-	-
Multi Asset M BI - SEK	40	31	28	24	1	-	-	-	-	-



# Annual Review 2016 – Handelsbanken Funds

Multi Asset M, cont.

	2016	2015	2014	2013	2012	29/8-31/12 2011	2010	2009	2008	2007
Number of units, 1000's	86,794	81,980	64,304	48,472	16,548	3,003	-	-	-	-
Multi Asset M A2 - SEK	86,124	81,361	63,740	48,250	16,538	3,003	-	-	-	-
Multi Asset M A2 - EUR	305	330	310	-	-	-	-	-	-	-
Multi Asset M BI - SEK	366	289	255	222	10	-	-	-	-	-
Total returns in %, SEK										
Multi Asset M A2 - SEK	+5.1	+2.4	+8.1	+10.8	+6.7	0.0	-	-	-	-
Multi Asset M A2 - EUR	+0.4	+5.9	+1.0	+7.4	+10.6	-	-	-	-	-
Multi Asset M BI - SEK	+5.1	+2.5	+8.2	+10.9	+2.6	-	-	-	-	-
Index including dividends in %, SEK										
Multi Asset M A2 - SEK	+8.5	+0.4	+9.7	+8.1	+6.0	+2.1	-	-	-	-
Multi Asset M A2 - EUR	+3.7	+3.8	+2.5	+4.7	+10.0	-	-	-	-	-
Multi Asset M BI - SEK	+8.5	+0.4	+9.7	+8.1	+2.6	-	-	-	-	-
Average yearly return, 2 yrs. %										
Multi Asset M A2 - SEK	+3.7	+5.3	+9.5	+8.7	-	-	-	-	-	-
Multi Asset M A2 - EUR	+3.2	+3.5	+4.2	+9.0	-	-	-	-	-	-
Multi Asset M BI - SEK	+3.8	+5.3	+9.5	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+4.3	+4.9	+8.9	+7.0	-	-	-	-	-	-
EUR	+3.7	+3.2	+3.6	+7.4	-	-	-	-	-	-
Average yearly return, 5 yrs. %										
Multi Asset M A2 - SEK	+6.6	-	-	-	-	-	-	-	-	-
Multi Asset M A2 - EUR	+5.0	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+6.5	-	-	-	-	-	-	-	-	-
EUR	+4.9	-	-	-	-	-	-	-	-	-

Index: VINX Benchmark Cap SEK\_NI 20%, MSCI All Country World Index Net 20%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 6%, HMNI Swe All Government Dur Const 6Y (HMSD6) 14%, OMRXTBILL 20%, Handelsbanken Råvaruindex 10% and Stibor 30 10%

Up to 02/01/2014: SHB NORDIX Port Nordic Net (NHXPOR) 20%, MSCI All Country World Index Net 20%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 6%, HMNI Swe All Government Dur Const 6Y (HMSD6) 14%, OMRXTBILL 20%, Handelsbanken Råvaruindex 10% and Stibor 30 10%

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

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

Refer to the last page for definitions.

## Fund Facts - Costs

Collected mgmt. costs in % of average fund capital	
Multi Asset M A2 <sup>1)</sup>	1.30
Multi Asset M BI <sup>2)</sup>	1.30
Annual fees in %	
Multi Asset M A2 <sup>3)</sup>	1.64
Multi Asset M BI <sup>3)</sup>	1.62

1) A Luxembourg wealth tax of 0.05% of fund assets will be added annually.

2) A Luxembourg wealth tax of 0.01% of fund assets will be added annually.

3) Ongoing charges are calculated as synthetic ongoing charges.

## Fund Facts - Other Key Figures

Turnover rate	-0.1
---------------	------

## Risk and Return Measurements\*

Total risk % - A2 SEK	6.5	Active return % - BI SEK	-0.5
Total risk % - A2 EUR	7.2	Information ratio - A2 SEK	Negative
Total risk % - BI SEK	6.5	Information ratio - A2 EUR	Negative
Total risk in index % - A2 SEK	6.4	Information ratio - BI SEK	Negative
Total risk in index % - A2 EUR	7.0	Sharpe ratio - A2 SEK	0.6
Total risk in index % - BI SEK	6.4	Sharpe ratio - A2 EUR	0.5
Tracking error % - A2 SEK	1.8	Sharpe ratio - BI SEK	0.6
Tracking error % - A2 EUR	1.8	Sharpe ratio in index - A2 SEK	0.7
Tracking error % - BI SEK	1.8	Sharpe ratio in index - A2 EUR	0.6
Index	VINX Benchmark Cap SEK_NI 20%, MSCI All Country World Index Net 20%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 6%, HMNI Swe All Government Dur Const 6Y (HMSD6) 14%, OMRXTBILL 20%, Handelsbanken Råvaruindex 10% och Stibor 30 10%	Sharpe ratio in index - BI SEK	0.7
Active return % - A2 SEK	-0.6		
Active return % - A2 EUR	-0.6		

\* Risk statistics are based on historical monthly returns over two years. Refer to the last page for definitions.

Total exposure in the fund is calculated in accordance with the commitment method.



Norden Selektiv, cont.

## Fund Facts - History cont.

	2016	2015	10/10-31/12 2014	2013	2012	2011	2010	2009	2008	2007
Norden Selektiv A9 - EUR	1,846	2,575	2,205	-	-	-	-	-	-	-
Norden Selektiv A9 - NOK	2,885	2,222	323	-	-	-	-	-	-	-
Norden Selektiv B1 - SEK	539	468	354	-	-	-	-	-	-	-
Norden Selektiv B1 - EUR	73	56	42	-	-	-	-	-	-	-
Total returns in %, SEK										
Norden Selektiv A1 - SEK	+2.4	+27.3	+19.0	+19.6	+17.1	-12.5	+22.0	+41.7	-40.6	+1.2
Norden Selektiv A1 - EUR	-2.1	+31.7	+11.2	+15.9	+21.5	-11.3	+38.6	+51.9	-49.0	-3.4
Norden Selektiv A1 - NOK	-7.6	+39.6	+20.7	+32.0	+15.1	-11.9	+30.4	+29.5	-37.4	-
Norden Selektiv A9 - SEK	+0.5	-	-	-	-	-	-	-	-	-
Norden Selektiv A9 - EUR	-1.3	+32.8	+11.9	-	-	-	-	-	-	-
Norden Selektiv A9 - NOK	-6.8	+40.8	+23.0	-	-	-	-	-	-	-
Norden Selektiv B1 - SEK	+2.4	+27.3	+19.0	+19.5	+17.1	-12.5	+22.0	+41.7	-40.6	-
Norden Selektiv B1 - EUR	-2.1	+31.7	+11.2	+15.9	+21.5	-11.3	+38.6	+52.0	-49.0	-
Index including dividends in %, SEK										
Norden Selektiv A1 - SEK	+7.7	+11.6	-	-	-	-	-	-	-	-
Norden Selektiv A1 - EUR	+2.9	+15.4	-	-	-	-	-	-	-	-
Norden Selektiv A1 - NOK	-2.8	+22.3	-	-	-	-	-	-	-	-
Norden Selektiv A9 - SEK	+7.7	+11.6	-	-	-	-	-	-	-	-
Norden Selektiv A9 - EUR	+2.9	+15.4	-	-	-	-	-	-	-	-
Norden Selektiv A9 - NOK	-2.8	+22.3	-	-	-	-	-	-	-	-
Norden Selektiv B1 - SEK	+7.7	+11.6	-	-	-	-	-	-	-	-
Norden Selektiv B1 - EUR	+2.9	+15.4	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Norden Selektiv A1 - SEK	+14.2	+23.1	+19.3	+18.3	+1.3	+3.4	+31.5	-8.3	-22.5	+13.7
Norden Selektiv A1 - EUR	+13.5	+21.0	+13.5	+18.7	+3.8	+10.9	+45.1	-11.9	-29.8	+13.3
Norden Selektiv A1 - NOK	+13.6	+29.8	+26.2	+23.3	+0.7	+7.2	+29.9	-10.0	-	-
Norden Selektiv A9 - EUR	+14.5	-	-	-	-	-	-	-	-	-
Norden Selektiv A9 - NOK	+14.5	-	-	-	-	-	-	-	-	-
Norden Selektiv B1 - SEK	+14.2	+23.1	+19.3	+18.3	+1.3	+3.4	+31.5	-8.3	-	-
Norden Selektiv B1 - EUR	+13.5	+21.0	+13.5	+18.7	+3.8	+10.9	+45.1	-11.9	-	-
Comparison to index including dividends, %										
SEK	+9.6	+14.4	-	-	-	-	-	-	-	-
EUR	+9.0	+12.5	-	-	-	-	-	-	-	-
NOK	+9.0	+20.6	-	-	-	-	-	-	-	-
Average yearly return, 5 yrs. %										
Norden Selektiv A1 - SEK	+16.8	+13.2	+12.2	+16.2	+1.0	-1.9	+5.8	-	-	-
Norden Selektiv A1 - EUR	+15.1	+12.8	+14.0	+21.3	+3.0	-1.6	+6.7	-	-	-
Norden Selektiv A1 - NOK	+18.8	+17.7	+16.1	+17.7	+1.4	-	-	-	-	-
Norden Selektiv B1 - SEK	+16.8	+13.2	+12.2	+16.2	+1.0	-	-	-	-	-
Norden Selektiv B1 - EUR	+15.1	+12.8	+14.0	+21.4	+3.0	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+15.6	+9.8	-	-	-	-	-	-	-	-
EUR	+13.9	+9.5	-	-	-	-	-	-	-	-
NOK	+17.6	+14.2	-	-	-	-	-	-	-	-
Average yearly return, 10 yrs. %										
Norden Selektiv A1 - SEK	+7.0	+9.4	-	-	-	-	-	-	-	-
Norden Selektiv A1 - EUR	+6.4	+9.7	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+6.1	+7.4	-	-	-	-	-	-	-	-
EUR	+5.5	+7.7	-	-	-	-	-	-	-	-
Dividends per unit, SEK										
Norden Selektiv B1 - SEK	8.67	6.85	-	-	-	-	-	-	-	-
Norden Selektiv B1 - EUR	0.93	0.74	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK										
Exchange rate EUR/SEK	9.58	9.16	9.47	-	-	-	-	-	-	-
Exchange rate EUR/NOK										
Exchange rate EUR/NOK	9.08	9.62	9.07	-	-	-	-	-	-	-

1) Following a judgment in the Administrative Court of Appeal that changed the withholding tax on dividends in US equities from 15% to 30%, the previously reserved withholding has been added back in the fund as of March 30, 2015.

2) The fund's total net inflows do not include reinvested dividends in funds with a distribution share class. This is new information as of the full-year 2012.

3) The fund's net flow does not include the merger with Placeringsfonden Handelsbanken Norden Selektiv which took place on October 10, 2014.

4) The fund's net flow does not include the merger with Norden Aggressiv which took place on May 22, 2015.

Index: VINX Benchmark Cap SEK\_NI (VINXCAPSEKNI)

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

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

Refer to the last page for definitions.

## Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Norden Selektiv A1	2.00
Norden Selektiv A9	1.60
Norden Selektiv B1	2.00
Collected mgmt. costs in % of average fund capital	
Norden Selektiv A1	1.85
Norden Selektiv A9	1.00
Norden Selektiv B1	1.85
Annual fees in %	
Norden Selektiv A1	1.90
Norden Selektiv A9	1.05
Norden Selektiv B1	1.90
Analyzing costs, tEUR <sup>1)</sup>	
Transaction costs, tEUR	472
Transaction costs in % of turnover	
Transaction costs in % of turnover	0.02
Costs in EUR for a one-time subscription, 1 000 EUR	
Norden Selektiv A1	17.64
Norden Selektiv A9	9.58
Norden Selektiv B1	17.64
Costs in EUR for monthly savings, 10 EUR	
Norden Selektiv A1	1.19
Norden Selektiv A9	0.65
Norden Selektiv B1	1.19

1) Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

## Fund Facts - Other Key Figures

Turnover rate	0.3
Share of turnover conducted via closely-related securities companies in %	32.8

## Risk and Return Measurements\*

Total risk % - A1 SEK	14.6	Active return % - A9 EUR	5.5
Total risk % - A1 EUR	15.2	Active return % - A9 NOK	5.5
Total risk % - A1 NOK	14.7	Active return % - B1 SEK	4.6
Total risk % - A9 EUR	15.2	Active return % - B1 EUR	4.5
Total risk % - A9 NOK	14.7	Information ratio - A1 SEK	1.0
Total risk % - B1 SEK	14.6	Information ratio - A1 EUR	1.0
Total risk % - B1 EUR	15.2	Information ratio - A1 NOK	1.0
Total risk in index % - A1 SEK	14.2	Information ratio - A9 EUR	1.2
Total risk in index % - A1 EUR	14.7	Information ratio - A9 NOK	1.2
Total risk in index % - A1 NOK	12.8	Information ratio - B1 SEK	1.0
Total risk in index % - A9 SEK	14.2	Information ratio - B1 EUR	1.0
Total risk in index % - A9 EUR	14.7	Sharpe ratio - A1 SEK	1.0
Total risk in index % - A9 NOK	12.8	Sharpe ratio - A1 EUR	0.9
Total risk in index % - B1 SEK	14.2	Sharpe ratio - A1 NOK	0.9
Total risk in index % - B1 EUR	14.7	Sharpe ratio - A9 EUR	1.0
Active Share % <sup>1)</sup>	76.5	Sharpe ratio - A9 NOK	0.9
Tracking error % - A1 SEK	4.6	Sharpe ratio - B1 SEK	1.0
Tracking error % - A1 EUR	4.6	Sharpe ratio - B1 EUR	0.9
Tracking error % - A1 NOK	4.6	Sharpe ratio in index - A1 SEK	0.7
Tracking error % - A9 EUR	4.6	Sharpe ratio in index - A1 EUR	0.6
Tracking error % - A9 NOK	4.6	Sharpe ratio in index - A1 NOK	0.7
Tracking error % - B1 SEK	4.6	Sharpe ratio in index - A9 SEK	0.7
Tracking error % - B1 EUR	4.6	Sharpe ratio in index - A9 EUR	0.6
Index	VINX Benchmark Cap	Sharpe ratio in index - A9 NOK	0.7

Norden Selektiv, cont.

As of the balance sheet date.

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

### Income Statement, EURt

	2016	2015
<b>INCOME AND CHANGES IN VALUE</b>		
Changes in value for transferable securities*	-23,381	142,097
Interest income	-30	-2
Dividends	23,332	13,988
Currency exchange profits and losses, net	-247	-363
Other income	1	0
<b>Total income and changes in value</b>	<b>-325</b>	<b>155,720</b>
<b>EXPENSES</b>		
Management Company expenses	14,731	10,716
Interest expense	3	1
Other expenses	600	552
<b>Total expenses</b>	<b>15,334</b>	<b>11,269</b>
<b>Net income</b>	<b>-15,659</b>	<b>144,451</b>
* Details of changes in value		
Changes in value for transferable securities – Capital gains	48,172	39,531
Changes in value for transferable securities – Capital losses	-21,319	-2,971
Changes in value for transferable securities – Unrealised	-50,234	105,537
<b>Sum</b>	<b>-23,381</b>	<b>142,097</b>

### Balance Sheet, tEUR

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
<b>ASSETS</b>				
Transferable securities	894,531	98.5	868,256	98.6
<b>Total financial instruments with positive market value</b> <sup>Note 2)</sup>	<b>894,531</b>	<b>98.5</b>	<b>868,256</b>	<b>98.6</b>
Bank assets and other liquid assets	13,680	1.5	12,442	1.4
Prepaid expenses and accrued income	-	-	-2	0.0
Other assets	440	0.1	154	0.0
<b>Total assets</b>	<b>908,651</b>	<b>100.1</b>	<b>880,850</b>	<b>100.0</b>
<b>LIABILITIES</b>				
Accrued expenses and prepaid income	683	0.1	620	0.0
Other liabilities	52	0.0	0	0.0
<b>Total liabilities</b>	<b>735</b>	<b>0.1</b>	<b>620</b>	<b>0.0</b>
<b>Fund capital</b> <sup>Note 1)</sup>	<b>907,916</b>	<b>100.0</b>	<b>880,230</b>	<b>100.0</b>

Note 1) for Balance Sheet

### Changes in fund capital, EURt

	2016	2015
Fund capital at beginning of year	880,230	393,217
Units issued <sup>1)</sup>	293,346	491,511
Units redeemed	-249,505	-148,673
Profit according to Income Statement	-15,659	144,451
Dividends to unit holders	-496	-276
<b>Fund capital at the close of the period</b>	<b>907,916</b>	<b>880,230</b>

1) EUR 103,125t derives from the merger with Norden Aggressiv that took place on May 22, 2015.

Note 2) for Balance Sheet

### Fund holdings in financial instruments

#### TRANSFERABLE SECURITIES\*

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
<b>LISTED EQUITIES</b>			
<b>DENMARK (DKK)</b>			
Novo Nordisk (Pharmaceuticals)	2,008,000	68,783	7.6
Pandora (Other)	505,000	62,756	6.9
SimCorp (Software)	660,000	30,552	3.4
		<b>162,091</b>	<b>17.9</b>
<b>FINLAND (EUR)</b>			
Amer Sports A (Leisure Equipment and Products)	1,865,000	47,147	5.2
Huhtamaki (Containers and Packaging)	1,530,000	53,978	5.9
Kone (Machinery)	478,000	20,348	2.2
		<b>121,474</b>	<b>13.4</b>
<b>NORWAY (NOK)</b>			
Atea (IT Services)	4,050,000	35,464	3.9
DNB (Commercial Banks)	2,760,000	39,033	4.3
Veidekke (Construction and Engineering)	3,370,000	45,842	5.0
		<b>120,339</b>	<b>13.2</b>

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
<b>SWEDEN (SEK)</b>			
AarhusKarlshamn (Food Products)	777,000	48,613	5.4
ABB SDB (Electrical Equipment)	910,000	18,215	2.0
ÅF B (Professional Services)	2,502,380	43,613	4.8
Assa Abloy B (Building Products)	2,440,000	43,060	4.7
Atlas Copco B (Machinery)	1,455,000	37,749	4.2
Autoliv (Auto Components)	403,000	43,236	4.8
Handelsbanken A (Commercial Banks)	3,210,000	42,411	4.7
Hennes & Mauritz B (Specialty Retail)	1,530,000	40,462	4.5
Hexpol B (Chemicals)	4,130,000	36,356	4.0
Indutrade (Trading Companies and Distributors)	2,325,000	44,404	4.9
Lifco B (Health Care Providers and Services)	1,582,153	38,505	4.2
Mekonomen (Specialty Retail)	993,400	17,780	2.0
Unibet (Hotels, Restaurants and Leisure)	4,057,000	36,222	4.0
		<b>490,627</b>	<b>54.0</b>
<b>Total listed equities</b>		<b>894,531</b>	<b>98.5</b>
<b>Total transferable securities</b>		<b>894,531</b>	<b>98.5</b>
<b>Total holdings in financial instruments</b>		<b>894,531</b>	<b>98.5</b>
<b>Net, other assets and liabilities</b>		<b>13,385</b>	<b>1.5</b>
<b>Total fund capital</b>		<b>907,916</b>	<b>100.0</b>

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

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

98.5

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

\*\*\* Refers to other financial instruments.



# Annual Review 2016 – Handelsbanken Fonder AB

Nordenfond, cont.

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Average yearly return, 5 yrs. %</b>										
Nordenfond A1 - SEK	+16.1	+9.3	+11.1	+15.9	-1.2	-1.8	+6.3	+10.1	+4.6	+22.1
Nordenfond A1 - EUR	+14.4	+9.0	-	-	-	-	-	-	-	-
Nordenfond A1 - NOK	+18.1	+13.7	-	-	-	-	-	-	-	-
<b>Comparison to index including dividends, %</b>										
SEK	+15.6	+9.8	+11.3	+15.4	-1.8	-2.5	+5.1	+8.7	+5.4	+23.5
EUR	+13.9	+9.5	-	-	-	-	-	-	-	-
NOK	+17.6	+14.2	-	-	-	-	-	-	-	-
<b>Average yearly return, 10 yrs. %</b>										
Nordenfond A1 - SEK	+6.8	+7.8	+10.6	+10.1	+9.8	+3.4	+3.6	+1.9	+3.4	+11.4
Nordenfond A1 - EUR	+6.2	+8.1	-	-	-	-	-	-	-	-
Nordenfond A1 - NOK	+7.2	+10.1	-	-	-	-	-	-	-	-
<b>Comparison to index including dividends, %</b>										
SEK	+6.1	+7.4	+10.0	+10.3	+10.1	+4.7	+4.6	+1.4	+2.6	+10.1
EUR	+5.5	+7.7	-	-	-	-	-	-	-	-
NOK	+6.6	+9.7	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK	9.58	9.16	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.06	0.95	-	-	-	-	-	-	-	-

1) Baserat på en dom i förvaltningsrätten har andelskursen i fonder med innehav av amerikanska aktier påverkats. Fonderna belastas nu med full kupongskatt (30%) i stället för som tidigare 15%. Den förändrade skattesatsen gäller för utdelningar från och med den 1 januari 2012 och för denna fond har detta medfört en justering av andelsvärdet per den 16 juni 2016.

2) Following a judgment in the Administrative Court of Appeal that changed the withholding tax on dividends in US equities from 15% to 30%, the previously reserved withholding has been added back in the fund as of March 30, 2015.

Index: VINX Benchmark Cap SEK\_NI (VINXBCAPSEKNI)

Up to 02/01/2014: SHB NORDIX Port Nordic Net (NHXPORT)

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

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

Refer to the last page for definitions.

## Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.60
Collected mgmt. costs in % of average fund capital <sup>1)</sup>	1.50
Annual fees in %	
Nordenfond A1	1.55
Analyzing costs, tSEK <sup>2)</sup>	8,476
Transaction costs, tSEK	4,455
Transaction costs in % of turnover	0.02
Costs in SEK for a one-time subscription, 10 000 SEK	150.28
Costs in SEK for monthly savings, 100 SEK	10.19

1) The fund's management fee was lowered from 1.6% to 1.5% on September 25, 2015.

2) Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

## Fund Facts - Other Key Figures

Turnover rate	0.6
Share of turnover conducted via closely-related securities companies in %	24.2

## Risk and Return Measurements\*

Total risk % - A1 SEK	13.7	Active return % - A1 EUR	0.9
Total risk % - A1 EUR	14.0	Active return % - A1 NOK	0.9
Total risk % - A1 NOK	12.0	Information ratio - A1 SEK	0.4
Total risk in index % - A1 SEK	14.2	Information ratio - A1 EUR	0.4
Total risk in index % - A1 EUR	14.7	Information ratio - A1 NOK	0.4
Total risk in index % - A1 NOK	12.8	Sharpe ratio - A1 SEK	0.8
Active Share % <sup>1)</sup>	39.6	Sharpe ratio - A1 EUR	0.7
Tracking error % - A1 SEK	2.1	Sharpe ratio - A1 NOK	0.8
Tracking error % - A1 EUR	2.1	Sharpe ratio in index - A1 SEK	0.7
Tracking error % - A1 NOK	2.1	Sharpe ratio in index - A1 EUR	0.6
Index	VINX Benchmark Cap SEK_NI (VINXBCAPSEKNI)	Sharpe ratio in index - A1 NOK	0.7
Active return % - A1 SEK	0.9		

1) As of the balance sheet date.

\* Risk statistics are based on historical monthly returns over two years. Refer to the last page for definitions.

Total exposure in the fund is calculated in accordance with the commitment method.

## Income Statement, SEKt

	2016	2015
<b>INCOME AND CHANGES IN VALUE</b>		
Changes in value for transferable securities	1,478,062	847,263
Interest income	-754	-618
Dividends	494,907	416,444
Currency exchange profits and losses, net	963	-6,951
Other financial income	3,959	-
Other income	5	0
<b>Total income and changes in value</b>	<b>1,977,142</b>	<b>1,256,138</b>
<b>EXPENSES</b>		
Management Company expenses	246,089	232,607
Interest expense	64	13
Other expenses <sup>1)</sup>	12,932	12,140
<b>Total expenses</b>	<b>259,085</b>	<b>244,760</b>
<b>Net income</b>	<b>1,718,057</b>	<b>1,011,378</b>

\* Details of changes in value

Changes in value for transferable securities – Capital gains	1,516,835	1,538,842
Changes in value for transferable securities – Capital losses	-785,635	-550,873
Changes in value for transferable securities – Unrealised	746,862	-140,706
Sum	1,478,062	847,263

1) The item consists primarily of transaction costs.

## Balance Sheet, tSEK

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
<b>ASSETS</b>				
Transferable securities	18,103,458	98.4	15,336,434	97.7
<b>Total financial instruments with positive market value <sup>Note 2)</sup></b>	<b>18,103,458</b>	<b>98.4</b>	<b>15,336,434</b>	<b>97.7</b>
Bank assets and other liquid assets	313,091	1.7	339,357	2.2
Prepaid expenses and accrued income	981	0.0	-9	0.0
Other assets	-	-	33,793	0.2
<b>Total assets</b>	<b>18,417,530</b>	<b>100.1</b>	<b>15,709,575</b>	<b>100.1</b>
<b>LIABILITIES</b>				
Accrued expenses and prepaid income	12,419	0.1	9,905	0.1
Other liabilities	9	0.0	0	0.0
<b>Total liabilities</b>	<b>12,428</b>	<b>0.1</b>	<b>9,905</b>	<b>0.1</b>
<b>Fund capital <sup>Note 1)</sup></b>	<b>18,405,102</b>	<b>100.0</b>	<b>15,699,670</b>	<b>100.0</b>
Financial instruments lent	708,448	3.8	-	-
Collateral received for financial instruments lent	754,852	4.1	-	-

Note 1) for Balance Sheet

## Changes in fund capital, SEKt

	2016	2015
Fund capital at beginning of year	15,699,670	11,133,800
Units issued <sup>1)</sup>	2,287,708	5,766,240
Units redeemed	-1,300,333	-2,211,748
Profit according to Income Statement	1,718,057	1,011,378
Dividends to unit holders	-	-
<b>Fund capital at the close of the period</b>	<b>18,405,102</b>	<b>15,699,670</b>

1) SEK 382,618t derives from the merger with Funds Nordic Shares that took place on September 25, 2015.

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>LISTED EQUITIES</b>			
<b>BERMUDA (BMD)</b>			
Höegh LNG (Oil, Gas and Consumable Fuels)	500,000	50,923	0.3
		<b>50,923</b>	<b>0.3</b>
<b>DENMARK (DKK)</b>			
A.P. Møller-Mærsk A (Marine)	16,587	228,074	1.2
Carlsberg (Beverages)	366,000	287,474	1.6
Danske Bank (Commercial Banks)	2,202,894	608,075	3.3
DSV (Road and Rail)	732,903	296,754	1.6
FLSmith (Construction and Engineering)	300,000	113,275	0.6
Genmab (Biotechnology)	146,000	220,696	1.2
ISS (Commercial Services and Supplies)	710,000	218,127	1.2
Jyske Bank (Commercial Banks)	265,000	114,983	0.6
Lundbeck (Pharmaceuticals)	330,000	122,178	0.7
Novo Nordisk (Pharmaceuticals)	3,139,281	1,030,395	5.6
Pandora (Other)	377,371	449,350	2.4
Rockwool International B (Building Products)	114,379	183,658	1.0
Sydbank (Commercial Banks)	209,000	59,038	0.3
Topdanmark (Insurance)	330,000	76,250	0.4
Tryg (Insurance)	190,000	31,267	0.2
Vestas Wind Systems (Electrical Equipment)	674,957	399,239	2.2
		<b>4,438,834</b>	<b>24.1</b>
<b>FINLAND (EUR)</b>			
<b>Amer Sports A (Leisure Equipment and Products)</b>			
DNA Ord Shs			
(Diversified Telecommunication Services)	800,685	77,872	0.4
Fortum (Electric Utilities)	680,000	94,934	0.5
Huhtamaki (Containers and Packaging)	449,268	151,876	0.8
Kone (Machinery)	640,022	261,068	1.4
<b>Lassila &amp; Tikanoja (Commercial Services and Supplies)</b>			
Metso (Machinery)	410,000	75,429	0.4
Nokia (Communications Equipment)	500,000	129,836	0.7
Outokumpu (Metals and Mining)	15,958,360	701,564	3.8
Ramirent (Building Products)	1,550,000	126,317	0.7
Sampo A (Insurance)	866,293	61,343	0.3
Tieto EUR (IT Services)	913,782	372,911	2.0
UPM-Kymmene (Paper and Forest Products)	450,000	111,764	0.6
Uponor (Building Products)	1,214,428	271,599	1.5
Valmet (Machinery)	500,000	79,099	0.4
YIT (Construction and Engineering)	1,105,000	148,021	0.8
	1,000,000	72,727	0.4
		<b>2,885,853</b>	<b>15.7</b>
<b>NORWAY (NOK)</b>			
<b>Aker (Energy Equipment and Services)</b>			
DNB (Commercial Banks)	332,874	113,475	0.6
DNO International	2,350,243	318,490	1.7
<b>(Oil, Gas and Consumable Fuels)</b>			
Europris (Multi-line Retail)	7,000,000	62,649	0.3
Lerøy Seafood Group (Food Products)	3,125,000	121,701	0.7
Link Mobility Group Ord Shs	142,000	72,101	0.4
<b>(Wireless Telecommunication Services)</b>			
Marine Harvest (Food Products)	240,991	35,354	0.2
Norsk Hydro (Metals and Mining)	1,637,896	269,150	1.5
Ocean Yield	4,339,792	189,164	1.0
<b>(Energy Equipment and Services)</b>			
Petroleum Geo-Services	922,170	63,262	0.3
<b>(Energy Equipment and Services)</b>			
Schibsted B (Media)	2,156,133	66,447	0.4
Statoil (Oil, Gas and Consumable Fuels)	500,000	96,569	0.5
Storebrand (Insurance)	2,700,000	451,375	2.5
Telenor	1,500,000	72,696	0.4
<b>(Diversified Telecommunication Services)</b>			
TGS-NOPEC Geophysical	2,217,516	301,908	1.6
<b>(Energy Equipment and Services)</b>			
	600,000	121,393	0.7
		<b>2,355,735</b>	<b>12.8</b>
<b>SWEDEN (SEK)</b>			
<b>Alfa Laval (Machinery)</b>			
Assa Abloy B (Building Products)	1,100,000	165,880	0.9
AstraZeneca SDB (Pharmaceuticals)	1,574,853	266,308	1.4
Atlas Copco B (Machinery)	500,000	248,550	1.4
Balder B (Real Estate)	1,782,096	443,029	2.4
Boliden (Metals and Mining)	354,167	65,202	0.4
Dometic Group (Household Durables)	1,050,000	249,795	1.4
Elekta B	1,641,667	109,910	0.6
<b>(Health Care Equipment and Supplies)</b>			
Ericsson B (Communications Equipment)	1,800,000	145,080	0.8
Fabege	1,800,000	96,300	0.5
<b>(Real Estate Management and Development)</b>			
Fingerprint Cards B	610,000	90,829	0.5
<b>(Elec Equip, Instr &amp; Comp)</b>			
Handelsbanken A (Commercial Banks)	592,500	37,239	0.2
Hennes & Mauritz B (Specialty Retail)	4,100,042	519,065	2.8
Hexagon B (Machinery)	919,036	232,884	1.3
Holmen B (Paper and Forest Products)	1,140,999	371,395	2.0
Husqvarna B (Household Durables)	290,000	94,772	0.5
Investor B (Diversified Financial Services)	1,660,000	117,611	0.6
ITAB Shop Concept B	1,545,801	526,345	2.9
<b>(Commercial Services and Supplies)</b>			
JM (Household Durables)	419,915	34,118	0.2
KappAhl (Specialty Retail)	660,000	173,712	0.9
Kinnevik B (Diversified Financial Services)	1,795,346	90,665	0.5
Lindab International (Construction Materials)	808,451	176,485	1.0
Millicom	1,783,992	130,321	0.7
<b>(Wireless Telecommunication Services)</b>			
	312,208	121,543	0.7

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Modern Times Group B (Media)	750,000	202,500	1.1
NCC B (Construction and Engineering)	307,588	69,330	0.4
Nobia (Specialty Retail)	1,290,118	109,467	0.6
Nordea (Commercial Banks)	3,714,083	376,237	2.0
Oriflame Holding (Personal Products)	438,357	120,592	0.7
Pandox B (Hotels, Restaurants and Leisure)	933,637	132,016	0.7
Sandvik (Machinery)	3,051,353	343,887	1.9
SCA B (Paper and Forest Products)	1,381,085	355,353	1.9
<b>Scandic Hotels Group (Hotels, Restaurants and Leisure)</b>			
SEB A (Commercial Banks)	2,510,000	192,015	1.0
SKF B (Machinery)	5,723,889	546,918	3.0
SSAB B (Metals and Mining)	1,375,000	230,450	1.3
Swedbank A (Commercial Banks)	2,800,000	80,612	0.4
Swedish Orphan Biovitrum (Health Care Providers and Services)	1,368,323	301,442	1.6
TeliaSonera	900,000	96,030	0.5
<b>(Diversified Telecommunication Services)</b>			
Volvo A (Machinery)	1,812,439	66,535	0.4
Volvo B (Machinery)	2,750,572	294,861	1.6
Wihlborgs	2,710,423	288,389	1.6
<b>(Real Estate Management and Development)</b>			
	345,000	58,443	0.3
		<b>8,372,113</b>	<b>45.5</b>
<b>Total listed equities</b>		<b>18,103,458</b>	<b>98.4</b>
<b>Total transferable securities</b>		<b>18,103,458</b>	<b>98.4</b>
<b>Total holdings in financial instruments</b>		<b>18,103,458</b>	<b>98.4</b>
<b>Net, other assets and liabilities</b>		<b>301,644</b>	<b>1.6</b>
<b>Total fund capital</b>		<b>18,405,102</b>	<b>100.0</b>

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

\* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 98.4

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

\*\*\* Refers to other financial instruments.

Compilation, Company and Group exposure\*

Company/Group	% of fund capital
Volvo	3.2

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

ADDITIONAL INFORMATION ON LENT SECURITIES

The volume of lent securities as a % of total lendable assets 3.92

THE TEN LARGEST ISSUERS OF COLLATERAL FOR SECURITIES LENDING PER ISSUER, SEK thousand:

The French Government	230 545
The British Government	164 841
The Austrian Government	146 077
U.S.A.	36 450
The Dutch Government	22 230
The Finnish Government	11 385
Vodafone Group Plc	6 231
Bank Of China Ltd	5 610
Industrial & Commercial Bank Of China Ltd	5 540
China Construction Bank Corp	5 540

THE LARGEST COUNTERPARTIES FOR SECURITIES LENDING, SEK thousand:

J.P. Morgan Securities Plc, Great Britain	306 392
Merrill Lynch Intl, Great Britain	197 370
Morgan Stanley & Co International Plc, Great Britain	113 473
Svenska Handelsbanken AB (Publ), Sweden	90 000
Citigroup Global Markets Ltd, Great Britain	1 213
	<b>708 448</b>

TYPE AND QUALITY OF COLLATERAL, SEK thousand:

Equities	614 388
Bonds and other interest-bearing instruments	140 464
	<b>754 852</b>

We accept government bonds and treasury bills with a rating of AA- from S&P or Aa3 from Moody's or higher issued by the United States, the British government, states within the eurozone (Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain) as well as Australia, Canada, Denmark, Japan, New Zealand, Norway, Sweden and Switzerland. We also accept equities in major and well-known indexes as collateral.

PROFILE OF THE COLLATERAL'S DURATION, SEK thousand:

Less than one day	0
One day to one week	0
One week to one month	1 936
One to three months	691
Three months to one year	32 715
Greater than one year	579 046
Indeterminate duration	140 464
	<b>754 852</b>

Nordenfond, cont.

**CURRENCY OF THE COLLATERAL, SEK thousand:**

AUD	5 373
CHF	2 259
EUR	429 927
GBP	197 573
HKD	53 300
JPY	21 972
SGD	535
USD	43 913
	<u>754 852</u>

The profile of the duration for securities lending is undetermined, but may be immediately terminated. Settlement and clearing for securities lending is conducted through a third party. The collateral received is held at JP Morgan Chase Bank N.A. (London Branch) and may not be reused.

**INFORMATION ABOUT RETURNS AND EXPENSES:**

Securities lending for the full year generated a total revenue of SEK 4 949 thousand, of which 80% was passed on to the fund and 20% to JP Morgan Bank N.A. (London Branch) in its role as the intermediary of securities lending.

Counterparties for securities lending during the year:

- Citigroup Global Markets Ltd, Great Britain
- J.P. Morgan Securities Plc, Great Britain
- Merrill Lynch Intl, Great Britain
- Morgan Stanley & Co International Plc, Great Britain
- Svenska Handelsbanken AB (Publ), Sweden





# Nordiska Småbolagsfond

## Management Report

### Investment Focus

The fund is actively managed, which means that the portfolio manager takes active, independent investment decisions. The objective of the fund is to attain returns over the long term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in smaller and mid-sized companies within the Nordic markets in Denmark, Finland, Norway and Sweden whose market value at the time of investment does 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 favourable share price performance when we select equities for the fund. We then evaluate the company's key ratios, such as earnings growth relative to the market's expectations.

### Portfolio

Nordiska Småbolagsfond rose 20.1% during the full year 2016\*. Until the UK's EU referendum in June, the stock market was largely unchanged, caught between attractive valuations and uncertainty about the strength of the economy and thus, earnings outlooks. Value companies performed strongly during the autumn, with sharp upturns for commodities, banks and cyclical equities. The fund took advantage of this and increased holdings in these types of companies. The purchases were financed by sales in companies with high valuations. Outokumpu, Aker BP, Knowit, Oriflame and Wilh. Wilhelmsen were the strongest contributors to fund returns, while ITAB, Nobia and Nederman had a negative impact.

\*) The fund may have additional share classes, the concerned share class is stated in the Fund facts. Refer to fund statistics for comparable index.

### Outlook

Conditions are favourable for the Nordic markets to edge higher in 2017. Nordic equities have normal valuation levels and provide satisfactory dividend yields. Earnings are expected to increase during the year for listed companies. We expect the global economy to be stronger in the EU as well as in China and the US during the year. Risks include sharp

upturns in interest rates due to higher inflation or if there is a loss of confidence in the central banks.

### Significant risks

As of the balance sheet date, the fund does not have any other significant risks in its holdings than those stated in the fact sheet and information brochure.

### Trading with derivatives

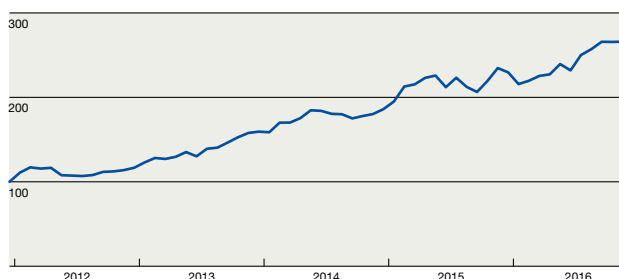
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund did not use this option in 2016. The fund has the option of lending securities. The fund used this option to a limited extent in 2016. The fund may use other techniques and instruments. The fund did not use this option in 2016.

### Information

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

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

### Fund Performance\*



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

## Fund Facts - History

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net asset value										
Nordiska Småbolagsfond A1 - SEK	866.58	721.56	584.98	501.01	366.50	322.56	425.79	357.84	222.57	443.40
Nordiska Småbolagsfond A1 - EUR	90.44	78.79	-	-	-	-	-	-	-	-
Nordiska Småbolagsfond A1 - NOK	821.09	757.57	-	-	-	-	-	-	-	-
Nordiska Småbolagsfond B1 - SEK	745.90	648.03	545.08	485.03	366.50	-	-	-	-	-
The fund's total net flow, mSEK <sup>1)</sup>	658	34	-77	916	50	-	-	-	-	-
Fund capital total, mSEK	14,975	12,031	9,753	8,437	5,390	4,594	6,469	4,609	1,948	6,094
Nordiska Småbolagsfond A1 - SEK	13,985	10,842	9,250	8,356	5,373	4,594	6,469	4,609	1,948	6,094
Nordiska Småbolagsfond A1 - EUR	70	52	-	-	-	-	-	-	-	-
Nordiska Småbolagsfond A1 - NOK	135	113	-	-	-	-	-	-	-	-
Nordiska Småbolagsfond B1 - SEK	176	606	503	81	17	-	-	-	-	-
Number of units, 1000's	17,314	16,769	16,736	16,844	14,706	14,242	15,192	12,880	8,754	13,743
Nordiska Småbolagsfond A1 - SEK	16,139	15,025	15,813	16,678	14,659	14,242	15,192	12,880	8,754	13,743
Nordiska Småbolagsfond A1 - EUR	775	659	-	-	-	-	-	-	-	-
Nordiska Småbolagsfond A1 - NOK	165	149	-	-	-	-	-	-	-	-
Nordiska Småbolagsfond B1 - SEK	235	936	923	166	47	-	-	-	-	-
Total returns in %, SEK										
Nordiska Småbolagsfond A1 - SEK	+20.1	+23.3	+16.8	+36.7	+16.6	-23.2	+19.8	+75.4	-48.6	-0.6
Nordiska Småbolagsfond A1 - EUR	+14.8	+27.6	-	-	-	-	-	-	-	-
Nordiska Småbolagsfond A1 - NOK	+8.4	+35.2	-	-	-	-	-	-	-	-
Nordiska Småbolagsfond B1 - SEK	+20.1	+23.3	+16.8	+36.7	+5.3	-	-	-	-	-
Index including dividends in %, SEK										
Nordiska Småbolagsfond A1 - SEK	+17.7	+21.7	+17.1	+35.5	+17.3	-21.6	+18.7	+66.9	-48.4	-2.2
Nordiska Småbolagsfond A1 - EUR	+12.5	+25.9	-	-	-	-	-	-	-	-
Nordiska Småbolagsfond A1 - NOK	+6.3	+33.4	-	-	-	-	-	-	-	-
Nordiska Småbolagsfond B1 - SEK	+17.7	+21.7	+17.1	+35.5	+4.4	-	-	-	-	-

# Annual Review 2016 – Handelsbanken Fonder AB

Nordiska Småbolagsfond, cont.

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Average yearly return, 2 yrs. %										
Nordiska Småbolagsfond A1 - SEK	+21.7	+20.0	+26.3	+26.3	-5.4	-4.1	+45.0	-5.0	-28.5	+16.5
Nordiska Småbolagsfond A1 - EUR	+21.0	+18.0	-	-	-	-	-	-	-	-
Nordiska Småbolagsfond A1 - NOK	+21.1	+26.5	-	-	-	-	-	-	-	-
Nordiska Småbolagsfond B1 - SEK	+21.7	+20.0	+26.3	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+19.7	+19.4	+25.9	+26.0	-4.1	-3.6	+40.7	-7.2	-29.0	+15.1
EUR	+19.0	+17.3	-	-	-	-	-	-	-	-
NOK	+19.1	+25.9	-	-	-	-	-	-	-	-
Average yearly return, 5 yrs. %										
Nordiska Småbolagsfond A1 - SEK	+22.5	+12.0	+11.4	+20.8	-0.7	-3.8	+8.0	+14.7	+7.3	+31.2
Nordiska Småbolagsfond A1 - EUR	+20.7	+11.7	-	-	-	-	-	-	-	-
Nordiska Småbolagsfond A1 - NOK	+24.6	+16.4	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+21.7	+12.1	+11.6	+19.8	-1.2	-4.8	+6.2	+12.4	+7.1	+30.7
EUR	+19.9	+11.8	-	-	-	-	-	-	-	-
NOK	+23.7	+16.6	-	-	-	-	-	-	-	-
Average yearly return, 10 yrs. %										
Nordiska Småbolagsfond A1 - SEK	+8.6	+10.0	+13.0	+13.9	+14.2	+8.8	+9.5	+8.0	+7.5	-
Nordiska Småbolagsfond A1 - EUR	+7.9	+10.2	-	-	-	-	-	-	-	-
Nordiska Småbolagsfond A1 - NOK	+9.0	+12.3	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+7.6	+9.1	+12.0	+13.3	+13.7	+9.3	+10.7	+8.6	+6.6	-
EUR	+7.0	+9.4	-	-	-	-	-	-	-	-
NOK	+8.1	+11.5	-	-	-	-	-	-	-	-
Dividends per unit, SEK										
Nordiska Småbolagsfond A1 - SEK	-	-	-	-	9.45	5.39	2.53	19.50	9.60	8.14
Nordiska Småbolagsfond B1 - SEK	25.92	21.80	19.40	12.83	0.00	-	-	-	-	-
Exchange rate EUR/SEK	9.58	9.16	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.06	0.95	-	-	-	-	-	-	-	-

1) The fund's total net inflows do not include reinvested dividends in funds with a distribution share class. This is new information as of the full-year 2012.

Index: SIX NORDIX Small Cap Port Nordic Net (NHNMXPORT)

Up to 02/01/2014: SHB NORDIX Small Cap Port Nordic Net (NHNMXPORT)

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

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

Refer to the last page for definitions.

## Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Nordiska Småbolagsfond A1	1.60
Nordiska Småbolagsfond B1	1.60
Collected mgmt. costs in % of average fund capital	
Nordiska Småbolagsfond A1	1.60
Nordiska Småbolagsfond B1	1.60
Annual fees in %	
Nordiska Småbolagsfond A1	1.65
Nordiska Småbolagsfond B1	1.65
Analyzing costs, tSEK <sup>1)</sup>	6,376
Transaction costs, tSEK	3,754
Transaction costs in % of turnover	0.03
Costs in SEK for a one-time subscription, 10 000 SEK	
Nordiska Småbolagsfond A1	167.59
Nordiska Småbolagsfond B1	167.59
Costs in SEK for monthly savings, 100 SEK	
Nordiska Småbolagsfond A1	11.25
Nordiska Småbolagsfond B1	11.25

1) Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

## Fund Facts - Other Key Figures

Turnover rate	0.5
Share of turnover conducted via closely-related securities companies in %	24.5

## Risk and Return Measurements\*

Total risk % - A1 SEK	14.7	Active return % - A1 NOK	2.0
Total risk % - A1 EUR	15.1	Active return % - B1 SEK	2.0
Total risk % - A1 NOK	13.6	Information ratio - A1 SEK	0.9
Total risk % - B1 SEK	14.7	Information ratio - A1 EUR	0.9
Total risk in index % - A1 SEK	14.3	Information ratio - A1 NOK	0.9
Total risk in index % - A1 EUR	14.6	Information ratio - B1 SEK	0.9
Total risk in index % - A1 NOK	13.1	Sharpe ratio - A1 SEK	1.5
Total risk in index % - B1 SEK	14.3	Sharpe ratio - A1 EUR	1.4
Active Share % <sup>1)</sup>	36.5	Sharpe ratio - A1 NOK	1.5
Tracking error % - A1 SEK	2.2	Sharpe ratio - B1 SEK	1.5
Tracking error % - A1 EUR	2.2	Sharpe ratio in index - A1 SEK	1.4
Tracking error % - A1 NOK	2.2	Sharpe ratio in index - A1 EUR	1.3
Tracking error % - B1 SEK	2.2	Sharpe ratio in index - A1 NOK	1.4
Index	SIX NORDIX Small Cap Port Nordic Net (NHNMXPORT)	Sharpe ratio in index - B1 SEK	1.4
Active return % - A1 SEK	2.0		
Active return % - A1 EUR	2.0		

1) As of the balance sheet date.

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

## Income Statement, SEKt

	2016	2015
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	2,227,839	2,210,186
Interest income	-435	-392
Dividends	264,113	249,882
Currency exchange profits and losses, net	6,125	-7,204
Other financial income	6,262	-
Other income	270	3
<b>Total income and changes in value</b>	<b>2,504,174</b>	<b>2,452,475</b>
EXPENSES		
Management Company expenses	197,964	180,186
Interest expense	24	28
Other expenses	10,131	9,885
<b>Total expenses</b>	<b>208,119</b>	<b>190,099</b>
<b>Net income</b>	<b>2,296,055</b>	<b>2,262,376</b>
* Details of changes in value		
Changes in value for transferable securities - Capital gains	1,498,497	2,030,386
Changes in value for transferable securities - Capital losses	-447,882	-461,986
Changes in value for transferable securities - Unrealised	1,177,224	641,786
Sum	2,227,839	2,210,186

## Balance Sheet, tSEK

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
ASSETS				
Transferable securities	14,744,637	98.5	11,887,275	98.8
<b>Total financial instruments with positive market value <sup>Note 2)</sup></b>	<b>14,744,637</b>	<b>98.5</b>	<b>11,887,275</b>	<b>98.8</b>
Bank assets and other liquid assets	294,041	2.0	169,538	1.4
Prepaid expenses and accrued income	1,488	0.0	-19	0.0
Other assets	133,492	0.8	261,740	2.2
<b>Total assets</b>	<b>15,173,658</b>	<b>101.3</b>	<b>12,318,534</b>	<b>102.4</b>
LIABILITIES				
OTC derivative instruments with negative market value	86	0.0	-	-
<b>Total financial instruments with negative market value <sup>Note 2)</sup></b>	<b>86</b>	<b>0.0</b>	<b>-</b>	<b>-</b>
Accrued expenses and prepaid income	10,554	0.1	8,045	0.1
Other liabilities	187,666	1.2	279,513	2.3
<b>Total liabilities</b>	<b>198,306</b>	<b>1.3</b>	<b>287,558</b>	<b>2.4</b>
<b>Fund capital <sup>Note 1)</sup></b>	<b>14,975,352</b>	<b>100.0</b>	<b>12,030,976</b>	<b>100.0</b>
Financial instruments lent	942,002	6.3	-	-
Collateral received for financial instruments lent	1,012,371	6.8	-	-

# Annual Review 2016 – Handelsbanken Fonder AB

Nordiska Småbolagsfond, cont.

Note 1) for Balance Sheet

## Changes in fund capital, SEK

	2016	2015
Fund capital at beginning of year	12,030,976	9,753,418
Units issued	4,165,552	2,761,855
Units redeemed	-3,504,646	-2,726,598
Profit according to Income Statement	2,296,055	2,262,376
Dividends to unit holders	-12,585	-20,075
<b>Fund capital at the close of the period</b>	<b>14,975,352</b>	<b>12,030,976</b>

Note 2) for Balance Sheet

## Fund holdings in financial instruments

### TRANSFERABLE SECURITIES\*

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

##### BERMUDA (BMD)

BW Offshore1 (Energy Equipment and Services)	2,000,001	58,469	0.4
		<b>58,469</b>	<b>0.4</b>

##### CYPRUS (EUR)

Prosafe (Energy Equipment and Services)	500,000	19,525	0.1
Songa Offshore (Oil, Gas and Consumable Fuels)	400,000	13,298	0.1
		<b>32,823</b>	<b>0.2</b>

##### DENMARK (DKK)

ALK-Abelló (Pharmaceuticals)	24,500	29,047	0.2
Ambu B (Health Care Equipment and Supplies)	197,385	72,113	0.5
Bang&Olufsen B (Household Durables)	275,000	28,351	0.2
Bavarian Nordic (Biotechnology)	180,000	57,759	0.4
DFDS (Marine)	376,135	156,370	1.0
FLSmith (Construction and Engineering)	151,000	57,015	0.4
GN Store Nord (Health Care Equipment and Supplies)	431,832	81,415	0.5
H&H International (Construction and Engineering)	576,820	56,122	0.4
Jyske Bank (Commercial Banks)	517,717	224,636	1.5
NKT Holding (Electrical Equipment)	140,260	90,176	0.6
OW Bunker (Oil, Gas and Consumable Fuels)	127,500	0	0.0
Per Aarsleff (Construction and Engineering)	269,160	61,047	0.4
Ringkjøbing Landbobank (Commercial Banks)	18,000	33,936	0.2
Rockwool International B (Building Products)	152,424	244,746	1.6
Royal Unibrew (Beverages)	310,000	108,901	0.7
Schouw (Machinery)	195,000	132,180	0.9
SimCorp (Software)	210,000	93,148	0.6
SP Group (Chemicals)	61,941	53,800	0.4
Spar Nord Bank (Commercial Banks)	440,692	46,001	0.3
Sydbank (Commercial Banks)	576,800	162,933	1.1
TDC (Diversified Telecommunication Services)	1,275,000	59,578	0.4
TK Development (Real Estate)	2,880,258	35,076	0.2
Topdanmark (Insurance)	365,580	84,471	0.6
Tryg (Insurance)	1,050,000	172,792	1.2
William Demant (Health Care Equipment and Supplies)	550,000	87,037	0.6
		<b>2,228,650</b>	<b>14.9</b>

##### FINLAND (EUR)

AKTIA Ord Shs (Commercial Banks)	250,000	23,308	0.2
Amer Sports A (Leisure Equipment and Products)	472,666	114,495	0.8
Cargotec (Machinery)	290,400	119,346	0.8
Comptel (Software)	1,668,019	37,880	0.3
Consti Group (Construction and Engineering)	334,325	47,284	0.3
Cramo (Commercial Services and Supplies)	407,263	92,838	0.6
DNA Ord Shs (Diversified Telecommunication Services)	638,985	62,146	0.4
Elisa (Diversified Telecommunication Services)	610,000	180,786	1.2
Huhtamaki (Containers and Packaging)	580,000	196,070	1.3
Kemira (Chemicals)	333,011	38,706	0.3
Kesko B (Food and Staples Retailing)	376,002	171,063	1.1
Konecranes (Machinery)	150,000	48,552	0.3
Lehto Group (Construction and Engineering)	351,205	34,292	0.2
Metsä Board (Paper and Forest Products)	2,646,936	172,341	1.2
Metso (Machinery)	550,000	142,819	1.0
Munksjö (Paper and Forest Products)	202,014	30,584	0.2
Nokian Tyres (Auto Components)	575,000	195,151	1.3
Orion B (Health Care Equipment and Supplies)	100,000	40,522	0.3
Outokumpu (Metals and Mining)	2,440,000	198,847	1.3
Outotec (Construction and Engineering)	1,820,712	87,091	0.6
Pihlajalinna (Health Care Providers and Services)	291,154	51,389	0.3
PKC (Elec Equip, Instr & Comp)	452,499	68,550	0.5
Ponsse (Machinery)	243,000	55,836	0.4
Ramirent (Building Products)	700,467	49,601	0.3
Sponda (Real Estate)	750,000	31,448	0.2
Suominen (Household Products)	440,000	17,455	0.1
Tieto EUR (IT Services)	390,000	96,862	0.6
Tikkurila (Chemicals)	203,533	36,684	0.2
Uponor (Building Products)	734,101	116,134	0.8
Vaisala (Elec Equip, Instr & Comp)	150,000	48,437	0.3
Valmet (Machinery)	425,000	56,931	0.4
YIT (Construction and Engineering)	375,000	27,273	0.2
		<b>2,690,719</b>	<b>18.0</b>

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
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##### NORWAY (NOK)

Aker (Energy Equipment and Services)	475,000	161,925	1.1
Aker Solutions (Energy Equipment and Services)	2,175,000	94,965	0.6
Atea (IT Services)	565,217	47,424	0.3
Austevoll Seafood (Food Products)	695,000	61,431	0.4
Borregaard (Chemicals)	576,502	51,413	0.3
Data Respons (IT Services)	2,090,282	40,371	0.3
Det Norske Oljeselskap (Energy Equipment and Services)	1,434,114	233,846	1.6
DNO International (Oil, Gas and Consumable Fuels)	7,403,747	66,262	0.4
Europpris (Multiline Retail)	1,550,000	60,364	0.4
Fred Olsen Energy (Energy Equipment and Services)	1,450,000	48,512	0.3
Kitron (Elec Equip, Instr & Comp)	6,000,000	38,185	0.3
Kongsberg Automotive Holding (Auto Components)	4,541,550	27,177	0.2
Leroy Seafood Group (Food Products)	483,900	245,703	1.6
Link Mobility Group Ord Shs (Wireless Telecommunication Services)	196,659	28,850	0.2
NextGenTel Holding (Diversified Telecommunication Services)	837,439	24,836	0.2
Norway Royal Salmon (Food Products)	141,014	30,807	0.2
Norwegian Air Shuttle (Airlines)	210,828	63,860	0.4
Ocean Yield (Energy Equipment and Services)	1,626,830	111,603	0.7
Petroleum Geo-Services (Energy Equipment and Services)	1,804,805	55,620	0.4
Protector Forsikring (Insurance)	948,835	68,847	0.5
Q-Free (Elec Equip, Instr & Comp)	1,298,689	10,801	0.1
Salmar (Food Products)	150,000	40,860	0.3
Schibsted B (Media)	1,050,000	202,796	1.4
Skandiabanken (Commercial Banks)	1,025,000	75,996	0.5
SpareBank 1 Midt-Norge (Commercial Banks)	1,554,312	106,218	0.7
Storebrand (Insurance)	3,465,319	167,944	1.1
TGS-NOPEC Geophysical (Energy Equipment and Services)	450,000	91,044	0.6
Thin Film Electronics (Computers and Peripherals)	9,000,000	34,765	0.2
Tomra Systems (Machinery)	472,400	45,121	0.3
Treasure (Air Freight and Logistics)	1,489,098	26,246	0.2
Veidekke (Construction and Engineering)	460,715	60,051	0.4
Wilh. Wilhelmsen (Marine)	1,330,662	47,468	0.3
Wilh. Wilhelmsen Holding (Marine)	211,701	44,239	0.3
XXL (Specialty Retail)	395,000	40,855	0.3
		<b>2,556,404</b>	<b>17.1</b>

##### SWEDEN (SEK)

AarhusKarlskrona (Food Products)	174,700	104,733	0.7
AcadeMedia (Diversified Consumer Services)	99,385	4,969	0.0
Acando B (IT Services)	1,901,970	49,261	0.3
Addnode B (IT Services)	731,591	41,335	0.3
ÅF B (Professional Services)	574,440	95,931	0.6
Alimak Group (Machinery)	530,000	68,503	0.5
Attendo (Health Care Providers and Services)	853,390	67,204	0.4
Balder B (Real Estate)	1,290,208	237,527	1.6
Bilia A (Specialty Retail)	350,000	73,325	0.5
BillierudKorsnäs (Containers and Packaging)	902,494	138,082	0.9
Boliden (Metals and Mining)	1,065,000	253,364	1.7
Boule Diagnostics (Other)	90,000	25,200	0.2
Bravida Holding (Commercial Services and Supplies)	555,000	30,664	0.2
Byggmax Group (Specialty Retail)	1,025,000	64,575	0.4
Capio (Health Care Providers and Services)	996,181	47,916	0.3
Castellum (Real Estate)	948,931	118,521	0.8
Catella B (Capital Markets)	1,000,000	22,900	0.2
CLX Communications (Software)	416,051	40,357	0.3
Concentric (Machinery)	346,315	39,393	0.3
Coor Service Management (Commercial Services and Supplies)	1,448,100	73,491	0.5
Corem Property Group (Real Estate)	1,150,000	42,550	0.3
Dometic Group (Household Durables)	2,281,269	152,731	1.0
Doro (Elec Equip, Instr & Comp)	375,000	19,875	0.1
Duni (Personal Products)	247,230	30,904	0.2
Dustin Group (Internet and Catalog Retail)	758,699	48,557	0.3
Elekta B (Health Care Equipment and Supplies)	2,248,611	181,238	1.2
Fabege (Real Estate Management and Development)	524,981	78,170	0.5
Fingerprint Cards B (Elec Equip, Instr & Comp)	967,500	60,807	0.4
FormPipe Software (Internet Software and Services)	3,568,198	34,790	0.2
Fortnox (Software)	594,000	17,761	0.1
Getinge B (Health Care Equipment and Supplies)	515,000	75,242	0.5
Gränges (Chemicals)	350,000	30,100	0.2
Hemfosa Fastigheter (Real Estate Management and Development)	1,140,000	96,900	0.6
Hexpol B (Chemicals)	1,125,620	94,946	0.6
Hoist Finance (Consumer Finance)	368,336	31,216	0.2
Holmen B (Paper and Forest Products)	202,000	66,014	0.4
Husqvarna B (Household Durables)	1,700,000	120,445	0.8
I.A.R. Systems Group B (Software)	183,270	37,754	0.3
Indutrade (Trading Companies and Distributors)	465,000	85,095	0.6
Intrum Justitia (Commercial Services and Supplies)	418,000	128,493	0.9
Invisio Communications (Diversified Telecommunication Services)	500,000	31,875	0.2
Inwido (Building Products)	861,036	81,368	0.5
ITAB Shop Concept B (Commercial Services and Supplies)	1,485,799	120,721	0.8

# Annual Review 2016 – Handelsbanken Fonder AB

Nordiska Småbolagsfond, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
JM (Household Durables)	627,508	165,160	1.1
KappAhl (Specialty Retail)	1,695,464	85,621	0.6
Klövern B (Real Estate Management and Development)	9,150,450	87,341	0.6
Knowit (IT Services)	1,207,508	108,374	0.7
Lagercrantz B (Elec Equip, Instr & Comp)	450,551	37,621	0.3
Lindab International (Construction Materials)	986,063	72,032	0.5
Loomis B (Commercial Services and Supplies)	283,289	76,800	0.5
Lundin Petroleum (Oil, Gas and Consumable Fuels)	860,000	170,366	1.1
Micronic MYDATA (Elec Equip, Instr & Comp)	942,527	92,368	0.6
Midsona B (Pharmaceuticals)	2,311,623	101,711	0.7
Modern Times Group B (Media)	550,000	148,500	1.0
NCC B (Construction and Engineering)	320,000	72,128	0.5
Nederman (Machinery)	238,157	44,535	0.3
NetEnt B (Internet Software and Services)	1,439,718	101,212	0.7
NGS Group (Health Care Providers and Services)	75,000	13,800	0.1
NIBE Industrier B (Building Products)	1,125,028	80,777	0.5
Nobia (Specialty Retail)	1,943,260	164,886	1.1
Nordax Group (Commercial Banks)	482,133	24,950	0.2
OEM International (Trading Companies and Distributors)	119,007	17,970	0.1
Oriflame Holding (Personal Products)	195,000	53,645	0.4
Pandox B (Hotels, Restaurants and Leisure)	250,000	35,350	0.2
Peab B (Construction and Engineering)	1,352,200	97,764	0.7
Resurs (Consumer Finance)	1,590,000	93,492	0.6
SAAB B (Aerospace and Defense)	276,295	94,078	0.6
Scandic Hotels Group (Hotels, Restaurants and Leisure)	1,712,344	130,994	0.9
Securitas B (Commercial Services and Supplies)	1,585,000	227,289	1.5
Skistar B (Hotels, Restaurants and Leisure)	525,000	80,063	0.5
SSAB B (Metals and Mining)	7,629,528	219,654	1.5
Sweco B (Construction and Engineering)	400,000	72,080	0.5
Swedish Match (Tobacco)	235,000	68,103	0.5
Swedish Orphan Biovitrum (Health Care Providers and Services)	1,161,250	123,905	0.8
Tele2 B (Diversified Telecommunication Services)	1,220,625	89,167	0.6
Tethys Oil (Oil, Gas and Consumable Fuels)	400,000	31,500	0.2
Thule Group (Leisure Equipment and Products)	286,527	40,830	0.3
TOBII BTA 161202 1 (Computers and Peripherals)	65,335	4,459	0.0
Tobii Technology (Software)	653,361	44,592	0.3
Trelleborg B (Machinery)	1,085,000	194,541	1.3
Unibet (Hotels, Restaurants and Leisure)	400,000	34,220	0.2
VOLATI (Capital Markets)	646,552	47,845	0.3
Wihlborgs (Real Estate Management and Development)	292,600	49,566	0.3
		<b>6,764,091</b>	<b>45.1</b>
UNITED KINGDOM (GBP)			
Subsea 7 (Other)	400,000	46,142	0.3
		<b>46,142</b>	<b>0.3</b>
<b>Total listed equities</b>		<b>14,377,298</b>	<b>96.0</b>

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>UNLISTED EQUITIES***</b>			
<b>FINLAND (EUR)</b>			
Detection Technology (Elec Equip, Instr & Comp)	296,466	39,713	0.3
Robit (Machinery)	200,000	15,140	0.1
Suomen Hoivatilat Ord Shs (Real Estate)	40,655	3,241	0.0
		<b>2,690,719</b>	<b>18.0</b>
<b>NORWAY (NOK)</b>			
Norwegian Finans Holding (Commercial Banks)	750,000	58,377	0.4
		<b>2,556,404</b>	<b>17.1</b>
<b>SWEDEN (SEK)</b>			
Alelion (Electrical Equipment)	300,000	3,135	0.0
Bahnhof B (Diversified Telecommunication Services)	215,000	39,990	0.3
Catena Media (Internet Software and Services)	534,877	46,802	0.3
CINNOBERFT B (Software)	100,284	19,957	0.1
Evolution Gaming Group (Hotels, Restaurants and Leisure)	178,941	46,435	0.3
Kambi (Hotels, Restaurants and Leisure)	176,026	23,543	0.2
LeoVegas (Hotels, Restaurants and Leisure)	625,000	22,813	0.2
STORYTEL AB B (Media)	375,000	16,650	0.1
THQ Nordic B (Software)	950,103	31,543	0.2
		<b>250,868</b>	<b>1.7</b>
<b>Total unlisted equities</b>		<b>367,339</b>	<b>2.5</b>
<b>Total transferable securities</b>		<b>14,744,637</b>	<b>98.5</b>

## OTHER FINANCIAL INSTRUMENTS\*\*\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>OTC DERIVATIVE INSTRUMENTS</b>			
<b>CURRENCY FUTURES</b>			
DKK/NOK		-86	0.0
		<b>-86</b>	<b>0.0</b>
<b>Total OTC derivative instruments</b>		<b>-86</b>	<b>0.0</b>
<b>Total other financial instruments</b>		<b>-86</b>	<b>0.0</b>
<b>Total holdings in financial instruments</b>		<b>14,744,551</b>	<b>98.5</b>
<b>Net, other assets and liabilities</b>		<b>230,801</b>	<b>1.5</b>
<b>Total fund capital</b>		<b>14,975,352</b>	<b>100.0</b>

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

\* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 96.0

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

\*\*\* Refers to other financial instruments. 2.5

## Compilation, Company and Group exposure\*

Company/Group	% of fund capital
Wilh. Wilhelmsen	0.6

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

## ADDITIONAL INFORMATION ON LENT SECURITIES

The volume of lent securities as a % of total lendable assets 6.43

### THE TEN LARGEST ISSUERS OF COLLATERAL FOR SECURITIES LENDING PER ISSUER, SEK thousand:

The British Government	345 123
The French Government	246 741
U.S.A.	32 484
The Austrian Government	18 177
Vodafone Group Plc	17 067
Sky Plc	12 521
Bank Of China Ltd	12 236
Industrial & Commercial Bank Of China Ltd	11 828
China Construction Bank Corp	11 827
China Mobile Ltd	11 824

### THE LARGEST COUNTERPARTIES FOR SECURITIES LENDING, SEK thousand:

J.P. Morgan Securities Plc, Great Britain	494 515
Morgan Stanley & Co International Plc, Great Britain	356 869
Citigroup Global Markets Ltd, Great Britain	64 098
Merrill Lynch Intl, Great Britain	22 661
Svenska Handelsbanken AB (Publ), Sweden	3 858
	<b>942 002</b>

### TYPE AND QUALITY OF COLLATERAL, SEK thousand:

Equities	356 605
Bonds and other interest-bearing instruments	655 766
	<b>1 012 371</b>

We accept government bonds and treasury bills with a rating of AA- from S&P or Aa3 from Moody's or higher issued by the United States, the British government, states within the eurozone (Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain) as well as Australia, Canada, Denmark, Japan, New Zealand, Norway, Sweden and Switzerland. We also accept equities in major and well-known indexes as collateral.

### PROFILE OF THE COLLATERAL'S DURATION, SEK thousand:

Less than one day	0
One day to one week	0
One week to one month	5 035
One to three months	86
Three months to one year	65 624
Greater than one year	585 021
Indeterminate duration	356 605
	<b>1 012 371</b>

### CURRENCY OF THE COLLATERAL, SEK thousand:

AUD	13 174
CHF	5 994
DKK	511
EUR	309 377
GBP	451 748
HKD	114 545
JPY	46 910
SGD	1 141
USD	68 971
	<b>1 012 371</b>

The profile of the duration for securities lending is undetermined, but may be immediately terminated. Settlement and clearing for securities lending is conducted through a third party. The collateral received is held at JP Morgan Chase Bank N.A. (London Branch) and may not be reused.

**INFORMATION ABOUT RETURNS AND EXPENSES:**

Securities lending for the full year generated a total revenue of SEK 7 828 thousand, of which 80% was passed on to the fund and 20% to JP Morgan Bank N.A. (London Branch) in its role as the intermediary of securities lending.

Counterparties for securities lending during the year:

- Citigroup Global Markets Ltd, Great Britain
- J.P. Morgan Securities Plc, Great Britain
- Merrill Lynch Intl, Great Britain
- Morgan Stanley & Co International Plc, Great Britain
- Svenska Handelsbanken AB (Publ), Sweden



# Offensiv 100

## Management Report

### Investment Focus

The fund is actively managed, which means that the portfolio manager takes active, independent investment decisions. The objective of the fund is to attain returns over the long term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests primarily in Nordic and global equity funds as well as in Swedish fixed income funds. Investments are made in both Handelsbanken's funds as well as in funds of other selected management companies. Depending upon the sectors, countries and regions in which we invest, we select the funds we believe have the best outlooks based on fund performance and the portfolio manager's investment process. The fund may invest in derivatives as part of the fund's investment focus.

### Portfolio

Offensiv 100 rose 8.1% during the full year 2016\*. The year was dominated by political turbulence when the UK voted for Brexit, the US elected Donald Trump as president and Italy's government fell after a referendum. Consequently, financial markets were impacted to a large extent and movement throughout the year can best be described as a roller coaster. At the same time, the World Index rose approximately 16%, measured in SEK. However, the significant uncertainty with Brexit led us to decrease the portion of European equities during the early summer. We then increased this as the short-term effects of an EU exit are limited. Our outlook on the US and emerging markets was positive during the autumn due to stronger economic data and led to the overweights in these regions. The fund benefited from the overweight in US equities after Trump's unexpected victory, which resulted in rising stock markets and a stronger USD. Holdings in Handelsbanken Nordenfond, Handelsbanken Amerika Tema and Handelsbanken MSCI USA Index had the most positive impact on fund performance.

\*) The fund may have additional share classes, the concerned share class is stated in the Fund facts. Refer to fund statistics for comparable index.

### Outlook

The world is facing further major political and economic challenges. Many countries in the eurozone, including France and Germany, will be holding elections in 2017. The risk for a new election in Italy is also imminent, at the same time as there is uncertainty about Great Britain's EU exit, Brexit. The newly-elected president in the US, Donald Trump, is raising questions about future policies and which election promises will be kept. The markets are expecting Trump to implement major financial stimulus,

including tax cuts and investments in infrastructure. Despite the political uncertainty, economic growth is slowly moving in the right direction, with the US at the forefront. The growth outlooks are also good in Sweden, Germany and Spain, which bodes well for corporate earnings growth. Consequently, we see favourable conditions for markets to also edge higher during 2017. We also expect market rates to increase as the economy improves and inflation slowly begins to rise.

### Significant risks

As of the balance sheet date, the fund does not have any other significant risks in its holdings than those stated in the fact sheet and information brochure.

### Trading with derivatives

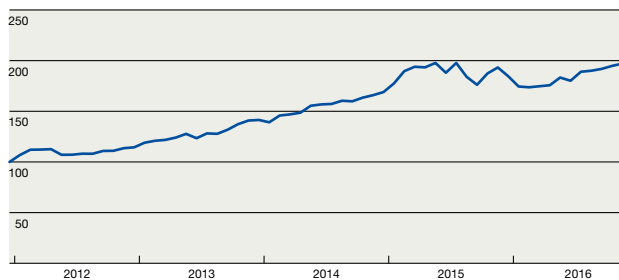
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option extensively in 2016. The fund has the option of lending securities. The fund did not use this option in 2016. The fund may use other techniques and instruments. The fund did not use this option in 2016.

### Information

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

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

### Fund Performance\*



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

### Fund Facts - History

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Net asset value</b>										
Offensiv 100 A1 - SEK <sup>1) 2)</sup>	238.26	220.41	201.74	168.87	136.62	122.83	146.32	132.56	103.24	170.18
Offensiv 100 A1 - EUR <sup>1)</sup>	24.87	24.07	21.30	-	-	-	-	-	-	-
Offensiv 100 A1 - NOK <sup>1)</sup>	225.75	231.41	193.22	-	-	-	-	-	-	-
<b>The fund's total net flow, mSEK <sup>3) 4)</sup></b>	667	907	320	75	-45	-	-	-	-	-
<b>Fund capital total, mSEK</b>	8,499	7,181	5,759	-	-	-	-	-	-	-
Offensiv 100 A1 - SEK	8,318	7,010	5,601	4,409	3,501	3,112	3,709	2,957	1,829	2,908
Offensiv 100 A1 - EUR	11	11	10	-	-	-	-	-	-	-
Offensiv 100 A1 - NOK	70	78	56	-	-	-	-	-	-	-
<b>Number of units, 1000's</b>	35,672	32,581	28,546	-	-	-	-	-	-	-
Offensiv 100 A1 - SEK	34,909	31,807	27,762	26,109	25,628	25,335	25,346	22,307	17,714	17,091
Offensiv 100 A1 - EUR	452	437	492	-	-	-	-	-	-	-
Offensiv 100 A1 - NOK	311	337	292	-	-	-	-	-	-	-
<b>Total returns in %, SEK</b>										
Offensiv 100 A1 - SEK	+8.1	+9.3	+19.5	+23.6	+14.4	-14.3	+13.6	+33.7	-38.4	+6.6
Offensiv 100 A1 - EUR	+3.3	+13.0	+11.6	-	-	-	-	-	-	-
Offensiv 100 A1 - NOK	-2.4	+19.8	+21.1	+36.5	+12.4	-13.8	+21.4	+22.2	-35.1	-1.6
<b>Index including dividends in %, SEK</b>										
Offensiv 100 A1 - SEK	+11.9	+8.4	+22.0	+23.8	+13.2	-11.2	+12.8	+28.8	-35.7	+7.3
Offensiv 100 A1 - EUR	+7.0	+12.1	+14.0	-	-	-	-	-	-	-
Offensiv 100 A1 - NOK	+1.0	+18.8	+23.7	+36.7	+11.2	-10.6	+20.5	+17.6	-32.2	-0.9

# Annual Review 2016 – Handelsbanken Fonder AB

Offensiv 100, cont.

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Average yearly return, 2 yrs. %										
Offensiv 100 A1 - SEK	+8.7	+14.2	+21.5	+18.9	-1.0	-1.4	+23.2	-9.2	-19.0	+9.1
Offensiv 100 A1 - EUR	+8.1	+12.3	+15.6	+19.3	+1.5	+5.8	+36.1	-12.8	-26.6	+8.8
Offensiv 100 A1 - NOK	+8.1	+20.4	+28.6	+23.9	-1.5	+2.3	+21.8	-10.9	-20.1	+8.4
Comparison to index including dividends, %										
SEK	+10.1	+15.0	+22.9	+18.4	+0.3	+0.1	+20.5	-9.0	-16.9	+9.7
EUR	+9.5	+13.1	+17.0	+18.7	+2.8	+7.4	+33.1	-12.6	-24.7	+9.3
NOK	+9.5	+21.3	+30.1	+23.3	-0.3	+3.8	+19.1	-10.7	-18.1	+9.0
Average yearly return, 5 yrs. %										
Offensiv 100 A1 - SEK	+14.8	+9.6	+10.5	+13.0	-1.7	-3.1	+2.2	+6.2	-	-
Offensiv 100 A1 - EUR	+13.1	+9.3	+12.2	+18.0	+0.2	-2.8	+3.0	+3.5	-	-
Offensiv 100 A1 - NOK	+16.8	+13.9	+14.2	+14.4	-1.4	-3.9	+2.5	+3.7	-	-
Comparison to index including dividends, %										
SEK	+15.7	+10.5	+11.4	+12.6	-1.3	-2.3	+2.4	+6.3	-	-
EUR	+14.0	+10.1	+13.1	+17.6	+0.7	-2.0	+3.2	+3.7	-	-
NOK	+17.7	+14.9	+15.2	+14.0	-0.9	-3.2	+2.7	+3.8	-	-
Average yearly return, 10 yrs. %										
Offensiv 100 A1 - SEK	+5.5	+5.8	+8.3	-	-	-	-	-	-	-
Offensiv 100 A1 - EUR	+4.9	+6.1	+7.8	-	-	-	-	-	-	-
Offensiv 100 A1 - NOK	+5.9	+8.1	+8.8	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+6.3	+6.3	+8.8	-	-	-	-	-	-	-
EUR	+5.7	+6.6	+8.3	-	-	-	-	-	-	-
NOK	+6.8	+8.6	+9.3	-	-	-	-	-	-	-
Dividends per unit, SEK	-	-	-	-	3.82	2.87	3.64	4.06	2.29	2.50
Exchange rate EUR/SEK	9.58	9.16	9.47	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.06	0.95	1.04	-	-	-	-	-	-	-

- 1) Based on a judgment in the Administrative Court of Appeal, the share price in funds with holdings in US equities have been impacted. A full withholding tax (30%) will now be imposed on the funds instead of the previous 15%. The tax change is applicable for distributions effective as of January 1, 2012, and this has resulted in an adjustment to the net asset value of the fund as of June 16, 2014.
- 2) Following a judgment in the Administrative Court of Appeal that changed the withholding tax on dividends in US equities from 15% to 30%, the previously reserved withholding has been added back in the fund as of March 30, 2015.
- 3) The fund's total net inflows do not include reinvested dividends in funds with a distribution share class. This is new information as of the full-year 2012.
- 4) The fund's net flow does not include the merger with Placeringsfonden Handelsbanken Aktiv 100 which took place on September 26, 2014.

Index: MSCI AC World Net 50%, VINX Benchmark Cap SEK NI 50%  
 Up to 01/02/2014: SHB NORDIX Port Nordic Net (NHNXPOR) 50%, MSCI All Country World Index Net 50%  
 Up to 30/10/2009: MSCI World Net 50%, NHNXPOR SHB NORDIX Port Nordic Net 50%

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

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

Refer to the last page for definitions.

## Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.80
Collected mgmt. costs in % of average fund capital	1.60
Annual fees in % <sup>1)</sup>	1.67
Analyzing costs, tSEK <sup>2)</sup>	1,230
Transaction costs, tSEK	886
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	158.09
Costs in SEK for monthly savings, 100 SEK	10.83

- 1) Ongoing charges are calculated as synthetic ongoing charges.
  - 2) Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.
- A maximum annual fixed fee of 3% may be charged for the management of the underlying funds in which the fund invests. Any applicable performance-based fee for the management of the underlying funds may not exceed 30% of the excess yields for the respective period measured relative to each fund's benchmark (index or equivalent).

## Fund Facts - Other Key Figures

Turnover rate	0.4
Share of turnover conducted via closely-related securities companies in %	16.2

## Risk and Return Measurements\*

Total risk % - A1 SEK	13.3	Active return % - A1 NOK	-1.4
Total risk % - A1 EUR	13.5	Information ratio - A1 SEK	Negative
Total risk % - A1 NOK	12.2	Information ratio - A1 EUR	Negative
Total risk in index % - A1 SEK	13.8	Information ratio - A1 NOK	Negative
Total risk in index % - A1 EUR	13.9	Sharpe ratio - A1 SEK	0.7
Total risk in index % - A1 NOK	12.0	Sharpe ratio - A1 EUR	0.6
Tracking error % - A1 SEK	1.8	Sharpe ratio - A1 NOK	0.6
Tracking error % - A1 EUR	1.8	Sharpe ratio in index - A1 SEK	0.8
Tracking error % - A1 NOK	1.8	Sharpe ratio in index - A1 EUR	0.7
Index	MSCI AC World Net 50%, VINX Benchmark Cap SEK NI 50%	Sharpe ratio in index - A1 NOK	0.7
Active return % - A1 SEK	-1.5		
Active return % - A1 EUR	-1.4		

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

## Income Statement, SEKt

	2016	2015
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments	-37,632	-8,493
Changes in value for fund units **	724,375	527,090
Interest income	-513	-40
Dividends	11,142	1,277
Currency exchange profits and losses, net	-14,121	16,310
Other financial income <sup>1)</sup>	91,223	93,446
Other income	1	0
<b>Total income and changes in value</b>	<b>774,475</b>	<b>629,590</b>
EXPENSES		
Management Company expenses	120,992	111,586
Interest expense	109	322
Other expenses	2,117	2,532
<b>Total expenses</b>	<b>123,218</b>	<b>114,440</b>
<b>Net income</b>	<b>651,257</b>	<b>515,150</b>

* Details of changes in value		
Changes in value for other derivative instruments - Capital gains	443,919	521,093
Changes in value for other derivative instruments - Capital losses	-481,551	-529,586
Changes in value for other derivative instruments - Unrealised	-	0
Sum	-37,632	-8,493

** Details of changes in value		
Changes in value for fund units - Capital gains	527,918	955,904
Changes in value for fund units - Capital losses	-102,015	-95,578
Changes in value for fund units - Unrealised	298,472	-333,236
Sum	724,375	527,090

1) The item consists primarily of discounts on management expenses in underlying funds.

Offensiv 100, cont.

## Balance Sheet, tSEK

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
<b>ASSETS</b>				
OTC derivative instruments with positive market value	-	-	14,508	0.2
Fund units	8,289,038	97.5	7,060,128	98.3
<b>Total financial instruments with positive market value</b> <sup>Note 2)</sup>	<b>8,289,038</b>	<b>97.5</b>	<b>7,074,636</b>	<b>98.5</b>
Bank assets and other liquid assets	216,124	2.5	125,285	1.7
Prepaid expenses and accrued income	4,315	0.1	3,519	0.1
Other assets	7,765	0.1	8,060	0.1
<b>Total assets</b>	<b>8,517,242</b>	<b>100.2</b>	<b>7,211,500</b>	<b>100.4</b>
<b>LIABILITIES</b>				
OTC derivative instruments with negative market value	-	-	13,485	0.2
<b>Total financial instruments with negative market value</b> <sup>Note 2)</sup>	<b>-</b>	<b>-</b>	<b>13,485</b>	<b>0.2</b>
Accrued expenses and prepaid income	6,419	0.1	5,076	0.1
Other liabilities	11,534	0.1	11,937	0.1
<b>Total liabilities</b>	<b>17,953</b>	<b>0.2</b>	<b>30,498</b>	<b>0.4</b>
<b>Fund capital</b> <sup>Note 1)</sup>	<b>8,499,289</b>	<b>100.0</b>	<b>7,181,002</b>	<b>100.0</b>
Other derivative instruments with negative market value <sup>1)</sup>	18,316	0.2	33,094	0.5

1) Liquid assets total SEK 32,507t.

Note 1) for Balance Sheet

## Changes in fund capital, SEK

	2016	2015
Fund capital at beginning of year	7,181,002	5,759,048
Units issued	1,319,858	1,855,090
Units redeemed	-652,828	-948,286
Profit according to Income Statement	651,257	515,150
Dividends to unit holders	-	-
<b>Fund capital at the close of the period</b>	<b>8,499,289</b>	<b>7,181,002</b>

Note 2) for Balance Sheet

## Fund holdings in financial instruments

## EXCHANGE-TRADED DERIVATIVES\*\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>STOCK INDEX FUTURES</b>			
E-mini S&PMar17	180	0	0.0
OMXS307A	867	0	0.0
<b>Total stock index futures</b>		<b>0</b>	<b>0.0</b>
<b>Total exchange-traded derivatives</b>		<b>0</b>	<b>0.0</b>

## OTHER FINANCIAL INSTRUMENTS\*\*\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>FUND UNITS</b>			
<b>EQUITY FUNDS</b>			
Handelsbanken Amerika Småbolag A SEK (USA)	542,394	356,463	4.2
Handelsbanken Amerikafond A1 SEK (USA)	1,179,657	836,514	9.8
Handelsbanken Asienfond A1 SEK (Asia)	174,690	82,446	1.0
Handelsbanken Europa Selektiv A1 SEK (Europe)	718,485	169,731	2.0
Handelsbanken Europafond A1 SEK (Europe)	1,189,564	394,967	4.6
Handelsbanken Japanfond A1 SEK (Asia)	4,716,747	327,435	3.9
Handelsbanken MSCI Emerging Markets Index A1 (Rest of the world)	1,767,123	218,923	2.6
Handelsbanken MSCI USA Index A1 SEK (USA)	2,811,903	789,047	9.3
Handelsbanken Norden Selektiv A1 SEK (Nordic countries)	1,698,256	524,590	6.2
Handelsbanken Nordenfond A1 SEK (Nordic countries)	1,517,920	1,494,549	17.6
Handelsbanken Nordiska Småbolagsfond A1 SEK (Nordic countries)	1,403,579	1,216,313	14.3
Handelsbanken Tillväxtmarknad Tema A1 SEK (Rest of the world)	1,949,646	477,800	5.6
Handelsinvest Danmark Engros AK (Nordic countries)	893,300	113,167	1.3
JPM Europe Strategic Dividend Fund I EUR (Europe)	58,013	90,714	1.1
JPM US Value I USD (USA)	92,785	154,110	1.8
UBS Equity Sicav USA Growth (USA)	770,466	180,024	2.1
		<b>7,426,793</b>	<b>87.4</b>
<b>LISTED EQUITY FUNDS**</b>			
XACT Norden 30 (Nordic countries)	8,629,341	862,245	10.1
		<b>862,245</b>	<b>10.1</b>
<b>Total fund units</b>		<b>8,289,038</b>	<b>97.5</b>
<b>Total other financial instruments</b>		<b>8,289,038</b>	<b>97.5</b>

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>Total holdings in financial instruments</b>		<b>8,289,038</b>	<b>97.5</b>
<b>Net, other assets and liabilities</b>		<b>210,251</b>	<b>2.5</b>
<b>Total fund capital</b>		<b>8,499,289</b>	<b>100.0</b>

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

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

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

\*\*\* Refers to other financial instruments.

10.1

87.4

## Compilation, Company and Group exposure\*

Company/Group	% of fund capital	Company/Group	% of fund capital
Handelsbanken	91.2	JPMorgan Chase	2.9

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





# Realräntefond

## Management Report

### Investment Focus

The fund is fixed income fund that primarily invests in index bonds with the aim of providing returns a protection against future inflation in Sweden. The fund invests primarily in real and nominal government bonds as well as Treasury bills issued in SEK that are included in the OMRX REAL Index. The issuing states shall have a minimum credit rating of AA- according to Standard & Poor's rating scale. The average residual fixed interest period for the fund's investments is between a minimum of two and a maximum of fifteen years.

### Portfolio

Realräntefond rose 6.7% during the full year 2016\*. Real interest rates fell sharply during the year, as did other long-term market rates. The Riksbank's expansive monetary policy, which included the purchase of index linked government bonds, lifted inflation outlooks. At the same time, the effects of the imported inflation began to subside when the SEK strengthened during the late autumn. However, rising commodity and food prices drove up inflation again when Donald Trump was elected as president in the US and inflation is approaching the Riksbank's inflation target. The long duration average makes the fund sensitive to rate fluctuations, which also explains the high returns. Fund investments closely reflected the OMRX Realränteindex during the year.

\*) The fund may have additional share classes, the concerned share class is stated in the Fund facts. Refer to fund statistics for comparable index.

### Outlook

Inflation outlooks have risen and are trending upward. The imported inflation is declining, while the domestic is rising. Inflationary pressures from the rest of the world will be a critical factor going forward, not least from the eurozone. A number of political challenges can impact interest rate trends during 2017, including the presidential election in France and negotiations about the UK's exit from the EU. Donald Trump's election victory in the US has already driven up the stock market index and long-term rates with expectations that growth and inflation will edge higher in the US. It is reasonable to assume that the Riksbank will not increase stimulus further. At the same time, we expect the repo rate to

remain at the current rate throughout 2017. The market in real interest rates is characterised by relatively low liquidity relative to the market for nominal government bonds. If the Riksbank continues the purchase of index linked government bonds, this will have a downward pressure on the levels of real interest rates. Historically, the current B/E levels are not high, which can benefit the demand on real rates ahead.

### Significant risks

As of the balance sheet date, the fund does not have any other significant risks in its holdings than those stated in the fact sheet and information brochure.

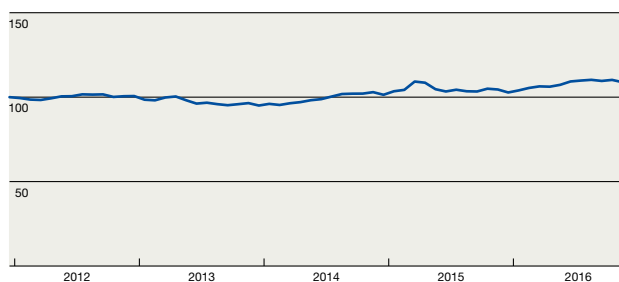
### Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund did not use this option in 2016. The fund has the option of lending securities. The fund did not use this option in 2016. The fund may use other techniques and instruments. The fund did not use this option in 2016.

### Information

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

### Fund Performance\*



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

### Fund Facts - History

	2016	2015	2014	2013	2012	2011	29/10-31/12 2010	2009	2008	2007
Net asset value, SEK										
Realräntefond A1	118.50	111.04	109.56	102.69	108.75	110.56	98.98	-	-	-
Realräntefond B1	111.30	105.85	105.99	100.84	108.75	-	-	-	-	-
The fund's total net flow, mSEK <sup>1)</sup>	263	415	1,003	-527	-2,156	-	-	-	-	-
Fund capital total, mSEK	2,025	1,639	1,218	142	696	2,848	888	-	-	-
Realräntefond A1	2,025	1,639	1,218	142	696	2,848	888	-	-	-
Realräntefond B1	0	0	0	0	0	-	-	-	-	-
Number of units, 1000's	17,090	14,762	11,115	1,381	6,399	25,757	8,975	-	-	-
Realräntefond A1	17,090	14,762	11,115	1,381	6,399	25,757	8,975	-	-	-
Realräntefond B1	0	0	0	0	0	-	-	-	-	-
Total returns in %, SEK										
Realräntefond A1	+6.7	+1.4	+6.7	-5.6	+0.6	+12.0	-1.0	-	-	-
Realräntefond B1	+6.7	+1.4	+6.7	-5.6	+0.8	-	-	-	-	-
Index including dividends in %, SEK										
Realräntefond A1	+7.2	+1.8	+7.4	-5.2	+0.8	+12.7	-0.7	-	-	-
Realräntefond B1	+7.2	+1.8	+7.4	-5.2	+0.8	-	-	-	-	-
Average yearly return, 2 yrs. %										
Realräntefond A1	+4.0	+4.0	+0.4	-2.5	+6.2	-	-	-	-	-
Realräntefond B1	+4.0	+4.0	+0.4	-	-	-	-	-	-	-
Comparison to index including dividends, %	+4.5	+4.6	+0.9	-2.2	+6.6	-	-	-	-	-
Average yearly return, 5 yrs. %										
Realräntefond A1	+1.9	+2.8	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+2.3	+3.3	-	-	-	-	-	-	-	-
Dividends per unit, SEK										
Realräntefond A1	-	-	-	-	2.46	0.25	-	-	-	-
Realräntefond B1	1.59	1.59	1.51	1.90	-	-	-	-	-	-

1) The fund's total net inflows do not include reinvested dividends in funds with a distribution share class.

Index: OMRX REAL

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

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

Refer to the last page for definitions.

Realråntefond, cont.

## Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Realråntefond A1	0.70
Realråntefond B1	0.70
Collected mgmt. costs in % of average fund capital	0.40
Annual fees in %	0.40
Analyzing costs, tSEK <sup>1)</sup>	-
Transaction costs, tSEK	-
Transaction costs in % of turnover	-
Costs in SEK for a one-time subscription, 10 000 SEK	
Realråntefond A1	41.77
Realråntefond B1	41.77
Costs in SEK for monthly savings, 100 SEK	
Realråntefond A1	2.65
Realråntefond B1	2.65

<sup>1)</sup> Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

## Fund Facts - Other Key Figures

Turnover rate	0.4
Share of turnover conducted via closely-related securities companies in %	5.6

## Risk and Return Measurements\*

Total risk % - A1 SEK	5.5	Information ratio - A1 SEK	Negative
Total risk % - B1 SEK	5.5	Information ratio - B1 SEK	Negative
Total risk in index % - A1 SEK	5.4	Sharpe ratio - A1 SEK	0.8
Total risk in index % - B1 SEK	5.4	Sharpe ratio - B1 SEK	0.8
Tracking error % - A1 SEK	0.2	Sharpe ratio in index - A1 SEK	0.9
Tracking error % - B1 SEK	0.2	Sharpe ratio in index - B1 SEK	0.9
Index	OMRX REAL	Duration, years <sup>1)</sup>	7.1
Active return % - A1 SEK	-0.5		
Active return % - B1 SEK	-0.5		

<sup>1)</sup> As of the balance sheet date.

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

## Income Statement, SEKt

	2016	2015
<b>INCOME AND CHANGES IN VALUE</b>		
Changes in value for transferable securities	99,808	-11,360
Interest income	30,897	24,115
Other income	0	0
<b>Total income and changes in value</b>	<b>130,704</b>	<b>12,755</b>
<b>EXPENSES</b>		
Management Company expenses	7,937	6,138
Interest expense	5	6
<b>Total expenses</b>	<b>7,942</b>	<b>6,144</b>
<b>Net income</b>	<b>122,762</b>	<b>6,611</b>
<b>* Details of changes in value</b>		
Changes in value for transferable securities – Capital gains	27,632	18,966
Changes in value for transferable securities – Capital losses	-2,529	-1,558
Changes in value for transferable securities – Unrealised	74,705	-28,768
<b>Sum</b>	<b>99,808</b>	<b>-11,360</b>

## Balance Sheet, tSEK

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
<b>ASSETS</b>				
Transferable securities	2,015,873	99.5	1,628,744	99.4
<b>Total financial instruments with positive market value</b> <sup>Note 2)</sup>	<b>2,015,873</b>	<b>99.5</b>	<b>1,628,744</b>	<b>99.4</b>
Bank assets and other liquid assets	5,513	0.3	6,742	0.4
Prepaid expenses and accrued income	4,138	0.2	3,884	0.2
Other assets	1	0.0	1	0.0
<b>Total assets</b>	<b>2,025,525</b>	<b>100.0</b>	<b>1,639,371</b>	<b>100.0</b>
<b>LIABILITIES</b>				
Accrued expenses and prepaid income	352	0.0	269	0.0
<b>Total liabilities</b>	<b>352</b>	<b>0.0</b>	<b>269</b>	<b>0.0</b>
<b>Fund capital</b> <sup>Note 1)</sup>	<b>2,025,173</b>	<b>100.0</b>	<b>1,639,102</b>	<b>100.0</b>

Note 1) for Balance Sheet

## Changes in fund capital, SEKt

	2016	2015
Fund capital at beginning of year	1,639,102	1,217,677
Units issued	894,059	863,457
Units redeemed	-630,750	-448,643
Profit according to Income Statement	122,762	6,611
Dividends to unit holders	0	0
<b>Fund capital at the close of the period</b>	<b>2,025,173</b>	<b>1,639,102</b>

Note 2) for Balance Sheet

## Fund holdings in financial instruments

### TRANSFERABLE SECURITIES\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>LISTED FIXED-INCOME SECURITIES</b>			
<b>GOVERNMENT</b>			
Statsobligation 3102 4,00% 2020-12-01	315,000	509,909	25.2
Statsobligation 3104 3,50% 2028-12-01	272,000	535,032	26.4
Statsobligation 3108 0,25% 2022-06-01	261,000	298,169	14.7
Statsobligation 3109 1,00% 2025-06-01	205,000	252,478	12.5
Statsobligation 3110 0,125% 2019-06-01	191,000	204,385	10.1
Statsobligation 3111 0,125% 2032-06-01	64,000	73,524	3.6
Statsobligation 3112 0,125% 2026-06-01	123,000	142,375	7.0
		<b>2,015,873</b>	<b>99.5</b>
<b>Total listed fixed-income securities</b>		<b>2,015,873</b>	<b>99.5</b>
<b>Total transferable securities</b>		<b>2,015,873</b>	<b>99.5</b>
Total holdings in financial instruments		2,015,873	99.5
Net, other assets and liabilities		9,300	0.5
<b>Total fund capital</b>		<b>2,025,173</b>	<b>100.0</b>

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

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

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

\*\*\* Refers to other financial instruments.

## Compilation, Company and Group exposure\*

Company/Group	% of fund capital
Svenska staten	99.5

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



# Råvarufond

## Handelsbanken Funds Commodity Fund

### Management Report

#### Investment Focus

The fund is an index fund and its objective is to follow the performance of the SHB Commodity Excess Return Index as closely as possible. The fund invests primarily in derivatives such as futures with exposure to the SHB Commodity Excess Return Index. The index consists of approximately 15 different commodities that are critical to the Nordic economies. Commodities that are currently applicable include oil, electricity, copper, aluminium and gold. Fund investments in derivatives are largely listed in USD, which means that fund returns can be affected by currency fluctuations.

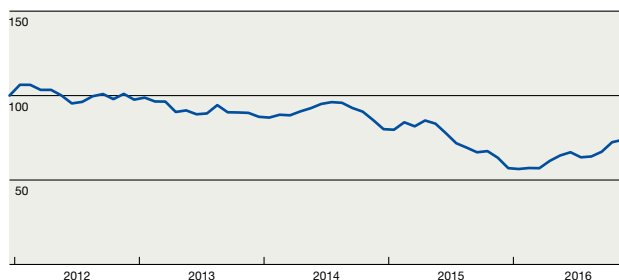
#### Portfolio

Råvarufond rose 33.0% during the full year 2016\*. The commodities with the heaviest weighting in the fund at year-end were oil, petrol, copper and electricity. There were no changes made to the composition of the

commodity basket during the year.

\*) The fund may have additional share classes, the concerned share class is stated in the Fund facts. Refer to fund statistics for comparable index.

#### Fund Performance\*



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

#### Fund Facts - History

	2016	2015	2014	2013	2012	2011	5/7-31/12 2010	2009	2008	2007
<b>Net asset value</b>										
Råvarufond A - SEK	85.43	64.25	90.25	98.49	109.92	112.64	119.37	-	-	-
Råvarufond A - EUR	8.92	7.02	9.53	-	-	-	-	-	-	-
Råvarufond A - NOK	80.95	67.45	86.44	-	-	-	-	-	-	-
Råvarufond BI - SEK	75.89	58.09	83.08	92.30	104.91	110.09	-	-	-	-
<b>Fund capital total, mSEK</b>										
Råvarufond A - SEK	2,516	1,902	2,426	1,299	1,749	1,295	752	-	-	-
Råvarufond A - EUR	1,085	507	999	1,203	1,578	1,170	752	-	-	-
Råvarufond A - NOK	9	2	15	-	-	-	-	-	-	-
Råvarufond BI - SEK	1,171	1,364	1,273	95	171	125	-	-	-	-
<b>Number of units, 1000's</b>										
Råvarufond A - SEK	31,174	31,858	28,098	13,259	15,987	11,521	6,296	-	-	-
Råvarufond A - EUR	12,697	7,887	11,073	12,222	14,357	10,383	6,296	-	-	-
Råvarufond A - NOK	1,019	232	1,526	-	-	-	-	-	-	-
Råvarufond BI - SEK	2,031	260	179	-	-	-	-	-	-	-
Råvarufond BI - SEK	15,427	23,480	15,320	1,036	1,630	1,138	-	-	-	-
<b>Total returns in %, SEK</b>										
Råvarufond A - SEK	+33.0	-28.8	-8.4	-10.4	-2.4	-5.7	+19.4	-	-	-
Råvarufond A - EUR	+27.1	-26.4	-14.4	-13.2	+1.2	-4.3	-	-	-	-
Råvarufond A - NOK	+20.0	-22.0	-7.1	-1.1	-4.1	-5.0	-	-	-	-
Råvarufond BI - SEK	+33.3	-28.6	-8.1	-10.2	-2.3	-	-	-	-	-
<b>Index including dividends in %, SEK</b>										
Råvarufond A - SEK	+34.0	-28.1	-7.5	-9.6	-1.5	-4.8	+20.5	-	-	-
Råvarufond A - EUR	+28.1	-25.6	-13.5	-12.4	+2.2	-3.5	-	-	-	-
Råvarufond A - NOK	+20.9	-21.2	-6.2	-0.1	-3.2	-4.1	-	-	-	-
Råvarufond BI - SEK	+34.0	-28.1	-7.5	-9.6	-1.5	-	-	-	-	-
<b>Average yearly return, 2 yrs. %</b>										
Råvarufond A - SEK	-2.7	-19.2	-9.4	-6.5	-4.1	-	-	-	-	-
Råvarufond A - EUR	-3.3	-20.6	-13.8	-6.2	-1.6	-	-	-	-	-
Råvarufond A - NOK	-3.2	-14.9	-4.1	-2.6	-4.5	-	-	-	-	-
Råvarufond BI - SEK	-2.5	-19.0	-9.2	-6.3	-3.9	-	-	-	-	-
<b>Comparison to index including dividends, %</b>										
SEK	-1.8	-18.4	-8.5	-5.6	-3.2	-	-	-	-	-
EUR	-2.4	-19.8	-13.0	-5.4	-0.7	-	-	-	-	-
NOK	-2.4	-14.0	-3.2	-1.7	-3.7	-	-	-	-	-
<b>Average yearly return, 5 yrs. %</b>										
Råvarufond A - SEK	-5.4	-11.7	-	-	-	-	-	-	-	-
<b>Comparison to index including dividends, %</b>										
SEK	-4.5	-10.8	-	-	-	-	-	-	-	-

Index: SHB Commodity Index Excess Return

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

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

Refer to the last page for definitions.

#### Fund Facts - Costs

Collected mgmt. costs in % of average fund capital	
Råvarufond A <sup>1)</sup>	0.70
Råvarufond BI <sup>2)</sup>	0.50
<b>Annual fees in %</b>	
Råvarufond A	0.75
Råvarufond BI	0.51

1) A Luxembourg wealth tax of 0.05% of fund assets will be added annually.

2) A Luxembourg wealth tax of 0.01% of fund assets will be added annually.

#### Fund Facts - Other Key Figures

Turnover rate	-0.9
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Råvarufond, cont.

## Risk and Return Measurements\*

Total risk % - A SEK	17.0	Active return % - A NOK	-0.9
Total risk % - A EUR	16.4	Active return % - BI SEK	-0.6
Total risk % - A NOK	13.1	Information ratio - A SEK	Negative
Total risk % - BI SEK	17.0	Information ratio - A EUR	Negative
Total risk in index % - A SEK	16.9	Information ratio - A NOK	Negative
Total risk in index % - A EUR	16.4	Information ratio - BI SEK	Negative
Total risk in index % - A NOK	13.0	Sharpe ratio - A SEK	-0.1
Total risk in index % - BI SEK	16.9	Sharpe ratio - A EUR	-0.2
Tracking error % - A SEK	0.0	Sharpe ratio - A NOK	-0.3
Tracking error % - A EUR	0.0	Sharpe ratio - BI SEK	-0.1
Tracking error % - A NOK	0.0	Sharpe ratio in index - A SEK	-0.1
Tracking error % - BI SEK	0.0	Sharpe ratio in index - A EUR	-0.1
Index	SHB Commodity Index	Sharpe ratio in index - A NOK	-0.2
	Excess Return	Sharpe ratio in index - BI SEK	-0.1
Active return % - A SEK	-0.9		
Active return % - A EUR	-0.9		

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

Note 2) for Balance Sheet

## Fund holdings in financial instruments

## MONEY MARKET INSTRUMENTS\*\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>TREASURY BILLS</b>			
UST 170330	20,000	181,468	28.6
UST BILL 170427	20,000	181,369	28.6
Total Treasury bills		362,837	57.2
Total money market instruments		362,837	57.2

## EXCHANGE-TRADED DERIVATIVES\*\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>COMMODITY INDEX FUTURES</b>			
SHB Commodity Index Excess Return	5,976,064	88,440	13.9
Total Commodity index futures		88,440	13.9
Total exchange-traded derivatives		88,440	13.9

## OTHER FINANCIAL INSTRUMENTS\*\*\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>FUND UNITS</b>			
LABEL MISSING: BÖRSHANDLADE ÖVRIGA FONDER			
Lyxor Smart Cash C (Europe)	14,000	128,475	20.2
XACT Råvaror (Nordic countries)	381,758	55,111	8.7
		183,586	28.9
Total fund units		183,586	28.9
Total other financial instruments		183,586	28.9
Total holdings in financial instruments		634,863	100.0
Total fund capital		634,863	100.0

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

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

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

\*\*\* Refers to other financial instruments.

## Compilation, Company and Group exposure\*

Company/Group	% of fund capital	Company/Group	% of fund capital
US Treasury	57.2	Handelsbanken	22.6

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



## Stabil 25

### Management Report

#### Investment Focus

The fund is actively managed, which means that the portfolio manager takes active, independent investment decisions. The objective of the fund is to attain returns over the long term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests primarily in Swedish fixed income funds as well as in Nordic and global equity funds. The fund can have a high concentration of holdings in one region. Investments are made in Handelsbanken's funds as well as in the funds of other fund management companies. Depending upon the sectors, countries and regions in which we invest, we select the funds we believe have the best outlooks based on fund performance and the portfolio manager's investment process. The fund's equity share is normally 25%, but can vary between 10% and 40% depending on the state of the market. The fund may invest in derivative instruments as part of the fund's investment focus.

#### Portfolio

Stabil 25 rose 2.5% during the full year 2016\*. The year was dominated by political turbulence when the UK voted for Brexit, the US elected Donald Trump as president and Italy's government fell after a referendum. Consequently, financial markets were impacted to a large extent and movement throughout the year can best be described as a roller coaster. At the same time, the World Index rose approximately 16%, measured in SEK. The fund began the year with an underweight in equities, which we gradually increased to normal levels during the spring. However, the significant uncertainty with Brexit led us to decrease the portion of equities during the early summer. We then increased this when the market turbulence subsided, as the short-term effects of an EU exit are limited. We increased the equity weighting further during the autumn due to stronger economic data. The US presidential election led to rising interest rates and stock markets. The fund's holdings in small caps were the most positive contributions to returns during the year. The overweight in US equities benefited from higher equity prices as well as a stronger USD. Equity and fixed income holdings in emerging markets also contributed positively. Handelsbanken Nordiska Småbolag, Handelsbanken Nordenfond and Handelsbanken Amerika Tema had the most positive impact on returns during the year. In contrast, fixed income holdings with shorter duration posted weak performance and had a negative impact on the portfolio.

\*) Refer to fund statistics for comparable index.

#### Outlook

The world is facing further major political and economic challenges. Many

countries in the eurozone, including France and Germany, will be holding elections in 2017. The risk for a new election in Italy is also imminent, at the same time as there is uncertainty about Great Britain's EU exit, Brexit. The newly-elected president in the US, Donald Trump, is raising questions about future policies and which election promises will be kept. The markets are expecting Trump to implement major financial stimulus, including tax cuts and investments in infrastructure. Despite the political uncertainty, economic growth is slowly moving in the right direction, with the US at the forefront. The growth outlooks are also good in Sweden, Germany and Spain, which bodes well for corporate earnings growth. Consequently, we see favourable conditions for markets to also edge higher and we are beginning 2017 with an equity overweight in the portfolio. We expect market rates to increase as the economy improves and inflation slowly begins to rise. Thereby, we prefer fixed income holdings with shorter duration as these are less negatively affected by a rising fixed income market.

#### Significant risks

As of the balance sheet date, the fund does not have any other significant risks in its holdings than those stated in the fact sheet and information brochure.

#### Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option extensively in 2016. The fund has the option of lending securities. The fund did not use this option in 2016. The fund may use other techniques and instruments. The fund did not use this option in 2016.

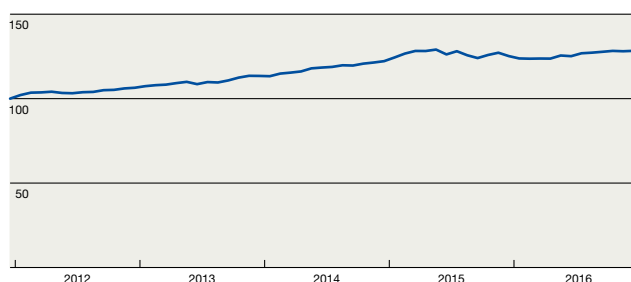
#### Information

The fund's historical performance prior to the launch date is attributed to the merger between Placeringsfonden Handelsbanken Stabil 25 (Finland) and Handelsbanken Stabil 25 (Sweden) on September 12, 2014.

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

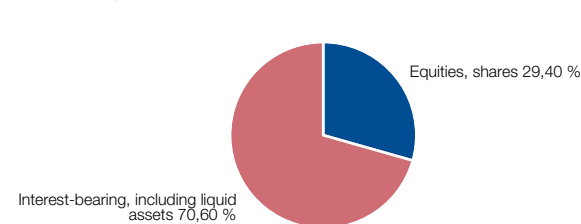
Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

#### Fund Performance\*



\* Performance is shown in the fund's base currency.

#### Market Exposure\*



\* The fund's allocation of investments within the markets as of 31/12/2016, relative to the fund's total assets on this date.

#### Fund Facts - History

	2016	2015	12/9-31/12 2014	2013	2012	2011	2010	2009	2008	2007
Net asset value, SEK <sup>1) 2)</sup>	142.08	138.64	135.32	-	-	-	-	-	-	-
The fund's total net flow, mSEK <sup>3) 4)</sup>	302	1,858	541	-	-	-	-	-	-	-
Fund capital, mSEK	10,523	9,971	7,943	-	-	-	-	-	-	-
Number of units, 1000's	74,065	71,918	58,698	-	-	-	-	-	-	-

## Fund Facts - History cont.

	2016	2015	12/9-31/12 2014	2013	2012	2011	2010	2009	2008	2007
Total returns in %, SEK	+2.5	+2.5	+7.7	+6.6	+6.4	-0.9	+4.1	+8.5	-6.4	+2.3
Index including dividends in %, SEK	+3.9	+2.3	+8.9	+5.5	+4.6	+1.8	+4.3	+8.2	-2.2	+3.4
Average yearly return, 2 yrs. %	+2.5	+5.0	+7.1	+6.5	+2.7	+1.6	+6.3	+0.8	-2.2	+2.5
Comparison to index including dividends, %	+3.1	+5.6	+7.2	+5.1	+3.2	+3.0	+6.2	+2.9	+0.6	+3.4
Average yearly return, 5 yrs. %	+5.1	+4.4	+4.7	+4.9	+2.2	+1.4	+2.1	-	-	-
Comparison to index including dividends, %	+5.0	+4.6	+5.0	+4.9	+3.3	+3.1	+3.4	-	-	-
Average yearly return, 10 yrs. %	+3.2	+3.3	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+4.0	+4.0	-	-	-	-	-	-	-	-

1) Based on a judgment in the Administrative Court of Appeal, the share price in funds with holdings in US equities have been impacted. A full withholding tax (30%) will now be imposed on the funds instead of the previous 15%. The tax change is applicable for distributions effective as of January 1, 2012, and this has resulted in an adjustment to the net asset value of the fund as of June 16, 2014.

2) Following a judgment in the Administrative Court of Appeal that changed the withholding tax on dividends in US equities from 15% to 30%, the previously reserved withholding has been added back in the fund as of March 30, 2015.

3) The fund's total net inflows do not include reinvested dividends in funds with a distribution share class. This is new information as of the full-year 2012.

4) The fund's net flow does not include the merger with a Placeringsfonden Handelsbanken Stabil 25 which took place on September 12, 2014.

Index: HMNI Swe All Government Dur Const 6Y (HMSD6) 26,25%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 11,25%, VINX Benchmark Cap SEK\_NI 12,5%, OMRXTBILL 37,5%, MSCI All Country World Index Net 12,5%.

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

Refer to the last page for definitions.

## Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.20
Collected mgmt. costs in % of average fund capital	0.90
Annual fees in % <sup>1)</sup>	0.94
Analyzing costs, tSEK <sup>2)</sup>	1,676
Transaction costs, tSEK	384
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	90.00
Costs in SEK for monthly savings, 100 SEK	5.91

1) Ongoing charges are calculated as synthetic ongoing charges.

2) Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

A maximum annual fixed fee of 3% may be charged for the management of the underlying funds in which the fund invests. Any applicable performance-based fee for the management of the underlying funds may not exceed 30% of the excess yields for the respective period measured relative to each fund's benchmark (index or equivalent).

## Fund Facts - Other Key Figures

Turnover rate	0.3
Share of turnover conducted via closely-related securities companies in %	2.5

## Risk and Return Measurements\*

Total risk %	4.1	Information ratio	Negative
Total risk in index %	3.8	Sharpe ratio	0.7
Tracking error %	1.1	Sharpe ratio in index	0.9
Index	HMNI Swe All Government Dur Const 6Y (HMSD6) 26,25%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 11,25%, VINX Benchmark Cap SEK_NI 12,5%, OMRXTBILL 37,5%, MSCI All Country World Index Net 12,5%.		
Active return %	-0.6		

\* Risk statistics are based on historical monthly returns over two years. Refer to the last page for definitions.

Total exposure in the fund is calculated in accordance with the commitment method.

## Income Statement, SEKt

	2016	2015
<b>INCOME AND CHANGES IN VALUE</b>		
Changes in value for other derivative instruments *	-152,484	22,590
Changes in value for fund units **	430,761	172,880
Interest income	3,466	7,297
Dividends	2,506	14,126
Currency exchange profits and losses, net	-6,491	-24,103
Other financial income	66,051	65,626
Other income	9	0
<b>Total income and changes in value</b>	<b>343,818</b>	<b>258,416</b>
<b>EXPENSES</b>		
Management Company expenses	91,105	84,934
Interest expense	150	427
Other expenses	2,069	2,580
<b>Total expenses</b>	<b>93,324</b>	<b>87,941</b>
<b>Net income</b>	<b>250,494</b>	<b>170,475</b>

\* Details of changes in value

Changes in value for other derivative instruments - Capital gains	522,367	950,066
Changes in value for other derivative instruments - Capital losses	-674,851	-927,476
Changes in value for other derivative instruments - Unrealised	0	-
Sum	-152,484	22,590

\*\* Details of changes in value

Changes in value for fund units - Capital gains	423,118	381,396
Changes in value for fund units - Capital losses	-20,619	-37,788
Changes in value for fund units - Unrealised	28,262	-170,728
Sum	430,761	172,880

## Balance Sheet, tSEK

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
<b>ASSETS</b>				
OTC derivative instruments with positive market value	10,934	0.1	3,523	0.0
Fund units	10,196,514	96.9	9,698,686	97.3
<b>Total financial instruments with positive market value</b> <sup>Note 2)</sup>	<b>10,207,448</b>	<b>97.0</b>	<b>9,702,209</b>	<b>97.3</b>
Bank assets and other liquid assets	313,224	3.0	265,094	2.7
Prepaid expenses and accrued income	6,737	0.1	2,489	0.0
Other assets	16,003	0.1	22,140	0.2
<b>Total assets</b>	<b>10,543,412</b>	<b>100.2</b>	<b>9,991,932</b>	<b>100.2</b>
<b>LIABILITIES</b>				
OTC derivative instruments with negative market value	1,941	0.0	2,680	0.0
<b>Total financial instruments with negative market value</b> <sup>Note 2)</sup>	<b>1,941</b>	<b>0.0</b>	<b>2,680</b>	<b>0.0</b>
Accrued expenses and prepaid income	4,468	0.0	4,004	0.0
Other liabilities	13,513	0.2	14,368	0.2
<b>Total liabilities</b>	<b>19,922</b>	<b>0.2</b>	<b>21,052</b>	<b>0.2</b>
<b>Fund capital</b> <sup>Note 1)</sup>	<b>10,523,490</b>	<b>100.0</b>	<b>9,970,880</b>	<b>100.0</b>
Other derivative instruments with negative market value <sup>1)</sup>	12,586	0.1	91,763	0.9

1) Liquid assets total SEK 61,366 tkr.

Stabil 25, cont.

Note 1) for Balance Sheet

## Changes in fund capital, SEK

	2016	2015
Fund capital at beginning of year	9,970,880	7,942,826
Units issued	2,076,400	3,831,794
Units redeemed	-1,774,284	-1,974,215
Profit according to Income Statement	250,494	170,475
Dividends to unit holders	-	-
<b>Fund capital at the close of the period</b>	<b>10,523,490</b>	<b>9,970,880</b>

Note 2) for Balance Sheet

## Fund holdings in financial instruments

## EXCHANGE-TRADED DERIVATIVES\*\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>STOCK INDEX FUTURES</b>			
E-mini S&PMar17	209	0	0.0
Eurostoxx 50® FESX17H	-205	0	0.0
<b>Total stock index futures</b>		<b>0</b>	<b>0.0</b>
<b>Total exchange-traded derivatives</b>		<b>0</b>	<b>0.0</b>

## OTHER FINANCIAL INSTRUMENTS\*\*\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>FUND UNITS</b>			
<b>EQUITY FUNDS</b>			
Handelsbanken Amerika Småbolag A SEK (USA)	831	546	0.0
Handelsbanken Amerikafond A1 SEK (USA)	365,596	259,250	2.5
Handelsbanken Asienfond A1 SEK (Asia)	98,564	46,518	0.4
Handelsbanken Europa Selektiv A1 SEK (Europe)	443,031	104,659	1.0
Handelsbanken Europafond A1 SEK (Europe)	169,553	56,296	0.5
Handelsbanken Global Selektiv Criteria A (Rest of the world)	1,115,431	150,788	1.4
Handelsbanken Japanfond A1 SEK (Asia)	1,482,031	102,882	1.0
Handelsbanken MSCI Emerging Markets Index AI (Rest of the world)	1,467,714	181,830	1.7
Handelsbanken MSCI USA Index A1 SEK (USA)	640,692	179,784	1.7
Handelsbanken Norden Selektiv A1 SEK (Nordic countries)	426,988	131,896	1.3
Handelsbanken Nordenfond A1 SEK (Nordic countries)	802,203	789,851	7.5
Handelsbanken Nordiska Småbolagsfond A1 SEK (Nordic countries)	268,625	232,785	2.2
Handelsbanken Svenska Småbolagsfond A1 (Nordic countries)	602	839	0.0
Handelsbanken Tillväxtmarknad Tema A1 SEK (Rest of the world)	1,208,551	296,180	2.8
JPM Europe Strategic Dividend Fund I EUR (Europe)	31,746	49,640	0.5
JPM US Value I USD (USA)	42,638	70,819	0.7
UBS Equity Sicav Small Caps Europe (Europe)	15,970	47,989	0.5
UBS Equity Sicav USA Growth (USA)	377,956	88,312	0.8
		<b>2,790,864</b>	<b>26.5</b>
<b>LISTED EQUITY FUNDS**</b>			
XACT Norden 30 (Nordic countries)	1,632,159	163,086	1.5
		<b>163,086</b>	<b>1.5</b>
<b>EXCHANGE-TRADED FIXED INCOME FUNDS**</b>			
iShares Emerging Markets Local Gov Bond (Europe)	277,369	156,176	1.5
		<b>156,176</b>	<b>1.5</b>
<b>FIXED INCOME FUNDS</b>			
Handelsbanken Företagsobligation A1 (Nordic countries)	9,527,811	1,206,208	11.5
Handelsbanken Företagsobligation Criteria A 1 (Nordic countries)	6,118,803	615,058	5.8
Handelsbanken Höyrente (Nordic countries)	1,640,131	187,453	1.8
Handelsbanken Inst KorträntCri A4 (Nordic countries)	2,160,000	215,909	2.1
Handelsbanken Kortränta Criteria A1 (Nordic countries)	4,644,514	485,275	4.6
Handelsbanken Långränta Criteria A1 (Nordic countries)	2,981,508	342,824	3.3
Handelsbanken Lux Korträntefond A (Nordic countries)	6,785,425	981,258	9.3
Handelsbanken Ränsteavkastningsfond A7 (Nordic countries)	458,222	862,114	8.2
Handelsbanken Ränstrategi Criteria A2 (Nordic countries)	19,447,658	1,991,794	18.9
Handelsbanken Ränstrategi Plus Criteria A 7 (Nordic countries)	1,988,749	198,496	1.9
		<b>7,086,388</b>	<b>67.4</b>
<b>Total fund units</b>		<b>10,196,514</b>	<b>96.9</b>

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>OTC DERIVATIVE INSTRUMENTS</b>			
<b>CURRENCY FUTURES</b>			
JPY/USD <sup>1)</sup>		-840	0.0
SEK/JPY		1,287	0.0
SEK/NOK		3,325	0.0
SEK/USD <sup>2)</sup>		-1,101	0.0
USD/EUR <sup>3)</sup>		6,322	0.1
		<b>8,993</b>	<b>0.1</b>
<b>Total OTC derivative instruments</b>		<b>8,993</b>	<b>0.1</b>
<b>Total other financial instruments</b>		<b>10,205,507</b>	<b>97.0</b>
<b>Total holdings in financial instruments</b>		<b>10,205,507</b>	<b>97.0</b>
<b>Net, other assets and liabilities</b>		<b>317,983</b>	<b>3.0</b>
<b>Total fund capital</b>		<b>10,523,490</b>	<b>100.0</b>

1) JPY 360,921/USD -3,400t counterparty: Skandinaviska Enskilda Banken AB (publ)

2) SEK 235,712/USD -29,000t, counterparty: JP Morgan Securities Plc.

3) USD 33,600/EUR -29,490t, counterparty: Svenska Handelsbanken AB (Publ).

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

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

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

\*\*\* Refers to other financial instruments.

3.0  
94.0

## Compilation, Company and Group exposure\*

Company/Group	% of fund capital	Company/Group	% of fund capital
Handelsbanken	92.9	UBS	1.3
		JPMorgan Chase	1.2

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



# Svenska Småbolagsfond

## Management Report

### Investment Focus

The fund is actively managed, which means that the portfolio manager takes active, independent investment decisions. The objective of the fund is to attain returns over the long term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in equities issued by smaller and mid-sized companies in the Swedish market whose market value at the time of investment does not exceed a value equivalent to 1% of the total market value of the Swedish equity market. The fund may also invest in larger companies and in unlisted companies if we deem it to be beneficial to unit holders. We place particular emphasis on ensuring that the company's strategy concurs with our assessment of what can generate favourable share price performance when we select equities for the fund. We then evaluate the company's key ratios, such as earnings growth relative to the market's expectations.

### Portfolio

Svenska Småbolagsfond rose 10.3% during the full year 2016\*. The outset of the year was dominated by profit-taking and an increasing uncertainty prior to the EU referendum in the UK. The concerns were found to be warranted when the British voted at the end of June for an EU exit, Brexit. Despite this outcome, global markets rose during the summer and autumn as commodity prices rose. Donald Trump won the US presidential election in November, which led to further increases in both the stock markets and bond rates. The market quickly reflected major fiscal policy stimulus such as tax cuts and investments in infrastructure. As far as Sweden was concerned, this led to increases in primarily export-dependent manufacturing companies and banks during November-December. The year also included a steady stream of IPOs. The fund participated in a number of these IPOs, which resulted in strong returns. Probi, SSAB and Arcam were the strongest contributors to fund returns during the year, while Fingerprint, Betsson and Byggmax had a negative impact.

\* The fund may have additional share classes, the concerned share class is stated in the Fund facts. Refer to fund statistics for comparable index.

### Outlook

Political uncertainty is expected to continue throughout 2017. Many countries in the eurozone, including France and Germany, will be holding elections in 2017 and there is uncertainty about how Brexit will turn out in practice. The newly-elected president in the US also represents a level of uncertainty. Despite this, economic growth is slowly moving in the right direction, with the US at the forefront. The growth outlooks are also good

in Sweden, Spain and Germany, which bodes well for company profit growth in 2017. We are also beginning to see signs of higher inflation, which leads us to believe that interest rates will be rising in 2017. The equity market in general and the Swedish market in particular appear to be attractive investment choices relative to other asset classes during 2017.

### Significant risks

As of the balance sheet date, the fund does not have any other significant risks in its holdings than those stated in the fact sheet and information brochure.

### Trading with derivatives

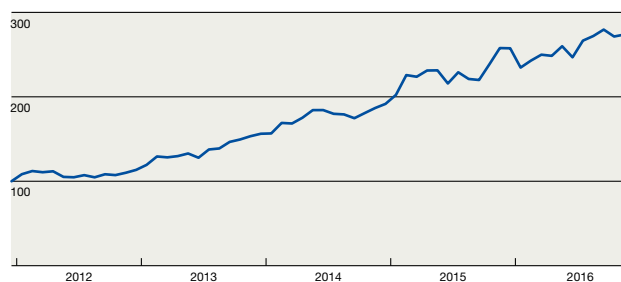
According to the fund rules, the fund may trade with derivatives to enhance the effectiveness of asset management. The fund may use derivatives to quickly and cost-effectively increase or eliminate exposure to one or more markets or types of assets. The advantage with derivative instruments is that it is possible to change the fund's exposure in different types of assets or in different markets in a simple and controlled way with a limited number of transactions. The fund did not use this option in 2016. The fund has the option of lending securities. The fund used this option to a limited extent in 2016. The fund may use other techniques and instruments. The fund did not use this option in 2016.

### Information

The fund's fund rules were amended on March 8, 2016. Derivatives may now be traded as part of the fund's investment focus.

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

### Fund Performance\*



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

## Fund Facts - History

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net asset value, SEK										
Svenska Småbolagsfond A1	1,394.01	1,264.35	941.15	767.40	557.29	507.56	588.01	446.55	281.91	520.00
Svenska Småbolagsfond B1	1,201.13	1,137.78	878.10	743.83	557.29	-	-	-	-	-
The fund's total net flow, mSEK <sup>1)</sup>	730	1,770	855	1,540	-1,376	-	-	-	-	-
Fund capital total, mSEK	18,789	16,398	10,829	8,125	4,621	5,345	6,591	3,924	2,273	4,358
Svenska Småbolagsfond A1	18,515	16,298	10,773	8,070	4,617	5,345	6,591	3,924	2,273	4,358
Svenska Småbolagsfond B1	274	100	56	55	4	-	-	-	-	-
Number of units, 1000's	13,510	12,978	11,510	10,590	8,291	10,531	11,209	8,786	8,062	8,381
Svenska Småbolagsfond A1	13,282	12,890	11,446	10,516	8,284	10,531	11,209	8,786	8,062	8,381
Svenska Småbolagsfond B1	228	88	64	73	7	-	-	-	-	-
Total returns in %, SEK										
Svenska Småbolagsfond A1	+10.3	+34.3	+22.6	+37.7	+13.5	-12.3	+33.5	+70.2	-43.4	-6.0
Svenska Småbolagsfond B1	+10.3	+34.3	+22.6	+37.7	+6.8	-	-	-	-	-
Index including dividends in %, SEK										
Svenska Småbolagsfond A1	+12.2	+30.1	+21.6	+36.6	+12.6	-13.2	+30.6	+68.9	-44.4	-6.9
Svenska Småbolagsfond B1	+12.2	+30.1	+21.6	+36.6	+6.5	-	-	-	-	-
Average yearly return, 2 yrs. %										
Svenska Småbolagsfond A1	+21.7	+28.4	+30.0	+25.0	-0.3	+8.2	+50.8	-1.9	-27.1	+14.0
Svenska Småbolagsfond B1	+21.7	+28.4	+30.0	-	-	-	-	-	-	-
Comparison to index including dividends, %	+20.8	+25.7	+28.9	+24.1	-1.1	+6.5	+48.6	-3.1	-28.0	+13.2



Svenska Småbolagsfond, cont.

**Fund Facts - History cont.**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Average yearly return, 5 yrs. %										
Svenska Småbolagsfond A1	+23.2	+17.7	+17.5	+25.5	+5.1	+1.2	+10.8	+12.5	+4.4	+25.0
Comparison to index including dividends, %	+22.2	+16.1	+16.2	+24.1	+3.7	-0.2	+9.5	+12.3	+5.1	+26.3
Average yearly return, 10 yrs. %										
Svenska Småbolagsfond A1	+11.6	+14.2	+15.0	+14.5	+14.6	+9.7	+8.7	+6.4	+5.2	+10.5
Comparison to index including dividends, %	+10.5	+12.7	+14.2	+14.2	+14.4	+9.8	+9.6	+6.0	+5.4	+10.3
Dividends per unit, SEK										
Svenska Småbolagsfond A1	-	-	-	-	17.88	8.46	6.70	19.76	19.77	9.87
Svenska Småbolagsfond B1	45.51	35.12	29.75	19.51	0.00	-	-	-	-	-

1) The fund's total net inflows do not include reinvested dividends in funds with a distribution share class.

Index: Carnegie Small Cap Return Index Gross (CSRXSE)

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

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

Refer to the last page for definitions.

**Fund Facts - Costs**

Max. allowed mgmt. costs in % according to fund rules	
Svenska Småbolagsfond A1	1.50
Svenska Småbolagsfond B1	1.50
Collected mgmt. costs in % of average fund capital	
Svenska Småbolagsfond A1	1.50
Svenska Småbolagsfond B1	1.50
Annual fees in %	
Svenska Småbolagsfond A1	1.55
Svenska Småbolagsfond B1	1.55
Analyzing costs, tSEK <sup>1)</sup>	8,670
Transaction costs, tSEK	5,356
Transaction costs in % of turnover	0.03
Costs in SEK for a one-time subscription, 10 000 SEK	
Svenska Småbolagsfond A1	149.80
Svenska Småbolagsfond B1	149.80
Costs in SEK for monthly savings, 100 SEK	
Svenska Småbolagsfond A1	10.20
Svenska Småbolagsfond B1	10.20

1) Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

**Fund Facts - Other Key Figures**

Turnover rate	0.5
Share of turnover conducted via closely-related securities companies in %	15.9

**Risk and Return Measurements\***

Total risk % - A1 SEK	17.2	Active return % - B1 SEK	0.9
Total risk % - B1 SEK	17.2	Information ratio - A1 SEK	0.4
Total risk in index % - A1 SEK	16.7	Information ratio - B1 SEK	0.4
Total risk in index % - B1 SEK	16.7	Sharpe ratio - A1 SEK	1.3
Active Share % <sup>1)</sup>	39.5	Sharpe ratio - B1 SEK	1.3
Tracking error % - A1 SEK	2.3	Sharpe ratio in index - A1 SEK	1.3
Tracking error % - B1 SEK	2.3	Sharpe ratio in index - B1 SEK	1.3
Index	Carnegie Small Cap Return Index Gross (CSRXSE)		
Active return % - A1 SEK	0.9		

1) As of the balance sheet date.

\* Risk statistics are based on historical monthly returns over two years. Refer to the last page for definitions.

Total exposure in the fund is calculated in accordance with the commitment method.

**Income Statement, SEKt**

	2016	2015
<b>INCOME AND CHANGES IN VALUE</b>		
Changes in value for transferable securities*	1,584,047	3,742,299
Interest income	-953	-8
Dividends	324,607	266,130
Other financial income	18,209	-
Other income	31	0
<b>Total income and changes in value</b>	<b>1,925,941</b>	<b>4,008,421</b>
<b>EXPENSES</b>		
Management Company expenses	249,726	198,257
Interest expense	0	0
Other expenses	14,027	11,081
<b>Total expenses</b>	<b>263,753</b>	<b>209,338</b>
<b>Net income</b>	<b>1,662,188</b>	<b>3,799,083</b>
* Details of changes in value		
Changes in value for transferable securities - Capital gains	2,144,624	2,051,390
Changes in value for transferable securities - Capital losses	-296,018	-362,918
Changes in value for transferable securities - Unrealised	-264,559	2,053,827
Sum	1,584,047	3,742,299

**Balance Sheet, tSEK**

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
<b>ASSETS</b>				
Transferable securities	18,479,137	98.4	15,516,914	94.6
<b>Total financial instruments with positive market value</b> <sup>Note 2)</sup>	<b>18,479,137</b>	<b>98.4</b>	<b>15,516,914</b>	<b>94.6</b>
Bank assets and other liquid assets	333,031	1.8	916,742	5.6
Prepaid expenses and accrued income	4,602	0.0	0	0.0
Other assets	1,367	0.0	16,703	0.1
<b>Total assets</b>	<b>18,818,137</b>	<b>100.2</b>	<b>16,450,359</b>	<b>100.3</b>
<b>LIABILITIES</b>				
Accrued expenses and prepaid income	12,416	0.1	10,127	0.1
Other liabilities	16,230	0.1	42,505	0.2
<b>Total liabilities</b>	<b>28,646</b>	<b>0.2</b>	<b>52,632</b>	<b>0.3</b>
<b>Fund capital</b> <sup>Note 1)</sup>	<b>18,789,491</b>	<b>100.0</b>	<b>16,397,727</b>	<b>100.0</b>
Financial instruments lent	1,330,236	7.1	-	-
Collateral received for financial instruments lent	1,434,669	7.6	-	-

Note 1) for Balance Sheet

**Changes in fund capital, SEKt**

	2016	2015
Fund capital at beginning of year	16,397,727	10,829,055
Units issued	4,730,354	4,837,303
Units redeemed	-3,995,354	-3,065,413
Profit according to Income Statement	1,662,188	3,799,083
Dividends to unit holders	-5,424	-2,301
<b>Fund capital at the close of the period</b>	<b>18,789,491</b>	<b>16,397,727</b>

Note 2) for Balance Sheet

**Fund holdings in financial instruments**
**TRANSFERABLE SECURITIES\***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>LISTED EQUITIES</b>			
<b>CONSUMER DISCRETIONARY</b>			
AcadeMedia (Diversified Consumer Services)	833,249	41,662	0.2
Betsson B (Hotels, Restaurants and Leisure)	950,000	83,505	0.4
Bilia A (Specialty Retail)	1,000,000	209,500	1.1
Bonava (Household Durables)	2,050,000	289,460	1.5
Byggmax Group (Specialty Retail)	2,300,000	144,900	0.8
Dometic Group (Household Durables)	9,000,000	602,550	3.2
Husqvarna B (Household Durables)	5,100,000	361,335	1.9
JM (Household Durables)	1,040,000	273,728	1.5
Mekonomen (Specialty Retail)	400,000	68,600	0.4
Modern Times Group B (Media)	1,650,000	445,500	2.4
Nobia (Specialty Retail)	3,500,000	296,975	1.6
Pandox B (Hotels, Restaurants and Leisure)	1,400,000	197,960	1.1
Scandic Hotels Group (Hotels, Restaurants and Leisure)	3,050,000	233,325	1.2
Thule Group (Leisure Equipment and Products)	1,950,000	277,875	1.5
Unibet (Hotels, Restaurants and Leisure)	1,500,000	128,325	0.7
		<b>3,655,200</b>	<b>19.5</b>
<b>CONSUMER STAPLES</b>			
AarhusKarlshamn (Food Products)	520,000	311,740	1.7
Oriflame Holding (Personal Products)	400,000	110,040	0.6
		<b>421,780</b>	<b>2.3</b>
<b>FINANCIALS</b>			
Atrium Ljungberg (Real Estate)	650,000	92,495	0.5
Balder B (Real Estate)	2,700,000	497,070	2.6
Castellum (Real Estate)	1,800,000	224,820	1.2
Catella B (Capital Markets)	2,050,000	46,945	0.2
Collector (Commercial Banks)	1,791,689	184,544	1.0
Diös Fastigheter (Real Estate)	1,125,000	67,500	0.4
Fabege (Real Estate Management and Development)	1,650,000	245,685	1.3
Hemfosa Fastigheter (Real Estate Management and Development)	3,200,000	272,000	1.4

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Svenska Småbolagsfond, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>TELECOMMUNICATION SERVICES</b>			
Hoist Finance (Consumer Finance)	3,350,000	283,913	1.5
Klövern A (Real Estate Management and Development)	1,300,000	12,194	0.1
Klövern B (Real Estate Management and Development)	23,700,000	226,217	1.2
Kungsleden (Real Estate Management and Development)	2,400,000	138,600	0.7
Nordax Group (Commercial Banks)	3,000,000	155,250	0.8
Resurs (Consumer Finance)	5,100,000	299,880	1.6
Sagax B (Real Estate Management and Development)	864,847	70,701	0.4
TF Bank (Commercial Banks)	300,000	27,000	0.1
VOLATI (Capital Markets)	1,650,000	122,100	0.6
Wihlborgs (Real Estate Management and Development)	800,000	135,520	0.7
		<b>3,102,433</b>	<b>16.5</b>
<b>HEALTH CARE</b>			
Alligator (Biotechnology)	450,000	15,660	0.1
Attendo (Health Care Providers and Services)	2,326,000	183,173	1.0
Bactiguard B (Health Care Equipment and Supplies)	1,050,000	17,745	0.1
Capio (Health Care Providers and Services)	1,800,000	86,580	0.5
CellaVision (Health Care Equipment and Supplies)	700,000	60,200	0.3
Elekta B (Health Care Equipment and Supplies)	5,700,000	459,420	2.4
Getinge B (Health Care Equipment and Supplies)	1,050,000	153,405	0.8
Hansa Medical (Biotechnology)	450,000	52,425	0.3
Humana (Health Care Providers and Services)	1,225,000	87,894	0.5
Midsona B (Pharmaceuticals)	1,700,000	74,800	0.4
Probi (Biotechnology)	430,000	204,465	1.1
Recipharm B (Pharmaceuticals)	1,150,000	139,150	0.7
Swedish Orphan Biovitrum (Health Care Providers and Services)	4,650,000	496,155	2.6
Wilson Therapeutics (Biotechnology)	1,000,000	53,500	0.3
		<b>2,084,571</b>	<b>11.1</b>
<b>INDUSTRIALS</b>			
Addtech B (Trading Companies and Distributors)	460,000	65,550	0.3
ÅF B (Professional Services)	1,500,000	250,500	1.3
Ahlsell (Commercial Services and Supplies)	600,000	31,200	0.2
Alimak Group (Machinery)	1,450,000	187,413	1.0
B&B Tools (Trading Companies and Distributors)	711,239	135,847	0.7
Bravida Holding (Commercial Services and Supplies)	2,600,000	143,650	0.8
Concentric (Machinery)	475,000	54,031	0.3
Coor Service Management (Commercial Services and Supplies)	2,750,612	139,594	0.7
Eitel (Construction and Engineering)	1,000,000	62,500	0.3
G&L Beijer B (Trading Companies and Distributors)	875,000	189,000	1.0
Indutrade (Trading Companies and Distributors)	1,460,000	267,180	1.4
Intrum Justitia (Commercial Services and Supplies)	1,525,000	468,785	2.5
Inwido (Building Products)	2,100,000	198,450	1.1
ITAB Shop Concept B (Commercial Services and Supplies)	2,400,000	195,000	1.0
Loomis B (Commercial Services and Supplies)	250,000	67,775	0.4
NCC B (Construction and Engineering)	850,000	191,590	1.0
NIBE Industrier B (Building Products)	3,500,000	251,300	1.3
Peab B (Construction and Engineering)	3,950,000	285,585	1.5
SAAB B (Aerospace and Defense)	1,425,000	485,213	2.6
Sweco B (Construction and Engineering)	600,000	108,120	0.6
Trelleborg B (Machinery)	3,450,000	618,585	3.3
Trox Group A (Machinery)	275,000	53,350	0.3
		<b>4,450,216</b>	<b>23.7</b>
<b>INFORMATION TECHNOLOGY</b>			
Addnode B (IT Services)	700,000	39,550	0.2
CLX Communications (Software)	1,788,135	173,449	0.9
Fingerprint Cards B (Elec Equip, Instr & Comp)	3,600,000	226,260	1.2
HMS Industrial Networks (Elec Equip, Instr & Comp)	120,000	36,480	0.2
I.A.R. Systems Group B (Software)	490,000	100,940	0.5
Knowit (IT Services)	350,000	31,413	0.2
Lagercrantz B (Elec Equip, Instr & Comp)	850,000	70,975	0.4
Micronit MYDATA (Elec Equip, Instr & Comp)	2,400,000	235,200	1.3
Net Insight B (Communications Equipment)	15,000,000	133,500	0.7
NetEnt B (Internet Software and Services)	5,700,000	400,710	2.1
Pricer B (Elec Equip, Instr & Comp)	4,000,000	37,200	0.2
TOBII BTA 161202 1 (Computers and Peripherals)	240,000	16,380	0.1
Tobii Technology (Software)	2,600,000	177,450	0.9
		<b>1,679,507</b>	<b>8.9</b>
<b>MATERIALS</b>			
BillerudKorsnäs (Containers and Packaging)	3,000,000	459,000	2.4
Hexpol B (Chemicals)	2,750,000	231,963	1.2
Holmen B (Paper and Forest Products)	365,000	119,282	0.6
Lindab International (Construction Materials)	2,000,076	146,106	0.8
SSAB A (Metals and Mining)	500,000	17,290	0.1
SSAB B (Metals and Mining)	16,500,000	475,035	2.5
		<b>1,448,675</b>	<b>7.7</b>

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>TELECOMMUNICATION SERVICES</b>			
Invisio Communications (Diversified Telecommunication Services)	2,700,000	172,125	0.9
Tele2 B (Diversified Telecommunication Services)	3,700,000	270,285	1.4
		<b>442,410</b>	<b>2.4</b>
<b>OTHER</b>			
Boule Diagnostics (Other)	140,000	39,200	0.2
Micro Systemation (Other)	950,000	63,888	0.3
		<b>103,088</b>	<b>0.5</b>
<b>Total listed equities</b>		<b>17,387,880</b>	<b>92.6</b>
<b>UNLISTED EQUITIES***</b>			
<b>CONSUMER DISCRETIONARY</b>			
Evolution Gaming Group (Hotels, Restaurants and Leisure)	1,499,135	389,026	2.1
Hövding Sverige (Leisure Equipment and Products)	450,000	10,035	0.1
Kambi (Hotels, Restaurants and Leisure)	750,000	100,313	0.5
LeoVegas (Hotels, Restaurants and Leisure)	3,800,000	138,700	0.7
Niörgruppen B (Textiles, Apparel and Luxury Goods)	350,000	27,213	0.1
STORYTEL AB B (Media)	1,000,000	44,400	0.2
Tobin Properties (Household Durables)	200,000	16,550	0.1
		<b>726,235</b>	<b>3.8</b>
<b>HEALTH CARE</b>			
Immunovia (Health Care Equipment and Supplies)	574,691	52,872	0.3
Infant Bacterial Therapeutics B (Biotechnology)	155,052	6,822	0.0
PledPharma (Biotechnology)	1,028,570	18,000	0.1
		<b>77,694</b>	<b>0.4</b>
<b>INFORMATION TECHNOLOGY</b>			
Catena Media (Internet Software and Services)	1,825,000	159,688	0.8
Crunchfish (Software)	700,000	16,800	0.1
Nepa (IT Services)	250,000	28,750	0.2
Smart Eye (Elec Equip, Instr & Comp)	230,000	13,800	0.1
THQ Nordic B (Software)	950,000	31,540	0.2
		<b>250,578</b>	<b>1.4</b>
<b>MATERIALS</b>			
Nexam Chemical (Chemicals)	3,000,000	36,750	0.2
		<b>36,750</b>	<b>0.2</b>
<b>Total unlisted equities</b>		<b>1,091,257</b>	<b>5.8</b>
<b>Total transferable securities</b>		<b>18,479,137</b>	<b>98.4</b>
<b>Total holdings in financial instruments</b>		<b>18,479,137</b>	<b>98.4</b>
<b>Net, other assets and liabilities</b>		<b>310,354</b>	<b>1.6</b>
<b>Total fund capital</b>		<b>18,789,491</b>	<b>100.0</b>

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

\* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 92.6

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

\*\*\* Refers to other financial instruments. 5.8

## Compilation, Company and Group exposure\*

Company/Group	% of fund capital	Company/Group	% of fund capital
SSAB	2.6	Klövern	1.3

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

## ADDITIONAL INFORMATION ON LENT SECURITIES

The volume of lent securities as a % of total lendable assets 7.25

### THE TEN LARGEST ISSUERS OF COLLATERAL FOR SECURITIES LENDING PER ISSUER, SEK thousand:

The British Government	339 922
The French Government	242 859
The Belgium Government	101 891
The Austrian Government	93 724
U.S.A.	58 841
Vodafone Group Plc	21 692
Sky Plc	15 183
Bank Of China Ltd	14 968
New World Development Co Ltd	14 506
China Construction Bank Corp	14 490

### THE LARGEST COUNTERPARTIES FOR SECURITIES LENDING, SEK thousand:

Morgan Stanley & Co International Plc, Great Britain	559 104
J.P. Morgan Securities Plc, Great Britain	307 239
Skandinaviska Enskilda Banken AB (Publ), Sweden	239 486
Merrill Lynch Intl, Great Britain	114 849
Citigroup Global Markets Ltd, Great Britain	80 010
Credit Suisse Securities (Europe) Ltd, Great Britain	27 602
Svenska Handelsbanken AB (Publ), Sweden	1 945

Svenska Småbolagsfond, cont.

**TYPE AND QUALITY OF COLLATERAL, SEK thousand:**

Equities	583 512
Bonds and other interest-bearing instruments	851 157
	<b>1 434 669</b>

We accept government bonds and treasury bills with a rating of AA- from S&P or Aa3 from Moody's or higher issued by the United States, the British government, states within the eurozone (Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxemburg, the Netherlands, Portugal and Spain) as well as Australia, Canada, Denmark, Japan, New Zealand, Norway, Sweden and Switzerland. We also accept equities in major and well-known indexes as collateral.

**PROFILE OF THE COLLATERAL'S DURATION, SEK thousand**

Less than one day	0
One day to one week	0
One week to one month	6 637
One to three months	3 401
Three months to one year	73 629
Greater than one year	767 490
Indeterminate duration	583 512
	<b>1 434 669</b>

**CURRENCY OF THE COLLATERAL, SEK thousand:**

AUD	16 801
CAD	391
CHF	11 891
DKK	550
EUR	502 706
GBP	478 599
HKD	140 970
JPY	111 559
SEK	67
SGD	1 621
USD	169 514
	<b>1 434 669</b>

The profile of the duration for securities lending is undetermined, but may be immediately terminated. Settlement and clearing for securities lending is conducted through a third party. The collateral received is held at JP Morgan Chase Bank N.A. (London Branch) and may not be reused.

**INFORMATION ABOUT RETURNS AND EXPENSES:**

Securities lending for the full year generated a total revenue of SEK 22 761 thousand, of which 80% was passed on to the fund and 20% to JP Morgan Bank N.A. (London Branch) in its role as the intermediary of securities lending.

Counterparties for securities lending during the year:

- Citigroup Global Markets Ltd, Great Britain
- Credit Suisse Securities (Europe) Ltd, Great Britain
- J.P. Morgan Securities Plc, Great Britain
- Merrill Lynch Intl, Great Britain
- Morgan Stanley & Co International Plc, Great Britain
- Skandinaviska Enskilda Banken AB (Publ), Sweden
- Svenska Handelsbanken AB (Publ), Sweden



# Sverige OMXSB Index

## Management Report

### Investment Focus

The fund invests in equities included in the OMXSB Index. The index consists of the 80 - 100 largest and most-traded companies listed on the NASDAQ OMX Stockholm Benchmark (Stockholm stock exchange). The fund may invest in derivative instruments as part of the fund's investment focus.

### Portfolio

Sverige OMXSB Index rose 8.9% during the full year 2016\*. The portfolio consists of all of the equities included in the OMXSB™ Index. The index is reweighted twice annually: the end of May and the end of November. Nordea, Atlas Copco and H&M were the three largest holdings at year-end. Ahlsell, BioGaia, Bonava, Capio, Dometic Group, Gränges, Melker Schöring, RaySearch Laboratories, Rezidor Hotel Group and Scandic Hotels were new equities added to the index as of November 30, 2016. Loomis, Mekonomen, SAS and Thule exited the index at the time of the reweighting.

\* Refer to fund statistics for comparable index.

### Outlook

Political risks are expected to continue going forward. Many countries in the eurozone, including France and Germany, will be holding elections in 2017. The risk for a new election in Italy is also imminent, at the same time as it is unclear about how Brexit will be carried out. The newly elected US president, Donald Trump, is also creating uncertainty. Although the political developments can wreak havoc, economic growth is slowly moving in the right direction, with the US at the forefront. This bodes well for corporate profit growth. Higher commodity prices offer an economic and financial stabilisation in many emerging market countries, which contributes to our optimism. However, the risk for rising inflation and thereby higher interest rates could dampen optimism.

### Significant risks

As of the balance sheet date, the fund does not have any other significant risks in its holdings than those stated in the fact sheet and information brochure.

### Trading with derivatives

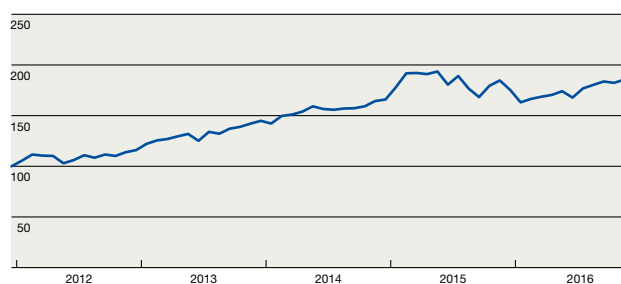
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option to a limited extent in 2016. The fund has the option of lending securities. The fund used this option quite extensively in 2016. The fund may use other techniques and instruments. The fund did not use this option in 2016.

### Information

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

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

### Fund Performance\*



\* Performance is shown in the fund's base currency.

### Fund Facts - History

	2016	2015	2014	2013	2012	31/8-31/12 2011	2010	2009	2008	2007
Net asset value, SEK <sup>1) 2)</sup>	201.57	185.01	175.04	152.83	122.37	105.51	-	-	-	-
The fund's total net flow, mSEK <sup>3)</sup>	632	715	728	-46	1,631	-	-	-	-	-
Fund capital, mSEK	6,080	4,997	3,513	2,396	1,986	159	-	-	-	-
Number of units, 1000's	30,161	27,007	20,071	15,679	16,233	1,504	-	-	-	-
Total returns in %, SEK	+8.9	+5.7	+14.5	+24.9	+16.0	+5.5	-	-	-	-
Index including dividends in %, SEK	+9.2	+6.1	+15.0	+25.6	+16.5	+5.3	-	-	-	-
Average yearly return, 2 yrs. %	+7.3	+10.0	+19.6	+20.4	-	-	-	-	-	-
Comparison to index including dividends, %	+7.6	+10.5	+20.2	+21.0	-	-	-	-	-	-
Average yearly return, 5 yrs. %	+13.8	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+14.3	-	-	-	-	-	-	-	-	-
Dividends per unit, SEK	-	-	-	-	-	-	-	-	-	-

<sup>1)</sup> Based on a judgment in the Administrative Court of Appeal, the share price in funds with holdings in US equities have been impacted. A full withholding tax (30%) will now be imposed on the funds instead of the previous 15%. The tax change is applicable for distributions effective as of January 1, 2012, and this has resulted in an adjustment to the net asset value of the fund as of June 16, 2014.

<sup>2)</sup> Following a judgment in the Administrative Court of Appeal that changed the withholding tax on dividends in US equities from 15% to 30%, the previously reserved withholding has been added back in the fund as of March 30, 2015.

<sup>3)</sup> The net flow did not include the merger flow from Mega Sverige Index that was merged on March 7, 2015.

Index: OMXSB Gross Index

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

### Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	0.90
Collected mgmt. costs in % of average fund capital	0.40
Annual fees in %	0.40
Analyzing costs, tSEK <sup>1)</sup>	-
Transaction costs, tSEK	757
Transaction costs in % of turnover	0.02
Costs in SEK for a one-time subscription, 10 000 SEK	39.67
Costs in SEK for monthly savings, 100 SEK	2.71

<sup>1)</sup> Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

### Fund Facts - Other Key Figures

Turnover rate	0.2
Share of turnover conducted via closely-related securities companies in %	62.0

Sverige OMXSB Index, cont.

## Risk and Return Measurements\*

Total risk %	15.1	Information ratio	Negative
Total risk in index %	15.1	Sharpe ratio	0.5
Tracking error %	0.1	Sharpe ratio in index	0.5
Index	OMXSB Gross Index		
Active return %	-0.3		

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

## Income Statement, SEKT

	2016	2015
<b>INCOME AND CHANGES IN VALUE</b>		
Changes in value for transferable securities	260,382	-47,359
Changes in value for other derivative instruments **	4,214	-1,739
Changes in value for fund units ***	-	557
Interest income	-12	-2
Dividends	196,110	157,041
Currency exchange profits and losses, net	-	-1
Other financial income <sup>1)</sup>	11,456	1,110
Other income	27	0
<b>Total income and changes in value</b>	<b>472,177</b>	<b>109,607</b>
<b>EXPENSES</b>		
Management Company expenses	20,557	19,214
Interest expense	14	46
Other expenses	757	877
<b>Total expenses</b>	<b>21,328</b>	<b>20,137</b>
<b>Net income</b>	<b>450,849</b>	<b>89,470</b>

## \* Details of changes in value

Changes in value for transferable securities – Capital gains	182,587	261,727
Changes in value for transferable securities – Capital losses	-82,884	-38,173
Changes in value for transferable securities – Unrealised	160,679	-270,913
<b>Sum</b>	<b>260,382</b>	<b>-47,359</b>

## \*\* Details of changes in value

Changes in value for other derivative instruments – Capital gains	27,385	44,839
Changes in value for other derivative instruments – Capital losses	-23,171	-46,578
Changes in value for other derivative instruments – Unrealised	0	0
<b>Sum</b>	<b>4,214</b>	<b>-1,739</b>

## \*\*\* Details of changes in value

Changes in value for fund units – Capital gains	-	557
<b>Sum</b>	<b>-</b>	<b>557</b>

1) The item consists primarily of net premiums for securities lent. Securities lending has generated total revenues of SEK <Vpincome> t, of which 80% have been allocated to the fund and 20% have been allocated to JP Morgan Chase Bank N.A. (London branch) for its role as the intermediary for the securities loans.

Counterparties in securities lending during the year were:

Citigroup Global Markets Ltd  
Credit Suisse Securities (Europe) Ltd  
Deutsche Bank AG London Branch  
Goldman Sachs International  
JP Morgan Securities Plc  
Morgan Stanley & Co International Plc  
Svenska Handelsbanken AB (publ)

## Balance Sheet, tSEK

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
<b>ASSETS</b>				
Transferable securities	6,016,843	99.0	4,987,047	99.8
Fund units	0	0.0	0	0.0
<b>Total financial instruments with positive market value</b> <sup>Note 2)</sup>	<b>6,016,843</b>	<b>99.0</b>	<b>4,987,047</b>	<b>99.8</b>
Bank assets and other liquid assets	63,348	1.0	9,591	0.2
Prepaid expenses and accrued income	369	0.0	642	0.0
Other assets	36	0.0	107	0.0
<b>Total assets</b>	<b>6,080,596</b>	<b>100.0</b>	<b>4,997,387</b>	<b>100.0</b>
<b>LIABILITIES</b>				
Accrued expenses and prepaid income	1,054	0.0	809	0.0
<b>Total liabilities</b>	<b>1,054</b>	<b>0.0</b>	<b>809</b>	<b>0.0</b>
<b>Fund capital</b> <sup>Note 1)</sup>	<b>6,079,542</b>	<b>100.0</b>	<b>4,996,578</b>	<b>100.0</b>
Financial instruments lent	432,619	7.1	659,077	13.2
Collateral received for financial instruments lent <sup>1)</sup>	462,616	7.6	723,758	14.5
Other derivative instruments with negative market value <sup>2)</sup>	21,002	0.3	26,284	0.5

1) Equities total SEK 556,402t

2) Equities total SEK 20,654t.

Liquid assets total SEK 17t.

Note 1) for Balance Sheet

## Changes in fund capital, SEKT

	2016	2015
Fund capital at beginning of year	4,996,578	3,513,149
Units issued <sup>1)</sup>	2,084,402	3,429,292
Units redeemed	-1,452,287	-2,035,333
Profit according to Income Statement	450,849	89,470
Dividends to unit holders	-	-
<b>Fund capital at the close of the period</b>	<b>6,079,542</b>	<b>4,996,578</b>

1) SEK 678,606t derives from the merger with Mega Sverige Index that took place on Mars 6, 2015.

Note 2) for Balance Sheet

## Fund holdings in financial instruments

**TRANSFERABLE SECURITIES\***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>LISTED EQUITIES</b>			
<b>CONSUMER DISCRETIONARY</b>			
Autoliv (Auto Components)	98,283	101,035	1.7
Betsson B (Hotels, Restaurants and Leisure)	183,315	16,113	0.3
Bonava (Household Durables)	105,836	14,944	0.2
Domestic Group (Household Durables)	324,082	21,697	0.4
Electrolux B (Household Durables)	392,625	88,851	1.5
Hennes & Mauritz B (Specialty Retail)	1,402,872	355,488	5.8
Husqvarna B (Household Durables)	583,200	41,320	0.7
JM (Household Durables)	95,365	25,100	0.4
Modern Times Group B (Media)	66,746	18,021	0.3
Pandox B (Hotels, Restaurants and Leisure)	69,781	9,867	0.2
Rezidor Hotel Group (Hotels, Restaurants and Leisure)	130,850	4,645	0.1
Scandic Hotels Group (Hotels, Restaurants and Leisure)	72,637	5,557	0.1
Unibet (Hotels, Restaurants and Leisure)	307,356	26,294	0.4
		<b>728,933</b>	<b>12.0</b>
<b>CONSUMER STAPLES</b>			
AarhusKarlshamn (Food Products)	36,807	22,066	0.4
Cloetta B (Food Products)	305,376	8,764	0.1
ICA Gruppen (Food Products)	117,724	32,715	0.5
Swedish Match (Tobacco)	283,251	82,086	1.4
		<b>145,632</b>	<b>2.4</b>
<b>ENERGY</b>			
Africa Oil (Oil, Gas and Consumable Fuels)	414,101	7,520	0.1
Lundin Petroleum (Oil, Gas and Consumable Fuels)	296,269	58,691	1.0
		<b>66,211</b>	<b>1.1</b>
<b>FINANCIALS</b>			
Atrium Ljungberg (Real Estate)	60,115	8,554	0.1
Balder B (Real Estate)	140,427	25,853	0.4
Castellum (Real Estate)	385,386	48,135	0.8
Fabege (Real Estate Management and Development)	210,969	31,413	0.5
Handelsbanken A (Commercial Banks)	2,147,272	271,845	4.5
Hemfosa Fastigheter (Real Estate Management and Development)	217,762	18,510	0.3
Hufvudstaden A (Real Estate)	176,686	25,425	0.4
Industrivärden A (Diversified Financial Services)	160,983	29,009	0.5
Industrivärden C (Diversified Financial Services)	246,344	41,829	0.7
Investor A (Diversified Financial Services)	130,969	44,110	0.7
Investor B (Diversified Financial Services)	628,849	214,123	3.5
Kinnvik B (Diversified Financial Services)	319,975	69,851	1.1
Klöver B (Real Estate Management and Development)	854,768	8,159	0.1
Kungsleden (Real Estate Management and Development)	234,888	13,565	0.2
Latour B (Diversified Financial Services)	51,093	17,484	0.3
Lundbergs B (Real Estate)	54,745	30,575	0.5
Melker Schöring (Diversified Financial Services)	26,809	14,410	0.2
Nordea (Commercial Banks)	4,801,339	486,376	8.0
Sagax B (Real Estate Management and Development)	94,121	7,694	0.1
SEB A (Commercial Banks)	2,149,280	205,364	3.4
Swedbank A (Commercial Banks)	1,376,001	303,133	5.0
Wallenstam B (Real Estate Management and Development)	288,826	20,478	0.3
Wihlborgs (Real Estate Management and Development)	103,803	17,584	0.3
		<b>1,953,478</b>	<b>32.1</b>
<b>HEALTH CARE</b>			
AstraZeneca SDB (Pharmaceuticals)	175,606	87,294	1.4
Attendo (Health Care Providers and Services)	134,460	10,589	0.2
BioGaia (Biotechnology)	21,667	6,500	0.1
Capio (Health Care Providers and Services)	93,207	4,483	0.1
Elekta B (Health Care Equipment and Supplies)	492,273	39,677	0.7
Getinge B (Health Care Equipment and Supplies)	253,631	37,055	0.6
RaySearch Laboratories B (Health Care Equipment and Supplies)	28,838	5,321	0.1
Recipharm B (Pharmaceuticals)	57,019	6,899	0.1
Swedish Orphan Biovitrum (Health Care Providers and Services)	243,459	25,977	0.4
Vitrolife (Biotechnology)	17,919	6,935	0.1
		<b>230,730</b>	<b>3.8</b>

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Sverige OMXSB Index, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>INDUSTRIALS</b>			
ABB SDB (Electrical Equipment)	582,925	111,805	1.8
Ahlsell (Commercial Services and Supplies)	654,745	34,047	0.6
Alfa Laval (Machinery)	390,269	58,853	1.0
Assa Abloy B (Building Products)	1,393,289	235,605	3.9
Atlas Copco A (Machinery)	969,933	269,156	4.4
Atlas Copco B (Machinery)	509,464	126,653	2.1
Hexagon B (Machinery)	372,435	121,228	2.0
Intrum Justitia (Commercial Services and Supplies)	99,885	30,705	0.5
NCC B (Construction and Engineering)	108,518	24,460	0.4
NIBE Industrier B (Building Products)	520,747	37,390	0.6
SAAB B (Aerospace and Defense)	91,734	31,235	0.5
Sandvik (Machinery)	1,543,584	173,962	2.9
Securitas B (Commercial Services and Supplies)	480,339	68,881	1.1
Skanska B (Construction and Engineering)	516,313	111,059	1.8
SKF B (Machinery)	528,242	88,533	1.5
Trelleborg B (Machinery)	316,697	56,784	0.9
Volvo A (Machinery)	494,637	53,025	0.9
Volvo B (Machinery)	2,444,608	260,106	4.3
		<b>1,893,486</b>	<b>31.2</b>
<b>INFORMATION TECHNOLOGY</b>			
Ericsson B (Communications Equipment)	4,606,151	246,429	4.1
Fingerprint Cards B (Elec Equip, Instr & Comp)	427,730	26,883	0.4
NetEnt B (Internet Software and Services)	226,186	15,901	0.3
		<b>289,213</b>	<b>4.8</b>
<b>MATERIALS</b>			
BillerudKorsnäs (Containers and Packaging)	243,726	37,290	0.6
Boliden (Metals and Mining)	389,928	92,764	1.5
Gränges (Chemicals)	94,088	8,092	0.1
Hexpol B (Chemicals)	346,062	29,190	0.5
Holmen B (Paper and Forest Products)	76,458	24,986	0.4
SCA B (Paper and Forest Products)	961,202	247,317	4.1
SSAB A (Metals and Mining)	328,665	11,365	0.2
SSAB B (Metals and Mining)	784,055	22,573	0.4
Stora Enso R (Paper and Forest Products)	144,128	14,117	0.2
		<b>487,695</b>	<b>8.0</b>
<b>TELECOMMUNICATION SERVICES</b>			
Millicom (Wireless Telecommunication Services)	83,657	32,568	0.5
Tele2 B (Diversified Telecommunication Services)	528,616	38,615	0.6
TeliaSonera (Diversified Telecommunication Services)	4,093,759	150,282	2.5
		<b>221,465</b>	<b>3.6</b>
<b>Total listed equities</b>		<b>6,016,843</b>	<b>99.0</b>
	<b>Number/Nominal amount in 1000's</b>	<b>Market value tSEK</b>	<b>% of fund capital</b>
<b>UNLISTED EQUITIES***</b>			
<b>HEALTH CARE</b>			
Artimplant B (Biotechnology)	77,854	0	0.0
		0	0.0
<b>Total unlisted equities</b>		<b>0</b>	<b>0.0</b>
<b>Total transferable securities</b>		<b>6,016,843</b>	<b>99.0</b>
<b>EXCHANGE-TRADED DERIVATIVES**</b>			
	<b>Number/Nominal amount in 1000's</b>	<b>Market value tSEK</b>	<b>% of fund capital</b>
<b>STOCK INDEX FUTURES</b>			
OMXSB7C	707	0	0.0
<b>Total stock index futures</b>		<b>0</b>	<b>0.0</b>
<b>Total exchange-traded derivatives</b>		<b>0</b>	<b>0.0</b>
<b>Total holdings in financial instruments</b>		<b>6,016,843</b>	<b>99.0</b>
<b>Net, other assets and liabilities</b>		<b>62,699</b>	<b>1.0</b>
<b>Total fund capital</b>		<b>6,079,542</b>	<b>100.0</b>

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

\* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 99.0

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

\*\*\* Refers to other financial instruments. -

## Compilation, Company and Group exposure\*

Company/Group	% of fund capital	Company/Group	% of fund capital
Atlas Copco	6.5	Investor	4.2
Volvo	5.2	Industrivärden	1.2
		SSAB	0.6

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

## ADDITIONAL INFORMATION ON LENT SECURITIES

The volume of lent securities as a % of total lendable assets 7.22

## THE TEN LARGEST ISSUERS OF COLLATERAL FOR SECURITIES LENDING PER ISSUER, SEK thousand:

The British Government	150 730
The French Government	137 070
The Belgium Government	37 927
The Dutch Government	15 200
U.S.A.	4 412
Central Japan Railway	4 002
Nitto Denko Corp	3 999
Softbank Group Corp	3 944
Denso Corp	3 916
Akamai Technologies Inc	3 901

## THE LARGEST COUNTERPARTIES FOR SECURITIES LENDING, SEK thousand:

Skandinaviska Enskilda Banken AB (Publ), Sweden	126 093
J.P. Morgan Securities Plc, Great Britain	109 541
UBS AG, London Branch, Great Britain	84 961
Svenska Handelsbanken AB (Publ), Sweden	62 188
Morgan Stanley & Co International Plc, Great Britain	40 897
Citigroup Global Markets Ltd, Great Britain	8 930
Deutsche Bank AG, London Branch, Great Britain	9
	<b>432 619</b>

## TYPE AND QUALITY OF COLLATERAL, SEK thousand:

Equities	114 616
Bonds and other interest-bearing instruments	348 000
	<b>462 616</b>

We accept government bonds and treasury bills with a rating of AA- from S&P or Aa3 from Moody's or higher issued by the United States, the British government, states within the eurozone (Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain) as well as Australia, Canada, Denmark, Japan, New Zealand, Norway, Sweden and Switzerland. We also accept equities in major and well-known indexes as collateral.

## PROFILE OF THE COLLATERAL'S DURATION, SEK thousand:

Less than one day	0
One day to one week	0
One week to one month	12 678
One to three months	14 271
Three months to one year	35 222
Greater than one year	285 829
Greater than one year	114 616
	<b>462 616</b>

## CURRENCY OF THE COLLATERAL, SEK thousand:

AUD	1 103
CHF	3 139
DKK	35
EUR	200 956
GBP	163 407
HKD	7 256
JPY	37 015
SGD	72
USD	49 633
	<b>462 616</b>

The profile of the duration for securities lending is undetermined, but may be immediately terminated. Settlement and clearing for securities lending is conducted through a third party. The collateral received is held at JP Morgan Chase Bank N.A. (London Branch) and may not be reused.

## INFORMATION ABOUT RETURNS AND EXPENSES:

Securities lending for the full year generated a total revenue of SEK 14 393 thousand, of which 80% was passed on to the fund and 20% to JP Morgan Bank N.A. (London Branch) in its role as the intermediary of securities lending.

Counterparties for securities lending during the year:

- Citigroup Global Markets Ltd, Great Britain
- Credit Suisse Securities (Europe) Ltd, Great Britain
- Deutsche Bank AG, London Branch, Great Britain
- Goldman Sachs Intl, Great Britain
- J.P. Morgan Securities Plc, Great Britain
- Morgan Stanley & Co International Plc, Great Britain
- Skandinaviska Enskilda Banken AB (Publ), Sweden
- Svenska Handelsbanken AB (Publ), Sweden
- UBS AG, London Branch, Great Britain

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# Sverige Selektiv

## Management Report

### Investment Focus

The fund is actively managed, which means that the portfolio manager takes active, independent investment decisions. The objective of the fund is to attain returns over the long term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in 16 - 25 Swedish companies over the long term. The fund can also have a smaller portion invested in companies in other Nordic countries. We select companies that have historically demonstrated stable profit growth, strong balance sheets, sound business operations and dividend growth.

### Portfolio

Sverige Selektiv rose 3.2% during the full year 2016\*. The year was eventful, with significant volatility in the financial markets worldwide, most notably in conjunction with the UK's EU referendum and the US presidential election. The Swedish equity market rose during the year, although global performance was stronger. The fund underperformed the underlying market, which changed its focus from high-quality companies to companies that have historically shown more stable profits. However, the spread in returns was substantial, making the selection of companies very important. Atlas Copco and Fenix Outdoor were the strongest contributors to returns, while Novo Nordisk and Kindred had the most negative impact. We took a new position in the measurement technology company Hexagon during the year, but did not sell off any existing holdings. We continued to adjust the weighting to obtain an improved balance between holdings, e.g., we increased holdings in HiQ and Handelsbanken, while we decreased holdings in Kindred and Mekonomen.

\*) The fund may have additional share classes, the concerned share class is stated in the Fund facts. Refer to fund statistics for comparable index.

### Outlook

Our focus is on constructing a portfolio of high-quality companies with a variety of drivers, as we believe these companies deliver the highest returns over time. High-quality companies can benefit as well as be negatively affected over the short-term relative to other equities, although our focus is always on long-term value creation. 2016 was a year in which the valuations of high-quality companies were more attractive than the stock market as a whole, which we took advantage of to increase the holdings that benefit most by the global drivers that result in future growth. Thus, we believe the portfolio has a good composition of

holdings with alternative drivers that will create strong profit growth ahead.

### Significant risks

As of the balance sheet date, the fund does not have any other significant risks in its holdings than those stated in the fact sheet and information brochure.

### Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund did not use this option in 2016. The fund has the option of lending securities. The fund did not use this option in 2016. The fund may use other techniques and instruments. The fund did not use this option in 2016.

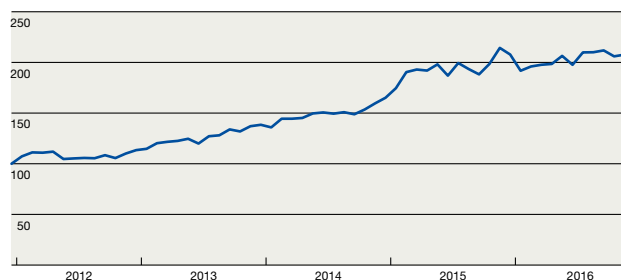
### Information

The new share classes Handelsbanken Sverige Selektiv A1 EUR and Handelsbanken Sverige Selektiv A9 EUR were launched on March 8, 2016.

The fund's historical performance prior to the launch date is attributed to the merger between Placeringsfonden Handelsbanken Sverige Selektiv (Finland) and Handelsbanken Sverige Selektiv (Sweden) on September 26, 2014.

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

### Fund Performance\*



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

### Fund Facts - History

	2016	2015	26/9-31/12 2014	2013	2012	2011	2010	2009	2008	2007
Net asset value, SEK										
Sverige Selektiv A1 <sup>1)</sup>	336.48	326.11	259.18	-	-	-	-	-	-	-
Sverige Selektiv A9 <sup>1)</sup>	358.84	344.84	271.75	-	-	-	-	-	-	-
Sverige Selektiv B1 <sup>1)</sup>	226.04	228.71	188.52	-	-	-	-	-	-	-
The fund's total net flow, mSEK <sup>2) 3)</sup>	413	165	-66	-	-	-	-	-	-	-
Fund capital total, mSEK	3,438	2,920	2,205	-	-	-	-	-	-	-
Sverige Selektiv A1	2,373	2,206	1,772	-	-	-	-	-	-	-
Sverige Selektiv A9	266	61	12	-	-	-	-	-	-	-
Sverige Selektiv B1	690	653	421	-	-	-	-	-	-	-
Number of units, 1000's	11,167	9,796	9,114	-	-	-	-	-	-	-
Sverige Selektiv A1	7,052	6,766	6,835	-	-	-	-	-	-	-
Sverige Selektiv A9	742	176	43	-	-	-	-	-	-	-
Sverige Selektiv B1	3,052	2,854	2,236	-	-	-	-	-	-	-
Total returns in %, SEK										
Sverige Selektiv A1	+3.2	+25.8	+19.3	+22.0	+13.4	-13.8	+26.7	+62.5	-39.2	-5.7
Sverige Selektiv A9	+4.1	+26.9	+20.0	-	-	-	-	-	-	-
Sverige Selektiv B1	+3.2	+25.8	+19.3	+22.0	+13.4	-13.8	+26.7	+62.5	-39.2	-
Index including dividends in %, SEK										
Sverige Selektiv A1	+9.6	+10.5	-	-	-	-	-	-	-	-
Sverige Selektiv A9	+9.6	+10.5	-	-	-	-	-	-	-	-
Sverige Selektiv B1	+9.6	+10.5	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Sverige Selektiv A1	+13.9	+22.5	+20.7	+17.7	-1.1	+4.6	+43.5	-0.6	-24.3	+11.6
Sverige Selektiv A9	+14.9	-	-	-	-	-	-	-	-	-
Sverige Selektiv B1	+13.9	+22.5	+20.7	+17.7	-1.1	+4.6	+43.5	-0.6	-	-

Fund Facts - History cont.

	2016	2015	26/9-31/12 2014	2013	2012	2011	2010	2009	2008	2007
Comparison to index including dividends, %	+10.1	+13.2	-	-	-	-	-	-	-	-
Average yearly return, 5 yrs. %										
Sverige Selektiv A1	+16.5	+12.4	+12.5	+19.7	+4.1	+0.4	+9.3	-	-	-
Sverige Selektiv B1	+16.5	+12.4	+12.5	+19.7	+4.1	-	-	-	-	-
Comparison to index including dividends, %	+16.0	+10.6	-	-	-	-	-	-	-	-
Average yearly return, 10 yrs. %										
Sverige Selektiv A1	+8.1	+10.8	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+7.7	+9.3	-	-	-	-	-	-	-	-
Dividends per unit, SEK										
Sverige Selektiv A1	-	-	-	-	-	-	-	-	-	-
Sverige Selektiv A9	-	-	-	-	-	-	-	-	-	-
Sverige Selektiv B1	9.15	7.54	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK	9.58	-	-	-	-	-	-	-	-	-

1) Following a judgment in the Administrative Court of Appeal that changed the withholding tax on dividends in US equities from 15% to 30%, the previously reserved withholding has been added back in the fund as of March 30, 2015.

2) The fund's total net inflows do not include reinvested dividends in funds with a distribution share class. This is new information as of the full-year 2012.

3) The fund's net flow does not include the merger with Placeringsfonden Handelsbanken Sverige Selektiv which took place on September 26, 2014.

Index: SIX Portfolio Return Index (SIXPRX)

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

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

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Sverige Selektiv A1	2.00
Sverige Selektiv A9	1.60
Sverige Selektiv B1	2.00
Collected mgmt. costs in % of average fund capital	
Sverige Selektiv A1	1.85
Sverige Selektiv A9	1.00
Sverige Selektiv B1	1.85
Annual fees in %	
Sverige Selektiv A1	1.90
Sverige Selektiv A9	1.05
Sverige Selektiv B1	1.90
Analyzing costs, tSEK <sup>1)</sup>	1,584
Transaction costs, tSEK	698
Transaction costs in % of turnover	0.03
Costs in SEK for a one-time subscription, 10 000 SEK	
Sverige Selektiv A1	179.98
Sverige Selektiv A9	97.71
Sverige Selektiv B1	179.98
Costs in SEK for monthly savings, 100 SEK	
Sverige Selektiv A1	12.29
Sverige Selektiv A9	6.66
Sverige Selektiv B1	12.29

1) Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

Fund Facts - Other Key Figures

Turnover rate	0.4
Share of turnover conducted via closely-related securities companies in %	34.8

Risk and Return Measurements\*

Total risk % - A1 SEK	15.1	Active return % - A9 SEK	4.8
Total risk % - A9 SEK	15.1	Active return % - B1 SEK	3.9
Total risk % - B1 SEK	15.1	Information ratio - A1 SEK	0.7
Total risk in index % - A1 SEK	14.9	Information ratio - A9 SEK	0.9
Total risk in index % - A9 SEK	14.9	Information ratio - B1 SEK	0.7
Total risk in index % - B1 SEK	14.9	Sharpe ratio - A1 SEK	0.9
Active Share % <sup>1)</sup>	74.5	Sharpe ratio - A9 SEK	1.0
Tracking error % - A1 SEK	5.4	Sharpe ratio - B1 SEK	0.9
Tracking error % - A9 SEK	5.4	Sharpe ratio in index - A1 SEK	0.7
Tracking error % - B1 SEK	5.4	Sharpe ratio in index - A9 SEK	0.7
Index	SIX Portfolio Return Index (SIXPRX)	Sharpe ratio in index - B1 SEK	0.7
Active return % - A1 SEK	3.9		

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

Income Statement, SEKt

	2016	2015
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	102,910	552,031
Interest income	-179	-182
Dividends	69,970	54,322
Currency exchange profits and losses, net	1,628	-48
Other income	0	0
<b>Total income and changes in value</b>	<b>174,329</b>	<b>606,123</b>
EXPENSES		
Management Company expenses	56,438	45,426
Interest expense	2	2
Other expenses	2,282	2,003
<b>Total expenses</b>	<b>58,722</b>	<b>47,431</b>
<b>Net income</b>	<b>115,607</b>	<b>558,692</b>
* Details of changes in value		
Changes in value for transferable securities - Capital gains	184,861	323,092
Changes in value for transferable securities - Capital losses	-62,399	-6,326
Changes in value for transferable securities - Unrealised	-19,552	235,265
Sum	102,910	552,031

Balance Sheet, tSEK

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
ASSETS				
Transferable securities	3,403,601	99.0	2,870,474	98.3
<b>Total financial instruments with positive market value</b> <sup>Note 2)</sup>	<b>3,403,601</b>	<b>99.0</b>	<b>2,870,474</b>	<b>98.3</b>
Bank assets and other liquid assets	7,568	0.2	51,543	1.8
Prepaid expenses and accrued income	-	-	-8	0.0
Other assets	29,743	0.9	0	0.0
<b>Total assets</b>	<b>3,440,912</b>	<b>100.1</b>	<b>2,922,009</b>	<b>100.1</b>
LIABILITIES				
Accrued expenses and prepaid income	2,738	0.1	2,229	0.1
Other liabilities	0	0.0	0	0.0
<b>Total liabilities</b>	<b>2,738</b>	<b>0.1</b>	<b>2,229</b>	<b>0.1</b>
<b>Fund capital</b> <sup>Note 1)</sup>	<b>3,438,174</b>	<b>100.0</b>	<b>2,919,780</b>	<b>100.0</b>

Note 1) for Balance Sheet

Changes in fund capital, SEKt

	2016	2015
Fund capital at beginning of year	2,919,780	2,204,854
Units issued	1,266,385	1,115,569
Units redeemed	-838,757	-943,211
Profit according to Income Statement	115,607	558,692
Dividends to unit holders	-24,841	-16,124
<b>Fund capital at the close of the period</b>	<b>3,438,174</b>	<b>2,919,780</b>



Sverige Selektiv, cont.

Note 2) for Balance Sheet

## Fund holdings in financial instruments

**TRANSFERABLE SECURITIES\***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>LISTED EQUITIES</b>			
<b>CONSUMER DISCRETIONARY</b>			
Autoliv (Auto Components)	153,000	157,284	4.6
Fenix Outdoor B (Specialty Retail)	222,541	150,215	4.4
Hennes & Mauritz B (Specialty Retail)	1,000,000	253,400	7.4
Mekonomen (Specialty Retail)	413,000	70,830	2.1
Unibet (Hotels, Restaurants and Leisure)	1,560,000	133,458	3.9
		<b>765,186</b>	<b>22.2</b>
<b>CONSUMER STAPLES</b>			
AarhusKarlshamn (Food Products)	395,000	236,803	6.9
		<b>236,803</b>	<b>6.9</b>
<b>FINANCIALS</b>			
Handelsbanken A (Commercial Banks)	2,180,000	275,988	8.0
		<b>275,988</b>	<b>8.0</b>
<b>HEALTH CARE</b>			
Lifco B (Health Care Providers and Services)	641,969	149,707	4.4
Novo Nordisk (Pharmaceuticals)	100,000	32,823	1.0
		<b>182,530</b>	<b>5.3</b>
<b>INDUSTRIALS</b>			
ABB SDB (Electrical Equipment)	475,000	91,105	2.6
ÅF B (Professional Services)	970,000	161,990	4.7
Assa Abloy B (Building Products)	1,620,000	273,942	8.0
Atlas Copco A (Machinery)	900,000	249,750	7.3
Hexagon B (Machinery)	470,000	152,985	4.4
Indutrade (Trading Companies and Distributors)	920,000	168,360	4.9
Loomis B (Commercial Services and Supplies)	615,000	166,727	4.8
Systemair (Construction and Engineering)	1,038,259	126,668	3.7
		<b>1,391,526</b>	<b>40.5</b>
<b>INFORMATION TECHNOLOGY</b>			
HIQ International (IT Services)	2,500,000	153,750	4.5
Lagercrantz B (Elec Equip, Instr & Comp)	1,744,372	145,655	4.2
SimCorp (Software)	230,000	102,019	3.0
		<b>401,425</b>	<b>11.7</b>
<b>MATERIALS</b>			
Hexpol B (Chemicals)	1,780,000	150,143	4.4
		<b>150,143</b>	<b>4.4</b>
<b>Total listed equities</b>		<b>3,403,601</b>	<b>99.0</b>
<b>Total transferable securities</b>		<b>3,403,601</b>	<b>99.0</b>
<b>Total holdings in financial instruments</b>		<b>3,403,601</b>	<b>99.0</b>
<b>Net, other assets and liabilities</b>		<b>34,573</b>	<b>1.0</b>
<b>Total fund capital</b>		<b>3,438,174</b>	<b>100.0</b>

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

\* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 99.0

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

\*\*\* Refers to other financial instruments. -



# Sverigefond Index

## Management Report

### Investment Focus

The fund is an index fund and its objective is to follow the performance of the SIX Return Index as closely as possible. The fund invests in equities included in this index. The index contains all of the companies in the NASDAQ OMX Nordic Exchange (Stockholm stock exchange). The fund may use derivatives such as futures as a complement to protect the fund's value or to enable cost savings.

### Portfolio

Sverigefond Index rose 9.2% during the full year 2016\*. The portfolio consists of a selection of those equities included in SIX Return Index. Several equities were added to or exited the index during the year, which included 295 equities at year-end. H&M B, Nordea and Atlas Copco A were the three largest holdings in the fund.

\*) The fund may have additional share classes, the concerned share class is stated in the Fund facts. Refer to fund statistics for comparable index.

### Outlook

Political risks are expected to continue going forward. Many countries in the eurozone, including France and Germany, will be holding elections in 2017. The risk for a new election in Italy is also imminent, at the same time as it is unclear about how Brexit will be carried out. The newly elected US president, Donald Trump, is also creating uncertainty. Although the political developments can wreak havoc, economic growth is slowly moving in the right direction, with the US at the forefront. This bodes well for corporate profit growth. Higher commodity prices offer an economic and financial stabilisation in many emerging market countries, which contributes to our optimism. However, the risk for rising inflation and thereby higher interest rates could dampen optimism.

### Significant risks

As of the balance sheet date, the fund does not have any other significant risks in its holdings than those stated in the fact sheet and information brochure.

### Trading with derivatives

According to the fund rules, the fund may trade with derivatives to enhance the effectiveness of asset management. The fund may use derivatives to cost-effectively obtain exposure to index. The advantage with derivative instruments is that it is possible to change the fund's exposure in different types of assets or in different markets in a simple and controlled way with a limited number of transactions. The fund used this option to a limited extent in 2016. The fund has the option of lending securities. The fund used this option to a limited extent in 2016.

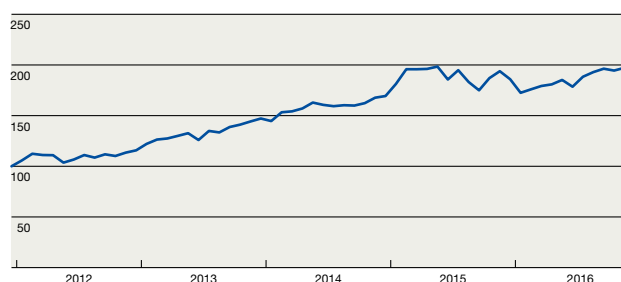
According to the fund rules, the fund may use other techniques and instruments. The fund did not use this option in 2016.

### Information

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

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

### Fund Performance\*



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

### Fund Facts - History

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net asset value, SEK										
Sverigefond Index A1 <sup>1) 2)</sup>	9,661.44	8,851.09	8,064.63	7,007.57	5,512.25	5,014.48	6,046.73	4,948.85	3,601.92	6,210.41
Sverigefond Index B1 <sup>1) 2)</sup>	8,317.80	7,948.29	7,509.45	6,785.34	5,512.25	-	-	-	-	-
The fund's total net flow, mSEK <sup>3)</sup>	175	-984	1,503	-1,989	852	-	-	-	-	-
Fund capital total, mSEK	23,675	21,545	20,589	16,568	14,824	12,315	16,279	13,650	7,315	12,233
Sverigefond Index A1	23,332	21,143	20,116	16,176	14,801	12,315	16,279	13,650	7,315	12,233
Sverigefond Index B1	343	402	473	392	23	-	-	-	-	-
Number of units, 1000's	2,456	2,439	2,557	2,366	2,689	2,456	2,692	2,758	2,031	1,970
Sverigefond Index A1	2,415	2,388	2,494	2,308	2,685	2,456	2,692	2,758	2,031	1,970
Sverigefond Index B1	41	51	63	58	4	-	-	-	-	-
of which are outstanding share certificates, 1000's	5	5	5	5	5	5	5	5	5	5
Total returns in %, SEK										
Sverigefond Index A1	+9.2	+9.8	+15.1	+27.1	+15.7	-14.4	+25.4	+49.4	-38.5	-2.9
Sverigefond Index B1	+9.2	+9.8	+15.1	+27.1	+5.2	-	-	-	-	-
Index including dividends in %, SEK										
Sverigefond Index A1	+9.6	+10.4	+15.8	+27.9	+16.5	-14.0	+26.3	+50.2	-38.1	-2.2
Sverigefond Index B1	+9.6	+10.4	+15.8	+27.9	+5.4	-	-	-	-	-
Average yearly return, 2 yrs. %										
Sverigefond Index A1	+9.5	+12.4	+21.0	+21.3	-0.4	+3.6	+36.9	-4.2	-22.8	+10.6
Sverigefond Index B1	+9.5	+12.4	+21.0	-	-	-	-	-	-	-
Comparison to index including dividends, %	+10.0	+13.1	+21.7	+22.1	+0.1	+4.2	+37.8	-3.6	-22.2	+11.5
Average yearly return, 5 yrs. %										
Sverigefond Index A1	+15.2	+9.7	+12.7	+18.7	+2.7	-0.9	+7.1	+8.9	+4.0	+20.9
Comparison to index including dividends, %	+15.9	+10.4	+13.4	+19.5	+3.3	-0.2	+7.9	+9.7	+4.9	+22.1
Average yearly return, 10 yrs. %										
Sverigefond Index A1	+6.9	+8.4	+10.8	+11.1	+11.4	+5.3	+5.6	+2.1	-	-
Comparison to index including dividends, %	+7.5	+9.1	+11.5	+11.9	+12.3	+6.0	+6.3	+2.7	-	-

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Sverigefond Index, cont.

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Dividends per unit, SEK										
Sverigefond Index A1	-	-	-	-	276.00	176.11	137.34	292.00	301.76	225.46
Sverigefond Index B1	317.93	300.38	271.41	192.93	-	-	-	-	-	-

1) Based on a judgment in the Administrative Court of Appeal, the share price in funds with holdings in US equities have been impacted. A full withholding tax (30%) will now be imposed on the funds instead of the previous 15%. The tax change is applicable for distributions effective as of January 1, 2012, and this has resulted in an adjustment to the net asset value of the fund as of June 16, 2014.

2) Following a judgment in the Administrative Court of Appeal that changed the withholding tax on dividends in US equities from 15% to 30%, the previously reserved withholding has been added back in the fund as of March 30, 2015.

3) The fund's total net inflows do not include reinvested dividends in funds with a distribution share class.

Index: SIX Return Index (SIXRX)

Up to 07/03/2011: OMX Stockholm Benchmark™ Cap (OMXSB™ CAP)

The fund's benchmark represents a comparable reference with regard to the fund's investment focus, types of assets, markets or relevant sectors. In the event the fund issues dividends, performance is calculated with distributions added back. Detailed information for the share classes' designation (nomenclature) is provided in the information provided by the Management Company.

Refer to the last page for definitions.

## Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Sverigefond Index A1	0.90
Sverigefond Index B1	0.90
Collected mgmt. costs in % of average fund capital	
Sverigefond Index A1	0.65
Sverigefond Index B1	0.65
Annual fees in %	
Sverigefond Index A1	0.65
Sverigefond Index B1	0.65
Analyzing costs, tSEK <sup>1)</sup>	-
Transaction costs, tSEK	994
Transaction costs in % of turnover	0.01
Costs in SEK for a one-time subscription, 10 000 SEK	
Sverigefond Index A1	64.70
Sverigefond Index B1	64.70
Costs in SEK for monthly savings, 100 SEK	
Sverigefond Index A1	4.41
Sverigefond Index B1	4.41

1) Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

## Fund Facts - Other Key Figures

Turnover rate	0.1
Share of turnover conducted via closely-related securities companies in %	58.3

## Risk and Return Measurements\*

Total risk % - A1 SEK	14.9	Active return % - B1 SEK	-0.6
Total risk % - B1 SEK	14.9	Information ratio - A1 SEK	Negative
Total risk in index % - A1 SEK	14.9	Information ratio - B1 SEK	Negative
Total risk in index % - B1 SEK	14.9	Sharpe ratio - A1 SEK	0.7
Tracking error % - A1 SEK	0.1	Sharpe ratio - B1 SEK	0.7
Tracking error % - B1 SEK	0.1	Sharpe ratio in index - A1 SEK	0.7
Index	SIX Return Index (SIXRX)	Sharpe ratio in index - B1 SEK	0.7
Active return % - A1 SEK	-0.6		

\* Risk statistics are based on historical monthly returns over two years. Refer to the last page for definitions.

Total exposure in the fund is calculated in accordance with the commitment method.

## Income Statement, SEKt

	2016	2015
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	1,274,949	1,337,375
Changes in value for other derivative instruments **	18,921	-6,285
Changes in value for fund units ***	13,834	-
Interest income	-43	-12
Dividends	744,198	745,381
Currency exchange profits and losses, net	6	3
Other financial income <sup>1)</sup>	43,764	10,703
Other income	3	38
<b>Total income and changes in value</b>	<b>2,095,632</b>	<b>2,087,203</b>
EXPENSES		
Management Company expenses	138,698	145,665
Interest expense	37	76
Other expenses	994	1,244
<b>Total expenses</b>	<b>139,729</b>	<b>146,985</b>
<b>Net income</b>	<b>1,955,903</b>	<b>1,940,218</b>

### \* Details of changes in value

Changes in value for transferable securities - Capital gains	471,102	984,594
Changes in value for transferable securities - Capital losses	-181,155	-84,483
Changes in value for transferable securities - Unrealised	985,002	437,264
<b>Sum</b>	<b>1,274,949</b>	<b>1,337,375</b>

### \*\* Details of changes in value

Changes in value for other derivative instruments - Capital gains	84,455	54,935
Changes in value for other derivative instruments - Capital losses	-65,533	-61,220
Changes in value for other derivative instruments - Unrealised	-1	0
<b>Sum</b>	<b>18,921</b>	<b>-6,285</b>

### \*\*\* Details of changes in value

Changes in value for fund units - Capital gains	90	-
Changes in value for fund units - Capital losses	-702	-
Changes in value for fund units - Unrealised	14,446	-
<b>Sum</b>	<b>13,834</b>	<b>-</b>

1) The item consists primarily of net premiums for securities lent. Securities lending has generated total revenues of SEK <Vplncome>1, of which 80% have been allocated to the fund and 20% have been allocated to JP Morgan Chase Bank N.A. (London branch) for its role as the intermediary for the securities loans. Counterparties in securities lending during the year were:

Citigroup Global Markets Ltd  
Credit Suisse Securities (Europe) Ltd  
Deutsche Bank AG London Branch  
JP Morgan Securities Plc  
Morgan Stanley & Co International Plc  
Svenska Handelsbanken AB (publ)

## Balance Sheet, tSEK

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
ASSETS				
Transferable securities	23,358,459	98.7	21,506,810	99.8
Fund units	257,803	1.1	-	-
<b>Total financial instruments with positive market value</b> <sup>Note 2)</sup>	<b>23,616,262</b>	<b>99.8</b>	<b>21,506,810</b>	<b>99.8</b>
Bank assets and other liquid assets	63,583	0.2	51,680	0.2
Prepaid expenses and accrued income	1,905	0.0	2,574	0.0
Other assets	66	0.0	2,786	0.0
<b>Total assets</b>	<b>23,681,816</b>	<b>100.0</b>	<b>21,563,850</b>	<b>100.0</b>
LIABILITIES				
Accrued expenses and prepaid income	6,739	0.0	5,694	0.0
Other liabilities	-	-	13,142	0.0
<b>Total liabilities</b>	<b>6,739</b>	<b>0.0</b>	<b>18,836</b>	<b>0.0</b>
<b>Fund capital</b> <sup>Note 1)</sup>	<b>23,675,077</b>	<b>100.0</b>	<b>21,545,014</b>	<b>100.0</b>
Financial instruments lent	1,639,027	6.9	1,490,829	6.9
Collateral received for financial instruments lent <sup>1)</sup>	1,766,030	7.5	1,625,554	7.5
Other derivative instruments with negative market value <sup>2)</sup>	61,136	0.3	22,598	0.1

1) Equities total SEK 1,657,870t.

2) Liquid assets total SEK 371t.

Equities total SEK 46,828t.

Sverigefond Index, cont.

Note 1) for Balance Sheet

## Changes in fund capital, SEK

	2016	2015
Fund capital at beginning of year	21,545,014	20,589,387
Units issued	3,158,149	4,307,901
Units redeemed	-2,967,796	-5,274,256
Profit according to Income Statement	1,955,903	1,940,218
Dividends to unit holders	-16,193	-18,236
<b>Fund capital at the close of the period</b>	<b>23,675,077</b>	<b>21,545,014</b>

Note 2) for Balance Sheet

## Fund holdings in financial instruments

## TRANSFERABLE SECURITIES\*

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

## CONSUMER DISCRETIONARY

AcadeMedia (Diversified Consumer Services)	355,746	17,787	0.1
Autoliv (Auto Components)	263,319	270,692	1.1
Betsson B (Hotels, Restaurants and Leisure)	520,341	45,738	0.2
Bilia A (Specialty Retail)	182,978	38,334	0.2
Björn Borg (Textiles, Apparel and Luxury Goods)	95,208	3,209	0.0
Bonava (Household Durables)	395,002	55,774	0.2
Bufab (Auto Components)	143,955	11,193	0.0
Byggmax Group (Specialty Retail)	228,623	14,403	0.1
CDON (Media)	568,276	4,916	0.0
Clas Ohlson B (Specialty Retail)	232,803	31,196	0.1
Dometic Group (Household Durables)	1,063,603	71,208	0.3
Dustin Group (Internet and Catalog Retail)	286,729	18,351	0.1
Elanders B (Media)	133,057	14,137	0.1
Electra Gruppen (Distributors)	19,628	1,291	0.0
Electrolux B (Household Durables)	1,164,286	263,478	1.1
Eniro (Media)	2,000,491	496	0.0
Fenix Outdoor B (Specialty Retail)	34,697	23,420	0.1
FinnvedenBulten (Auto Components)	79,475	7,073	0.0
Hennes & Mauritz B (Specialty Retail)	6,246,063	1,582,752	6.7
Husqvarna B (Household Durables)	2,068,763	146,572	0.6
Internationella Engelska Skolan i Sveri (Diversified Consumer Services)	151,271	9,606	0.0
JM (Household Durables)	260,942	68,680	0.3
Kabe B (Leisure Equipment and Products)	33,996	6,510	0.0
KappAhl (Specialty Retail)	290,174	14,654	0.1
Mekonomen (Specialty Retail)	129,828	22,266	0.1
Modern Times Group B (Media)	241,853	65,300	0.3
MQ Holding (Textiles, Apparel and Luxury Goods)	132,796	4,807	0.0
Mr Green (Hotels, Restaurants and Leisure)	135,292	4,221	0.0
New Wave Group B (Textiles, Apparel and Luxury Goods)	250,600	13,846	0.1
Nobia (Specialty Retail)	626,419	53,152	0.2
Odd Molly (Textiles, Apparel and Luxury Goods)	21,164	971	0.0
Pandox B (Hotels, Restaurants and Leisure)	563,919	79,738	0.3
Rezidor Hotel Group (Hotels, Restaurants and Leisure)	658,125	23,363	0.1
RNB Retail and Brands (Specialty Retail)	126,878	1,821	0.0
Scandic Hotels Group (Hotels, Restaurants and Leisure)	369,693	28,282	0.1
Skistar B (Hotels, Restaurants and Leisure)	142,930	21,797	0.1
Sportamore (Internet and Catalog Retail)	32,020	2,289	0.0
Thule Group (Leisure Equipment and Products)	360,741	51,406	0.2
Unibet (Hotels, Restaurants and Leisure)	868,437	74,295	0.3
Venue Retail Group (Specialty Retail)	547,576	1,084	0.0
		<b>3,170,107</b>	<b>13.4</b>

## CONSUMER STAPLES

AarhusKarishamn (Food Products)	152,027	91,140	0.4
Axfood (Food and Staples Retailing)	755,644	108,208	0.5
Black Earth Farming SDB (Food Products)	795,714	4,695	0.0
Cloetta B (Food Products)	1,016,338	29,169	0.1
Duni (Personal Products)	169,930	21,241	0.1
ICA Gruppen (Food Products)	758,109	210,678	0.9
Oriflame Holding (Personal Products)	205,028	56,403	0.2
Scandi Standard (Food Products)	226,068	12,886	0.1
Swedish Match (Tobacco)	712,322	206,431	0.9
Trigon Agri (Food and Staples Retailing)	483,135	77	0.0
		<b>740,929</b>	<b>3.2</b>

## ENERGY

Africa Oil (Oil, Gas and Consumable Fuels)	1,273,998	23,136	0.1
BlackPearl Resources (Oil, Gas and Consumable Fuels)	244,085	2,722	0.0
EnQuest (Oil, Gas and Consumable Fuels)	1,857,086	8,509	0.0
Lundin Petroleum (Oil, Gas and Consumable Fuels)	1,282,817	254,126	1.1
Swedol B (Energy Equipment and Services)	314,291	8,140	0.0
Tethys Oil (Oil, Gas and Consumable Fuels)	134,259	10,573	0.0
		<b>307,206</b>	<b>1.3</b>

## FINANCIALS

Atrium Ljungberg (Real Estate)	483,605	68,817	0.3
Avanza (Diversified Financial Services)	105,009	38,748	0.2
Balder B (Real Estate)	646,771	119,071	0.5
Bure Equity (Diversified Financial Services)	242,092	25,057	0.1
Castellum (Real Estate)	984,312	122,941	0.5
Catella B (Capital Markets)	300,000	6,870	0.0
Catena (Real Estate)	134,483	17,281	0.1

	Number/Nominal amount in 1000's	Market value TSEK	% of fund capital
Collector (Commercial Banks)	366,943	37,795	0.2
Corem Property Group (Real Estate)	286,684	10,607	0.0
Creades (Diversified Financial Services)	47,084	11,041	0.0
D. Carnegie & Co (Real Estate Management and Development)	291,755	31,801	0.1
Dios Fastigheter (Real Estate)	281,275	16,877	0.1
East Capital Explorer (Diversified Financial Services)	106,374	7,100	0.0
Fabege (Real Estate Management and Development)	592,322	88,197	0.4
Fastighetspartner (Real Estate)	222,645	30,280	0.1
Handelsbanken A (Commercial Banks)	7,337,018	928,866	3.9
Havsfrun B (Diversified Financial Services)	44,831	888	0.0
Heba B (Real Estate)	155,786	17,721	0.1
Hemfosa Fastigheter (Real Estate Management and Development)	561,701	47,745	0.2
Hoist Finance (Consumer Finance)	282,734	23,962	0.1
Hufvudstaden A (Real Estate)	757,469	109,000	0.5
Industrivärden A (Diversified Financial Services)	1,629,406	293,619	1.2
Investor B (Diversified Financial Services)	2,895,236	985,828	4.2
Kinnevik B (Diversified Financial Services)	1,038,168	226,632	1.0
Klöver B (Real Estate Management and Development)	3,249,933	31,021	0.1
Kungsleden (Real Estate Management and Development)	642,821	37,123	0.2
Lammhults (Diversified Financial Services)	31,684	1,822	0.0
Lator B (Diversified Financial Services)	602,861	206,299	0.9
Lundbergs B (Real Estate)	467,963	261,357	1.1
Melker Schörling (Diversified Financial Services)	449,461	241,585	1.0
Naxs (Diversified Financial Services)	56,130	2,773	0.0
Nordax Group (Commercial Banks)	417,576	21,610	0.1
Nordea (Commercial Banks)	15,284,082	1,548,278	6.5
Nordnet B (Diversified Financial Services)	660,536	24,638	0.1
Novestra (Capital Markets)	444,905	2,171	0.0
NP3 Fastigheter (Real Estate Management and Development)	204,751	9,419	0.0
Öresund (Diversified Financial Services)	167,111	25,484	0.1
Oscar Properties (Real Estate Management and Development)	106,029	8,138	0.0
Platzer Fastigheter B (Real Estate Management and Development)	451,646	20,866	0.1
Ratos B (Capital Markets)	1,138,993	49,136	0.2
Resurs (Consumer Finance)	710,298	41,766	0.2
Sagax B (Real Estate Management and Development)	589,441	48,187	0.2
SEB A (Commercial Banks)	8,280,568	791,208	3.3
Svolder B (Diversified Financial Services)	48,349	9,283	0.0
Swedbank A (Commercial Banks)	4,272,068	941,137	4.0
TF Bank (Commercial Banks)	81,212	7,309	0.0
Traction B (Diversified Financial Services)	60,437	8,794	0.0
Victoria Park B (Real Estate Management and Development)	906,099	20,297	0.1
VOLAT (Capital Markets)	300,000	22,200	0.1
Vostok Nafta Investment SDB (Capital Markets)	318,347	23,717	0.1
Wallenstam B (Real Estate Management and Development)	1,217,563	86,325	0.4
Wihlborgs (Real Estate Management and Development)	271,909	46,061	0.2
		<b>7,804,744</b>	<b>32.9</b>

## HEALTH CARE

Active Biotech (Biotechnology)	340,367	3,557	0.0
ACTIVE BTA 161118 (Biotechnology)	26,181	274	0.0
AdLife B (Life Sciences Tools and Services)	92,688	12,640	0.1
Alligator (Biotechnology)	264,224	9,195	0.0
AstraZeneca SDB (Pharmaceuticals)	489,304	243,233	1.0
Attendo (Health Care Providers and Services)	569,183	44,823	0.2
Bactiguard B (Health Care Equipment and Supplies)	124,634	2,106	0.0
BioGaiia (Biotechnology)	62,284	18,685	0.1
Biolinvent (Biotechnology)	1,057,557	3,247	0.0
Biotage (Biotechnology)	244,446	11,220	0.0
Camurus (Biotechnology)	132,123	15,359	0.1
Capio (Health Care Providers and Services)	532,721	25,624	0.1
CellaVision (Health Care Equipment and Supplies)	90,094	7,748	0.0
C-RAD (Health Care Equipment and Supplies)	109,185	1,316	0.0
Elekta B (Health Care Equipment and Supplies)	1,376,831	110,973	0.5
Episurf Medical B (Health Care Equipment and Supplies)	58,736	878	0.0
Feelgood (Health Care Providers and Services)	388,791	813	0.0
Getinge B (Health Care Equipment and Supplies)	854,395	124,827	0.5
Global Health Partner (Health Care Providers and Services)	255,442	2,644	0.0
Hansa Medical (Biotechnology)	131,430	15,312	0.1
Humana (Health Care Providers and Services)	200,026	14,352	0.1
Karo Bio (Biotechnology)	241,397	6,783	0.0
Karolinska Development (Biotechnology)	199,965	1,200	0.0
Lifco B (Health Care Providers and Services)	325,575	75,924	0.3
MedCap (Life Sciences Tools and Services)	50,129	1,739	0.0
Medivir B (Biotechnology)	101,859	9,982	0.0
Midsona B (Pharmaceuticals)	161,089	7,088	0.0
Moberg Derma (Pharmaceuticals)	64,598	3,682	0.0
Neurovive (Pharmaceuticals)	181,980	606	0.0
NGS Group (Health Care Providers and Services)	8,514	1,567	0.0

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Sverigefond Index, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital		Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Oasmia Pharmaceutical (Biotechnology)	446,562	4,108	0.0	Trelleborg B (Machinery)	968,876	173,719	0.7
Orexo (Biotechnology)	130,930	4,923	0.0	Troax Group A (Machinery)	75,546	14,656	0.1
Ortivus B (Health Care Equipment and Supplies)	78,433	220	0.0	Uniflex B (Commercial Services and Supplies)	65,521	1,225	0.0
Probi (Biotechnology)	41,795	19,874	0.1	VBG Group B (Machinery)	51,726	8,302	0.0
RaySearch Laboratories B (Health Care Equipment and Supplies)	125,998	23,247	0.1	VIKINGSUPP BTA B 161202 (Marine)	521,659	762	0.0
Recipharm B (Pharmaceuticals)	222,936	26,975	0.1	Volvo B (Machinery)	8,032,428	854,650	3.6
Sectra B (Health Care Equipment and Supplies)	142,993	18,482	0.1	Wise Group (Professional Services)	27,694	1,869	0.0
Swedish Orphan Biovitrum (Health Care Providers and Services)	970,969	103,602	0.4	XANO B (Machinery)	26,618	5,576	0.0
Vitrolife (Biotechnology)	76,879	29,752	0.1			<b>6,782,993</b>	<b>28.7</b>
Wilson Therapeutics (Biotechnology)	97,193	5,200	0.0	<b>INFORMATION TECHNOLOGY</b>			
Xvivo Perfusion (Biotechnology)	83,893	7,383	0.0	Acando B (IT Services)	394,379	10,214	0.0
		<b>1,021,161</b>	<b>4.3</b>	Addnode B (IT Services)	114,933	6,494	0.0
<b>INDUSTRIALS</b>				Anoto Group (Computers and Peripherals)	8,834,048	1,325	0.0
ABB SDB (Electrical Equipment)	1,598,883	306,666	1.3	Avega Group (IT Services)	41,671	946	0.0
Addtech B (Trading Companies and Distributors)	247,711	35,299	0.1	B3IT Management (IT Services)	27,000	2,133	0.0
ÅF B (Professional Services)	276,764	46,220	0.2	Beijer Electronics (Elec Equip, Instr & Comp)	71,376	2,919	0.0
Ahlsell (Commercial Services and Supplies)	1,591,844	82,776	0.3	CLX Communications (Software)	183,760	17,825	0.1
Alfa Laval (Machinery)	1,580,869	238,395	1.0	Doro (Elec Equip, Instr & Comp)	87,778	4,652	0.0
Alimak Group (Machinery)	163,509	21,134	0.1	Edgeware (Communications Equipment)	116,611	3,382	0.0
Assa Abloy B (Building Products)	4,198,743	710,007	3.0	Enea (IT Services)	61,344	5,889	0.0
Atlas Copco A (Machinery)	4,640,427	1,287,718	5.4	Ericsson B (Communications Equipment)	12,571,408	672,570	2.8
B&B Tools (Trading Companies and Distributors)	107,316	20,497	0.1	eWork Scandinavia (IT Services)	65,044	5,073	0.0
BE Group (Trading Companies and Distributors)	48,670	2,030	0.0	Fingerprint Cards B (Elec Equip, Instr & Comp)	1,161,503	73,000	0.3
Beijer Alma B (Machinery)	113,712	26,495	0.1	FormPipe Software (Internet Software and Services)	191,800	1,870	0.0
Bong Ljungdahl (Commercial Services and Supplies)	777,116	668	0.0	G5 Entertainment (Software)	33,276	3,394	0.0
Bravida Holding (Commercial Services and Supplies)	722,419	39,914	0.2	HIQ International (IT Services)	206,481	12,699	0.1
BTS Group (Commercial Services and Supplies)	70,433	5,071	0.0	HMS Industrial Networks (Elec Equip, Instr & Comp)	44,212	13,440	0.1
Cavotec (Machinery)	282,676	6,078	0.0	I.A.R. Systems Group B (Software)	47,715	9,829	0.0
Concentric (Machinery)	146,425	16,656	0.1	Image Systems (Elec Equip, Instr & Comp)	140,491	315	0.0
Concordia B (Marine)	178,619	2,483	0.0	Knowit (IT Services)	71,444	6,412	0.0
Consilium B (Electrical Equipment)	44,307	4,220	0.0	Lagercrantz B (Elec Equip, Instr & Comp)	251,702	21,017	0.1
Coor Service Management (Commercial Services and Supplies)	361,584	18,350	0.1	Micronic MYDATA (Elec Equip, Instr & Comp)	350,985	34,397	0.1
CTT System (Aerospace and Defense)	47,435	5,004	0.0	MSC Konsult B (IT Services)	150,561	337	0.0
Dedicare (Commercial Services and Supplies)	33,680	2,442	0.0	MultiQ International (Computers and Peripherals)	452,314	330	0.0
Duroc B (Machinery)	27,131	421	0.0	Net Insight B (Communications Equipment)	1,472,897	13,109	0.1
Elos B (Industrial Conglomerates)	22,664	2,232	0.0	NetEnt B (Internet Software and Services)	855,548	60,145	0.3
Eitel (Construction and Engineering)	238,364	14,898	0.1	Nolato B (Communications Equipment)	94,201	24,775	0.1
Eolus Vind (Construction and Engineering)	93,244	2,303	0.0	Note (Elec Equip, Instr & Comp)	109,180	1,856	0.0
Fagerhult (Electrical Equipment)	145,484	33,971	0.1	Novotek B (IT Services)	39,002	725	0.0
G&L Beijer B (Trading Companies and Distributors)	152,223	32,880	0.1	Opus Group (Elec Equip, Instr & Comp)	1,090,553	7,089	0.0
Garö (Electrical Equipment)	37,773	6,119	0.0	Precise Biometrics (Communications Equipment)	1,304,327	4,174	0.0
Gunnabo (Commercial Services and Supplies)	290,856	11,227	0.0	Prevas B (IT Services)	37,171	491	0.0
Haldex (Machinery)	166,448	19,391	0.1	Pricer B (Elec Equip, Instr & Comp)	420,109	3,907	0.0
Hexagon B (Machinery)	1,360,274	442,769	1.9	Proact IT Group (IT Services)	35,257	5,148	0.0
Hexatron Group (Electrical Equipment)	130,032	4,811	0.0	Seamless Distribution (Software)	218,792	1,258	0.0
Indutrade (Trading Companies and Distributors)	429,454	78,590	0.3	Semcon (IT Services)	67,844	3,121	0.0
Intellecta B (Commercial Services and Supplies)	16,745	459	0.0	Sensys (Elec Equip, Instr & Comp)	2,482,277	3,500	0.0
Intrum Justitia (Commercial Services and Supplies)	259,504	79,772	0.3	Softronic B (IT Services)	196,959	1,526	0.0
Inwido (Building Products)	218,763	20,673	0.1	StjärnaFyrkant (Elec Equip, Instr & Comp)	5,000,000	210	0.0
ITAB Shop Concept B (Commercial Services and Supplies)	365,264	29,678	0.1	Tieto (IT Services)	8,414	2,091	0.0
Loomis B (Commercial Services and Supplies)	270,698	73,386	0.3	TOBII BTA 161202 1 (Computers and Peripherals)	30,438	2,077	0.0
Malmbergs B (Trading Companies and Distributors)	30,218	4,548	0.0	Tobi Technology (Software)	304,385	20,774	0.1
Midway B (Industrial Conglomerates)	91,677	1,797	0.0	TradeDoubler (IT Services)	168,987	820	0.0
NCC B (Construction and Engineering)	389,981	87,902	0.4	Vitec Software Group B (Software)	111,040	8,384	0.0
Nederman (Machinery)	44,252	8,275	0.0			<b>1,075,643</b>	<b>4.5</b>
NIBE Industrier B (Building Products)	1,806,757	129,725	0.5	<b>MATERIALS</b>			
Nobina (Road and Rail)	332,547	16,877	0.1	Arctic Paper (Paper and Forest Products)	93,168	1,090	0.0
Nordic Waterproofing Holding (Building Products)	90,972	7,869	0.0	Bergs Timber B (Paper and Forest Products)	597,692	1,333	0.0
OEM International (Trading Companies and Distributors)	87,518	13,215	0.1	BillerudKorsnäs (Containers and Packaging)	747,833	114,418	0.5
Peab B (Construction and Engineering)	1,059,085	76,572	0.3	Boliden (Metals and Mining)	1,032,202	245,561	1.0
Poolia B (Commercial Services and Supplies)	63,385	989	0.0	Endomines (Metals and Mining)	39,276	719	0.0
Reijers B (Building Products)	48,918	3,999	0.0	Gränges (Chemicals)	292,041	25,116	0.1
SAAB B (Aerospace and Defense)	391,005	133,137	0.6	Hexpol B (Chemicals)	1,236,506	104,299	0.4
Sandvik (Machinery)	4,733,917	533,512	2.3	Holmen B (Paper and Forest Products)	303,455	99,169	0.4
SAS (Airlines)	1,245,696	17,377	0.1	Lindab International (Construction Materials)	297,035	21,698	0.1
Securitas B (Commercial Services and Supplies)	1,377,693	197,561	0.8	Lucara Diamond (Metals and Mining)	309,655	6,565	0.0
Serneke Group B (Construction and Engineering)	85,463	8,974	0.0	Lundin Gold (Metals and Mining)	36,020	1,290	0.0
SinterCast A (Machinery)	26,588	2,174	0.0	Lundin Mining SDB (Metals and Mining)	397,029	17,342	0.1
Skanska B (Construction and Engineering)	1,582,552	340,407	1.4	Munksjö (Paper and Forest Products)	6,519	984	0.0
SKF B (Machinery)	1,718,446	288,012	1.2	NGEx Resources (Metals and Mining)	78,835	635	0.0
Studsвик (Commercial Services and Supplies)	30,840	1,835	0.0	Nordic Mines (Metals and Mining)	2,081,543	1,041	0.0
Svedberg B (Building Products)	79,362	3,373	0.0	Profilgruppen B (Metals and Mining)	27,723	2,038	0.0
Sweco B (Construction and Engineering)	436,102	78,586	0.3	Rottneros (Paper and Forest Products)	579,416	4,664	0.0
Systemair (Construction and Engineering)	196,242	23,942	0.1	SCA B (Paper and Forest Products)	2,661,009	684,678	2.9
Transatlantic B (Marine)	670,705	979	0.0	SEMAFO (Metals and Mining)	27,656	848	0.0
Transcom WorldWide (Commercial Services and Supplies)	101,669	8,896	0.0	SSAB B (Metals and Mining)	3,687,945	106,176	0.4
				Stora Enso R (Paper and Forest Products)	407,492	39,914	0.2
						<b>1,479,577</b>	<b>6.3</b>
				<b>TELECOMMUNICATION SERVICES</b>			
				AllTele (Diversified Telecommunication Services)	99,954	1,729	0.0
				Com Hem (Diversified Telecommunication Services)	675,269	58,681	0.2
				DGC One (Diversified Telecommunication Services)	33,946	4,396	0.0
				Invisio Communications (Diversified Telecommunication Services)	163,699	10,436	0.0
				Millicom (Wireless Telecommunication Services)	361,669	140,798	0.6
				Tele2 B (Diversified Telecommunication Services)	1,831,706	133,806	0.6
				TeliaSonera (Diversified Telecommunication Services)	16,341,273	599,888	2.5
						<b>949,734</b>	<b>4.0</b>

# Annual Review 2016 – Xact Kapitalförvaltning AB

Sverigefond Index, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>UTILITIES</b>			
Arise Windpower (IPP, ET)	125,097	2,502	0.0
Besqab (Multi-Utilities)	58,604	11,662	0.0
Etrion (IPP, ET)	842,205	1,659	0.0
Trention (IPP, ET)	13,938	725	0.0
		<b>16,548</b>	<b>0.1</b>
<b>OTHER</b>			
Boule Diagnostics (Other)	17,764	4,974	0.0
Micro Systemation (Other)	72,013	4,843	0.0
		<b>9,817</b>	<b>0.0</b>
<b>Total listed equities</b>		<b>23,358,459</b>	<b>98.7</b>

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>UNLISTED EQUITIES***</b>			
<b>HEALTH CARE</b>			
Artimplant B (Biotechnology)	1,394,915	0	0.0
		<b>0</b>	<b>0.0</b>
<b>Total unlisted equities</b>		<b>0</b>	<b>0.0</b>
<b>Total transferable securities</b>		<b>23,358,459</b>	<b>98.7</b>

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>EXCHANGE-TRADED DERIVATIVES**</b>			
<b>STOCK INDEX FUTURES</b>			
OMXS307A	379	0	0.0
<b>Total stock index futures</b>		<b>0</b>	<b>0.0</b>
<b>Total exchange-traded derivatives</b>		<b>0</b>	<b>0.0</b>

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>OTHER FINANCIAL INSTRUMENTS***</b>			
<b>FUND UNITS</b>			
<b>LISTED EQUITY FUNDS**</b>			
XACT Svenska Småbolag (Nordic countries)	2,000,000	257,803	1.1
		<b>257,803</b>	<b>1.1</b>
<b>Total fund units</b>		<b>257,803</b>	<b>1.1</b>
<b>Total other financial instruments</b>		<b>257,803</b>	<b>1.1</b>
<b>Total holdings in financial instruments</b>		<b>23,616,262</b>	<b>98.8</b>
<b>Net, other assets and liabilities</b>		<b>58,815</b>	<b>0.2</b>
<b>Total fund capital</b>		<b>23,675,077</b>	<b>100.0</b>

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

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

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

\*\*\* Refers to other financial instruments.

## Compilation, Company and Group exposure\*

Company/Group	% of fund capital
Handelsbanken	5.0

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

## ADDITIONAL INFORMATION ON LENT SECURITIES

The volume of lent securities as a % of total lendable assets 6.97

### THE TEN LARGEST ISSUERS OF COLLATERAL FOR SECURITIES LENDING PER ISSUER, SEK thousand:

The French Government	508 476
The British Government	240 109
The Belgium Government	225 766
The Dutch Government	60 290
Nitto Denko Corp	27 217
Central Japan Railway Co	27 214
Softbank Group Corp	26 933
Denso Corp	26 630
Akamai Technologies Inc	26 530
Starbucks Corp	24 143

### THE LARGEST COUNTERPARTIES FOR SECURITIES LENDING, SEK thousand:

Skandinaviska Enskilda Banken AB (Publ), Sweden	790 767
Svenska Handelsbanken AB (Publ), Sweden	246 667
J.P. Morgan Securities Plc, Great Britain	227 523
Credit Suisse AG, Dublin Branch, Ireland	172 203
Morgan Stanley & Co International Plc, Great Britain	169 139
UBS AG, London Branch, Great Britain	28 749
Deutsche Bank AG, London Branch, Great Britain	2 791
Citigroup Global Markets Ltd, Great Britain	1 188
	<b>1 639 027</b>

### TYPE AND QUALITY OF COLLATERAL, SEK thousand:

Equities	702 103
Bonds and other interest-bearing instruments	1 063 927
	<b>1 766 030</b>

We accept government bonds and treasury bills with a rating of AA- from S&P or Aa3 from Moody's or higher issued by the United States, the British government, states within the eurozone (Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain) as well as Australia, Canada, Denmark, Japan, New Zealand, Norway, Sweden and Switzerland. We also accept equities in major and well-known indexes as collateral.

### PROFILE OF THE COLLATERAL'S DURATION, SEK thousand:

Less than one day	0
One day to one week	0
One day to one week	7 281
One to three months	16 323
Three months to one year	52 494
Greater than one year	987 829
Indeterminate duration	702 103
	<b>1 766 030</b>

### CURRENCY OF THE COLLATERAL, SEK thousand:

AUD	2 653
CAD	480
CHF	14 743
DKK	169
EUR	879 976
GBP	305 200
HKD	19 642
JPY	245 176
SEK	259
SGD	193
USD	297 539
	<b>1 766 030</b>

The profile of the duration for securities lending is undetermined, but may be immediately terminated. Settlement and clearing for securities lending is conducted through a third party. The collateral received is held at JP Morgan Chase Bank N.A. (London Branch) and may not be reused.

### INFORMATION ABOUT RETURNS AND EXPENSES:

Securities lending for the full year generated a total revenue of SEK 54 527 thousand, of which 80% was passed on to the fund and 20% to JP Morgan Bank N.A. (London Branch) in its role as the intermediary of securities lending.

Counterparties for securities lending during the year:

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

Physical fund certificates in Sweden Index Fund should be redeemed. Some unit holders of the Sweden Index Fund have physical fund certificates (bearer paper) instead of a fund account. The certificate is issued by "Öppna Aktiefonden Koncentra". According to the Securities Fund Act, all such certificates must be redeemed and, in their place, the fund units must be registered. Since there is no register of unit holders with such certificates, we urge those who have these certificates to contact a Handelsbanken branch office to register these fund units.

The fund is not in any way sponsored, endorsed, sold or promoted by SIX Telekurs AB ("SIX") and SIX makes no warranty whatsoever, expressed or implied, as to the results to be obtained from the use of the SIX Return Index ("SIXRX") or the value at which the said SIXRX stands at any particular time. SIX shall not be liable to any person for any error in SIXRX. Nor shall SIX be under any obligation to advise or notify any person of any error in SIXRX. All rights to the trademark SIXRX is owned by SIX and is used under license from SIX.



# Sverigefond

## Management Report

### Investment Focus

The fund is actively managed, which means that the portfolio manager takes active, independent investment decisions. The objective of the fund is to attain returns over the long term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in Swedish stock market. We place particular emphasis on ensuring that the company's strategy concurs with our assessment of what can generate favourable share price performance when we select equities for the fund. We then evaluate the company's key ratios, such as earnings growth relative to the market's expectations. The fund's aim is to generate capital growth over the long term by investing in companies that the portfolio manager believes take social responsibility as well as are selected according to the target and pre-defined criteria. Within the context of the fund's investment focus, international standards and guidelines for the environment, social responsibility and governance are taken into consideration. A restrictive position to fossil fuels is applied and criteria for companies with operations in the weapons, tobacco, alcohol, gaming and pornography segments/sectors are taken into consideration. Further information is available in the fund's information brochure.

### Portfolio

Sverigefond rose 6.0% during the full year 2016\*. The year was dominated by profit-taking and an increasing uncertainty prior to the EU referendum in the UK. The concerns were found to be warranted when the British voted at the end of June for an EU exit, Brexit. Despite this outcome, global markets rose during the summer and autumn as commodity prices rose. Donald Trump won the US presidential election in November, which led to increases to both the stock markets and bond rates. The market quickly reflected major fiscal policy stimulus such as tax cuts and investments in infrastructure. As far as Sweden was concerned, this led to increases in primarily export-dependent manufacturing companies and banks during the last few months of the year. 2016 also included a steady stream of IPOs. The fund participated in a number of these IPOs, which resulted in strong returns. Boliden, Sandvik and Arcam were the strongest contributors to fund returns, while ITAB Shop Concept, Nobia and Eitel had a negative impact.

\*) Refer to fund statistics for comparable index.

### Outlook

Political uncertainty is expected to continue throughout 2017. Many countries in the eurozone, including France and Germany, will be holding elections and there is uncertainty about how Brexit will turn out in practice. The newly-elected president in the US also represents a level of

uncertainty. Despite this, economic growth is slowly moving in the right direction, with the US at the forefront. The growth outlooks are also good in Sweden, Spain and Germany, which leads us to believe that interest rates will be rising in 2017. However, the equity market in general and the Swedish market in particular appear to be attractive investment choices during 2017.

### Significant risks

As of the balance sheet date, the fund does not have any other significant risks in its holdings than those stated in the fact sheet and information brochure.

### Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund did not use this option in 2016. According to the fund rules, the fund has the option of lending equities. The fund used this option to a limited extent in 2016. The fund may use other techniques and instruments. The fund did not use this option in 2016.

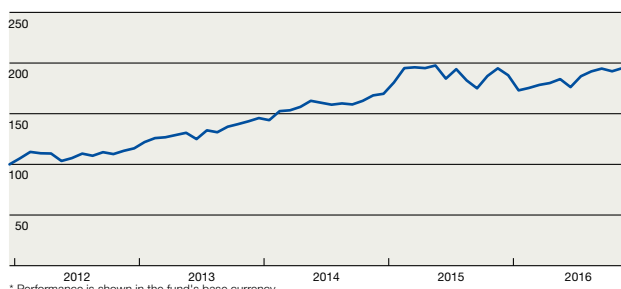
### Information

As of Mars 8, 2016 the fund may invest in derivative instruments as part of the fund's investment focus. The fund changed its index as of May 1, 2016 from SIXPRX to SIX SRI Sweden Index GI.

Due to changes in tax regulations for Swedish funds and developments within the area of EU taxation, it is unclear how distributions will be taxed. Refer to the last page.

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

### Fund Performance\*



\* Performance is shown in the fund's base currency.

### Fund Facts - History

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net asset value, SEK <sup>1) 2)</sup>	1,716.07	1,618.57	1,461.18	1,254.77	997.49	895.42	1,071.42	871.24	623.94	1,059.41
The fund's total net flow, mSEK	-1,255	-690	-381	-695	-255	-	-	-	-	-
Fund capital, mSEK	9,950	10,593	10,219	9,126	7,863	7,079	8,776	7,058	4,700	10,525
Number of units, 1000's	5,798	6,545	6,994	7,273	7,883	7,906	8,191	8,101	7,533	9,935
Total returns in %, SEK	+6.0	+10.8	+16.4	+25.8	+15.8	-14.6	+25.7	+53.0	-39.0	-0.6
Index including dividends in %, SEK	+9.3	+10.5	+15.9	+28.0	+16.7	-13.6	+26.9	+53.3	-39.1	-2.2
Average yearly return, 2 yrs. %	+8.4	+13.6	+21.0	+20.7	-0.5	+3.6	+38.7	-3.4	-22.1	+11.8
Comparison to index including dividends, %	+9.9	+13.2	+21.8	+22.2	+0.4	+4.7	+39.5	-3.4	-22.8	+11.5
Average yearly return, 5 yrs. %	+14.8	+9.9	+12.7	+19.1	+3.0	-0.1	+7.9	+9.6	+3.1	+20.0
Comparison to index including dividends, %	+15.9	+10.6	+13.7	+20.2	+3.6	0.0	+8.0	+9.8	+4.5	+22.5
Average yearly return, 10 yrs. %	+7.1	+8.9	+11.1	+10.8	+11.2	+4.2	+4.6	+0.4	+0.9	+7.5
Comparison to index including dividends, %	+7.7	+9.3	+11.7	+12.1	+12.7	+6.3	+6.6	+2.9	+3.2	+9.5
Dividends per unit, SEK	-	-	-	-	38.87	22.17	19.11	50.71	32.17	32.08

1) Based on a judgment in the Administrative Court of Appeal, the share price in funds with holdings in US equities have been impacted. A full withholding tax (30%) will now be imposed on the funds instead of the previous 15%. The tax change is applicable for distributions effective as of January 1, 2012, and this has resulted in an adjustment to the net asset value of the fund as of June 16, 2014.

2) Following a judgment in the Administrative Court of Appeal that changed the withholding tax on dividends in US equities from 15% to 30%, the previously reserved withholding has been added back in the fund as of March 30, 2015.

Index: SIX Portfolio Return Index (SIXPRX)

Up to 31/12/2007: OMX Stockholm Benchmark™ CAP (OMXSB™ CAP)

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

### Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.50
Collected mgmt. costs in % of average fund capital	1.00
Annual fees in %	1.05
Analyzing costs, tSEK <sup>1)</sup>	5,570
Transaction costs, tSEK	3,651
Transaction costs in % of turnover	0.02
Costs in SEK for a one-time subscription, 10 000 SEK	97.78
Costs in SEK for monthly savings, 100 SEK	6.73

1) Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

### Fund Facts - Other Key Figures

Turnover rate	0.8
Share of turnover conducted via closely-related securities companies in %	18.6

### Risk and Return Measurements\*

Total risk %	15.1	Index	SIX Portfolio Return Index
Total risk in index %	14.8		(SIXPRX)
Active Share % <sup>1)</sup>	42.6	Active return %	-1.5
Tracking error %	1.5	Information ratio	Negative
		Sharpe ratio	0.6
		Sharpe ratio in index	0.7

1) As of the balance sheet date.

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

### Income Statement, SEKt

	2016	2015
<b>INCOME AND CHANGES IN VALUE</b>		
Changes in value for transferable securities	399,539	856,250
Interest income	-159	-4
Dividends	319,438	337,708
Currency exchange profits and losses, net	-	3
Other financial income	4,461	-
Other income	0	0
<b>Total income and changes in value</b>	<b>723,279</b>	<b>1,193,957</b>
<b>EXPENSES</b>		
Management Company expenses	101,330	120,403
Interest expense	1	2
Other expenses	9,222	9,679
<b>Total expenses</b>	<b>110,553</b>	<b>130,084</b>
<b>Net income</b>	<b>612,726</b>	<b>1,063,873</b>

\* Details of changes in value

Changes in value for transferable securities – Capital gains	1,349,162	1,463,315
Changes in value for transferable securities – Capital losses	-484,169	-190,111
Changes in value for transferable securities – Unrealised	-465,454	-416,954
Sum	399,539	856,250

### Balance Sheet, tSEK

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
<b>ASSETS</b>				
Transferable securities	9,774,777	98.2	10,463,369	98.8
<b>Total financial instruments with positive market value</b> <sup>Note 2)</sup>	<b>9,774,777</b>	<b>98.2</b>	<b>10,463,369</b>	<b>98.8</b>
Bank assets and other liquid assets	179,625	1.8	107,676	1.0
Prepaid expenses and accrued income	1,217	0.0	0	0.0
Other assets	16,777	0.2	42,007	0.4
<b>Total assets</b>	<b>9,972,396</b>	<b>100.2</b>	<b>10,613,052</b>	<b>100.2</b>
<b>LIABILITIES</b>				
Accrued expenses and prepaid income	4,588	0.1	4,575	0.0
Other liabilities	17,624	0.1	15,599	0.2
<b>Total liabilities</b>	<b>22,212</b>	<b>0.2</b>	<b>20,174</b>	<b>0.2</b>
<b>Fund capital</b> <sup>Note 1)</sup>	<b>9,950,184</b>	<b>100.0</b>	<b>10,592,878</b>	<b>100.0</b>
Financial instruments lent	596,534	6.0	-	-
Collateral received for financial instruments lent	640,556	6.4	-	-

Note 1) for Balance Sheet

### Changes in fund capital, SEKt

	2016	2015
Fund capital at beginning of year	10,592,878	10,218,807
Units issued	1,032,924	1,271,287
Units redeemed	-2,288,344	-1,961,089
Profit according to Income Statement	612,726	1,063,873
Dividends to unit holders	-	-
<b>Fund capital at the close of the period</b>	<b>9,950,184</b>	<b>10,592,878</b>

Note 2) for Balance Sheet

### Fund holdings in financial instruments

#### TRANSFERABLE SECURITIES\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>LISTED EQUITIES</b>			
<b>CONSUMER DISCRETIONARY</b>			
AcadeMedia (Diversified Consumer Services)	248,332	12,417	0.1
Autoliv (Auto Components)	237,500	244,150	2.5
Bilia A (Specialty Retail)	390,000	81,705	0.8
Bufab (Auto Components)	690,000	53,648	0.5
Domestic Group (Household Durables)	2,805,354	187,818	1.9
Electrolux B (Household Durables)	245,000	55,444	0.6
Hennes & Mauritz B (Specialty Retail)	2,985,000	756,399	7.6
Husqvarna B (Household Durables)	1,187,761	84,153	0.8
JM (Household Durables)	300,000	78,960	0.8
Nobia (Specialty Retail)	1,060,000	89,941	0.9
Scandic Hotels Group (Hotels, Restaurants and Leisure)	1,605,000	122,783	1.2
Thule Group (Leisure Equipment and Products)	935,303	133,281	1.3
		<b>1,900,697</b>	<b>19.1</b>
<b>CONSUMER STAPLES</b>			
AarhusKarlskamm (Food Products)	220,000	131,890	1.3
Oriflame Holding (Personal Products)	325,000	89,408	0.9
		<b>221,298</b>	<b>2.2</b>
<b>FINANCIALS</b>			
Balder B (Real Estate)	939,167	172,901	1.7
Collector (Commercial Banks)	620,439	63,905	0.6
Handelsbanken A (Commercial Banks)	4,875,000	617,175	6.2
Hoist Finance (Consumer Finance)	963,000	81,614	0.8
Klövern B (Real Estate Management and Development)	5,150,000	49,157	0.5
Nordax Group (Commercial Banks)	742,732	38,436	0.4
Nordea (Commercial Banks)	8,865,000	898,025	9.0
Resurs (Consumer Finance)	1,585,000	93,198	0.9
SEB A (Commercial Banks)	2,205,000	210,688	2.1
Swedbank A (Commercial Banks)	2,600,000	572,780	5.8
VOLATI (Capital Markets)	646,552	47,845	0.5
		<b>2,845,723</b>	<b>28.6</b>
<b>HEALTH CARE</b>			
AstraZeneca SDB (Pharmaceuticals)	145,000	72,080	0.7
Attendo (Health Care Providers and Services)	740,000	58,275	0.6
Elekta B (Health Care Equipment and Supplies)	895,000	72,137	0.7
Swedish Orphan Biovitrum (Health Care Providers and Services)	1,030,000	109,901	1.1
		<b>312,393</b>	<b>3.1</b>
<b>INDUSTRIALS</b>			
ABB SDB (Electrical Equipment)	280,000	53,704	0.5
Adtech B (Trading Companies and Distributors)	606,665	86,450	0.9
ÅF B (Professional Services)	784,000	130,928	1.3
Alimak Group (Machinery)	340,000	43,945	0.4
Assa Abloy B (Building Products)	1,825,000	308,608	3.1
Atlas Copco B (Machinery)	2,472,000	614,539	6.2
Bravida Holding (Commercial Services and Supplies)	510,000	28,178	0.3
Concentric (Machinery)	370,000	42,088	0.4
Hexagon B (Machinery)	900,000	292,950	2.9
Indutrade (Trading Companies and Distributors)	1,089,000	199,287	2.0
Intrum Justitia (Commercial Services and Supplies)	517,000	158,926	1.6
Inwido (Building Products)	1,360,000	128,520	1.3
ITAB Shop Concept B (Commercial Services and Supplies)	951,844	77,337	0.8
Nordic Waterproofing Holding (Building Products)	485,000	41,953	0.4
Sandvik (Machinery)	2,545,000	286,822	2.9
Skanska B (Construction and Engineering)	660,000	141,966	1.4
SKF B (Machinery)	875,000	146,650	1.5
Trelleborg B (Machinery)	655,000	117,442	1.2
Volvo B (Machinery)	700,000	74,480	0.7
		<b>2,974,770</b>	<b>29.9</b>
<b>INFORMATION TECHNOLOGY</b>			
Doro (Elec Equip, Instr & Comp)	205,000	10,865	0.1
Ericsson B (Communications Equipment)	4,215,000	225,503	2.3
Fingerprint Cards B (Elec Equip, Instr & Comp)	877,500	55,151	0.6
I.A.R. Systems Group B (Software)	315,000	64,890	0.7
Lagercrantz B (Elec Equip, Instr & Comp)	1,510,000	126,085	1.3
Micronic MYDATA (Elec Equip, Instr & Comp)	1,005,000	98,490	1.0
TOBII BTA 161202 1 (Computers and Peripherals)	126,000	8,600	0.1



# Annual Review 2016 – Handelsbanken Fonder AB

Sverigefond, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Tobii Technology (Software)	1,260,000	85,995	0.9
		<b>675,578</b>	<b>6.8</b>
<b>MATERIALS</b>			
BillerudKorsnäs (Containers and Packaging)	615,000	94,095	0.9
Boliden (Metals and Mining)	305,000	72,560	0.7
Lindab International (Construction Materials)	952,818	69,603	0.7
SCA B (Paper and Forest Products)	1,625,000	418,113	4.2
SSAB A (Metals and Mining)	1,200,000	41,496	0.4
		<b>695,866</b>	<b>7.0</b>
<b>TELECOMMUNICATION SERVICES</b>			
TeliaSonera (Diversified Telecommunication Services)	3,030,000	111,231	1.1
		<b>111,231</b>	<b>1.1</b>
<b>Total listed equities</b>		<b>9,737,556</b>	<b>97.8</b>

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>UNLISTED EQUITIES***</b>			
<b>INFORMATION TECHNOLOGY</b>			
THQ Nordic B (Software)	1,121,100	37,221	0.4
		<b>37,221</b>	<b>0.4</b>
<b>Total unlisted equities</b>		<b>37,221</b>	<b>0.4</b>
<b>Total transferable securities</b>		<b>9,774,777</b>	<b>98.2</b>
Total holdings in financial instruments		9,774,777	98.2
Net, other assets and liabilities		175,407	1.8
<b>Total fund capital</b>		<b>9,950,184</b>	<b>100.0</b>

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

\* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 97.8

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

\*\*\* Refers to other financial instruments. 0.4

## ADDITIONAL INFORMATION ON LENT SECURITIES

The volume of lent securities as a % of total lendable assets 6.12

## THE TEN LARGEST ISSUERS OF COLLATERAL FOR SECURITIES LENDING PER ISSUER, SEK thousand:

The French Government	208 144
The Belgium Government	108 023
The British Government	69 860
The Dutch Government	24 214
The Austrian Government	18 634
U.S.A.	9 268
Central Japan Railway Co	7 031
Nitto Denko Corp	7 026
Softbank Group Corp	6 928
Denso Corp	6 880

## THE LARGEST COUNTERPARTIES FOR SECURITIES LENDING, SEK thousand:

Skandinaviska Enskilda Banken AB (Publ), Sweden	282 128
J.P. Morgan Securities Plc, Great Britain	121 784
Svenska Handelsbanken AB (Publ), Sweden	98 982
Citigroup Global Markets Ltd, Great Britain	48 792
Morgan Stanley & Co International Plc, Great Britain	28 468
Merrill Lynch Intl, Great Britain	16 380
	<b>596 534</b>

## TYPE AND QUALITY OF COLLATERAL, SEK thousand:

Equities	200 197
Bonds and other interest-bearing instruments	440 359
	<b>640 556</b>

We accept government bonds and treasury bills with a rating of AA- from S&P or Aa3 from Moody's or higher issued by the United States, the British government, states within the eurozone (Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain) as well as Australia, Canada, Denmark, Japan, New Zealand, Norway, Sweden and Switzerland. We also accept equities in major and well-known indexes as collateral.

## PROFILE OF THE COLLATERAL'S DURATION, SEK thousand:

Less than one day	0
One day to one week	0
One week to one month	547
One to three months	3 650
Three months to one year	25 198
Greater than one year	410 964
Indeterminate duration	200 197
	<b>640 556</b>

## CURRENCY OF THE COLLATERAL, SEK thousand:

AUD	796
CHF	5 866
DKK	1 479
EUR	377 243
GBP	93 207
HKD	10 994
JPY	63 271
SGD	84
USD	87 616
	<b>640 556</b>

The profile of the duration for securities lending is undetermined, but may be immediately terminated. Settlement and clearing for securities lending is conducted through a third party. The collateral received is held at JP Morgan Chase Bank N.A. (London Branch) and may not be reused.

## INFORMATION ABOUT RETURNS AND EXPENSES:

Securities lending for the full year generated a total revenue of SEK 5 576 thousand, of which 80% was passed on to the fund and 20% to JP Morgan Bank N.A. (London Branch) in its role as the intermediary of securities lending. Counterparties for securities lending during the year:  
 -Citigroup Global Markets Ltd, Great Britain  
 -Credit Suisse Securities (Europe) Ltd, Great Britain  
 -J.P. Morgan Securities Plc, Great Britain  
 -Merrill Lynch Intl, Great Britain  
 -Morgan Stanley & Co International Plc, Great Britain  
 -Skandinaviska Enskilda Banken AB (Publ), Sweden  
 -Svenska Handelsbanken AB (Publ), Sweden



# Tillväxtmarknad Tema

## Management Report

### Investment Focus

The fund is actively managed, which means that the portfolio manager takes active, independent investment decisions. The objective of the fund is to attain returns over the long term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in equities issued by companies in Asia, Latin America, Africa and Eastern Europe, including the Balkans and the Baltics. The thematic investment strategy means that investments are made primarily in companies linked to long-term investment themes that have been carefully selected and analysed and where we expect a long period of growth. Examples of our main themes are Demographics, Productivity, Lifestyles and the Environment. The fund's aim is to generate capital growth over the long term by investing in companies that the portfolio manager believes take social responsibility as well as are selected according to the target and the pre-defined criteria. Within the context of the fund's investment focus, international standards and guidelines for the environment, social responsibility and governance are taken into consideration. A restrictive position to fossil fuels is applied and criteria for companies with operations in the weapons, tobacco, alcohol, gaming and pornography segments/sectors are taken into consideration. Further information is available in the fund's information brochure.

### Portfolio

Tillväxtmarknad Tema rose 17.1% during the full year 2016\*. Russian Sberbank, an investment in growing financial markets with the "Demographics" theme, was the strongest contributor to returns. Sberbank benefits from a strong economic growth in Russia due to higher oil prices. Taiwan Semiconductor and Samsung Electronics also contributed strongly to returns within the "Productivity" theme. In addition to Sberbank, two Brazilian equities posted the highest returns in absolute terms: Bovespa and the education company SER Education. Chinese Wasion, an investment within the "Productivity" theme had a negative impact. The currencies of emerging markets have strengthened slightly overall, which benefited returns in SEK.

\*) The fund may have additional share classes, the concerned share class is stated in the Fund facts. Refer to fund statistics for comparable index.

### Outlook

Growth potential remains strong in emerging markets. Many companies have strong drivers and show good profitability. This is particularly the case for the fund's "Demographics", "Productivity", "Lifestyles" and "Environment" themes. Digitalisation, within the main theme of

"Productivity", remains as the largest theme in the fund. There are a number of political events on the agenda during 2017: Donald Trump's inauguration as the US president, the party convention in China, the election in Europe and the uncertainty in the Middle East. However, there is a risk for volatility in the equity market during the year. However, we see good potential in markets that benefit from higher commodity prices, for example in Russia.

### Significant risks

As of the balance sheet date, the fund does not have any other significant risks in its holdings than those stated in the fact sheet and information brochure.

### Trading with derivatives

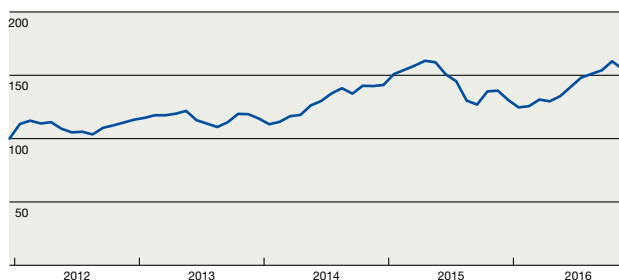
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund did not use this option in 2016. The fund has the option of lending securities. The fund did not use this option in 2016. The fund may use other techniques and instruments. The fund did not use this option in 2016.

### Information

The name of the fund was changed from Handelsbanken Tillväxtmarknadsfond to Handelsbanken Tillväxtmarknad Tema on March 8, 2016. The fund also changed its benchmark index from MSCI EM Net to MSCI EM Select Global Norms and Criteria on May 1, 2016.

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

### Fund Performance\*



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

### Fund Facts - History

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Net asset value</b>										
Tillväxtmarknad Tema A1 - SEK	245.07	209.25	228.38	185.80	184.41	163.57	208.44	184.85	119.28	217.59
Tillväxtmarknad Tema A1 - EUR	25.58	22.85	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A1 - NOK	232.20	219.69	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema B1 - SEK	216.40	190.51	213.90	179.48	184.41	-	-	-	-	-
<b>The fund's total net flow, mSEK</b>										
	3,003	-2,005	868	375	728	-	-	-	-	-
<b>Fund capital total, mSEK</b>										
Tillväxtmarknad Tema A1 - SEK	11,531	7,090	9,710	7,197	6,801	5,267	6,108	4,152	1,880	3,241
Tillväxtmarknad Tema A1 - EUR	10,703	6,570	9,296	7,139	6,779	5,267	6,108	4,152	1,880	3,241
Tillväxtmarknad Tema A1 - NOK	46	7	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema B1 - SEK	262	121	-	-	-	-	-	-	-	-
	115	336	414	58	22	-	-	-	-	-
<b>Number of units, 1000's</b>										
Tillväxtmarknad Tema A1 - SEK	47,116	34,039	42,642	38,748	36,879	32,201	29,301	22,463	15,758	14,892
Tillväxtmarknad Tema A1 - EUR	43,673	31,396	40,705	38,425	36,758	32,201	29,301	22,463	15,758	14,892
Tillväxtmarknad Tema A1 - NOK	1,782	328	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema B1 - SEK	1,127	552	-	-	-	-	-	-	-	-
	534	1,763	1,937	323	121	-	-	-	-	-
<b>Total returns in %, SEK</b>										
Tillväxtmarknad Tema A1 - SEK	+17.1	-8.4	+22.9	+0.8	+15.0	-20.6	+13.6	+60.8	-44.7	+30.9
Tillväxtmarknad Tema A1 - EUR	+11.9	-5.2	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A1 - NOK	+5.7	+0.4	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema B1 - SEK	+17.1	-8.4	+22.9	+0.8	+2.2	-	-	-	-	-
<b>Index including dividends in %, SEK</b>										
Tillväxtmarknad Tema A1 - SEK	+20.0	-8.4	+19.2	-3.8	+12.2	-16.8	+11.9	+61.2	-42.9	+31.6

Tillväxtmarknad Tema, cont.

Fund Facts - History cont.

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Tillväxtmarknad Tema A1 - EUR	+14.7	-5.2	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A1 - NOK	+8.3	+0.4	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema B1 - SEK	+20.0	-8.4	+19.2	-3.8	+3.3	-	-	-	-	-
Average yearly return, 2 yrs. %										
Tillväxtmarknad Tema A1 - SEK	+3.6	+6.1	+11.3	+7.6	-4.5	-5.0	+35.2	-5.7	-14.9	+18.5
Tillväxtmarknad Tema A1 - EUR	+3.0	+4.3	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A1 - NOK	+3.0	+11.9	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema B1 - SEK	+3.6	+6.1	+11.3	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+4.9	+4.5	+7.1	+3.9	-3.4	-3.5	+34.3	-4.1	-13.3	+22.3
EUR	+4.3	+2.7	-	-	-	-	-	-	-	-
NOK	+4.3	+10.2	-	-	-	-	-	-	-	-
Average yearly return, 5 yrs. %										
Tillväxtmarknad Tema A1 - SEK	+8.8	+0.7	+5.1	+10.9	-1.6	+1.0	+7.3	+14.6	+6.8	+25.9
Tillväxtmarknad Tema A1 - EUR	+7.3	+0.4	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A1 - NOK	+10.7	+4.7	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+7.2	-0.4	+3.7	+10.1	-0.8	+2.4	+9.0	+17.2	+9.7	+29.1
EUR	+5.6	-0.7	-	-	-	-	-	-	-	-
NOK	+9.0	+3.5	-	-	-	-	-	-	-	-
Average yearly return, 10 yrs. %										
Tillväxtmarknad Tema A1 - SEK	+4.8	+3.9	+9.8	+8.9	+11.3	+6.6	+9.5	+4.5	+5.6	+8.7
Tillväxtmarknad Tema A1 - EUR	+4.2	+4.2	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A1 - NOK	+5.3	+6.1	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+4.8	+4.2	+10.2	+9.9	+13.2	+9.1	+12.0	+7.8	+8.8	+11.7
EUR	+4.2	+4.5	-	-	-	-	-	-	-	-
NOK	+5.2	+6.4	-	-	-	-	-	-	-	-
Dividends per unit, SEK										
Tillväxtmarknad Tema A1 - SEK	-	-	-	-	3.61	2.24	1.37	4.27	1.77	2.40
Tillväxtmarknad Tema B1 - SEK	5.72	6.42	5.38	6.45	-	-	-	-	-	-
Exchange rate EUR/SEK	9.58	9.16	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.06	0.95	-	-	-	-	-	-	-	-

Index: MSCI Emerging Markets Net Index

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

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

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Tillväxtmarknad Tema A1	1.60
Tillväxtmarknad Tema B1	1.60
Collected mgmt. costs in % of average fund capital	
Tillväxtmarknad Tema A1	1.60
Tillväxtmarknad Tema B1	1.60
Annual fees in %	
Tillväxtmarknad Tema A1	1.65
Tillväxtmarknad Tema B1	1.65
Analyzing costs, tSEK <sup>1)</sup>	4,252
Transaction costs, tSEK	7,578
Transaction costs in % of turnover	0.12
Costs in SEK for a one-time subscription, 10 000 SEK	
Tillväxtmarknad Tema A1	172.53
Tillväxtmarknad Tema B1	172.53
Costs in SEK for monthly savings, 100 SEK	
Tillväxtmarknad Tema A1	11.39
Tillväxtmarknad Tema B1	11.39

1) Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

Fund Facts - Other Key Figures

Turnover rate	0.2
Share of turnover conducted via closely-related securities companies in %	0.6

Risk and Return Measurements\*

Total risk % - A1 SEK	15.6	Active return % - A1 NOK	-1.3
Total risk % - A1 EUR	15.5	Active return % - B1 SEK	-1.3
Total risk % - A1 NOK	12.3	Information ratio - A1 SEK	Negative
Total risk % - B1 SEK	15.6	Information ratio - A1 EUR	Negative
Total risk in index % - A1 SEK	16.6	Information ratio - A1 NOK	Negative
Total risk in index % - A1 EUR	16.4	Information ratio - B1 SEK	Negative
Total risk in index % - A1 NOK	13.1	Sharpe ratio - A1 SEK	0.3
Total risk in index % - B1 SEK	16.6	Sharpe ratio - A1 EUR	0.2
Active Share % <sup>1)</sup>	66.7	Sharpe ratio - A1 NOK	0.2
Tracking error % - A1 SEK	4.0	Sharpe ratio - B1 SEK	0.3
Tracking error % - A1 EUR	4.0	Sharpe ratio in index - A1 SEK	0.3
Tracking error % - A1 NOK	4.0	Sharpe ratio in index - A1 EUR	0.3
Tracking error % - B1 SEK	4.0	Sharpe ratio in index - A1 NOK	0.3
Index	MSCI Emerging Markets Net Index	Sharpe ratio in index - B1 SEK	0.3
Active return % - A1 SEK	-1.3		
Active return % - A1 EUR	-1.3		

1) As of the balance sheet date.

\* Risk statistics are based on historical monthly returns over two years. Refer to the last page for definitions.

Total exposure in the fund is calculated in accordance with the commitment method.

Income Statement, SEKt

	2016	2015
<b>INCOME AND CHANGES IN VALUE</b>		
Changes in value for transferable securities	1,428,461	-644,524
Changes in value for other derivative instruments**	-30	17
Interest income	-32	538
Dividends	179,697	221,299
Currency exchange profits and losses, net	-12,630	-12,940
Other income	0	101
<b>Total income and changes in value</b>	<b>1,595,466</b>	<b>-435,509</b>
<b>EXPENSES</b>		
Management Company expenses	144,136	147,286
Interest expense	435	94
Other expenses	12,388	22,590
<b>Total expenses</b>	<b>156,959</b>	<b>169,970</b>
<b>Net income</b>	<b>1,438,507</b>	<b>-605,479</b>
<b>* Details of changes in value</b>		
Changes in value for transferable securities - Capital gains	300,582	1,665,942
Changes in value for transferable securities - Capital losses	-471,979	-1,070,475
Changes in value for transferable securities - Unrealised	1,599,858	-1,239,991
Sum	1,428,461	-644,524
<b>** Details of changes in value</b>		
Changes in value for other derivative instruments - Unrealised	-30	17
Sum	-30	17

# Annual Review 2016 – Handelsbanken Fonder AB

Tillväxtmarknad Tema, cont.

## Balance Sheet, tSEK

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
<b>ASSETS</b>				
Transferable securities	11,155,510	96.7	6,888,561	97.2
Other derivative instruments with positive market value	218	0.0	248	0.0
<b>Total financial instruments with positive market value</b> <sup>Note 2)</sup>	<b>11,155,728</b>	<b>96.7</b>	<b>6,888,809</b>	<b>97.2</b>
Bank assets and other liquid assets	376,138	3.3	202,311	2.9
Prepaid expenses and accrued income	6,267	0.1	3,195	0.0
Other assets	1,511	0.0	193	0.0
<b>Total assets</b>	<b>11,539,644</b>	<b>100.1</b>	<b>7,094,508</b>	<b>100.1</b>
<b>LIABILITIES</b>				
Accrued expenses and prepaid income	8,236	0.1	4,939	0.1
Other liabilities	43	0.0	0	0.0
<b>Total liabilities</b>	<b>8,279</b>	<b>0.1</b>	<b>4,939</b>	<b>0.1</b>
<b>Fund capital</b> <sup>Note 1)</sup>	<b>11,531,365</b>	<b>100.0</b>	<b>7,089,569</b>	<b>100.0</b>

Note 1) for Balance Sheet

## Changes in fund capital, SEK

	2016	2015
Fund capital at beginning of year	7,089,569	9,710,324
Units issued	4,635,872	2,155,079
Units redeemed	-1,631,219	-4,157,774
Profit according to Income Statement	1,438,507	-605,479
Dividends to unit holders	-1,364	-12,581
<b>Fund capital at the close of the period</b>	<b>11,531,365</b>	<b>7,089,569</b>

Note 2) for Balance Sheet

## Fund holdings in financial instruments

### TRANSFERABLE SECURITIES\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>LISTED EQUITIES</b>			
<b>BERMUDA (BMD)</b>			
Credicorp ADR (Commercial Banks)	73,500	105,406	0.9
		<b>105,406</b>	<b>0.9</b>
<b>BRAZIL (BRL)</b>			
BM&FBovespa (Diversified Financial Services)	3,078,000	141,758	1.2
Brasil Foods (Food Products)	651,000	87,674	0.8
CETIP (Diversified Financial Services)	400,184	49,818	0.4
Cielo (IT Services)	1,415,600	110,201	1.0
Itaú Unibanco Holding pref (Commercial Banks)	1,274,900	120,456	1.0
Kroton (Commercial Services and Supplies)	4,600,000	171,152	1.5
Odontoprev (Health Care Providers and Services)	1,953,000	68,686	0.6
São Paulo Alpargatas (Textiles, Apparel and Luxury Goods)	1,815,000	50,711	0.4
Ser Educacional (Diversified Consumer Services)	425,000	22,148	0.2
Telefônica Brasil (Diversified Telecommunication Services)	300,000	36,911	0.3
Totvs (Software)	959,000	64,350	0.6
		<b>923,866</b>	<b>8.0</b>
<b>CHILE (CLP)</b>			
AFP Habitat (Capital Markets)	5,046,368	54,757	0.5
Andina B ADR (Beverages)	265,500	54,197	0.5
Banco de Chile (Commercial Banks)	103,940,625	110,669	1.0
Banmedica (Health Care Providers and Services)	3,971,078	69,600	0.6
Coca-Cola Embonor B pref (Beverages)	3,500,000	63,897	0.6
Forus (Textiles, Apparel and Luxury Goods)	1,576,000	48,203	0.4
		<b>401,323</b>	<b>3.5</b>
<b>CHINA (CNY)</b>			
51job ADR (Professional Services)	386,000	118,525	1.0
Alibaba Group Holding ADR (Internet Software and Services)	387,500	309,116	2.7
Anhui Expressway (Transportation Infrastructure)	6,000,000	41,971	0.4
Baidu ADR (Internet Software and Services)	71,100	106,195	0.9
Bank of China (Commercial Banks)	20,699,900	83,436	0.7
China Construction Bank (Commercial Banks)	10,950,000	76,598	0.7
China Lesso Group (Building Products)	8,959,000	52,803	0.5
China Shineway Pharmaceutical Group (Pharmaceuticals)	2,800,000	28,871	0.3
HengAn International (Personal Products)	589,000	39,304	0.3
Hollysys Automation Technologies (Elec Equip, Instr & Comp)	495,400	82,449	0.7
NetEase (Software)	155,000	303,223	2.6
New Oriental (Diversified Consumer Services)	133,000	50,867	0.4
Ping An Insurance (Insurance)	3,061,000	139,163	1.2
Tencent (Internet Software and Services)	2,733,000	607,484	5.3
Tianneng Power International (Auto Components)	4,066,000	33,921	0.3

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
TravelSky Technology (IT Services)	8,371,000	159,879	1.4
Xinyi Solar Holdings (Semiconductors and Semiconductor Equip.)	30,300,000	89,469	0.8
		<b>2,323,275</b>	<b>20.2</b>
<b>COLOMBIA (COP)</b>			
Corficolombiana (Diversified Financial Services)	414,960	46,563	0.4
Grupo Nutresa (Food Products)	786,000	59,227	0.5
		<b>105,790</b>	<b>0.9</b>
<b>GREECE (EUR)</b>			
JUMBO (Leisure Equipment and Products)	765,000	110,393	1.0
		<b>110,393</b>	<b>1.0</b>
<b>HONG KONG (HKD)</b>			
AIA Group (Insurance)	3,480,000	178,396	1.5
Beijing Enterprises Water Group (Water Utilities)	4,300,000	25,998	0.2
China Medical System Holdings (Pharmaceuticals)	5,300,000	76,261	0.7
China Mobile HKD (Wireless Telecommunication Services)	1,154,000	111,149	1.0
China Overseas Land & Investment (Real Estate Management and Development)	2,476,000	59,620	0.5
Hainan Meilan International Airport (Transportation Infrastructure)	9,300,000	83,908	0.7
Lae's Pharmaceutical (Pharmaceuticals)	3,200,000	23,547	0.2
NWS Holdings (Transportation Infrastructure)	4,020,000	59,539	0.5
		<b>618,417</b>	<b>5.4</b>
<b>INDIA (INR)</b>			
Asian Paints (Chemicals)	1,137,000	135,610	1.2
Axis Bank (Commercial Banks)	2,011,390	121,140	1.1
Container Corporation of India (Road and Rail)	264,500	39,300	0.3
HDFC Bank (Commercial Banks)	627,100	101,247	0.9
Housing Development Finance (Diversified Financial Services)	778,000	131,484	1.1
ICICI Bank (Commercial Banks)	1,771,000	60,520	0.5
Infosys Technologies (IT Services)	1,442,000	195,062	1.7
LIC Housing Finance (Thriffs and Mortgage Finance)	765,000	57,312	0.5
Tata Consultancy Services (IT Services)	690,800	218,732	1.9
Wonderla Holidays (Hotels, Restaurants and Leisure)	1,256,292	57,132	0.5
		<b>1,117,539</b>	<b>9.7</b>
<b>INDONESIA (IDR)</b>			
Astra International (Automobiles)	11,200,000	62,495	0.5
Bank BTN (Commercial Banks)	129,500,000	151,942	1.3
Bank Rakyat Indonesia (Commercial Banks)	20,530,000	161,623	1.4
Telkom Indonesia (Diversified Telecommunication Services)	40,000,000	107,350	0.9
		<b>483,409</b>	<b>4.1</b>
<b>KAZAKHSTAN (KZT)</b>			
Halyk Bank (Commercial Banks)	450,000	24,488	0.2
		<b>24,488</b>	<b>0.2</b>
<b>KOREA, REPUBLIC OF (KRW)</b>			
Hankook Tire (Auto Components)	140,000	61,075	0.5
Hynix Semiconductor (Semiconductors and Semiconductor Equip.)	310,000	104,227	0.9
Hyundai Home Shopping Network (Internet and Catalog Retail)	30,000	25,160	0.2
LG Industrial Conglomerates	80,000	36,104	0.3
LG Fashion (Textiles, Apparel and Luxury Goods)	170,000	27,555	0.2
Samsung Electronics (Semiconductors and Semiconductor Equip.)	36,060	488,755	4.2
Woongjin Coway (Energy Equipment and Services)	136,000	90,326	0.8
		<b>833,202</b>	<b>7.2</b>
<b>MALAYSIA (MYR)</b>			
MyEG Services (IT Services)	13,410,000	41,006	0.4
OldTown (Hotels, Restaurants and Leisure)	10,000,000	38,679	0.3
		<b>79,686</b>	<b>0.7</b>
<b>MEXICO (MXN)</b>			
Bolsa Mexicana de Valores (Diversified Financial Services)	2,820,000	33,899	0.3
Gruma (Food Products)	1,138,300	132,215	1.1
Grupo Aeroportuario del Centro Norte (Transportation Infrastructure)	2,427,638	95,522	0.8
Grupo Aeroportuario del Pacifico ADR (Transportation Infrastructure)	76,000	99,346	0.9
Grupo Lala (Food Products)	4,123,500	54,823	0.5
Grupo Sports World (Multiline Retail)	2,800,000	20,620	0.2
Hoteles City Express (Hotels, Restaurants and Leisure)	2,655,207	20,022	0.2
		<b>456,445</b>	<b>4.0</b>
<b>PERU (PEN)</b>			
Intergroup (Commercial Banks)	215,000	62,502	0.5
		<b>62,502</b>	<b>0.5</b>
<b>PHILIPPINES (PHP)</b>			
BDO Unibank (Commercial Banks)	3,130,000	64,120	0.6
COL Financial Group (Capital Markets)	10,000,000	29,422	0.3
Robinsons Land (Real Estate Management and Development)	7,820,000	37,155	0.3
Universal Robina (Food Products)	1,900,000	56,769	0.5
Xurpas (Software)	11,240,000	16,412	0.1
		<b>203,877</b>	<b>1.8</b>

# Annual Review 2016 – Handelsbanken Fonder AB

Tillväxtmarknad Tema, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>POLAND (PLN)</b>			
AmRest (Hotels, Restaurants and Leisure)	121,624	78,349	0.7
KRUK (Diversified Financial Services)	113,000	58,284	0.5
PZU (Insurance)	400,000	28,910	0.3
Warsaw Stock Exchange (Diversified Financial Services)	400,000	34,760	0.3
		<b>200,303</b>	<b>1.7</b>
<b>RUSSIAN FEDERATION (RUB)</b>			
Phosagro GDR (Chemicals)	509,000	70,517	0.6
Sberbank (Commercial Banks)	16,854,000	434,551	3.8
X5 Retail Group (Food and Staples Retailing)	515,000	151,820	1.3
		<b>656,888</b>	<b>5.7</b>
<b>SOUTH AFRICA (ZAR)</b>			
Clicks Group (Food and Staples Retailing)	1,581,000	121,309	1.1
Coronation Fund Managers (Other)	1,543,000	72,256	0.6
Johannesburg Stock Exchange (Diversified Financial Services)	837,700	91,417	0.8
LIFE Healthcare Group (Health Care Providers and Services)	2,061,000	44,635	0.4
Mr Price Group (Specialty Retail)	490,646	52,005	0.5
Nampak (Containers and Packaging)	1,180,500	14,555	0.1
Naspers (Media)	213,000	284,995	2.5
Sanlam (Insurance)	1,790,000	74,797	0.6
Tiger Brands (Food Products)	277,200	73,260	0.6
		<b>829,228</b>	<b>7.2</b>
<b>SWITZERLAND (CHF)</b>			
Luxoft (IT Services)	163,000	83,220	0.7
		<b>83,220</b>	<b>0.7</b>
<b>TAIWAN, PROVINCE OF CHINA (TWD)</b>			
Advantech (Communications Equipment)	707,000	50,718	0.4
Axiomtek (Computers and Peripherals)	2,635,000	43,302	0.4
Catcher Technology (Electrical Equipment)	1,076,000	67,939	0.6
Everlight Electronics (Electrical Equipment)	3,162,000	41,089	0.4
Fubon Financial Holding (Diversified Financial Services)	3,531,000	50,761	0.4
Largan Precision (Leisure Equipment and Products)	167,000	178,408	1.5
Nan Ya Plastics (Chemicals)	2,500,000	50,174	0.4
Taiwan Semiconductor (Semiconductors and Semiconductor Eqp.)	11,987,000	613,262	5.3
Uni-President Enterprises (Food Products)	6,094,000	91,728	0.8
Zeng Hsing Industrial (Household Durables)	1,100,000	49,765	0.4
		<b>1,237,146</b>	<b>10.7</b>
<b>THAILAND (THB)</b>			
Airports of Thailand f/r (Transportation Infrastructure)	1,175,000	118,636	1.0
Major Cineplex (Media)	6,150,000	51,095	0.4
Minor International (Hotels, Restaurants and Leisure)	5,500,000	50,927	0.4
Thai Tap Water Supply (Water Utilities)	14,757,000	40,057	0.3
		<b>260,715</b>	<b>2.3</b>
<b>TURKEY (TRY)</b>			
TSKB (Commercial Banks)	10,542,856	38,392	0.3
		<b>38,392</b>	<b>0.3</b>
<b>Total listed equities</b>		<b>11,155,510</b>	<b>96.7</b>
<b>Total transferable securities</b>		<b>11,155,510</b>	<b>96.7</b>
<b>EXCHANGE-TRADED DERIVATIVES**</b>			
	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>OPTIONS AND WARRANTS</b>			
Minor International	200,000	218	0.0
<b>Total options and warrants</b>		<b>218</b>	<b>0.0</b>
<b>Total exchange-traded derivatives</b>		<b>218</b>	<b>0.0</b>
<b>Total holdings in financial instruments</b>		<b>11,155,728</b>	<b>96.7</b>
<b>Net, other assets and liabilities</b>		<b>375,637</b>	<b>3.3</b>
<b>Total fund capital</b>		<b>11,531,365</b>	<b>100.0</b>

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

\* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 96.7

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

\*\*\* Refers to other financial instruments. -

## Compilation, Company and Group exposure\*

Company/Group	% of fund capital	Company/Group	% of fund capital
LG	0.5	Minor International	0.4

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



# Tillväxtmarknadsfond Obligation

## Handelsbanken Funds Emerging Markets Bond Fund

### Management Report

#### Investment Focus

The fund is actively managed, which means that the portfolio manager takes active, independent investment decisions. The objective of the fund is to attain returns over the long term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in a diversified portfolio with debt instruments primarily in or with exposure to developing countries (emerging markets). Handelsbanken Emerging Markets Bond Fund may not invest in securities with a rating below BB- according to Standard & Poors and/or an equivalent rating at Fitch or Moody's.

#### Portfolio

Tillväxtmarknadsfond Obligation rose 14.5% during the full year 2016\*. The year began as 2015 ended with weak risk sentiment. Sentiment turned when oil prices started to rise in February and the US central bank withdrew its rate hikes. Brazil and Russia posted the most strength with declining rates and stronger currencies. However, the fund was underweight in these countries for a period, which had a negative impact on returns. Mexico delivered weaker returns and was pulled down by Donald Trump's actions about closing the borders. India experienced sharply falling interest rates after the reforms that were implemented, which was positive for the fund that has an overweight in the country. In general, the fund was positioned more conservatively than the index, which had a negative effect on relative returns. The fund has substantial investments in AAA supranational bonds such as EIB, KFW and IFC.

These traded significantly better than local bonds in a climate of lower risk tolerance. Returns were negatively affected by the stronger performance of local bonds during the year relative to the global/supranational bonds in which the fund can invest. The fund is not permitted to purchase local Brazilian bonds due to administrative constraints.

\*) The fund may have additional share classes, the concerned share class is stated in the Fund facts. Refer to fund statistics for comparable index.

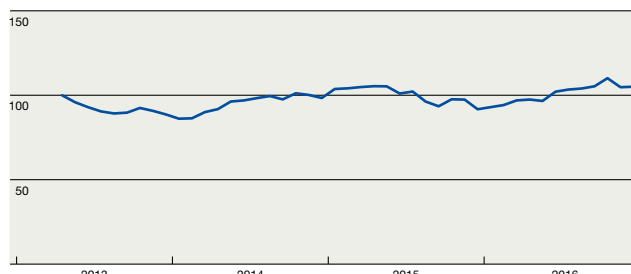
#### Outlook

The newly elected US president, Donald Trump, is expected to create uncertainty in emerging markets (EM) during 2017. Higher US rates, a stronger USD and greater focus on the domestic US economy are risk factors for emerging markets. Added to this is concern surrounding China's slowing growth and runaway debt. Otherwise, emerging market bonds have relatively good purchase values overall, in particular from an interest rate perspective. There is additional capacity for many countries to cut interest rates (Russia and Brazil). India and Indonesia (two overweights in the fund) should also have favourable conditions for lower rates. Rising commodity prices are also positive drivers. A negative factor would be if emerging market currencies weaken due to a stronger USD.

#### Significant risks

As of the balance sheet date, the fund does not have any other significant risks in its holdings than those stated in the fact sheet and information brochure.

### Fund Performance\*



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

### Top Ten Holdings

	% of fund capital
Peru 6,95% 2031-08-12	4.7
South Africa 8,875% 2035-02-28	4.2
EIB 7,20% 2019-07-09	4.2
Mexico 6,50% 2021-06-10	4.2
Poland 5,75% 2021-10-25	4.0
Turkey 8,00% 2025-03-12	3.9
EIB 8,50% 2024-09-17	3.8
Russia Govt 8,15% 2027-02-03	3.7
Russia 7,60% 2022-07-20	3.6
Hungary 5,50% 2025-06-24	3.4

### Fund Facts - History

	2016	2015	2014	22/4-31/12 2013	2012	2011	2010	2009	2008	2007
<b>Net asset value</b>										
Tillväxtmarknadsfond Obligation A - SEK	104.78	91.47	98.10	88.40	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation A - EUR	10.93	9.99	10.36	-	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation A - NOK	99.27	96.04	93.96	-	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation A2 - SEK	105.52	91.94	98.40	88.49	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation A2 - EUR	11.01	10.04	10.39	-	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation AI - SEK	106.60	92.61	98.84	88.63	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation AI - EUR	11.13	10.11	10.43	-	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation BI - SEK	95.44	85.69	95.51	88.51	-	-	-	-	-	-
<b>Fund capital total, mSEK</b>	808	652	2,041	311	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation A - SEK	309	264	558	40	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation A - EUR	1	0	0	-	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation A - NOK	146	52	28	-	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation A2 - SEK	202	256	73	46	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation A2 - EUR	-	0	0	-	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation AI - SEK	20	15	96	31	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation AI - EUR	4	0	0	-	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation BI - SEK	73	67	1,283	195	-	-	-	-	-	-
<b>Number of units, 1000's</b>	7,761	7,164	21,154	3,516	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation A - SEK	2,947	2,885	5,689	447	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation A - EUR	115	10	14	-	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation A - NOK	1,468	547	298	-	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation A2 - SEK	1,913	2,780	747	522	-	-	-	-	-	-

# Annual Review 2016 – Handelsbanken Funds

Tillväxtmarknadsfond Obligation, cont.

## Fund Facts - History cont.

	2016	2015	2014	22/4-31/12 2013	2012	2011	2010	2009	2008	2007
Tillväxtmarknadsfond Obligation A2 - EUR	-	0	3	-	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation AI - SEK	191	159	971	349	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation AI - EUR	360	2	1	-	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation BI - SEK	766	783	13,432	2,198	-	-	-	-	-	-
Total returns in %, SEK										
Tillväxtmarknadsfond Obligation A - SEK	+14.5	-6.8	+11.0	-11.6	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation A - EUR	+9.5	-3.6	+3.7	-	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation A - NOK	+3.4	+2.2	+12.5	-	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation A2 - SEK	+14.8	-6.6	+11.2	-11.5	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation A2 - EUR	+9.7	-3.4	+3.9	-	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation AI - SEK	+15.1	-6.3	+11.5	-11.4	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation AI - EUR	+10.0	-3.1	+4.2	-	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation BI - SEK	+14.8	-6.5	+11.2	-11.5	-	-	-	-	-	-
Index including dividends in %, SEK										
Tillväxtmarknadsfond Obligation A - SEK	+18.3	-5.9	+11.5	-9.1	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation A - EUR	+13.1	-2.7	+4.2	-	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation A - NOK	+6.8	+3.1	+13.1	-	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation A2 - SEK	+18.3	-5.9	+11.5	-9.1	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation A2 - EUR	+13.1	-2.7	+4.2	-	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation AI - SEK	+18.3	-5.9	+11.5	-9.1	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation AI - EUR	+13.1	-2.7	+4.2	-	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation BI - SEK	+18.3	-5.9	+11.5	-9.1	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Tillväxtmarknadsfond Obligation A - SEK	+3.3	+1.7	-	-	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation A - EUR	+2.8	0.0	-	-	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation A - NOK	+2.8	+7.2	-	-	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation A2 - SEK	+3.6	+1.9	-	-	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation A2 - EUR	+3.0	+0.2	-	-	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation AI - SEK	+3.9	+2.2	-	-	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation AI - EUR	+3.3	+0.5	-	-	-	-	-	-	-	-
Tillväxtmarknadsfond Obligation BI - SEK	+3.6	+2.0	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+5.5	+2.4	-	-	-	-	-	-	-	-
EUR	+4.9	+0.7	-	-	-	-	-	-	-	-
NOK	+4.9	+8.0	-	-	-	-	-	-	-	-

Index: JP Morgan EM GBI Diversified Index

The fund's benchmark represents a comparable reference with regard to the fund's investment focus, types of assets, markets or relevant sectors. In the event the fund issues dividends, performance is calculated with distributions added back. Detailed information for the share classes' designation (nomenclature) is provided in the information provided by the Management Company.

Refer to the last page for definitions.

## Fund Facts - Costs

Collected mgmt. costs in % of average fund capital	
Tillväxtmarknadsfond Obligation A <sup>1)</sup>	1.10
Tillväxtmarknadsfond Obligation A2 <sup>1)</sup>	0.90
Tillväxtmarknadsfond Obligation AI <sup>2)</sup>	0.65
Tillväxtmarknadsfond Obligation BI <sup>2)</sup>	0.90
Annual fees in %	
Tillväxtmarknadsfond Obligation A	1.15
Tillväxtmarknadsfond Obligation A2	0.94
Tillväxtmarknadsfond Obligation AI	0.66
Tillväxtmarknadsfond Obligation BI	0.91

1) A Luxembourg wealth tax of 0.05% of fund assets will be added annually.

2) A Luxembourg wealth tax of 0.01% of fund assets will be added annually.

## Fund Facts - Other Key Figures

Turnover rate	
Tillväxtmarknadsfond Obligation A	-0.4
Tillväxtmarknadsfond Obligation A2	-0.4

## Risk and Return Measurements\*

Total risk % - A SEK	11.1	Active return % - AI SEK	-1.7
Total risk % - A EUR	10.6	Active return % - AI EUR	-1.6
Total risk % - A NOK	7.9	Active return % - BI SEK	-1.9
Total risk % - A2 SEK	11.1	Information ratio - A SEK	Negative
Total risk % - A2 EUR	10.6	Information ratio - A EUR	Negative
Total risk % - AI SEK	11.1	Information ratio - A NOK	Negative
Total risk % - AI EUR	10.6	Information ratio - A2 SEK	Negative
Total risk % - BI SEK	11.1	Information ratio - A2 EUR	Negative
Total risk in index % - A SEK	11.5	Information ratio - AI SEK	Negative
Total risk in index % - A EUR	11.0	Information ratio - AI EUR	Negative
Total risk in index % - A NOK	8.3	Information ratio - BI SEK	Negative
Total risk in index % - A2 SEK	11.5	Sharpe ratio - A SEK	0.3
Total risk in index % - A2 EUR	11.0	Sharpe ratio - A EUR	0.3
Total risk in index % - AI SEK	11.5	Sharpe ratio - A NOK	0.3
Total risk in index % - AI EUR	11.0	Sharpe ratio - A2 SEK	0.4
Total risk in index % - BI SEK	11.5	Sharpe ratio - A2 EUR	0.3
Tracking error % - A SEK	1.5	Sharpe ratio - AI SEK	0.4
Tracking error % - A EUR	1.5	Sharpe ratio - AI EUR	0.3
Tracking error % - A NOK	1.5	Sharpe ratio - BI SEK	0.4
Tracking error % - A2 SEK	1.5	Sharpe ratio in index - A SEK	0.5
Tracking error % - A2 EUR	1.5	Sharpe ratio in index - A EUR	0.5
Tracking error % - AI SEK	1.5	Sharpe ratio in index - A NOK	0.5
Tracking error % - AI EUR	1.5	Sharpe ratio in index - A2 SEK	0.5
Tracking error % - BI SEK	1.5	Sharpe ratio in index - A2 EUR	0.5
Index	JP Morgan EM GBI Diversified Index	Sharpe ratio in index - AI SEK	0.5
Active return % - A SEK	-2.2	Sharpe ratio in index - BI SEK	0.5
Active return % - A EUR	-2.2	Duration, years <sup>1)</sup>	4.8
Active return % - A NOK	-2.2		
Active return % - A2 SEK	-2.0		
Active return % - A2 EUR	-1.9		

1) As of the balance sheet date.

\* Risk statistics are based on historical monthly returns over two years. Refer to the last page for definitions.

Total exposure in the fund is calculated in accordance with the commitment method.



# XACT Bear 2

Leveraged exchange-traded index fund listed on the Stockholm Stock Exchange

## Management Report

### Investment Focus

The fund is a non-UCITS exchange-traded fund that differs from a securities fund in that it has leveraging. The objective of the fund is to provide a daily return equivalent to approximately 200% of the daily opposite change in the OMXS30™ Index before management fees and other transaction costs. This means that when the OMXS30™ falls by 1% on the market in one day, XACT Bear 2 should rise by approximately 2%. The index consists of the 30 most-traded shares on the OMX Nordic Exchange Stockholm. The fund's capital consists of liquid assets and sold futures contracts (OMXS30™ futures) equivalent to approximately 200% of the fund's value. A daily rebalancing of the fund's futures holdings occurs to ensure that the fund maintains an exposure of -200% of the fund capital.

### Portfolio

XACT Bear 2 fell 29.1% during the full year 2016\*. The portfolio consists of three types of assets: sold futures, liquid assets invested in interest-bearing accounts and money market instruments issued or guaranteed by the Swedish government. The portfolio is rebalanced on a daily basis to maintain a consistent leverage and risk profile.

\*) Refer to fund statistics for comparable index.

### Significant risks

As of the balance sheet date, the fund does not have any other significant risks in its holdings than those stated in the fact sheet and information brochure.

### Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus to attain the intended leverage. The fund trades

continuously with derivatives. The fund has the option of lending equity. The fund did not use this option in 2016. The fund may use other techniques and instruments. The fund did not use this option in 2016.

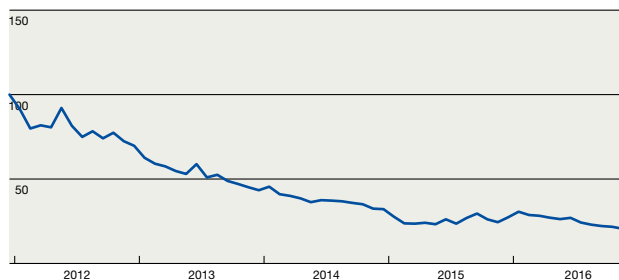
- Highest leverage during the financial year -207.8%
- Lowest leverage during the financial year -197.1%
- Average leverage during the financial year -201.0%

### Information

Information on compensation to employees is available on the Management Company's webpage as well as in the Management Company's annual report.

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

### Fund Performance\*



\* Performance is shown in the fund's base currency.

### Fund Facts - History

	2016	2015	2014	2013	2012	2011	2010	6/11-31/12 2009	2008	2007
Net asset value, SEK	69.09	97.45	114.56	154.46	82.71	119.80	112.81	194.34	-	-
The fund's total net flow, mSEK	442	-126	299	354	238	-	-	-	-	-
Fund capital, mSEK	573	448	676	618	513	467	401	165	-	-
Number of units, 1000's	8,300	4,600	5,900	4,000	6,200	3,900	3,550	850	-	-
Total returns in %, SEK	-29.1	-14.9	-25.8	-37.8	-30.3	+6.2	-42.0	-2.8	-	-
Index including dividends in %, SEK	+9.4	+2.2	+14.0	+25.5	+16.3	-11.6	+24.9	+0.8	-	-
Average yearly return, 2 yrs. %	-22.3	-20.6	-32.1	-34.1	-14.0	-21.5	-	-	-	-
Comparison to index including dividends, %	+5.8	+7.9	+19.6	+20.8	+1.4	+5.1	-	-	-	-
Average yearly return, 5 yrs. %	-28.0	-21.9	-27.6	-	-	-	-	-	-	-
Comparison to index including dividends, %	+13.2	+8.5	+12.9	-	-	-	-	-	-	-
Dividends per unit, SEK	-	-	-	-	0.83	0.00	0.00	-	-	-

Index: OMXS30™ Gross Index

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

### Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	0.80
Collected mgmt. costs in % of average fund capital	0.60
Annual fees in %	0.60
Analysing costs, tSEK <sup>1)</sup>	-
Transaction costs, tSEK	2,044
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	55.84
Costs in SEK for monthly savings, 100 SEK	3.39

<sup>1)</sup> Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

### Fund Facts - Other Key Figures

Turnover rate <sup>1)</sup>	0.5
Turnover rate <sup>1) 2)</sup>	-1.6
Share of turnover conducted via closely-related securities companies in %	22.0

<sup>1)</sup> The turnover rate is misleading, as the fund trades predominately in futures contracts on the OMXS30™ Index.

The difference between the two turnover measurements is that the measurement at the top only includes completed transactions in financial instruments, while the turnover rate at the bottom also takes into consideration fund units that have been purchased and sold.

<sup>2)</sup> The turnover rate is negative and is misleading as the fund's management strategy means that the fund trades predominately in futures contracts on the OMXS30™ Index. A negative turnover rates arises when the total number of fund units purchased and sold exceed the total number of futures purchased and sold.

### Risk and Return Measurements\*

Total risk %	29.3	Information ratio	Negative
Total risk in index %	15.0	Sharpe ratio	-0.7
Tracking error %	44.2	Sharpe ratio in index	0.4
Index	OMXS30™ Gross Index		
Active return %	-28.1		

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XACT Bear 2, cont.

Risk statistics are based on historical monthly returns over two years. Refer to the last page for definitions.

Total exposure in the fund is calculated in accordance with the commitment method.

**Income Statement, SEKt**

	2016	2015
<b>INCOME AND CHANGES IN VALUE</b>		
Changes in value for other derivative instruments <sup>1</sup>	-306,871	-95,307
Interest income	-2,886	-441
Other income	0	0
<b>Total income and changes in value</b>	<b>-309,757</b>	<b>-95,748</b>
<b>EXPENSES</b>		
Management Company expenses	4,590	4,019
Other expenses <sup>1)</sup>	2,049	1,583
<b>Total expenses</b>	<b>6,639</b>	<b>5,602</b>
<b>Net income</b>	<b>-316,396</b>	<b>-101,350</b>
<b>* Details of changes in value</b>		
Changes in value for other derivative instruments - Capital gains	1,761,670	1,613,110
Changes in value for other derivative instruments - Capital losses	-2,068,541	-1,708,417
Changes in value for other derivative instruments - Unrealised	0	0
<b>Sum</b>	<b>-306,871</b>	<b>-95,307</b>

1) The item consists primarily of broker's commissions for derivatives.

**Compilation, Company and Group exposure\***

Company/Group	% of fund capital
Svenska staten	22.7

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

**Balance Sheet, tSEK**

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
<b>ASSETS</b>				
Money market instruments	130,181	22.7	120,097	26.8
<b>Total financial instruments with positive market value</b> <sup>Note 2)</sup>	<b>130,181</b>	<b>22.7</b>	<b>120,097</b>	<b>26.8</b>
Bank assets and other liquid assets	444,257	77.5	325,878	72.7
Other assets	-	-	2,436	0.5
<b>Total assets</b>	<b>574,438</b>	<b>100.2</b>	<b>448,411</b>	<b>100.0</b>
<b>LIABILITIES</b>				
Accrued expenses and prepaid income	223	0.0	125	0.0
Other liabilities	802	0.2	-	-
<b>Total liabilities</b>	<b>1,025</b>	<b>0.2</b>	<b>125</b>	<b>0.0</b>
<b>Fund capital</b> <sup>Note 1)</sup>	<b>573,413</b>	<b>100.0</b>	<b>448,286</b>	<b>100.0</b>
Other derivative instruments with negative market value <sup>1)</sup>	126,299	22.0	116,496	26.0

 1) Liquid assets total SEK 37,000t.  
 Bonds and other interest-bearing instruments total SEK 135,966t.

Note 1) for Balance Sheet

**Changes in fund capital, SEKt**

	2016	2015
Fund capital at beginning of year	448,286	675,875
Units issued	1,202,206	526,644
Units redeemed	-760,683	-652,883
Profit according to Income Statement	-316,396	-101,350
Dividends to unit holders	-	-
<b>Fund capital at the close of the period</b>	<b>573,413</b>	<b>448,286</b>

Note 2) for Balance Sheet

**Fund holdings in financial instruments**
**MONEY MARKET INSTRUMENTS\*\***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>TREASURY BILLS</b>			
Svenska staten 2017-02-15	20,000	20,018	3.5
Svenska staten 2017-03-15	110,000	110,163	19.2
<b>Total Treasury bills</b>		<b>130,181</b>	<b>22.7</b>
<b>Total money market instruments</b>		<b>130,181</b>	<b>22.7</b>

**EXCHANGE-TRADED DERIVATIVES\*\***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>STOCK INDEX FUTURES</b>			
OMXS307A	-7,636	0	0.0
<b>Total stock index futures</b>		<b>0</b>	<b>0.0</b>
<b>Total exchange-traded derivatives</b>		<b>0</b>	<b>0.0</b>
Total holdings in financial instruments		130,181	22.7
Net, other assets and liabilities		443,232	77.3
<b>Total fund capital</b>		<b>573,413</b>	<b>100.0</b>

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

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

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

\*\*\* Refers to other financial instruments.



## XACT Bear *Leveraged exchange-traded index fund listed on the Stockholm Stock Exchange*

### Management Report

#### Investment Focus

The fund is a non-UCITS exchange-traded fund that differs from a securities fund in that it has leveraging. The objective of the fund is to provide a daily return equivalent to approximately 150% of the daily opposite change in the OMXS30™ Index before management fees and other transaction costs. This means that when the OMXS30™ falls by 1% on the market in one day, XACT Bear should rise by approximately 1.5%. The index consists of the 30 most-traded equities on the OMX Nordic Exchange Stockholm. The fund's capital consists of liquid assets and sold futures contracts (OMXS30™ futures) equivalent to approximately 150% of the fund's value. A daily rebalancing of the fund's futures holdings occurs to ensure that the fund maintains an exposure of -150% of the fund capital.

#### Portfolio

XACT Bear fell 21.5% during the full year 2016\*. The portfolio consists of three types of assets: sold futures, liquid assets invested in interest-bearing accounts and money market instruments issued or guaranteed by the Swedish government. The portfolio is rebalanced on a daily basis to maintain a consistent leverage and risk profile.

\*) Refer to fund statistics for comparable index.

#### Significant risks

As of the balance sheet date, the fund does not have any other significant risks in its holdings than those stated in the fact sheet and information brochure.

#### Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus to attain the intended leverage. The fund trades

continuously with derivatives. The fund has the option of lending equity. The fund did not use this option in 2016. The fund may use other techniques and instruments. The fund did not use this option in 2016.

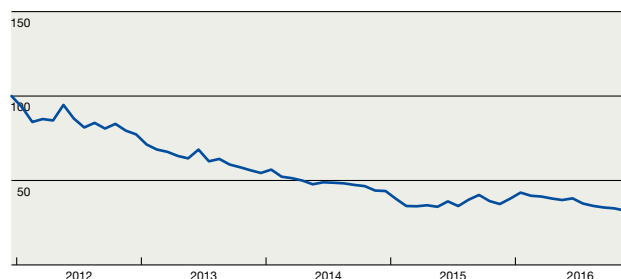
- Highest leverage during the financial year -155.3%
- Lowest leverage during the financial year -148.4%
- Average leverage during the financial year -150.7%

#### Information

Information on compensation to employees is available on the Management Company's webpage as well as in the Management Company's annual report.

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

#### Fund Performance\*



\* Performance is shown in the fund's base currency.

#### Fund Facts - History

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net asset value, SEK	76.54	97.51	108.69	135.23	19.19	25.15	23.21	34.26	78.24	50.90
The fund's total net flow, mSEK	161	-63	174	-22	-148	-	-	-	-	-
Fund capital, mSEK	612	624	739	730	1,033	1,545	1,412	1,890	2,402	2,217
Number of units, 1000's	8,000	6,400	6,800	5,400	53,800	61,400	60,800	55,150	30,700	43,550
Total returns in %, SEK	-21.5	-10.3	-19.6	-29.5	-22.7	+8.3	-32.2	-55.0	+57.2	+4.9
Index including dividends in %, SEK	+9.4	+2.2	+14.0	+25.5	+16.3	-11.6	+24.9	+49.1	-36.3	-3.1
Average yearly return, 2 yrs. %	-16.1	-15.1	-24.8	-26.2	-8.5	-14.3	-44.8	-15.9	+28.4	-13.4
Comparison to index including dividends, %	+5.8	+7.9	+19.6	+20.8	+1.4	+5.1	+36.5	-2.5	-21.4	+9.1
Average yearly return, 5 yrs. %	-21.0	-15.7	-20.3	-29.0	-16.7	-11.4	-18.5	-	-	-
Comparison to index including dividends, %	+13.2	+8.5	+12.9	+19.2	+4.1	+0.4	+7.2	-	-	-
Average yearly return, 10 yrs. %	-16.3	-17.1	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+6.6	+7.8	-	-	-	-	-	-	-	-
Dividends per unit, SEK	-	-	-	-	0.26	0.00	0.02	1.87	1.44	0.13

Index: OMXS30™ Gross Index

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

Refer to the last page for definitions.

#### Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	0.60
Collected mgmt. costs in % of average fund capital	0.60
Annual fees in %	0.60
Analyzing costs, tSEK <sup>1)</sup>	-
Transaction costs, tSEK	1,289
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	57.29
Costs in SEK for monthly savings, 100 SEK	3.52

<sup>1)</sup> Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

#### Fund Facts - Other Key Figures

Turnover rate <sup>1)</sup>	0.4
Turnover rate <sup>1)</sup>	0.4
Share of turnover conducted via closely-related securities companies in %	16.7

<sup>1)</sup> The turnover rate is misleading, as the fund trades predominately in futures contracts on the OMXS30™ Index. The difference between the two turnover measurements is that the measurement at the top only includes completed transactions in financial instruments, while the turnover rate at the bottom also takes into consideration fund units that have been purchased and sold.

XACT Bear, cont.

## Risk and Return Measurements\*

Total risk %	22.0	Information ratio	Negative
Total risk in index %	15.0	Sharpe ratio	-0.7
Tracking error %	37.0	Sharpe ratio in index	0.4
Index	OMXS30™ Gross Index		
Active return %	-21.8		

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

## Income Statement, SEKt

	2016	2015
<b>INCOME AND CHANGES IN VALUE</b>		
Changes in value for other derivative instruments	-164,467	-46,383
Interest income	-2,514	-438
Other income	0	0
<b>Total income and changes in value</b>	<b>-166,981</b>	<b>-46,821</b>
<b>EXPENSES</b>		
Management Company expenses	4,259	4,243
Other expenses <sup>1)</sup>	1,293	1,145
<b>Total expenses</b>	<b>5,552</b>	<b>5,388</b>
<b>Net income</b>	<b>-172,533</b>	<b>-52,209</b>

* Details of changes in value		
Changes in value for other derivative instruments - Capital gains	1,252,895	1,305,957
Changes in value for other derivative instruments - Capital losses	-1,417,362	-1,352,340
Changes in value for other derivative instruments - Unrealised	-	0
<b>Sum</b>	<b>-164,467</b>	<b>-46,383</b>

1) The item consists primarily of broker's commissions for derivatives.

## Balance Sheet, tSEK

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
<b>ASSETS</b>				
Money market instruments	100,131	16.4	95,075	15.2
<b>Total financial instruments with positive market value</b> <sup>Note 2)</sup>	<b>100,131</b>	<b>16.4</b>	<b>95,075</b>	<b>15.2</b>
Bank assets and other liquid assets	513,035	83.8	526,634	84.4
Other assets	-	-	2,490	0.4
<b>Total assets</b>	<b>613,166</b>	<b>100.2</b>	<b>624,199</b>	<b>100.0</b>
<b>LIABILITIES</b>				
Accrued expenses and prepaid income	243	0.0	165	0.0
Other liabilities	605	0.2	-	-
<b>Total liabilities</b>	<b>848</b>	<b>0.2</b>	<b>165</b>	<b>0.0</b>
<b>Fund capital</b> <sup>Note 1)</sup>	<b>612,318</b>	<b>100.0</b>	<b>624,034</b>	<b>100.0</b>
Other derivative instruments with negative market value <sup>1)</sup>	97,144	15.9	92,224	14.8

1) Bonds and other interest-bearing instruments total SEK 106,828t.

Note 1) for Balance Sheet

## Changes in fund capital, SEKt

	2016	2015
Fund capital at beginning of year	624,034	739,066
Units issued	222,114	236,719
Units redeemed	-61,297	-299,542
Profit according to Income Statement	-172,533	-52,209
Dividends to unit holders	-	-
<b>Fund capital at the close of the period</b>	<b>612,318</b>	<b>624,034</b>

Note 2) for Balance Sheet

## Fund holdings in financial instruments

## MONEY MARKET INSTRUMENTS\*\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>TREASURY BILLS</b>			
Svenska staten 2017-02-15	30,000	30,027	4.9
Svenska staten 2017-03-15	70,000	70,104	11.4
<b>Total Treasury bills</b>		<b>100,131</b>	<b>16.4</b>
<b>Total money market instruments</b>		<b>100,131</b>	<b>16.4</b>

## EXCHANGE-TRADED DERIVATIVES\*\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>STOCK INDEX FUTURES</b>			
OMXS307A	-6,040	0	0.0
<b>Total stock index futures</b>		<b>0</b>	<b>0.0</b>
<b>Total exchange-traded derivatives</b>		<b>0</b>	<b>0.0</b>
<b>Total holdings in financial instruments</b>		<b>100,131</b>	<b>16.4</b>
<b>Net, other assets and liabilities</b>		<b>512,187</b>	<b>83.6</b>
<b>Total fund capital</b>		<b>612,318</b>	<b>100.0</b>

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

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

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

\*\*\* Refers to other financial instruments.

## Compilation, Company and Group exposure\*

Company/Group	% of fund capital
Svenska Staten	16.3

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



# XACT Bull 2

Leveraged exchange-traded index fund listed on the Stockholm Stock Exchange

## Management Report

### Investment Focus

The fund is a non-UCITS exchange-traded fund that differs from a securities fund in that it has leveraging. The objective of the fund is to provide a daily return equivalent to approximately 200% of the daily positive change in the OMXS30™ Index before management fees and other transaction costs. This means that when the OMXS30™ rises by 1% on the market in one day, XACT Bull 2 should rise by approximately 2%. The index consists of the 30 most-traded shares on the OMX Nordic Exchange Stockholm. The fund's capital consists of liquid assets and futures contracts (OMXS30™ futures) equivalent to approximately 200% of the fund's value. A daily rebalancing of the fund's futures holdings occurs to ensure that the fund maintains an exposure of 200% of the fund capital.

### Portfolio

XACT Bull 2 rose 15.0% during the full year 2016\*. The portfolio consists of three types of assets: purchased futures, liquid assets invested in interest-bearing accounts and money market instruments issued or guaranteed by the Swedish government. The portfolio is rebalanced on a daily basis to maintain a consistent leverage and risk profile.

\* Refer to fund statistics for comparable index.

### Significant risks

As of the balance sheet date, the fund does not have any other significant risks in its holdings than those stated in the fact sheet and information brochure.

### Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of

its investment focus to attain the intended leverage. The fund trades continuously with derivatives. The fund has the option of lending equity. The fund did not use this option in 2016. The fund may use other techniques and instruments. The fund did not use this option in 2016.

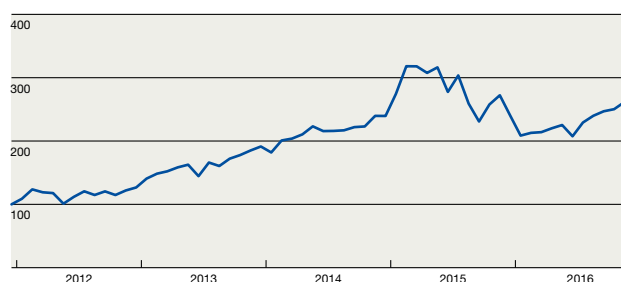
- Highest leverage during the financial year 205.3%
- Lowest leverage during the financial year 198.8%
- Average leverage during the financial year 200.6%

### Information

Information on compensation to employees is available on the Management Company's webpage as well as in the Management Company's annual report.

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

### Fund Performance\*



\* Performance is shown in the fund's base currency.

### Fund Facts - History

	2016	2015	2014	2013	2012	2011	2010	6/11-31/12 2009	2008	2007
Net asset value, SEK	565.76	492.08	490.91	392.13	259.55	206.71	295.21	201.43	-	-
The fund's total net flow, mSEK	-345	130	-460	-267	-97	-	-	-	-	-
Fund capital, mSEK	707	960	835	1,059	921	796	664	433	-	-
Number of units, 1000's	1,250	1,950	1,700	2,700	3,550	3,850	2,250	2,150	-	-
Total returns in %, SEK	+15.0	+0.2	+25.2	+51.1	+26.7	-30.0	+46.6	+0.7	-	-
Index including dividends in %, SEK	+9.4	+2.2	+14.0	+25.5	+16.3	-11.6	+24.9	+0.8	-	-
Average yearly return, 2 yrs. %	+7.4	+12.0	+37.5	+38.3	-5.8	+1.3	-	-	-	-
Comparison to index including dividends, %	+5.8	+7.9	+19.6	+20.8	+1.4	+5.1	-	-	-	-
Average yearly return, 5 yrs. %	+22.5	+11.0	+19.7	-	-	-	-	-	-	-
Comparison to index including dividends, %	+13.2	+8.5	+12.9	-	-	-	-	-	-	-
Dividends per unit, SEK	-	-	-	-	2.30	0.00	0.00	-	-	-

Index: OMXS30™ Gross Index

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

### Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	0.80
Collected mgmt. costs in % of average fund capital	0.60
Annual fees in %	0.60
Analyzing costs, tSEK <sup>1)</sup>	-
Transaction costs, tSEK	1,579
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	57.22
Costs in SEK for monthly savings, 100 SEK	4.20

<sup>1)</sup> Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

### Fund Facts - Other Key Figures

Turnover rate <sup>1)</sup>	0.5
Turnover rate <sup>1) 2)</sup>	-0.6
Share of turnover conducted via closely-related securities companies in %	11.6

<sup>1)</sup> The turnover rate is misleading, as the fund trades predominately in futures contracts on the OMXS30™ Index.

The difference between the two turnover measurements is that the measurement at the top only includes completed transactions in financial instruments, while the turnover rate at the bottom also takes into consideration fund units that have been purchased and sold.

<sup>2)</sup> The turnover rate is negative and is misleading as the fund's management strategy means that the fund trades predominately in futures contracts on the OMXS30™ Index. A negative turnover rates arises when the total number of fund units purchased and sold exceed the total number of futures purchased and sold.

### Risk and Return Measurements\*

Total risk %	30.8	Information ratio	0.1
Total risk in index %	15.0	Sharpe ratio	0.3
Tracking error %	15.9	Sharpe ratio in index	0.4
Index	OMXS30™ Gross Index		
Active return %	1.6		

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

### Income Statement, SEKt

	2016	2015
<b>INCOME AND CHANGES IN VALUE</b>		
Changes in value for other derivative instruments	101,452	1,653
Interest income	-2,901	-545
Other income	0	0
<b>Total income and changes in value</b>	<b>98,551</b>	<b>1,108</b>
<b>EXPENSES</b>		
Management Company expenses	4,614	5,030
Interest expense	0	2
Other expenses <sup>1)</sup>	1,584	1,519
<b>Total expenses</b>	<b>6,198</b>	<b>6,551</b>
<b>Net income</b>	<b>92,353</b>	<b>-5,443</b>

**\* Details of changes in value**

	2016	2015
Changes in value for other derivative instruments - Capital gains	1,924,719	2,047,496
Changes in value for other derivative instruments - Capital losses	-1,823,267	-2,045,843
Changes in value for other derivative instruments - Unrealised	0	0
<b>Sum</b>	<b>101,452</b>	<b>1,653</b>

1) The item consists primarily of broker's commissions for derivatives.

### Balance Sheet, tSEK

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
<b>ASSETS</b>				
Money market instruments	120,160	17.0	160,126	16.7
<b>Total financial instruments with positive market value</b> <sup>Note 2)</sup>	<b>120,160</b>	<b>17.0</b>	<b>160,126</b>	<b>16.7</b>
Bank assets and other liquid assets	586,392	82.9	804,907	83.9
Other assets	930	0.1	-	-
<b>Total assets</b>	<b>707,482</b>	<b>100.0</b>	<b>965,033</b>	<b>100.6</b>
<b>LIABILITIES</b>				
Accrued expenses and prepaid income	281	0.0	243	0.0
Other liabilities	-	-	5,230	0.6
<b>Total liabilities</b>	<b>281</b>	<b>0.0</b>	<b>5,473</b>	<b>0.6</b>
<b>Fund capital</b> <sup>Note 1)</sup>	<b>707,201</b>	<b>100.0</b>	<b>959,560</b>	<b>100.0</b>
Other derivative instruments with negative market value <sup>1)</sup>	131,576	18.6	155,325	16.0

1) Bonds and other interest-bearing instruments total SEK 155,412t.

Note 1) for Balance Sheet

### Changes in fund capital, SEKt

	2016	2015
Fund capital at beginning of year	959,560	834,551
Units issued	429,485	934,214
Units redeemed	-774,197	-803,762
Profit according to Income Statement	92,353	-5,443
Dividends to unit holders	-	-
<b>Fund capital at the close of the period</b>	<b>707,201</b>	<b>959,560</b>

Note 2) for Balance Sheet

### Fund holdings in financial instruments

#### MONEY MARKET INSTRUMENTS\*\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>TREASURY BILLS</b>			
Svenska staten 2017-02-15	30,000	30,027	4.2
Svenska staten 2017-03-15	90,000	90,133	12.7
<b>Total Treasury bills</b>		<b>120,160</b>	<b>17.0</b>
<b>Total money market instruments</b>		<b>120,160</b>	<b>17.0</b>

#### EXCHANGE-TRADED DERIVATIVES\*\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>STOCK INDEX FUTURES</b>			
OMXS307A	9,300	0	0.0
<b>Total stock index futures</b>		<b>0</b>	<b>0.0</b>
<b>Total exchange-traded derivatives</b>		<b>0</b>	<b>0.0</b>
<b>Total holdings in financial instruments</b>		<b>120,160</b>	<b>17.0</b>
<b>Net, other assets and liabilities</b>		<b>587,041</b>	<b>83.0</b>
<b>Total fund capital</b>		<b>707,201</b>	<b>100.0</b>

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

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

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

\*\*\* Refers to other financial instruments.

### Compilation, Company and Group exposure\*

Company/Group	% of fund capital
Svenska Staten	16.9

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



## XACT Bull *Leveraged exchange-traded index fund listed on the Stockholm Stock Exchange*

### Management Report

#### Investment Focus

The fund is a non-UCITS exchange-traded fund that differs from a securities fund in that it has leveraging. The objective of the fund is to provide a daily return equivalent to approximately 150% of the daily positive change in the OMXS30™ Index before management fees and other transaction costs. This means that when the OMXS30™ rises by 1% on the market in one day, XACT Bull should rise by approximately 1.5%. The index consists of the 30 most-traded equities on the OMX Nordic Exchange Stockholm. The fund's capital consists of liquid assets and futures contracts (OMXS30™ futures) equivalent to approximately 150% of the fund's value. A daily rebalancing of the fund's futures holdings occurs to ensure that the fund maintains an exposure of 150% of the fund capital.

#### Portfolio

XACT Bull rose 12.7% during the full year 2016\*. The portfolio consists of three types of assets: purchased futures, liquid assets invested in interest-bearing accounts and money market instruments issued or guaranteed by the Swedish government. The portfolio is rebalanced on a daily basis to maintain a consistent leverage and risk profile.

\*) Refer to fund statistics for comparable index.

#### Significant risks

As of the balance sheet date, the fund does not have any other significant risks in its holdings than those stated in the fact sheet and information brochure.

#### Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus to attain the intended leverage. The fund trades

continuously with derivatives. The fund has the option of lending equity. The fund did not use this option in 2016. The fund may use other techniques and instruments. The fund did not use this option in 2016.

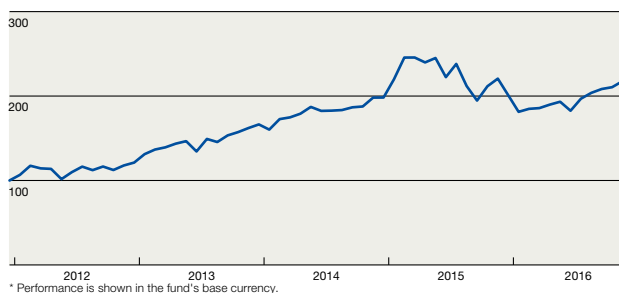
- Highest leverage during the financial year 153.7%
- Lowest leverage during the financial year 149.4%
- Average leverage during the financial year 150.5%

#### Information

Information on compensation to employees is available on the Management Company's webpage as well as in the Management Company's annual report.

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

#### Fund Performance\*



#### Fund Facts - History

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net asset value, SEK	314.17	278.70	274.85	230.71	168.06	139.95	176.97	130.95	76.32	170.23
The fund's total net flow, mSEK	-119	-314	-569	-37	-322	-	-	-	-	-
Fund capital, mSEK	346	418	673	1,096	815	945	2,177	2,868	2,179	613
Number of units, 1000's	1,100	1,500	2,450	4,750	4,850	6,750	12,300	21,900	28,550	3,600
Total returns in %, SEK	+12.7	+1.4	+19.1	+37.3	+21.2	-20.9	+35.2	+75.2	-54.1	-9.9
Index including dividends in %, SEK	+9.4	+2.2	+14.0	+25.5	+16.3	-11.6	+24.9	+49.1	-36.3	-3.1
Average yearly return, 2 yrs. %	+6.9	+9.9	+27.9	+29.0	-2.1	+3.4	+54.0	-10.2	-35.7	+9.3
Comparison to index including dividends, %	+5.8	+7.9	+19.6	+20.8	+1.4	+5.1	+36.5	-2.5	-21.4	+9.1
Average yearly return, 5 yrs. %	+17.8	+9.7	+16.2	+25.6	+0.9	-4.9	+5.4	-	-	-
Comparison to index including dividends, %	+13.2	+8.5	+12.9	+19.2	+4.1	+0.4	+7.2	-	-	-
Average yearly return, 10 yrs. %	+5.8	+7.5	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+6.6	+7.8	-	-	-	-	-	-	-	-
Dividends per unit, SEK	-	-	-	-	1.58	0.00	0.00	1.69	3.01	1.31

Index: OMXS30™ Gross Index

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

Refer to the last page for definitions.

#### Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	0.60
Collected mgmt. costs in % of average fund capital	0.60
Annual fees in %	0.60
Analyzing costs, tSEK <sup>1)</sup>	-
Transaction costs, tSEK	527
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	58.44
Costs in SEK for monthly savings, 100 SEK	4.13

<sup>1)</sup> Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

#### Fund Facts - Other Key Figures

Turnover rate <sup>1)</sup>	0.5
Turnover rate <sup>1)</sup>	0.3
Share of turnover conducted via closely-related securities companies in %	6.0

<sup>1)</sup> The turnover rate is misleading, as the fund trades predominately in futures contracts on the OMXS30™ Index. The difference between the two turnover measurements is that the measurement at the top only includes completed transactions in financial instruments, while the turnover rate at the bottom also takes into consideration fund units that have been purchased and sold.

XACT Bull, cont.

**Risk and Return Measurements\***

Total risk %	22.9	Information ratio	0.1
Total risk in index %	15.0	Sharpe ratio	0.3
Tracking error %	8.0	Sharpe ratio in index	0.4
Index	OMXS30™ Gross Index		
Active return %	1.2		

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

**Income Statement, SEKt**

	2016	2015
<b>INCOME AND CHANGES IN VALUE</b>		
Changes in value for other derivative instruments	51,056	62,595
Interest income	-1,391	-253
Other income	0	1
<b>Total income and changes in value</b>	<b>49,665</b>	<b>62,343</b>
<b>EXPENSES</b>		
Management Company expenses	2,311	3,391
Other expenses <sup>1)</sup>	529	683
<b>Total expenses</b>	<b>2,840</b>	<b>4,074</b>
<b>Net income</b>	<b>46,825</b>	<b>58,269</b>

* Details of changes in value		
Changes in value for other derivative instruments - Capital gains	725,913	1,037,515
Changes in value for other derivative instruments - Capital losses	-674,857	-974,921
Changes in value for other derivative instruments - Unrealised	0	0
<b>Sum</b>	<b>51,056</b>	<b>62,594</b>

1) The item consists primarily of broker's commissions for derivatives.

**Balance Sheet, tSEK**

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
<b>ASSETS</b>				
Money market instruments	60,077	17.4	65,063	15.6
<b>Total financial instruments with positive market value</b> <sup>Note 2)</sup>	<b>60,077</b>	<b>17.4</b>	<b>65,063</b>	<b>15.6</b>
Bank assets and other liquid assets	285,319	82.5	354,716	84.8
Other assets	341	0.1	-	-
<b>Total assets</b>	<b>345,737</b>	<b>100.0</b>	<b>419,779</b>	<b>100.4</b>
<b>LIABILITIES</b>				
Accrued expenses and prepaid income	151	0.0	107	0.0
Other liabilities	-	-	1,620	0.4
<b>Total liabilities</b>	<b>151</b>	<b>0.0</b>	<b>1,727</b>	<b>0.4</b>
<b>Fund capital</b> <sup>Note 1)</sup>	<b>345,586</b>	<b>100.0</b>	<b>418,052</b>	<b>100.0</b>
Other derivative instruments with negative market value <sup>1)</sup>	58,285	16.9	63,113	15.0

1) Bonds and other interest-bearing instruments total SEK 67,985tt.

Note 1) for Balance Sheet

**Changes in fund capital, SEKt**

	2016	2015
Fund capital at beginning of year	418,052	673,383
Units issued	62,675	26,563
Units redeemed	-181,966	-340,163
Profit according to Income Statement	46,825	58,269
Dividends to unit holders	-	-
<b>Fund capital at the close of the period</b>	<b>345,586</b>	<b>418,052</b>

Note 2) for Balance Sheet

**Fund holdings in financial instruments**
**MONEY MARKET INSTRUMENTS\*\***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>TREASURY BILLS</b>			
Svenska staten 2017-02-15	20,000	20,018	5.8
Svenska staten 2017-03-15	40,000	40,059	11.6
<b>Total Treasury bills</b>		<b>60,077</b>	<b>17.4</b>
<b>Total money market instruments</b>		<b>60,077</b>	<b>17.4</b>

**EXCHANGE-TRADED DERIVATIVES\*\***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>STOCK INDEX FUTURES</b>			
OMXS307A	3,410	0	0.0
<b>Total stock index futures</b>		<b>0</b>	<b>0.0</b>
<b>Total exchange-traded derivatives</b>		<b>0</b>	<b>0.0</b>
<b>Total holdings in financial instruments</b>		<b>60,077</b>	<b>17.4</b>
<b>Net, other assets and liabilities</b>		<b>285,509</b>	<b>82.6</b>
<b>Total fund capital</b>		<b>345,586</b>	<b>100.0</b>

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

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

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

\*\*\* Refers to other financial instruments.

**Compilation, Company and Group exposure\***

Company/Group	% of fund capital
Svenska Staten	17.4

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



# XACT Norden 30

Exchange-traded index fund listed on the Stockholm Stock Exchange

## Management Report

### Investment Focus

The fund is an exchange-traded index fund and its objective is to follow the performance of the VINX30™ Index as closely as possible. The index consists of the 30 largest and most-traded equities on the Nordic exchanges in Stockholm, Helsinki, Copenhagen and Oslo. The fund invests in equities included in this index. The fund may use derivatives such as futures as a complement to protect the fund's value or to enable cost savings.

### Portfolio

XACT Norden 30 fell 3.2% during the full year 2016\*. The portfolio contains all of the equities included in the NASDAQ VINX30™ Index. The index is reweighted twice each year in June and in December. Genmab was added to the index at the time of the reweighting in June, while Maersk B exited. Maersk B returned in December, while Yara International was excluded. The largest holdings in the fund were Novo Nordisk, Nordea and Nokia at year-end.

\* Refer to fund statistics for comparable index.

### Significant risks

As of the balance sheet date, the fund does not have any other significant risks in its holdings than those stated in the fact sheet and information brochure.

### Trading with derivatives

According to the fund rules, the fund may trade with derivatives to enhance the effectiveness of asset management. The fund may use derivatives to cost-effectively obtain exposure to index. The advantage

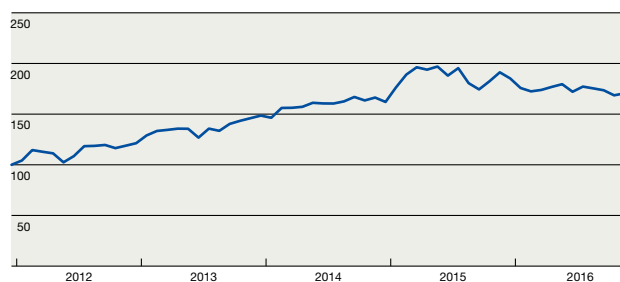
with derivative instruments is that it is possible to change the fund's exposure in different types of assets or in different markets in a simple and controlled way with a limited number of transactions. The fund did not use this option in 2016. The fund has the option of lending securities. The fund did not use this option in 2016. The fund may use other techniques and instruments. The fund did not use this option in 2016.

### Information

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

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

### Fund Performance\*



\* Performance is shown in the fund's base currency.

### Fund Facts - History

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net asset value, EUR	10.43	10.77	9.42	8.64	7.05	5.87	7.14	5.54	4.17	8.74
The fund's total net flow, mEUR	121	47	163	-74	-2	-	-	-	-	-
Fund capital, mEUR	768	662	549	351	352	298	352	209	119	91
Number of units, 1000's	73,650	61,500	58,300	40,650	49,950	50,750	49,350	37,650	28,550	10,450
Total returns in % EUR	-3.2	+14.3	+9.1	+22.5	+21.3	-14.8	+32.4	+37.3	-50.8	+9.1
Index including dividends in % EUR	-3.0	+14.6	+9.5	+23.4	+21.4	-14.6	+33.3	+37.7	-50.7	+9.6
Average yearly return, 2 yrs. % in EUR	+5.2	+11.7	+21.4	+21.5	-0.8	-1.0	+22.1	-14.4	-19.1	-
Comparison to index including dividends, % in EUR	+5.4	+12.0	+22.2	+22.0	-0.7	-0.5	+22.7	-14.2	-18.9	-
Average yearly return, 5 yrs. % in EUR	+12.4	+9.6	+11.1	+13.1	-3.4	-3.9	-	-	-	-
Comparison to index including dividends, % in EUR	+12.8	+9.9	+11.5	+13.6	-3.2	-3.5	-	-	-	-
Average yearly return, 10 yrs. % in EUR	+4.1	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, % in EUR	+4.4	-	-	-	-	-	-	-	-	-
Dividends per unit, EUR	-	-	-	-	0.06	0.24	0.16	0.16	0.24	0.14
Exchange rate EUR/SEK	9.58	9.16	9.47	-	-	-	-	-	-	-
Index: VINX30™ Net	-	-	-	-	-	-	-	-	-	-

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

### Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	0.40
Collected mgmt. costs in % of average fund capital	0.15
Annual fees in %	0.15
Analyzing costs, tEUR <sup>1)</sup>	-
Transaction costs, tEUR	30
Transaction costs in % of turnover	0.01
Costs in EUR for a one-time subscription, 1 000 EUR	1.40
Costs in EUR for monthly savings, 10 EUR	0.10

<sup>1)</sup> Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

### Fund Facts - Other Key Figures

Turnover rate	0.1
Share of turnover conducted via closely-related securities companies in %	1.4

### Risk and Return Measurements\*

Total risk %	14.4	Information ratio	Negative
Total risk in index %	14.4	Sharpe ratio	0.4
Tracking error %	0.1	Sharpe ratio in index	0.4
Index	VINX30™ Net		
Active return %	-0.2		

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



XACT Norden 30, cont.

## Income Statement, EURt

	2016	2015
<b>INCOME AND CHANGES IN VALUE</b>		
Changes in value for transferable securities*	-38,636	46,827
Interest income	7	0
Dividends	24,163	21,159
Currency exchange profits and losses, net	-52	-24
Other income	593	5
<b>Total income and changes in value</b>	<b>-13,925</b>	<b>67,967</b>
<b>EXPENSES</b>		
Management Company expenses	1,012	1,458
Interest expense	10	12
Other expenses <sup>1)</sup>	30	5
<b>Total expenses</b>	<b>1,052</b>	<b>1,475</b>
<b>Net income</b>	<b>-14,977</b>	<b>66,492</b>
* Details of changes in value		
Changes in value for transferable securities – Capital gains	17,540	54,461
Changes in value for transferable securities – Capital losses	-12,005	-15,933
Changes in value for transferable securities – Unrealised	-44,171	8,299
Sum	-38,636	46,827

1) The item consists primarily of transaction costs.

## Balance Sheet, tEUR

	31 dec 2016		31 dec 2015	
	tEUR	% of fund capital	tEUR	% of fund capital
<b>ASSETS</b>				
Transferable securities	767,892	100.0	662,170	100.0
<b>Total financial instruments with positive market value</b> <sup>Note 2)</sup>	<b>767,892</b>	<b>100.0</b>	<b>662,170</b>	<b>100.0</b>
Bank assets and other liquid assets	175	0.0	184	0.0
Other assets	-	-	0	0.0
<b>Total assets</b>	<b>768,067</b>	<b>100.0</b>	<b>662,354</b>	<b>100.0</b>
<b>LIABILITIES</b>				
Accrued expenses and prepaid income	51	0.0	40	0.0
Other liabilities	-	-	0	0.0
<b>Total liabilities</b>	<b>51</b>	<b>0.0</b>	<b>40</b>	<b>0.0</b>
<b>Fund capital</b> <sup>Note 1)</sup>	<b>768,016</b>	<b>100.0</b>	<b>662,314</b>	<b>100.0</b>

Note 1) for Balance Sheet

## Changes in fund capital, EURt

	2016	2015
Fund capital at beginning of year	662,314	549,182
Units issued	145,531	243,315
Units redeemed	-24,852	-196,675
Profit according to Income Statement	-14,977	66,492
Dividends to unit holders	-	-
<b>Fund capital at the close of the period</b>	<b>768,016</b>	<b>662,314</b>

Note 2) for Balance Sheet

## Fund holdings in financial instruments

**TRANSFERABLE SECURITIES\***

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
<b>LISTED EQUITIES</b>			
<b>DENMARK (DKK)</b>			
A.P. Møller-Mærsk B (Marine)	8,838	13,396	1.7
Carlsberg (Beverages)	147,300	12,074	1.6
Coloplast B (Health Care Equipment and Supplies)	204,747	13,116	1.7
Danske Bank (Commercial Banks)	1,147,467	33,056	4.3
Genmab (Biotechnology)	89,853	14,175	1.8
Novo Nordisk (Pharmaceuticals)	2,770,713	94,909	12.4
Pandora (Other)	175,287	21,783	2.8
Vestas Wind Systems (Electrical Equipment)	331,425	20,459	2.7
		<b>222,968</b>	<b>29.1</b>
<b>FINLAND (EUR)</b>			
Kone (Machinery)	605,403	25,772	3.4
Nokia (Communications Equipment)	8,730,471	40,055	5.2
Sampo A (Insurance)	643,701	27,415	3.6
UPM-Kymmene (Paper and Forest Products)	718,824	16,777	2.2
		<b>110,020</b>	<b>14.3</b>
<b>NORWAY (NOK)</b>			
DNB (Commercial Banks)	1,243,212	17,582	2.3
Statoil (Oil, Gas and Consumable Fuels)	1,593,786	27,807	3.6
Telenor (Diversified Telecommunication Services)	920,625	13,081	1.7
		<b>58,470</b>	<b>7.6</b>

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
<b>SWEDEN (SEK)</b>			
ABB SDB (Electrical Equipment)	570,051	11,411	1.5
Assa Abloy B (Building Products)	1,389,039	24,513	3.2
AstraZeneca SDB (Pharmaceuticals)	178,233	9,246	1.2
Atlas Copco A (Machinery)	966,288	27,984	3.6
Ericsson B (Communications Equipment)	4,592,814	25,643	3.3
Handelsbanken A (Commercial Banks)	2,141,742	28,297	3.7
Hennes & Mauritz B (Specialty Retail)	1,397,877	36,968	4.8
Investor B (Diversified Financial Services)	627,498	22,298	2.9
Nordea (Commercial Banks)	4,787,250	50,610	6.6
Sandvik (Machinery)	1,539,285	18,105	2.4
SCA B (Paper and Forest Products)	958,923	25,749	3.4
SEB A (Commercial Banks)	2,143,215	21,372	2.8
Swedbank A (Commercial Banks)	1,371,363	31,529	4.1
TeliaSonera (Diversified Telecommunication Services)	4,081,683	15,638	2.0
Volvo B (Machinery)	2,437,815	27,070	3.5
		<b>376,434</b>	<b>49.0</b>
<b>Total listed equities</b>		<b>767,892</b>	<b>100.0</b>
<b>Total transferable securities</b>		<b>767,892</b>	<b>100.0</b>
<b>Total holdings in financial instruments</b>		<b>767,892</b>	<b>100.0</b>
Net, other assets and liabilities		124	0.0
<b>Total fund capital</b>		<b>768,016</b>	<b>100.0</b>

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

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

100.0

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

\*\*\* Refers to other financial instruments.



# XACT Obligation

## Management Report

### Investment Focus

The fund is an exchange-traded fund and its objective is to follow the performance of the SHB Sweden All Bond Tradable Index, by offering an opportunity to maintain a portfolio in a simple, cost-effective manner that replicates the performance of a basket of bonds which represent the Swedish market for covered mortgage bonds as well as bonds issued by states and municipalities with benchmark status. Additional information is available at: [www.handelsbanken.se/index](http://www.handelsbanken.se/index). This includes additional information about the composition of the index as well as the method used for weighting and rebalancing. The fund may invest in OTC derivatives (such as swaps and futures) to obtain as good of a consistency with this index as possible. The index will be emulated by synthetic replication. The method selected for replication means that the fund is included in a total return swap that delivers the performance of the index. The method results in a counterparty risk.

### Portfolio

XACT Obligation (UCITS EFT) was launched on February 9, 2016 and rose 1.1% during 2016\*. Fund returns are provided by the Handelsbanken Sweden All Bond Tradable Index. Handelsbanken Sweden All Bond Tradable Index is a market-weighted index that aims to mirror the Swedish market for covered mortgage bonds as well as bonds issued by states and municipalities with benchmark status. The index is rebalanced on a monthly basis and coupons are reinvested in the index continuously. The fund has entered into a total return swap with Svenska Handelsbanken AB (publ). Transactions occur with Svenska Handelsbanken AB (publ). Fund holdings consist of a selection of bonds included in the index as well as in the total return swap in which the returns of the holdings are exchanged against index returns. In the event the counterparty is unable to deliver the agreed upon returns, the fund may utilise the basket of bonds to acquire equivalent returns in another manner, in addition to entering into an equivalent arrangement with

another counterparty.

\*) Refer to fund statistics for comparable index.

### Significant risks

As of the balance sheet date, the fund does not have any other significant risks in its holdings than those stated in the fact sheet and information brochure.

### Trading with derivatives

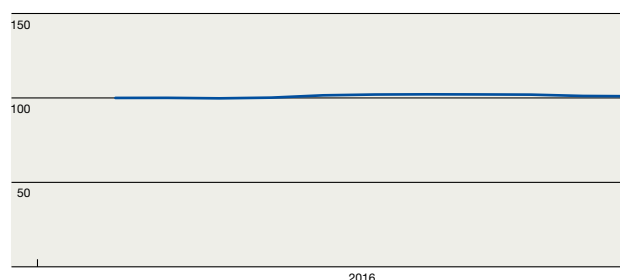
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option extensively in 2016. The fund has the option of lending equities. The fund did not use this option in 2016. The fund may use other techniques and instruments. The fund did not use this option in 2016.

### Information

The fund was launched on February 9, 2016.

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

### Fund Performance\*



\* Performance is shown in the fund's base currency.

### Fund Facts - History

	9/2-31/12 2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net asset value, SEK	101.13	-	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	405	-	-	-	-	-	-	-	-	-
Fund capital, mSEK	410	-	-	-	-	-	-	-	-	-
Number of units, 1000's	4,050	-	-	-	-	-	-	-	-	-
Total returns in %, SEK	+1.1	-	-	-	-	-	-	-	-	-
Index including dividends in %, SEK	+1.2	-	-	-	-	-	-	-	-	-

Index: Handelsbanken Sweden All Bond Tradable Index

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

Refer to the last page for definitions.

### Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	0.40
Collected mgmt. costs in % of average fund capital	0.10
Annual fees in %	0.10
Analyzing costs, tSEK <sup>1)</sup>	-
Transaction costs, tSEK	-
Transaction costs in % of turnover	-
Costs in SEK for a one-time subscription, 10 000 SEK	8.98
Costs in SEK for monthly savings, 100 SEK	0.55

1) Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

### Fund Facts - Other Key Figures

Turnover rate	1.0
Share of turnover conducted via closely-related securities companies in %	100.0

### Risk and Return Measurements\*

Forecasted total risk	2.2	Duration, years <sup>1)</sup>	3.6
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1) As of the balance sheet date.

\* The fund has been in existence for less than two years; consequently, the calculation of historical risk is not applicable. Refer to the last page for definitions.

Total exposure in the fund is calculated in accordance with the commitment method.

XACT Obligation, cont.

## Income Statement, SEKt

	9/2-31/12 2016	2015
<b>INCOME AND CHANGES IN VALUE</b>		
Changes in value for transferable securities*	-5,679	-
Changes in value for OTC derivative instruments**	1,744	-
Interest income	8,825	-
<b>Total income and changes in value</b>	<b>4,890</b>	
<b>EXPENSES</b>		
Management Company expenses	361	-
Interest expense	0	-
<b>Total expenses</b>	<b>361</b>	
<b>Net income</b>	<b>4,529</b>	

## \* Details of changes in value

Changes in value for transferable securities – Capital gains	24	
Changes in value for transferable securities – Capital losses	-1,690	
Changes in value for transferable securities – Unrealised	-4,013	
<b>Sum</b>	<b>-5,679</b>	

## \*\* Details of changes in value

LABEL MISSING: Värdeförändring på OTC derivat_Kapitalvinster	12,640	
LABEL MISSING: Värdeförändring på OTC derivat_Orealiserade vinster/förluster	-10,896	
LABEL MISSING: Värdeförändring på OTC derivat_Summa	1,744	

## Balance Sheet, tSEK

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
<b>ASSETS</b>				
Transferable securities	416,904	101.8		
<b>Total financial instruments with positive market value</b> <sup>Note 2)</sup>	<b>416,904</b>	<b>101.8</b>		
Bank assets and other liquid assets	467	0.1		
Prepaid expenses and accrued income	3,134	0.8		
<b>Total assets</b>	<b>420,505</b>	<b>102.7</b>		
<b>LIABILITIES</b>				
OTC derivative instruments with negative market value	10,896	2.7		
<b>Total financial instruments with negative market value</b> <sup>Note 2)</sup>	<b>10,896</b>	<b>2.7</b>		
Accrued expenses and prepaid income	18	0.0		
<b>Total liabilities</b>	<b>10,914</b>	<b>2.7</b>		
<b>Fund capital</b> <sup>Note 1)</sup>	<b>409,591</b>	<b>100.0</b>		

Note 1) for Balance Sheet

## Changes in fund capital, SEKt

	2016	2015
Fund capital at beginning of year	-	-
Units issued	405,062	-
Units redeemed	-	-
Profit according to Income Statement	4,529	-
Dividends to unit holders	-	-
<b>Fund capital at the close of the period</b>	<b>409,591</b>	

Note 2) for Balance Sheet

## Fund holdings in financial instruments

## TRANSFERABLE SECURITIES\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>LISTED FIXED-INCOME SECURITIES</b>			
<b>GOVERNMENT</b>			
Kommuninvest 2,50% 2020-12-01	98,870	108,010	26.4
		<b>108,010</b>	<b>26.4</b>
<b>MORTGAGE</b>			
Nordea Hypotek 5529 2,00% 2018-06-20	74,000	76,570	18.7
SCBC 143 1,25 2022-06-15	76,000	77,550	18.9
Stadshypotek 1584 1,50% 2021-03-17	76,000	79,273	19.4
Swedbank Hypotek 187 3,75% 2018-09-19	70,600	75,500	18.4
		<b>308,894</b>	<b>75.4</b>
<b>Total listed fixed-income securities</b>		<b>416,904</b>	<b>101.8</b>
<b>Total transferable securities</b>		<b>416,904</b>	<b>101.8</b>

## OTHER FINANCIAL INSTRUMENTS\*\*\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>OTC DERIVATIVE INSTRUMENTS</b>			
<b>PORTFOLIO SWAPS</b>			
Swap XACT Obligation <sup>1)</sup>	1	-10,896	-2.7
<b>Total OTC derivative instruments</b>		<b>-10,896</b>	<b>-2.7</b>
<b>Total other financial instruments</b>		<b>-10,896</b>	<b>-2.7</b>
Total holdings in financial instruments		406,008	99.1
Net, other assets and liabilities		3,583	0.9
<b>Total fund capital</b>		<b>409,591</b>	<b>100.0</b>

1) Portfolio swap with underlying exposure of SEK -8,601t, which is equivalent to 2.1% of fund capital. Counterparty Svenska Handelsbanken AB (Publ). More information regarding the underlying holdings in XACT Obligation can be found at [www.xact.se](http://www.xact.se).

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

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

101.8

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

\*\*\* Refers to other financial instruments.

-2.7

## Compilation, Company and Group exposure\*

Company/Group	% of fund capital
Handelsbanken	16.7

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

## ADDITIONAL INFORMATION ON PORTFOLIO SWAPS

## THE LARGEST COUNTERPARTIES OF PORTFOLIO SWAPS, SEK thousand:

Svenska Handelsbanken AB (Publ), Sweden	-10 896
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The profile of the duration for portfolio swaps is three months to one year. Settlement and clearing for portfolio swaps is conducted bilaterally. No collateral is provided for portfolio swaps. The value of these are regulated such that the fund does not have counterparty risk.

Portfolio swaps for the full year generated a total revenue of SEK -10 896 thousand. 100% of the revenue has been passed on to the fund.



# XACT OMXS30 *Exchange-traded index fund listed on the Stockholm Stock Exchange*

## Management Report

### Investment Focus

The fund is an exchange-traded index fund and its objective is to follow the performance of the OMXS30™ Index as closely as possible. The index consists of the 30 most-traded equities on the OMX Nordic Exchange Stockholm. The fund invests in equities that are included in this index. The fund may use derivatives such as futures as a complement to protect the fund's value or to enable cost savings.

### Portfolio

XACT OMXS30™ rose 9.2% during 2016\*. The portfolio consists of all of the equities included in the index. Nordea, H&M B and Atlas Copco A and B were the three largest holdings in the fund at year-end. NASDAQ OMXS30™ is reweighted twice each year: at the end of June and the end of December. Autoliv Inc SDB was added to the index as of year-end, while Nokia exited the index.

\*) Refer to fund statistics for comparable index.

### Significant risks

As of the balance sheet date, the fund does not have any other significant risks in its holdings than those stated in the fact sheet and information brochure.

### Trading with derivatives

According to the fund rules, the fund may trade with derivatives to enhance the effectiveness of asset management. The fund may use derivatives to cost-effectively obtain exposure to index. The advantage with derivative instruments is that it is possible to change the fund's

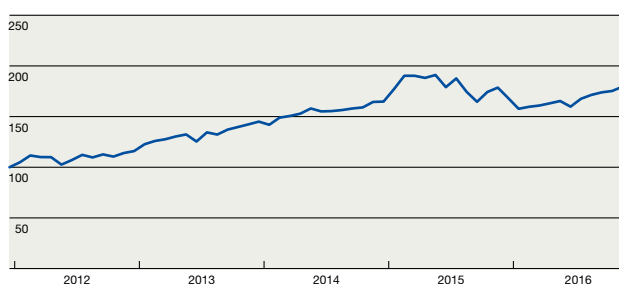
exposure in different types of assets or in different markets in a simple and controlled way with a limited number of transactions. The fund used this option to a limited extent in 2016. The fund may lend equity and accept equity deposits. The fund did not use this option in 2016. The fund may use other techniques and instruments. The fund did not use this option in 2016.

### Information

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

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

### Fund Performance\*



\* Performance is shown in the fund's base currency.

### Fund Facts - History

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net asset value, SEK	170.31	155.94	152.73	134.42	107.48	94.27	112.63	93.76	66.12	108.36
The fund's total net flow, mSEK	-162	-187	-3,179	566	358	-	-	-	-	-
Fund capital, mSEK	10,380	9,754	9,821	11,668	8,873	7,443	7,372	5,251	4,421	2,650
Number of units, 1000's	60,950	62,550	64,300	86,800	82,550	78,950	65,450	56,000	66,850	24,450
Total returns in % SEK	+9.2	+2.1	+13.6	+25.1	+16.0	-11.9	+24.5	+49.1	-36.5	-3.4
Index including dividends in % SEK	+9.4	+2.2	+14.0	+25.5	+16.3	-11.6	+24.9	+49.1	-36.3	-3.1
Average yearly return, 2 yrs. %	+5.6	+7.7	+19.2	+20.4	+1.1	+4.7	+36.2	-2.7	-21.7	+8.8
Comparison to index including dividends, %	+5.8	+7.9	+19.6	+20.8	+1.4	+5.1	+36.5	-2.5	-21.4	+9.1
Average yearly return, 5 yrs. %	+12.9	+8.2	+12.6	+18.9	+3.8	+0.1	+6.9	+8.3	+3.5	+19.9
Comparison to index including dividends, %	+13.2	+8.5	+12.9	+19.2	+4.1	+0.4	+7.2	+8.6	+3.9	+20.4
Average yearly return, 10 yrs. %	+6.3	+7.5	+10.4	+10.9	+11.6	+4.5	+3.6	-	-	-
Comparison to index including dividends, %	+6.6	+7.8	+10.8	+11.3	+12.0	+4.7	+3.7	-	-	-
Dividends per unit, SEK	-	-	-	-	1.64	5.60	3.44	3.90	4.00	2.83

Index: NASDAQ OMXS30™ Gross Index

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

### Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	0.30
Collected mgmt. costs in % of average fund capital	0.10
Annual fees in %	0.10
Analyzing costs, tSEK <sup>1)</sup>	-
Transaction costs, tSEK	203
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	9.89
Costs in SEK for monthly savings, 100 SEK	0.68

1) Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

### Fund Facts - Other Key Figures

Turnover rate	0.5
Share of turnover conducted via closely-related securities companies in %	8.6

### Risk and Return Measurements\*

Total risk %	15.0	Information ratio	Negative
Total risk in index %	15.0	Sharpe ratio	0.4
Tracking error %	0.0	Sharpe ratio in index	0.4
Index	NASDAQ OMXS30™ Gross Index		
Active return %	-0.2		

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

XACT OMXS30, cont.

**Income Statement, SEKt**

	2016	2015
<b>INCOME AND CHANGES IN VALUE</b>		
Changes in value for transferable securities *	448,412	-272,917
Changes in value for other derivative instruments **	-1,088	-615
Interest income	-30	-1
Dividends	349,868	410,147
Other income	-33	1
<b>Total income and changes in value</b>	<b>797,129</b>	<b>136,615</b>
<b>EXPENSES</b>		
Management Company expenses	8,699	16,558
Other expenses <sup>1)</sup>	207	46
<b>Total expenses</b>	<b>8,906</b>	<b>16,604</b>
<b>Net income</b>	<b>788,223</b>	<b>120,011</b>
* Details of changes in value		
Changes in value for transferable securities – Capital gains	686,536	812,446
Changes in value for transferable securities – Capital losses	-240,913	-129,320
Changes in value for transferable securities – Unrealised	2,789	-956,043
Sum	448,412	-272,917
** Details of changes in value		
Changes in value for other derivative instruments – Capital gains	11,131	8,726
Changes in value for other derivative instruments – Capital losses	-12,219	-9,341
Sum	-1,088	-615

1) The item consists primarily of broker's commissions for derivatives.

**Balance Sheet, tSEK**

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
<b>ASSETS</b>				
Transferable securities	10,377,480	100.0	9,753,171	100.0
<b>Total financial instruments with positive market value</b> <sup>Note 2)</sup>	<b>10,377,480</b>	<b>100.0</b>	<b>9,753,171</b>	<b>100.0</b>
Bank assets and other liquid assets	689	0.0	414	0.0
Other assets	213,078	2.0	106,210	1.1
<b>Total assets</b>	<b>10,591,247</b>	<b>102.0</b>	<b>9,859,795</b>	<b>101.1</b>
<b>LIABILITIES</b>				
Accrued expenses and prepaid income	460	0.0	406	0.0
Other liabilities	210,509	2.0	105,453	1.1
<b>Total liabilities</b>	<b>210,969</b>	<b>2.0</b>	<b>105,859</b>	<b>1.1</b>
<b>Fund capital</b> <sup>Note 1)</sup>	<b>10,380,278</b>	<b>100.0</b>	<b>9,753,936</b>	<b>100.0</b>

Note 1) for Balance Sheet

**Changes in fund capital, SEKt**

	2016	2015
Fund capital at beginning of year	9,753,936	9,820,678
Units issued	3,829,388	2,932,596
Units redeemed	-3,991,269	-3,119,349
Profit according to Income Statement	788,223	120,011
Dividends to unit holders	-	-
<b>Fund capital at the close of the period</b>	<b>10,380,278</b>	<b>9,753,936</b>

Note 2) for Balance Sheet

**Fund holdings in financial instruments**
**TRANSFERABLE SECURITIES\***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>LISTED EQUITIES</b>			
<b>CONSUMER DISCRETIONARY</b>			
Autoliv (Auto Components)	188,945	194,235	1.9
Electrolux B (Household Durables)	813,073	183,998	1.8
Hennes & Mauritz B (Specialty Retail)	3,950,779	1,001,127	9.6
		<b>1,379,361</b>	<b>13.3</b>
<b>CONSUMER STAPLES</b>			
Swedish Match (Tobacco)	510,761	148,019	1.4
		<b>148,019</b>	<b>1.4</b>
<b>ENERGY</b>			
Lundin Petroleum (Oil, Gas and Consumable Fuels)	920,345	182,320	1.8
		<b>182,320</b>	<b>1.8</b>
<b>FINANCIALS</b>			
Handelsbanken A (Commercial Banks)	5,163,684	653,722	6.3
Investor B (Diversified Financial Services)	1,232,409	419,635	4.0
Kinnevik B (Diversified Financial Services)	633,880	138,376	1.3
Nordea (Commercial Banks)	10,955,153	1,109,757	10.7
SEB A (Commercial Banks)	5,869,485	560,829	5.4
Swedbank A (Commercial Banks)	3,062,128	674,587	6.5
		<b>3,556,908</b>	<b>34.3</b>

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>HEALTH CARE</b>			
AstraZeneca SDB (Pharmaceuticals)	351,072	174,518	1.7
Getinge B (Health Care Equipment and Supplies)	600,967	87,801	0.8
		<b>262,319</b>	<b>2.5</b>
<b>INDUSTRIALS</b>			
ABB SDB (Electrical Equipment)	1,144,641	219,542	2.1
Alfa Laval (Machinery)	1,134,889	171,141	1.6
Assa Abloy B (Building Products)	2,853,679	482,557	4.6
Atlas Copco A (Machinery)	2,270,997	630,202	6.1
Atlas Copco B (Machinery)	1,055,654	262,436	2.5
Sandvik (Machinery)	3,392,477	382,332	3.7
Securitas B (Commercial Services and Supplies)	941,068	134,949	1.3
Skanska B (Construction and Engineering)	1,082,472	232,840	2.2
SKF B (Machinery)	1,133,670	190,003	1.8
Volvo B (Machinery)	4,407,904	469,001	4.5
		<b>3,175,003</b>	<b>30.6</b>
<b>INFORMATION TECHNOLOGY</b>			
Ericsson B (Communications Equipment)	8,302,609	444,190	4.3
Fingerprint Cards B (Elec Equip, Instr & Comp)	856,957	53,860	0.5
		<b>498,049</b>	<b>4.8</b>
<b>MATERIALS</b>			
Boliden (Metals and Mining)	739,933	176,030	1.7
SCA B (Paper and Forest Products)	1,732,199	445,695	4.3
SSAB A (Metals and Mining)	822,825	28,453	0.3
		<b>650,178</b>	<b>6.3</b>
<b>TELECOMMUNICATION SERVICES</b>			
Tele2 B (Diversified Telecommunication Services)	1,305,549	95,370	0.9
TeliaSonera (Diversified Telecommunication Services)	11,712,152	429,953	4.1
		<b>525,323</b>	<b>5.0</b>
<b>Total listed equities</b>		<b>10,377,480</b>	<b>100.0</b>
<b>Total transferable securities</b>		<b>10,377,480</b>	<b>100.0</b>
Total holdings in financial instruments		10,377,480	100.0
Net, other assets and liabilities		2,798	0.0
<b>Total fund capital</b>		<b>10,380,278</b>	<b>100.0</b>

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

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

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

\*\*\* Refers to other financial instruments.

**Compilation, Company and Group exposure\***

Company/Group	% of fund capital
Atlas Copco	8.6

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



# XACT OMXSB - Utd

Exchange-traded index fund listed on the Stockholm Stock Exchange

## Management Report

### Investment Focus

The fund is an exchange-traded index fund and its objective is to follow the performance of the OMXSB™ Index as closely as possible. The index consists of the 80 - 100 largest and most-traded equities on the OMX Nordic Exchange Stockholm. The fund invests in equities included in this index. The fund may use derivatives such as futures as a complement to protect the fund's value or to enable cost savings.

### Portfolio

XACT OMXSB Utdelande rose 9.0% during the full year 2016\*. The portfolio consists of all of the equities included in the NASDAQ OMXSB™ Index. The index is reweighted twice each year: at the end of May and the end of November. Nordea, Atlas Copco, H&M B, and Volvo were the largest holdings in the fund at year-end. Ahlsell, BioGaiA, Bonava, Capio, Dometic Group, Granges, Melker Schorling, RaySerach Laboratories, Rezidor Hotel Group and Scandic Hotels were new equities added to the index as of November 30, 2016. Loomis, Mekonomen, SAS and Thule exited the index at the time of reweighting.

\* Refer to fund statistics for comparable index.

### Significant risks

As of the balance sheet date, the fund does not have any other significant risks in its holdings than those stated in the fact sheet and information brochure.

### Trading with derivatives

According to the fund rules, the fund may trade with derivatives to enhance the effectiveness of asset management. The fund may use derivatives to cost-effectively obtain exposure to index. The advantage

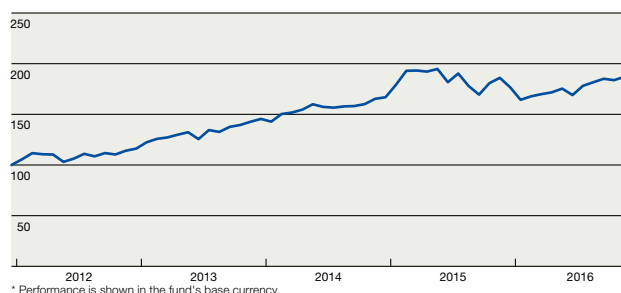
with derivative instruments is that it is possible to change the fund's exposure in different types of assets or in different markets in a simple and controlled way with a limited number of transactions. The fund used this option to a limited extent in 2016. The fund has the option of lending equities. The fund did not use this option in 2016. The fund may use other techniques and instruments. The fund did not use this option in 2016.

### Information

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

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

### Fund Performance\*



\* Performance is shown in the fund's base currency.

## Fund Facts - History

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net asset value, SEK	403.55	383.81	378.10	343.35	285.99	260.15	314.67	267.65	190.29	337.95
The fund's total net flow, mSEK	-642	595	-339	921	-980	-	-	-	-	-
Fund capital, mSEK	2,260	2,811	2,240	2,386	1,115	1,964	2,706	2,101	990	2,805
Number of units, 1000's	5,600	7,325	5,925	6,950	3,900	7,550	8,600	7,850	5,200	8,300
Total returns in %, SEK	+9.0	+5.9	+14.7	+25.2	+16.2	-13.5	+25.6	+48.4	-38.2	-4.2
Index including dividends in %, SEK	+9.2	+6.1	+15.1	+25.6	+16.5	-13.1	+26.1	+48.7	-38.1	-3.8
Average yearly return, 2 yrs. %	+7.4	+10.2	+19.9	+20.6	+0.3	+4.3	+36.6	-4.2	-23.0	+9.4
Comparison to index including dividends, %	+7.6	+10.5	+20.2	+21.0	+0.6	+4.6	+36.9	-4.0	-22.8	+9.8
Average yearly return, 5 yrs. %	+14.0	+8.9	+12.7	+18.6	+3.0	-0.9	+6.7	+8.3	+3.9	-
Comparison to index including dividends, %	+14.3	+9.2	+13.0	+19.0	+3.3	-0.6	+7.0	+8.7	+4.3	-
Average yearly return, 10 yrs. %	+6.3	+7.8	+10.5	+11.0	-	-	-	-	-	-
Comparison to index including dividends, %	+6.6	+8.1	+10.8	+11.4	-	-	-	-	-	-
Dividends per unit, SEK	13.31	17.65	15.10	13.00	14.43	13.90	18.01	12.05	28.50	10.25

Index: NASDAQ OMXSB™ Gross Index

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

Refer to the last page for definitions.

## Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	0.30
Collected mgmt. costs in % of average fund capital	0.15
Annual fees in %	0.15
Analyzing costs, tSEK <sup>1)</sup>	-
Transaction costs, tSEK	123
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	14.57
Costs in SEK for monthly savings, 100 SEK	0.99

<sup>1)</sup> Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

## Fund Facts - Other Key Figures

Turnover rate	0.5
Share of turnover conducted via closely-related securities companies in %	5.5

## Risk and Return Measurements\*

Total risk %	15.1	Information ratio	Negative
Total risk in index %	15.1	Sharpe ratio	0.5
Tracking error %	0.1	Sharpe ratio in index	0.5
Index	NASDAQ OMXSB™ Gross Index		
Active return %	-0.2		

\* Risk statistics are based on historical monthly returns over two years. Refer to the last page for definitions.

Total exposure in the fund is calculated in accordance with the commitment method.

# Annual Review 2016 – Xact Kapitalförvaltning AB

XACT OMXSB - Utd, cont.

## Income Statement, SEKt

	2016	2015
<b>INCOME AND CHANGES IN VALUE</b>		
Changes in value for transferable securities *	78,109	11,861
Changes in value for other derivative instruments **	796	-291
Interest income	-21	-1
Dividends	91,287	84,655
Other income	-19	1
<b>Total income and changes in value</b>	<b>170,152</b>	<b>96,225</b>
<b>EXPENSES</b>		
Management Company expenses	3,474	4,842
Interest expense	-	0
Other expenses	124	14
<b>Total expenses</b>	<b>3,598</b>	<b>4,856</b>
<b>Net income</b>	<b>166,554</b>	<b>91,369</b>
* Details of changes in value		
Changes in value for transferable securities – Capital gains	218,573	246,196
Changes in value for transferable securities – Capital losses	-128,779	-43,064
Changes in value for transferable securities – Unrealised	-11,685	-191,271
Sum	78,109	11,861
** Details of changes in value		
Changes in value for other derivative instruments - Capital gains	4,464	2,990
Changes in value for other derivative instruments - Capital losses	-3,668	-3,281
Sum	796	-291

## Balance Sheet, tSEK

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
<b>ASSETS</b>				
Transferable securities	2,259,577	100.0	2,811,221	100.0
<b>Total financial instruments with positive market value</b> <sup>Note 2)</sup>	<b>2,259,577</b>	<b>100.0</b>	<b>2,811,221</b>	<b>100.0</b>
Bank assets and other liquid assets	442	0.0	367	0.0
<b>Total assets</b>	<b>2,260,019</b>	<b>100.0</b>	<b>2,811,588</b>	<b>100.0</b>
<b>LIABILITIES</b>				
Accrued expenses and prepaid income	155	0.0	176	0.0
Other liabilities	0	0.0	-	-
<b>Total liabilities</b>	<b>155</b>	<b>0.0</b>	<b>176</b>	<b>0.0</b>
<b>Fund capital</b> <sup>Note 1)</sup>	<b>2,259,864</b>	<b>100.0</b>	<b>2,811,412</b>	<b>100.0</b>

Note 1) for Balance Sheet

## Changes in fund capital, SEKt

	2016	2015
Fund capital at beginning of year	2,811,412	2,240,221
Units issued	838,190	1,624,444
Units redeemed	-1,480,425	-1,029,897
Profit according to Income Statement	166,554	91,369
Dividends to unit holders	-75,867	-114,725
<b>Fund capital at the close of the period</b>	<b>2,259,864</b>	<b>2,811,412</b>

Note 2) for Balance Sheet

## Fund holdings in financial instruments

### TRANSFERABLE SECURITIES\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>LISTED EQUITIES</b>			
<b>CONSUMER DISCRETIONARY</b>			
Autoliv (Auto Components)	36,960	37,995	1.7
Betsson B (Hotels, Restaurants and Leisure)	68,768	6,045	0.3
Bonava (Household Durables)	39,648	5,598	0.2
Dometic Group (Household Durables)	121,632	8,143	0.4
Electrolux B (Household Durables)	147,392	33,355	1.5
Hennes & Mauritz B (Specialty Retail)	526,848	133,503	5.9
Husqvarna B (Household Durables)	219,072	15,521	0.7
JM (Household Durables)	35,840	9,433	0.4
Modern Times Group B (Media)	25,088	6,774	0.3
Pandox B (Hotels, Restaurants and Leisure)	26,208	3,706	0.2
Rezidor Hotel Group (Hotels, Restaurants and Leisure)	49,056	1,741	0.1
Scandic Hotels Group (Hotels, Restaurants and Leisure)	27,328	2,091	0.1
Unibet (Hotels, Restaurants and Leisure)	115,360	9,869	0.4
		<b>273,774</b>	<b>12.1</b>
<b>CONSUMER STAPLES</b>			
AarhusKarlskrona (Food Products)	13,888	8,326	0.4
Cloetta B (Food Products)	114,688	3,292	0.1
ICA Gruppen (Food Products)	44,128	12,263	0.5
Swedish Match (Tobacco)	106,400	30,835	1.4
		<b>54,715</b>	<b>2.4</b>

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>ENERGY</b>			
Africa Oil (Oil, Gas and Consumable Fuels)	155,456	2,823	0.1
Lundin Petroleum (Oil, Gas and Consumable Fuels)	111,328	22,054	1.0
		<b>24,877</b>	<b>1.1</b>
<b>FINANCIALS</b>			
Atrium Ljungberg (Real Estate)	22,624	3,219	0.1
Balder B (Real Estate)	52,640	9,691	0.4
Castellum (Real Estate)	144,704	18,074	0.8
Fabege (Real Estate Management and Development)	79,296	11,807	0.5
Handelsbanken A (Commercial Banks)	806,400	102,090	4.5
Hemfosa Fastigheter (Real Estate Management and Development)	81,760	6,950	0.3
Hufvudstaden A (Real Estate)	66,304	9,541	0.4
Industrivärden A (Diversified Financial Services)	60,480	10,898	0.5
Industrivärden C (Diversified Financial Services)	92,512	15,709	0.7
Investor A (Diversified Financial Services)	49,280	16,598	0.7
Investor B (Diversified Financial Services)	236,096	80,391	3.6
Kinnevik B (Diversified Financial Services)	120,064	26,210	1.2
Klöver B (Real Estate Management and Development)	320,992	3,064	0.1
Kungsleden (Real Estate Management and Development)	88,256	5,097	0.2
Latour B (Diversified Financial Services)	19,264	6,592	0.3
Lundbergs B (Real Estate)	20,608	11,510	0.5
Melker Schörling (Diversified Financial Services)	10,080	5,418	0.2
Nordea (Commercial Banks)	1,803,200	182,664	8.1
Sagax B (Real Estate Management and Development)	35,392	2,893	0.1
SEB A (Commercial Banks)	807,072	77,116	3.4
Swedbank A (Commercial Banks)	516,768	113,844	5.0
Wallenstam B (Real Estate Management and Development)	108,416	7,687	0.3
Wihlborgs (Real Estate Management and Development)	38,976	6,603	0.3
		<b>733,664</b>	<b>32.5</b>
<b>HEALTH CARE</b>			
AstraZeneca SDB (Pharmaceuticals)	65,856	32,737	1.4
Attendo (Health Care Providers and Services)	50,400	3,969	0.2
BioGaia (Biotechnology)	8,064	2,419	0.1
Capio (Health Care Providers and Services)	34,944	1,681	0.1
Elekta B (Health Care Equipment and Supplies)	184,800	14,895	0.7
Getinge B (Health Care Equipment and Supplies)	95,200	13,909	0.6
RaySearch Laboratories B (Health Care Equipment and Supplies)	10,752	1,984	0.1
Recipharm B (Pharmaceuticals)	21,504	2,602	0.1
Swedish Orphan Biovitrum (Health Care Providers and Services)	91,392	9,752	0.4
Vitrolife (Biotechnology)	6,720	2,601	0.1
		<b>86,548</b>	<b>3.8</b>
<b>INDUSTRIALS</b>			
ABB SDB (Electrical Equipment)	218,848	41,975	1.9
Ahlsell (Commercial Services and Supplies)	245,952	12,790	0.6
Alfa Laval (Machinery)	146,496	22,092	1.0
Assa Abloy B (Building Products)	523,264	88,484	3.9
Atlas Copco A (Machinery)	364,224	101,072	4.5
Atlas Copco B (Machinery)	191,296	47,556	2.1
Hexagon B (Machinery)	139,776	45,497	2.0
Intrum Justitia (Commercial Services and Supplies)	37,408	11,499	0.5
NCC B (Construction and Engineering)	40,768	9,189	0.4
NIBE Industrier B (Building Products)	195,552	14,041	0.6
SAAB B (Aerospace and Defense)	34,496	11,746	0.5
Sandvik (Machinery)	579,712	65,334	2.9
Securitas B (Commercial Services and Supplies)	180,320	25,858	1.1
Skanska B (Construction and Engineering)	193,984	41,726	1.8
SKF B (Machinery)	198,464	33,263	1.5
Trelleborg B (Machinery)	118,944	21,327	0.9
Volvo A (Machinery)	185,696	19,907	0.9
Volvo B (Machinery)	918,176	97,694	4.3
		<b>711,048</b>	<b>31.5</b>
<b>INFORMATION TECHNOLOGY</b>			
Ericsson B (Communications Equipment)	1,729,728	92,540	4.1
Fingerprint Cards B (Elec Equip, Instr & Comp)	160,608	10,094	0.4
NetEnt B (Internet Software and Services)	84,896	5,968	0.3
		<b>108,603</b>	<b>4.8</b>
<b>MATERIALS</b>			
BillerudKorsnäs (Containers and Packaging)	91,616	14,017	0.6
Boliden (Metals and Mining)	146,496	34,851	1.5
Gränges (Chemicals)	35,392	3,044	0.1
Hexpol B (Chemicals)	129,920	10,959	0.5
Holmen B (Paper and Forest Products)	28,672	9,370	0.4
SCA B (Paper and Forest Products)	361,088	92,908	4.1
SSAB A (Metals and Mining)	123,424	4,268	0.2
SSAB B (Metals and Mining)	294,560	8,480	0.4
Stora Enso R (Paper and Forest Products)	54,208	5,310	0.2
		<b>183,207</b>	<b>8.1</b>

# Annual Review 2016 – Xact Kapitalförvaltning AB

XACT OMXSB - Utd, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>TELECOMMUNICATION SERVICES</b>			
Millicom (Wireless Telecommunication Services)	31,360	12,208	0.5
Tele2 B (Diversified Telecommunication Services)	198,464	14,498	0.6
TeliaSonera (Diversified Telecommunication Services)	1,537,312	56,435	2.5
		<b>83,141</b>	<b>3.7</b>
<b>Total listed equities</b>		<b>2,259,577</b>	<b>100.0</b>
<b>Total transferable securities</b>		<b>2,259,577</b>	<b>100.0</b>
<b>Total holdings in financial instruments</b>		<b>2,259,577</b>	<b>100.0</b>
<b>Net, other assets and liabilities</b>		<b>287</b>	<b>0.0</b>
<b>Total fund capital</b>		<b>2,259,864</b>	<b>100.0</b>

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

\* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 100.0

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

\*\*\* Refers to other financial instruments. -

## Compilation, Company and Group exposure\*

Company/Group	% of fund capital	Company/Group	% of fund capital
Atlas Copco	6.6	Investor	4.3
Volvo	5.2	Industrivärden	1.2
		SSAB	0.6

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





# XACT Råvaror

## Management Report

### Investment Focus

The fund is an exchange-traded fund and its objective is to follow the performance of SHB Commodity Index Excess Return. The index consists of a basket of commodities that represent the global commodity market from a Nordic perspective. Additional information is available at: [www.handelsbanken.se/index](http://www.handelsbanken.se/index). This includes additional information about the composition of the index as well as the method used for weighting and rebalancing. The fund may invest in OTC derivatives (such as swaps and futures) to obtain as good of a consistency with this index as possible. The index will be emulated by synthetic replication. The method selected for replication means that the fund is included in a total return swap that delivers the performance of the index. The method results in a counterparty risk.

### Portfolio

XACT Råvaror (UCITS EFT) was launched on February 9, 2016 and rose 44.4% during 2016\*. Oil, petrol, copper and electricity were the largest commodity weightings in the fund at year-end. The fund did not make any changes to the composition of the commodity basket during the year. The fund has entered into a total return swap with Svenska Handelsbanken AB (publ). Transactions occur with Svenska Handelsbanken AB (publ). Fund holdings consist of large, liquid Swedish and international equities as well as the total return swap in which the returns of the holdings are exchanged against index returns. In the event the counterparty is unable to deliver the agreed upon returns, the fund may enter into an equivalent arrangement with another counterparty by utilising the basket of holdings whose value corresponds to the total returns swap.

\*) Refer to fund statistics for comparable index.

### Significant risks

As of the balance sheet date, the fund does not have any other significant risks in its holdings than those stated in the fact sheet and information brochure.

### Trading with derivatives

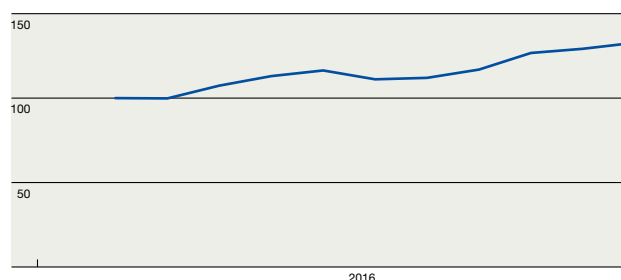
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option extensively in 2016. The fund has the option of lending equities. The fund did not use this option in 2016. The fund may use other techniques and instruments. The fund did not use this option in 2016.

### Information

The fund was launched on February 9, 2016.

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

### Fund Performance\*



\* Performance is shown in the fund's base currency.

### Fund Facts - History

	9/2-31/12 2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net asset value, SEK	144.36	-	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	921	-	-	-	-	-	-	-	-	-
Fund capital, mSEK	1,242	-	-	-	-	-	-	-	-	-
Number of units, 1000's	8,600	-	-	-	-	-	-	-	-	-
Total returns in %, SEK	+44.4	-	-	-	-	-	-	-	-	-
Index including dividends in %, SEK	+45.4	-	-	-	-	-	-	-	-	-

Index: Commodity Index Excess Return

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

Refer to the last page for definitions.

### Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	0.90
Collected mgmt. costs in % of average fund capital	0.70
Annual fees in %	0.70
Analyzing costs, tSEK <sup>1)</sup>	-
Transaction costs, tSEK	-
Transaction costs in % of turnover	-
Costs in SEK for a one-time subscription, 10 000 SEK	76.88
Costs in SEK for monthly savings, 100 SEK	4.30

1) Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

### Fund Facts - Other Key Figures

Turnover rate	6.5
Share of turnover conducted via closely-related securities companies in %	100.0

### Risk and Return Measurements\*

Forecasted total risk	16.9
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\* The fund has been in existence for less than two years; consequently, the calculation of historical risk is not applicable. Refer to the last page for definitions.

Total exposure in the fund is calculated in accordance with the commitment method.

XACT Råvaror, cont.

## Income Statement, SEKt

	9/2-31/12 2016	2015
<b>INCOME AND CHANGES IN VALUE</b>		
Changes in value for transferable securities *	232,935	-
Changes in value for OTC derivative instruments **	92,092	-
Interest income	0	-
Dividends	1,659	-
Currency exchange profits and losses, net	94	-
Other income	0	-
<b>Total income and changes in value</b>	<b>326,780</b>	
<b>EXPENSES</b>		
Management Company expenses	6,411	-
Interest expense	1	-
Other expenses	10	-
<b>Total expenses</b>	<b>6,422</b>	
<b>Net income</b>	<b>320,358</b>	
* Details of changes in value		
Changes in value for transferable securities – Capital gains	306,202	
Changes in value for transferable securities – Capital losses	-113,986	
Changes in value for transferable securities – Unrealised	40,719	
Sum	232,935	
** Details of changes in value		
LABEL MISSING: Värdeförändring på OTC derivat_Kapitalvinster	285,190	
LABEL MISSING: Värdeförändring på OTC derivat_Kapitalförluster	-136,657	
LABEL MISSING: Värdeförändring på OTC derivat_Orealiserade vinster/förluster	-56,441	
LABEL MISSING: Värdeförändring på OTC derivat_Summa	92,092	

## Balance Sheet, tSEK

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
<b>ASSETS</b>				
Transferable securities	1,297,375	104.5		
<b>Total financial instruments with positive market value</b> <sup>Note 2)</sup>	<b>1,297,375</b>	<b>104.5</b>		
Bank assets and other liquid assets	955	0.0		
Other assets	0	0.0		
<b>Total assets</b>	<b>1,298,330</b>	<b>104.5</b>		
<b>LIABILITIES</b>				
OTC derivative instruments with negative market value	56,442	4.5		
<b>Total financial instruments with negative market value</b> <sup>Note 2)</sup>	<b>56,442</b>	<b>4.5</b>		
Accrued expenses and prepaid income	380	0.0		
<b>Total liabilities</b>	<b>56,822</b>	<b>4.5</b>		
<b>Fund capital</b> <sup>Note 1)</sup>	<b>1,241,508</b>	<b>100.0</b>		

Note 1) for Balance Sheet

## Changes in fund capital, SEKt

	2016	2015
Fund capital at beginning of year	-	-
Units issued	921,150	-
Units redeemed	-	-
Profit according to Income Statement	320,358	-
Dividends to unit holders	-	-
<b>Fund capital at the close of the period</b>	<b>1,241,508</b>	

Note 2) for Balance Sheet

## Fund holdings in financial instruments

## TRANSFERABLE SECURITIES\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>LISTED EQUITIES</b>			
<b>CONSUMER DISCRETIONARY</b>			
Dometic Group (Household Durables)	149,453	10,006	0.8
Husqvarna B (Household Durables)	300,000	21,255	1.7
ProSiebenSat.1 Media (Media)	140,062	49,133	4.0
Rezidor Hotel Group (Hotels, Restaurants and Leisure)	122,500	4,349	0.4
		<b>84,743</b>	<b>6.8</b>
<b>CONSUMER STAPLES</b>			
Anheuser-Busch InBev (Beverages)	117,850	113,545	9.1
Axfood (Food and Staples Retailing)	160,186	22,939	1.8
Cloetta B (Food Products)	548,178	15,733	1.3
Unilever A NL (Food Products)	128,145	48,029	3.9
		<b>200,245</b>	<b>16.1</b>
<b>FINANCIALS</b>			
Allianz (Insurance)	36,791	55,347	4.5
Deutsche Annington Immobilien (Real Estate Management and Development)	169,989	50,339	4.1
Fabege (Real Estate Management and Development)	309,701	46,114	3.7
Hufvudstaden A (Real Estate)	388,837	55,954	4.5
ING Groep Ord Shs (Commercial Banks)	870,565	111,529	9.0
Investor B (Diversified Financial Services)	155,762	53,037	4.3
Klövern B (Real Estate Management and Development)	880,823	8,407	0.7
Münchener Rück (Insurance)	31,710	54,586	4.4
Wihlborgs (Real Estate Management and Development)	63,883	10,822	0.9
		<b>446,135</b>	<b>35.9</b>
<b>HEALTH CARE</b>			
Bayer (Pharmaceuticals)	119,759	113,755	9.2
Fresenius (Health Care Equipment and Supplies)	81,078	57,692	4.6
Fresenius Medical Care (Health Care Providers and Services)	64,121	49,429	4.0
		<b>220,875</b>	<b>17.8</b>
<b>INDUSTRIALS</b>			
Deutsche Post (Air Freight and Logistics)	377,529	112,992	9.1
Siemens (Industrial Conglomerates)	45,044	50,412	4.1
		<b>163,404</b>	<b>13.2</b>
<b>INFORMATION TECHNOLOGY</b>			
ASML Holding (Semiconductors and Semiconductor Eqp.)	48,696	49,763	4.0
		<b>49,763</b>	<b>4.0</b>
<b>MATERIALS</b>			
Boliden (Metals and Mining)	41,969	9,984	0.8
Holmen B (Paper and Forest Products)	71,140	23,249	1.9
UPM-Kymmene (Paper and Forest Products)	219,662	49,126	4.0
		<b>82,359</b>	<b>6.7</b>
<b>UTILITIES</b>			
E.ON (Electric Utilities)	776,504	49,851	4.0
		<b>49,851</b>	<b>4.0</b>
<b>Total listed equities</b>		<b>1,297,375</b>	<b>104.5</b>
<b>Total transferable securities</b>		<b>1,297,375</b>	<b>104.5</b>

## OTHER FINANCIAL INSTRUMENTS\*\*\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>OTC DERIVATIVE INSTRUMENTS</b>			
<b>PORTFOLIO SWAPS</b>			
Swap XACT Råvaror <sup>1)</sup>	1	-56,442	-4.5
<b>Total OTC derivative instruments</b>		<b>-56,442</b>	<b>-4.5</b>
<b>Total other financial instruments</b>		<b>-56,442</b>	<b>-4.5</b>
<b>Total holdings in financial instruments</b>		<b>1,240,933</b>	<b>100.0</b>
<b>Net, other assets and liabilities</b>		<b>575</b>	<b>0.0</b>
<b>Total fund capital</b>		<b>1,241,508</b>	<b>100.0</b>

1) Portfolio swap with underlying exposure of SEK -52,803t, which is equivalent to 4.3% of fund capital. Counterparty Svenska Handelsbanken AB (Publ). More information regarding the underlying holdings in XACT Råvaror can be found at [www.xact.se](http://www.xact.se).

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

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

104.5

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

\*\*\* Refers to other financial instruments.

-4.5

## Compilation, Company and Group exposure\*

Company/Group	% of fund capital
Fresenius	8.6

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

**ADDITIONAL INFORMATION ON PORTFOLIO SWAPS**

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<b>THE LARGEST COUNTERPARTIES OF PORTFOLIO SWAPS, SEK thousand:</b>	
Svenska Handelsbanken AB (Publ), Sweden	-56 442

The profile of the duration for portfolio swaps is three months to one year. Settlement and clearing for portfolio swaps is conducted bilaterally. No collateral is provided for portfolio swaps. The value of these are regulated such that the fund does not have counterparty risk.

Portfolio swaps for the full year generated a total revenue of SEK -56 442 thousand. 100% of the revenue has been passed on to the fund.



# XACT Svenska Småbolag

## Management Report

### Investment Focus

The fund is an exchange-traded fund with the objective of offering a liquid exposure to the Swedish small cap market. The fund invests in equities and equity-related instruments issued by smaller companies in Sweden whose market values at the time of the investment do not exceed 1% of the total market value of companies admitted to trading on the regulated market, NASDAQ OMX Stockholm. The fund may also invest in companies with higher market values if the portfolio manager deems it to be advantageous to unit holders. This opportunity is limited to a combined maximum of 10% of fund capital. The fund may invest in equities and OTC derivatives (such as swaps and futures).

### Portfolio

XACT Svenska Småbolag (UCITS EFT) was launched on February 9, 2016 and rose 28.9% during 2016\*. Fund returns are provided by a basket that normally consists of 50 – 100 liquid small caps, in which the composition is determined by the portfolio manager. A major review of the holdings in the small cap basket is conducted twice each year: in June and in December. We made significant changes in Boliden, Ahlsell, Sagax B and Lindab during the reweighting in December. The largest holdings in the small cap basket at year-end were Trelleborg, Husqvarna and SAAB. The fund has entered into a total return swap with Svenska Handelsbanken AB (publ). Transactions occur with Svenska Handelsbanken AB (publ). Fund holdings consist of large, liquid Swedish and international equities, as well as the total return swap in which the returns from equities are exchanged in the total return swap to the exposure described above. In the event the counterparty is unable to deliver the agreed upon returns, the fund may utilise the basket of large, liquid Swedish and international equities whose value corresponds to the total return swap to acquire equivalent returns in another manner, in addition to entering into an equivalent arrangement with another counterparty.

\*) Refer to fund statistics for comparable index.

### Significant risks

As of the balance sheet date, the fund does not have any other significant risks in its holdings than those stated in the fact sheet and information brochure.

### Trading with derivatives

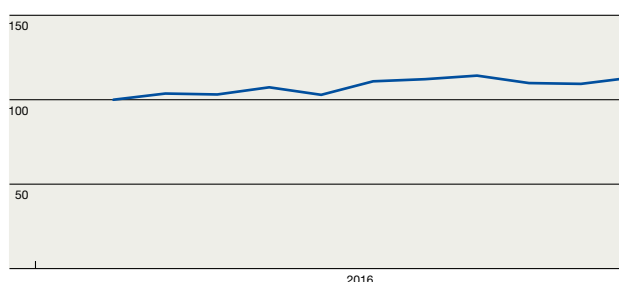
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option extensively during 2016. The fund has the option of lending equity. The fund did not use this option in 2016. The fund may use other techniques and instruments. The fund did not use this option in 2016.

### Information

The fund was launched on February 9, 2016.

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

### Fund Performance\*



\* Performance is shown in the fund's base currency.

### Fund Facts - History

	9/2-31/12 2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net asset value, SEK	128.90	-	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	1,595	-	-	-	-	-	-	-	-	-
Fund capital, mSEK	1,772	-	-	-	-	-	-	-	-	-
Number of units, 1000's	13,750	-	-	-	-	-	-	-	-	-
Total returns in %, SEK	+28.9	-	-	-	-	-	-	-	-	-
Index including dividends in %, SEK	+32.3	-	-	-	-	-	-	-	-	-

Index: CSRXSE Carnegie Small Cap Return Index

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

### Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	0.50
Collected mgmt. costs in % of average fund capital	0.30
Annual fees in %	0.30
Analyzing costs, tSEK <sup>1)</sup>	-
Transaction costs, tSEK	-
Transaction costs in % of turnover	-
Costs in SEK for a one-time subscription, 10 000 SEK	32.42
Costs in SEK for monthly savings, 100 SEK	1.74

<sup>1)</sup> Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

### Fund Facts - Other Key Figures

Turnover rate	6.4
Share of turnover conducted via closely-related securities companies in %	99.7

### Risk and Return Measurements\*

Forecasted total risk	16.7
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\* The fund has been in existence for less than two years; consequently, the calculation of historical risk is not applicable. Refer to the last page for definitions. Total exposure in the fund is calculated in accordance with the commitment method.

### Income Statement, SEKt

	9/2-31/12 2016	2015
<b>INCOME AND CHANGES IN VALUE</b>		
Changes in value for transferable securities*	269,090	-
Changes in value for OTC derivative instruments**	-90,907	-
Interest income	-79	-
Currency exchange profits and losses, net	-295	-
Other income	2,119	-
<b>Total income and changes in value</b>	<b>179,928</b>	
<b>EXPENSES</b>		
Management Company expenses	3,005	-
Interest expense	1	-
Other expenses	14	-
<b>Total expenses</b>	<b>3,020</b>	
<b>Net income</b>	<b>176,908</b>	
* Details of changes in value		
Changes in value for transferable securities – Capital gains	313,330	
Changes in value for transferable securities – Capital losses	-121,363	
Changes in value for transferable securities – Unrealised	77,123	
Sum	269,090	
** Details of changes in value		
LABEL MISSING: Värdeförändring på OTC derivat_Kapitalvinster	262,700	
LABEL MISSING: Värdeförändring på OTC derivat_Kapitalförluster	-334,033	
LABEL MISSING: Värdeförändring på OTC derivat_Orealiserade vinster/förluster	-19,574	
LABEL MISSING: Värdeförändring på OTC derivat_Summa	-90,907	

### Balance Sheet, tSEK

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
<b>ASSETS</b>				
Transferable securities	1,791,690	101.1		
<b>Total financial instruments with positive market value</b> <sup>Note 2)</sup>	<b>1,791,690</b>	<b>101.1</b>		
Bank assets and other liquid assets	512	0.0		
Other assets	0	0.0		
<b>Total assets</b>	<b>1,792,202</b>	<b>101.1</b>		
<b>LIABILITIES</b>				
OTC derivative instruments with negative market value	19,574	1.1		
<b>Total financial instruments with negative market value</b> <sup>Note 2)</sup>	<b>19,574</b>	<b>1.1</b>		
Accrued expenses and prepaid income	229	0.0		
<b>Total liabilities</b>	<b>19,803</b>	<b>1.1</b>		
<b>Fund capital</b> <sup>Note 1)</sup>	<b>1,772,399</b>	<b>100.0</b>		

Note 1) for Balance Sheet

### Changes in fund capital, SEKt

	2016	2015
Fund capital at beginning of year	-	-
Units issued	1,595,491	-
Units redeemed	-	-
Profit according to Income Statement	176,908	-
Dividends to unit holders	-	-
<b>Fund capital at the close of the period</b>	<b>1,772,399</b>	

Note 2) for Balance Sheet

### Fund holdings in financial instruments

#### TRANSFERABLE SECURITIES\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>LISTED EQUITIES</b>			
<b>CONSUMER DISCRETIONARY</b>			
ProSiebenSat.1 Media (Media)	84,938	29,796	1.7
		<b>29,796</b>	<b>1.7</b>
<b>CONSUMER STAPLES</b>			
Anheuser-Busch InBev (Beverages)	166,034	159,968	9.0
Heineken (Beverages)	88,968	60,748	3.4
Unilever A NL (Food Products)	185,910	69,679	3.9
		<b>290,396</b>	<b>16.4</b>
<b>FINANCIALS</b>			
Allianz (Insurance)	46,177	69,467	3.9
Deutsche Annington Immobilien (Real Estate Management and Development)	239,625	70,960	4.0
Industrivärden C (Diversified Financial Services)	421,086	71,500	4.0
ING Groep Ord Shs (Commercial Banks)	1,226,505	157,129	8.9
Investor B (Diversified Financial Services)	211,695	72,082	4.1
Münchener Rück (Insurance)	41,064	70,688	4.0
Nordea (Commercial Banks)	500,000	50,650	2.9
Swedbank A (Commercial Banks)	115,956	25,545	1.4
		<b>588,022</b>	<b>33.2</b>
<b>HEALTH CARE</b>			
Bayer (Pharmaceuticals)	168,724	160,264	9.0
Fresenius (Health Care Equipment and Supplies)	201,700	143,521	8.1
Fresenius Medical Care (Health Care Providers and Services)	90,993	70,144	4.0
		<b>373,929</b>	<b>21.1</b>
<b>INDUSTRIALS</b>			
Deutsche Post (Air Freight and Logistics)	234,957	70,321	4.0
Siemens (Industrial Conglomerates)	63,853	71,463	4.0
		<b>141,784</b>	<b>8.0</b>
<b>INFORMATION TECHNOLOGY</b>			
ASML Holding (Semiconductors and Semiconductor Eqp.)	68,645	70,150	4.0
Nokia (Communications Equipment)	1,558,844	68,530	3.9
		<b>138,680</b>	<b>7.8</b>
<b>MATERIALS</b>			
BASF (Chemicals)	83,700	70,826	4.0
UPM-Kymmene (Paper and Forest Products)	355,823	79,577	4.5
		<b>150,403</b>	<b>8.5</b>
<b>UTILITIES</b>			
E.ON (Electric Utilities)	1,225,561	78,680	4.4
		<b>78,680</b>	<b>4.4</b>
<b>Total listed equities</b>		<b>1,791,690</b>	<b>101.1</b>
<b>Total transferable securities</b>		<b>1,791,690</b>	<b>101.1</b>

#### OTHER FINANCIAL INSTRUMENTS\*\*\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>OTC DERIVATIVE INSTRUMENTS</b>			
<b>PORTFOLIO SWAPS</b>			
Swap XACT Svenska Småbolag <sup>1)</sup>	1	-19,574	-1.1
<b>Total OTC derivative instruments</b>		<b>-19,574</b>	<b>-1.1</b>
<b>Total other financial instruments</b>		<b>-19,574</b>	<b>-1.1</b>
<b>Total holdings in financial instruments</b>		<b>1,772,116</b>	<b>100.0</b>
<b>Net, other assets and liabilities</b>		<b>283</b>	<b>0.0</b>
<b>Total fund capital</b>		<b>1,772,399</b>	<b>100.0</b>

1) Portfolio swap with underlying exposure of SEK -42,493t, which is equivalent to 2.4% of fund capital. The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

\* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 101.1

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

\*\*\* Refers to other financial instruments. -1.1

### Compilation, Company and Group exposure\*

Company/Group	% of fund capital
Fresenius	12.1

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

## **ADDITIONAL INFORMATION ON PORTFOLIO SWAPS**

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**THE LARGEST COUNTERPARTIES OF PORTFOLIO SWAPS, SEK thousand:**  
Svenska Handelsbanken AB (Publ), Sweden -19 574

The profile of the duration for portfolio swaps is three months to one year. Settlement and clearing for portfolio swaps is conducted bilaterally. No collateral is provided for portfolio swaps. The value of these are regulated such that the fund does not have counterparty risk.

Portfolio swaps for the full year generated a total revenue of SEK -19 574 thousand. 100% of the revenue has been passed on to the fund.



Osteuropafond, cont.

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Average yearly return, 5 yrs. %										
Osteuropafond A1 - SEK	+4.9	-7.2	-3.8	+12.3	-6.6	-6.3	+3.8	+13.3	+5.6	+34.8
Osteuropafond A1 - EUR	+3.4	-7.4	-	-	-	-	-	-	-	-
Osteuropafond A1 - NOK	+6.7	-3.5	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+4.1	-7.0	-3.4	+10.9	-6.3	-5.9	+5.1	+14.9	+8.0	+37.0
EUR	+2.5	-7.3	-	-	-	-	-	-	-	-
NOK	+5.8	-3.4	-	-	-	-	-	-	-	-
Average yearly return, 10 yrs. %										
Osteuropafond A1 - SEK	-0.8	-1.8	+4.4	+8.9	+12.2	+8.6	+11.6	+8.1	+8.3	+14.8
Osteuropafond A1 - EUR	-1.4	-1.6	-	-	-	-	-	-	-	-
Osteuropafond A1 - NOK	-0.4	+0.3	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	-1.0	-1.2	+5.3	+9.4	+13.3	+9.8	+12.3	-	-	-
EUR	-1.6	-0.9	-	-	-	-	-	-	-	-
NOK	-0.6	+0.9	-	-	-	-	-	-	-	-
Dividends per unit, SEK	-	-	-	-	6.37	4.40	4.53	10.27	3.73	4.68
Exchange rate EUR/SEK	9.58	9.16	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.06	0.95	-	-	-	-	-	-	-	-

Index: MSCI Emerging Market Europe 10/40 Net

Up to 30/06/2007: MSCI Eastern Europe 10/40

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

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

Refer to the last page for definitions.

### Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.60
Collected mgmt. costs in % of average fund capital	1.60
Annual fees in %	1.65
Analyzing costs, tSEK <sup>1)</sup>	528
Transaction costs, tSEK	780
Transaction costs in % of turnover	0.05
Costs in SEK for a one-time subscription, 10 000 SEK	182.56
Costs in SEK for monthly savings, 100 SEK	11.71

<sup>1)</sup> Expenses for external analysis are debited separately as of January 1, 2015. These expenses were previously included in transaction costs.

### Fund Facts - Other Key Figures

Turnover rate	0.7
Share of turnover conducted via closely-related securities companies in %	0.4

### Risk and Return Measurements\*

Total risk % - A1 SEK	16.7	Active return % - A1 EUR	3.7
Total risk % - A1 EUR	16.9	Active return % - A1 NOK	3.7
Total risk % - A1 NOK	12.4	Information ratio - A1 SEK	0.8
Total risk in index % - A1 SEK	18.4	Information ratio - A1 EUR	0.8
Total risk in index % - A1 EUR	18.5	Information ratio - A1 NOK	0.8
Total risk in index % - A1 NOK	14.5	Sharpe ratio - A1 SEK	0.9
Active Share % <sup>1)</sup>	64.9	Sharpe ratio - A1 EUR	0.9
Tracking error % - A1 SEK	4.7	Sharpe ratio - A1 NOK	1.1
Tracking error % - A1 EUR	4.7	Sharpe ratio in index - A1 SEK	0.6
Tracking error % - A1 NOK	4.7	Sharpe ratio in index - A1 EUR	0.6
Index	MSCI Emerging Market Europe 10/40 Net	Sharpe ratio in index - A1 NOK	0.7
Active return % - A1 SEK	3.7		

<sup>1)</sup> As of the balance sheet date.

\* Risk statistics are based on historical monthly returns over two years. Refer to the last page for definitions.

Total exposure in the fund is calculated in accordance with the commitment method.

### Income Statement, SEKt

	2016	2015
<b>INCOME AND CHANGES IN VALUE</b>		
Changes in value for transferable securities	329,385	-69,626
Interest income	20	53
Dividends	32,231	37,922
Currency exchange profits and losses, net	1,275	-3,737
Other income	0	12
<b>Total income and changes in value</b>	<b>362,911</b>	<b>-35,376</b>
<b>EXPENSES</b>		
Management Company expenses	16,492	15,930
Interest expense	8	19
Other expenses	1,657	1,550
<b>Total expenses</b>	<b>18,157</b>	<b>17,499</b>
<b>Net income</b>	<b>344,754</b>	<b>-52,875</b>

\* Details of changes in value

Changes in value for transferable securities - Capital gains	134,602	84,507
Changes in value for transferable securities - Capital losses	-204,353	-135,463
Changes in value for transferable securities - Unrealised	399,136	-18,670
Sum	329,385	-69,626

### Balance Sheet, tSEK

	31 dec 2016	% of fund capital	31 dec 2015	% of fund capital
<b>ASSETS</b>				
Transferable securities	1,179,128	98.0	923,262	97.8
<b>Total financial instruments with positive market value <sup>(Note 2)</sup></b>	<b>1,179,128</b>	<b>98.0</b>	<b>923,262</b>	<b>97.8</b>
Bank assets and other liquid assets	23,044	1.9	18,645	2.0
Prepaid expenses and accrued income	1,049	0.1	2,634	0.3
Other assets	2,889	0.2	30	0.0
<b>Total assets</b>	<b>1,206,110</b>	<b>100.2</b>	<b>944,571</b>	<b>100.1</b>
<b>LIABILITIES</b>				
Accrued expenses and prepaid income	862	0.1	658	0.1
Other liabilities	1,855	0.1	0	0.0
<b>Total liabilities</b>	<b>2,717</b>	<b>0.2</b>	<b>658</b>	<b>0.1</b>
<b>Fund capital <sup>(Note 1)</sup></b>	<b>1,203,393</b>	<b>100.0</b>	<b>943,913</b>	<b>100.0</b>

Note 1) for Balance Sheet

### Changes in fund capital, SEKt

	2016	2015
Fund capital at beginning of year	943,913	939,169
Units issued	272,743	276,942
Units redeemed	-358,017	-219,323
Profit according to Income Statement	344,754	-52,875
Dividends to unit holders	-	-
<b>Fund capital at the close of the period</b>	<b>1,203,393</b>	<b>943,913</b>



Östeuropafond, cont.

Note 2) for Balance Sheet

## Fund holdings in financial instruments

## TRANSFERABLE SECURITIES\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
<b>LISTED EQUITIES</b>			
<b>AUSTRIA (EUR)</b>			
Erste Group Bank (Commercial Banks)	32,000	8,532	0.7
		<b>8,532</b>	<b>0.7</b>
<b>CYPRUS (EUR)</b>			
IGSS GDR (Energy Equipment and Services)	14,507	166	0.0
Ros Agro (Food Products)	50,000	6,041	0.5
		<b>6,207</b>	<b>0.5</b>
<b>CZECH REPUBLIC (CZK)</b>			
Komerční banka (Commercial Banks)	36,000	11,298	0.9
MONETA Money Bank (Commercial Banks)	360,000	10,570	0.9
		<b>21,869</b>	<b>1.8</b>
<b>ESTONIA (EUR)</b>			
Merko Ehitus (Construction and Engineering)	50,000	4,336	0.4
		<b>4,336</b>	<b>0.4</b>
<b>GEORGIA (GEL)</b>			
Tbc Bank Group Ord Shs (Commercial Banks)	43,000	7,009	0.6
		<b>7,009</b>	<b>0.6</b>
<b>GERMANY (EUR)</b>			
Uniwheels (Auto Components)	24,500	11,693	1.0
		<b>11,693</b>	<b>1.0</b>
<b>GREECE (EUR)</b>			
Fourlis Holdings (Specialty Retail)	119,023	4,653	0.4
JUMBO (Leisure Equipment and Products)	127,000	18,327	1.5
Sarantis (Personal Products)	45,000	4,786	0.4
		<b>27,766</b>	<b>2.3</b>
<b>GUERNSEY (GBP)</b>			
Etalon Group GDR (Real Estate Management and Development)	490,000	14,222	1.2
		<b>14,222</b>	<b>1.2</b>
<b>HONG KONG (HKD)</b>			
Summit Ascent Holdings (Trading Companies and Distributors)	950,000	2,159	0.2
		<b>2,159</b>	<b>0.2</b>
<b>HUNGARY (HUF)</b>			
MOL (Oil, Gas and Consumable Fuels)	30,700	19,653	1.6
OTP Bank (Commercial Banks)	136,100	35,467	2.9
		<b>55,120</b>	<b>4.5</b>
<b>KAZAKHSTAN (KZT)</b>			
Halyk Bank (Commercial Banks)	97,000	5,278	0.4
		<b>5,278</b>	<b>0.4</b>
<b>LITHUANIA (LTL)</b>			
Apranga (Specialty Retail)	220,789	5,437	0.5
		<b>5,437</b>	<b>0.5</b>
<b>MALAYSIA (MYR)</b>			
Steppe Cement (Construction Materials)	1,290,000	2,607	0.2
		<b>2,607</b>	<b>0.2</b>
<b>POLAND (PLN)</b>			
AMC (Household Durables)	19,300	7,829	0.7
AmRest (Hotels, Restaurants and Leisure)	25,700	16,556	1.4
Bank Gospodarki Żywnościowej (Commercial Banks)	18,970	2,382	0.2
Benefit Systems (Professional Services)	6,862	10,304	0.9
Emperia Holding (Food and Staples Retailing)	40,000	5,658	0.5
Fabryki Mebli, Forte™ (Household Durables)	41,400	6,848	0.6
Grupa Kęty (Metals and Mining)	4,500	3,800	0.3
Inter Cars (Distributors)	15,200	9,181	0.8
KGHM Polska Miedz (Metals and Mining)	80,000	16,101	1.3
KRUK (Diversified Financial Services)	23,000	11,863	1.0
Robyg (Household Durables)	690,000	4,460	0.4
SMT (IT Services)	89,561	1,996	0.2
Trakcja PRKiL (Construction and Engineering)	160,000	4,931	0.4
Wirtualna Polska Holding (Internet Software and Services)	68,153	7,950	0.7
		<b>109,860</b>	<b>9.1</b>
<b>PORTUGAL (EUR)</b>			
Jerónimo Martins (Food and Staples Retailing)	38,000	5,367	0.4
		<b>5,367</b>	<b>0.4</b>
<b>ROMANIA (RON)</b>			
Fondul Proprietatea (Capital Markets)	67,000	5,721	0.5
OMV Petrom GDR (Oil, Gas and Consumable Fuels)	66,330	5,508	0.5
		<b>11,229</b>	<b>1.0</b>
<b>RUSSIAN FEDERATION (RUB)</b>			
Aeroflot (Airlines)	380,000	8,644	0.7
Alosa (Other)	750,000	10,875	0.9
Bank St. Petersburg (Commercial Banks)	111,276	1,110	0.1
Cherkizovo Group GDR (Food Products)	40,000	3,125	0.3
Gazprom (Oil, Gas and Consumable Fuels)	1,250,000	28,750	2.4
Gazprom Neft (Oil, Gas and Consumable Fuels)	400,000	12,739	1.1
HMX Hydraulic Machine GDR (Machinery)	150,000	10,166	0.8
Inter RAO (Energy Equipment and Services)	25,000,000	14,302	1.2
LSR Group (Construction Materials)	40,976	5,805	0.5
Lukoil (Oil, Gas and Consumable Fuels)	128,200	65,803	5.5
Lukoil ADR (Oil, Gas and Consumable Fuels)	97,500	49,690	4.1

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Magnit Krasnodar (Multiline Retail)	29,300	47,965	4.0
Magnitogorsk Iron & Steel Works GDR (Metals and Mining)	100,000	6,341	0.5
MD Medical Group GDR (Health Care Providers and Services)	177,224	15,215	1.3
Mobile TeleSystems (Wireless Telecommunication Services)	340,000	13,105	1.1
Novatek (Oil, Gas and Consumable Fuels)	485,000	57,158	4.7
Novolipetsk Steel GDR (Metals and Mining)	63,000	10,645	0.9
PhosAgro GDR (Chemicals)	130,000	18,010	1.5
Rosneft Oil (Oil, Gas and Consumable Fuels)	949,000	56,888	4.7
Rosneft Oil GDR (Oil, Gas and Consumable Fuels)	510,000	30,115	2.5
RusHydro (Electric Utilities)	32,000,000	4,409	0.4
RusHydro ADR (Electric Utilities)	600,000	7,931	0.7
Sberbank (Commercial Banks)	3,680,000	94,882	7.9
Sberbank pref (Commercial Banks)	1,060,000	20,468	1.7
Sistema (Wireless Telecommunication Services)	1,700,000	5,862	0.5
Surгутneftegaz pref (Oil, Gas and Consumable Fuels)	7,400,000	35,318	2.9
Tatneft (Oil, Gas and Consumable Fuels)	50,000	3,177	0.3
Tatneft pref (Oil, Gas and Consumable Fuels)	278,587	9,743	0.8
X5 Retail Group (Food and Staples Retailing)	97,000	28,595	2.4
		<b>676,838</b>	<b>56.3</b>
<b>SWEDEN (SEK)</b>			
Vostok Nafta Investment SDB (Capital Markets)	108,000	8,046	0.7
		<b>8,046</b>	<b>0.7</b>
<b>SWITZERLAND (CHF)</b>			
Luxoft (IT Services)	8,000	4,084	0.3
Wizz Air Holdings (Airlines)	48,000	9,650	0.8
		<b>13,735</b>	<b>1.1</b>
<b>TURKEY (TRY)</b>			
Akbank (Commercial Banks)	1,070,000	21,610	1.8
AKÇANSA Çimento (Construction Materials)	175,000	6,192	0.5
Anadolu Hayat Emeklilik (Insurance)	557,006	7,149	0.6
Arcelik (Household Products)	165,000	9,034	0.8
AvivaSA Emeklilik ve Hayat (Insurance)	149,850	7,442	0.6
BİM Birlesik Magazalar (Multiline Retail)	78,000	9,871	0.8
Coca-Cola İçecek (Beverages)	35,000	2,992	0.2
Emlak (Real Estate Investment Trusts)	880,000	6,795	0.6
Garanti Bank (Commercial Banks)	1,265,000	24,895	2.1
İsbank (Commercial Banks)	650,000	8,696	0.7
Logo Yazılım (Software)	155,250	21,792	1.8
Lokman Hekim Engurusag Sağlık Turizm Eg (Health Care Providers and Services)	1,000,000	10,356	0.9
Migros Ticaret (Food and Staples Retailing)	120,000	5,448	0.5
Tat G da Sanayi A.S. Ord Shs (Food Products)	126,231	1,868	0.2
Tofas (Automobiles)	150,000	9,545	0.8
TSKB (Commercial Banks)	1,229,999	4,479	0.4
		<b>158,164</b>	<b>13.2</b>
<b>UNITED STATES (USD)</b>			
Yandex (Internet Software and Services)	55,000	10,058	0.8
		<b>10,058</b>	<b>0.8</b>
<b>Total listed equities</b>		<b>1,165,532</b>	<b>96.9</b>
	<b>Number/Nominal amount in 1000's</b>	<b>Market value tSEK</b>	<b>% of fund capital</b>
<b>UNLISTED EQUITIES***</b>			
<b>SWEDEN (SEK)</b>			
Ferronordic Machines pref (Machinery)	3,000	2,640	0.2
Vostok Emerging Finance SDB (Capital Markets)	6,600,000	10,956	0.9
		<b>13,596</b>	<b>1.1</b>
<b>Total unlisted equities</b>		<b>13,596</b>	<b>1.1</b>
<b>Total transferable securities</b>		<b>1,179,128</b>	<b>98.0</b>
<b>Total holdings in financial instruments</b>		<b>1,179,128</b>	<b>98.0</b>
<b>Net, other assets and liabilities</b>		<b>24,265</b>	<b>2.0</b>
<b>Total fund capital</b>		<b>1,203,393</b>	<b>100.0</b>

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

\* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 96.9

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

\*\*\* Refers to other financial instruments. 1.1

## Compilation, Company and Group exposure\*

Company/Group	% of fund capital	Company/Group	% of fund capital
Lukoil	9.6	Gazprom	3.5
Sberbank	9.6	Vostok Nafta Investment	1.6
Rosneft	7.2	RusHydro	1.1
		Tatneft	1.1

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

# Information from Handelsbanken Fonder AB

## Management Company's Board of Directors, CEO, Auditors and Personnel

### Handelsbanken Fonder AB

#### Board of Directors

MICHAEL GREEN, Chairman  
Executive Vice President, Svenska Handelsbanken AB (publ)

MALIN BJÖRKMO, Consultancy specializing in corporate governance and financial regulations

HELEN FASTH GILLSTEDT, Chief Executive Officer and owner of a management consultancy firm

LARS SEIZ, Strategic advisor in asset management

ROBERT LUNDIN, Employee representative for the Union of Financial Sector Employees, Regional section, CHK club, Svenska Handelsbanken AB (publ)

#### Chief Executive Officer

CARL CEDERSCHIÖLD

#### Management Company's auditors

##### Elected at the Annual General Meeting

KPMG AB, ANDERS BÄCKSTRÖM

#### Personnel and organisation

The Management Company is a wholly-owned subsidiary of Svenska Handelsbanken AB (publ). The Management Company purchases fund management and fund administrative services from Svenska Handelsbanken AB (publ).

Key members of management within Handelsbanken Fonder AB are as follows:

**Chief Executive Officer**  
CARL CEDERSCHIÖLD

**Deputy Chief Executive Officer**  
FREDRIK LUHR

**Head of Asset Management**  
CHRISTOFER HALLDIN

**COO Investment Management**  
MAGDALENA WAHLQVIST  
ALVESKOG

**Head of Legal**  
STAFFAN RINGVALL

**Head of Compliance**  
PETER SANDER

**Head of Risk Management**  
DANIEL AMSKÖLD

**Head of Sustainability**  
JENNY GUSTAFSSON

Post address: 106 70 STOCKHOLM

Telephone: 08-701 10 10 Fax: 08-701 38 60

## Accounting and valuation principles

### Accounting principles

The Annual Report is drawn up in accordance with generally accepted accounting principles. The accounting principles for the securities funds are based on the Swedish Investment Funds Act (2004:46) and on the Alternative Investment Fund Managers Act (2013:561) for our non-UCITS funds. The principles are also based on the Swedish Investment Fund Association's Guidelines for Key Ratio Accounting of Swedish UCITS and non-UCITS funds as well as the Financial Supervisory Authority's regulations regarding Swedish UCITS funds (FFFS 2013:9) and the Financial Supervisory Authority's regulations regarding alternative investment fund managers (FFFS 2013:10) for our non-UCITS funds. Further, applicable provisions in the Swedish Accounting Act are also applied. Accounting is based on the transaction date.

### Valuation principles

Equities and standardised derivatives are valued primarily at the latest closing price, followed by the average of that day's latest bid- and selling price. Fixed income securities are valued primarily at the bid price. Interest-bearing securities that are not listed on the interbank market are valued in accordance with generally accepted models. Some of the funds include holdings in financial instruments that are not listed on a regulated market. In general, if these types of instruments are used regularly in trading organized in another manner, the price quotations that occur in this market will be used for the valuation. Price quotations are normally obtained regularly from counterparties in the market for securities that are not maintained in a price follow-up system. These prices will be validated on a regular basis against a theoretically determined price. The purchase price is used in the first hand as the valuation price for securities purchased by the fund in connection with the issue of new shares where the current price information is unavailable prior to public trading. However, a new valuation will be made if the Management Company obtains information, e.g., at a new share issue, in reports from the company concerned or through other news in the market, that gives reason to believe that the valuation assigned to the instrument is no longer representative. Available information and established valuation methods will be utilized for this valuation, while taking into account the existing circumstances.

## Foreign withholding taxes

Due to the changes in the tax regulations for Swedish funds on January 1, 2012, as well as the developments within EU taxation, there is significant uncertainty with regard to the application of withholding taxes on equity distributions. This can result in both higher revenues and increased expenses regarding withholding taxes in funds with foreign holdings. The revenues or expenses will be reported when received or paid, respectively. The distributions will be reported in the amount actually received, although it cannot be ruled out that the withholding taxes can be revised, which would result in an additional withholding tax on the previously received distributions made in the fund. A remittance /repayment of withholding tax paid) is reported when received.

## Corporate Governance

Handelsbanken Fonder exercises an active ownership role. The purpose is to participate so that the Company takes decisions that lead to positive value growth, which in turn benefit our unit holders. We view our ownership role from a long-term perspective, given that changes in companies often take time to implement. As a guideline for our actions, the Board of Directors of Handelsbanken Fonder has adopted a Corporate Governance Policy. Our work is also guided by those principles established in the Swedish Corporate Governance Code. The regular contacts made by our portfolio managers and analysts with those companies in which we invest or expect to invest provide us the opportunity to deliver our own views on the performance presented by the companies.

Handelsbanken Fonder AB participates in a number of nominating committees where we have a sufficiently large ownership to be able to influence proposals to the board of directors. The board shall have extensive and relevant competence and its composition shall be characterized by different perspectives.

Our ambition is to participate in annual general meetings where we have significant ownership and where our votes could impact the course of events. We participate in a substantial number of annual meetings each year, almost exclusively in Sweden. In some cases, companies request a dialogue with shareholders prior to a proposal being presented at the annual meeting to gain support for the proposal by the major shareholders. This may be applicable to issues about capital structure, proposals for an extra distribution or for an incentive program. Handelsbanken Fonder AB participates in such discussions to the extent we have been invited and presents our views that aim at achieving a favourable result for unit holders.

The Management Company's Corporate Governance Policy is available on our website at: handelsbanken.se/funds.

## Responsible Investments

Handelsbanken Fonder AB's policy for Responsible Investments is based on international standards for the environment, human rights, working conditions, anti-corruption and controversial weapons. These standards are expressed in the UN's conventions and agreements and can be applied to the environmental and social responsibilities of the Company. Handelsbanken Fonder AB has, through Handelsbanken Asset Management, signed the UN's Principles of Responsible Investments (PRI) and Handelsbanken is also a signatory of the voluntary UN initiative, Global Compact. This means that we have made the commitment to incorporate environmental and social aspects into our investments decisions, to work for increased transparency within the industry and contribute to more responsible actions by conducting dialogues with companies in which invest.

The funds or portfolios managed by Handelsbanken Fonder AB do not invest in securities issued by companies involved in the production or distribution of controversial weapons, e.g., cluster bombs, anti-personnel mines or nuclear weapons.

## Additional information

You will find the complete information brochure with fund rules, fact sheets and current share price performance on our website at [www.handelsbanken.se/funds](http://www.handelsbanken.se/funds). For further information on the subscription and redemption of fund units, please contact your local Handelsbanken branch office.

# Information from Xact Kapitalförvaltning AB

## Management Company's Board of Directors, CEO, Auditors and Personnel

### Xact Kapitalförvaltning AB

#### Board of Directors

OLOF LINDSTRAND, *Chairman*  
Executive Vice President, Svenska  
Handelsbanken AB (publ)

MIKAEL BERTORP, *Vice President*

GUNNAR BÅTELSSON, *Vice  
President*

ÅSA MAGNUSSON, *Vice President*

LENA MUNKHAMMAR, *Vice President*

MARIA LÖNNQVIST, *Employee  
representative for the Union of Financial  
Sector Employees, Regional section, CHK  
club, Svenska Handelsbanken AB (publ)*

#### Chief Executive Officer

PÅR NÜRNBERG

### Personnel and organisation

The Management Company is a wholly-owned subsidiary of Svenska Handelsbanken AB (publ). The Management Company purchases fund management and fund administrative services from Svenska Handelsbanken AB (publ).

Key members of management within Xact Kapitalförvaltning AB are as follows:

#### Chief Executive Officer

PÅR NÜRNBERG

#### Deputy Chief Executive Officer

HENRIK ÅHMAN

#### COO

EMMA VIOTTI

#### Head of Asset Management

PETER FAHLSTEDT

#### Head of Legal

FREDRIK KÖSTER

#### Head of Compliance

HANNA NYQVIST

## Corporate Governance

Within the context of index- and rule-based fund management, Xact Kapitalförvaltning shall carry out its corporate governance in such a manner that the company's value and thereby the funds' net asset value will be optimized over the long term. The level of corporate governance activities and the selection of activities shall be determined based on the opportunity for influence and what is deemed to be effective for value creation.

The funds managed by Xact Kapitalförvaltning on behalf of the fund unit holders hold small numbers of units in thousands of companies worldwide. Consequently, the Management Company has determined that the most cost-effective manner by which to conduct active corporate governance for fund unit holders is through so-called proxy voting.

Through proxy voting, Xact Kapitalförvaltning assigns the practical implementation of voting to an external party who then votes based on the Management Company's Corporate Governance Policy on behalf of the funds at the annual general meeting.

The ownership efforts focus primarily on holdings in companies in which Xact Kapitalförvaltning is a major owner or in companies that have been identified as having breached or risk breaching Xact Kapitalförvaltning's value base with regard to international standards for human rights, working conditions, the environment, anti-corruption and controversial weapons.

Through external parties, Xact Kapitalförvaltning regularly monitors important corporate events in relevant companies in which the Management Company has ownership. Annual general meetings and extraordinary annual meetings are key events from an ownership perspective and the Management Company ensures that relevant information is available as supporting documentation for analysis and voting decisions.

### Management Company's auditors

#### Elected at the Annual General Meeting

KPMG AB, ANDERS BÄCKSTRÖM

Post address: 106 70 STOCKHOLM  
Telephone: 08-701 10 10 Fax: 08-701 38 60

The Management Company's Corporate Governance Policy is available at:  
[www.handelsbanken.se/funds](http://www.handelsbanken.se/funds).

## Accounting and valuation principles

### Accounting principles

The Annual Report is drawn up in accordance with generally accepted accounting principles. The accounting principles for the securities funds are based on the Swedish Investment Funds Act (2004:46) and on the Alternative Investment Fund Managers Act (2013:561) for our non-UCITS funds. The principles are also based on the Swedish Investment Fund Association's Guidelines for Key Ratio Accounting of Swedish UCITS and non-UCITS funds as well as the Financial Supervisory Authority's regulations regarding Swedish UCITS funds (FFFS 2013:9) and the Financial Supervisory Authority's regulations regarding alternative investment fund managers (FFFS 2013:10) for our non-UCITS funds. Further, applicable provisions in the Swedish Accounting Act are also applied. Accounting is based on the transaction date.

### Valuation principles

Equities and standardised derivatives are valued primarily at the latest closing price, followed by the average of that day's latest bid- and selling price. Fixed income securities are valued primarily at the bid price. Interest-bearing securities that are not listed on the interbank market are valued in accordance with generally accepted models. Some of the funds include holdings in financial instruments that are not listed on a regulated market. In general, if these types of instruments are used regularly in trading organized in another manner, the price quotations that occur in this market will be used for the valuation. Price quotations are normally obtained regularly from counterparties in the market for securities that are not maintained in a price follow-up system. These prices will be validated on a regular basis against a theoretically determined price. The purchase price is used in the first hand as the valuation price for securities purchased by the fund in connection with the issue of new shares where the current price information is unavailable prior to public trading. However, a new valuation will be made if the Management Company obtains information, e.g., at a new share issue, in reports from the company concerned or through other news in the market, that gives reason to believe that the valuation assigned to the instrument is no longer representative. Available information and established valuation methods will be utilized for this valuation, while taking into account the existing circumstances.

## Foreign withholding taxes

Due to the changes in the tax regulations for Swedish funds on January 1, 2012, as well as the developments within EU taxation, there is significant uncertainty with regard to the application of withholding taxes on equity distributions. This can result in both higher revenues and increased expenses regarding withholding taxes in funds with foreign holdings. The revenues or expenses will be reported when received or paid, respectively. The distributions will be reported in the amount actually received, although it cannot be ruled out that the withholding taxes can be revised, which would result in an additional withholding tax on the previously received distributions made in the fund. A remittance /repayment of withholding tax paid) is reported when received.

## Responsible Investments

Xact Kapitalförvaltning's Policy for Responsible Investments is based on international standards for the environment, human rights, working conditions, anti-corruption and controversial weapons. These standards are expressed in the UN's conventions and agreements and can be applied to the environmental and social responsibilities of the Company. Xact Kapitalförvaltning has, through Handelsbanken Asset Management, signed the UN's Principles of Responsible Investments (PRI) and Handelsbanken is also a signatory of the voluntary UN initiative, Global Compact.

Xact Kapitalförvaltning manages index funds and rule-based funds. Common among these funds is that they follow a well-defined, pre-determined index or strategy/rule and are committed to delivering returns to fund unit holders that are in line with the index or strategy/rule. In this type of fund management there are limits to the possibility of excluding companies on the basis of the company's actions in sustainability matters. However, the Management Company's work for active and responsible ownership is crucial for our index-managed and rule-based funds. Voting at general meetings as well as advocacy dialogues are the Management Company's most important and influential means for addressing sustainability matters that can impact the long-term returns of fund unit holders.

The Policy includes the funds' direct investments in Swedish and foreign equities as well as corporate bonds. The Policy is applied to the greatest extent possible for indirect investments such as holdings in funds, structured products and derivatives. The Policy is applied to the management of fund of funds within the portion of the portfolio that consists of funds managed by fund management companies in Handelsbanken.

Provided that it does not jeopardise the fund's ability to generate returns in line with its benchmark index or otherwise follow the rule by which the fund management is based, Xact Kapitalförvaltning does not invest in nuclear weapons or in companies with turnover derived from coal extraction or coal power generation that exceeds 50%. The Management Company also does not invest in securities issued by companies involved in the manufacturing or distribution of weapons banned under international law, e.g., cluster bombs or anti-personnel mines.

The Company may take action on reported deviations from international standards and conventions, for example, by having a dialogue with the company in question. Depending on the outcome of such a dialogue, we take a position on any further actions. The dialogue can either occur directly between the company and Xact as well as be coordinated with other actors to achieve the best result possible. These efforts may include a dialogue with the company's decision-makers, collaboration with other owners as well as by casting votes at general meetings.

It is permitted to sell holdings in a company in those instances in which it is determined that a change cannot be attained through involvement or dialogue. This opportunity may be utilised when it does not jeopardise the fund's ability to generate returns in line with its benchmark index or otherwise follow the rule by which the fund management is based.

## Additional information

You will find the complete information brochure with fund rules, fact sheets and current share price performance on our website at [www.handelsbanken.se/funds](http://www.handelsbanken.se/funds). Information about our exchange-traded funds is also available at [www.xact.se](http://www.xact.se). For further information on the subscription and redemption of fund units, please contact your local Handelsbanken branch office.

# Definitions

Differences in the calculation of certain key ratios may exist due to different national regulations and industry practices between funds managed by Handelsbanken Fonder AB and Xact Kapitalförvaltning AB as well as other management companies headquartered outside of Sweden within the Handelsbanken Group.

## Fund statistics

**Analysis expenses** – The Management Company prepares internal analysis for fund management that is paid from the management fee. In addition, the Management Company purchases external analysis. Expenses for this type of analysis is reported under the heading "analysis costs" for those funds that have used such external analysis. Analysis refers to such analysis that is designed to increase the quality of the fund operations and does not prevent the Management Company from acting in the best interest of the unit holders. The analysis can refer to individual companies, geographical markets, sectors or macroeconomic conditions. Analysis expenses are only charged to a fund if the analysis is within the scope of the fund's investment focus and if the benefit of the analysis is worth the equivalent of the expenses. If the analysis benefits several funds, the expenses are charged in proportion to the fund's relative size within the investment focus referred to in the analysis. A more detailed description of the expenses for the purchase of external analysis is provided in the information brochure for each fund under the section, "General information on fees". Calculated on a rolling 12-month basis. Included in the item "Other expenses" in the Income Statement and included in the cost measurement of *Ongoing charges* (see definition).

**Share classes** – Some of the funds consist of several share classes: non-distribution (A) and distribution share classes (B). Fund capital is the same for the share classes and therefore information refers to the fund as a whole unless stated otherwise. Fund units within each individual share class are the same size and have the same rights to the assets included in the fund. The distribution in a distribution share class impacts the relationship between the value of units that are non-distribution and the value of the units that are distribution, with the value of the distribution fund units decreasing in relation to the size of the distribution.

**Share of turnover conducted via closely-related securities companies** – The share of fund purchases and sales of financial instruments mediated by Handelsbanken in terms of value. Calculated, on the one hand, as the ratio between the total of those purchases and sales executed by Handelsbanken and, on the other hand, as the total of all purchases and sales during the year. Expressed in percent.

**Net asset value** – Net asset value expressed as the rate prevailing on the balance sheet date for the respective year.

**Number of units** – The number of outstanding units on the last banking day for the respective year. Reported in thousandths of units.

**Duration** – The duration of a fund is a measure of how sensitive the fund is to changes in interest rates. Simply stated, it is the weighted average of the residual maturity in the fund's investments. Measured in years or months.

**Fund capital** – The fund's net asset value on the closing date for the respective year.

**Fund's total net flow** – Subscriptions less redemptions in the fund, excluding reinvested dividends and any flows from mergers. This is new information that is being provided as of the full year 2012.

**Average fund capital** – Calculated as the mean value of the fund's net asset value during the year (or that portion of the year during which the fund existed). The fund's net asset value is calculated on a daily basis.

**Average yearly return, 2, 5 and 10 years, respectively** – The fund's average effective annual yield during the last 2, 5 or 10 years, respectively.

**Index** – The index used by the fund as its benchmark. AstraZeneca Allemansfond, Global Selektiv Hedge, Global Dynamisk 90, Ränstrategi and Ränstrategi Plus do not use a benchmark, as the indices available do not provide a fair comparison with fund management returns and, therefore, are not relevant.

**Index incl. dividends** – Performance of the fund's benchmark during the respective year. Performance is expressed in percent and is converted to the currency for each share class in those cases where the index is published in another currency. The table shows the index including dividends.

**Costs for one-time subscription SEK 10 000** – Total costs charged to a unit holder who had SEK 10 000 invested in the fund at the beginning of the year and retained the investment throughout the year. Calculated for the full year only. The corresponding amount for funds with EUR as the base currency is EUR 1 000. The corresponding amount for funds with NOK as the base currency is NOK 10 000.

**Costs for monthly savings SEK 100** – Total costs charged to a unit holder who had SEK 100 invested on the first banking day of each month during the year and retained the investment throughout the year. Calculated for the full year only. The corresponding amount for funds with EUR as the base currency is EUR 10. The corresponding

amount for funds with NOK as the base currency is NOK 100.

**Turnover rates (general principle)** – The fund's turnover rate calculated, on the one hand, as the ratio between the lowest total amount for securities purchased or sold during the year and, on the other hand, as the average fund capital during the same period. With regard to equity funds, fixed income securities with a residual maturity of a maximum of 397 days at the time of acquisition are excluded from purchased or sold securities. The turnover rate is reported as the number of times turned over per year and is calculated on a rolling 12-month basis.

A different calculation method is used for funds registered in Luxemburg and is based on the UCITS regulation, which may result in a negative turnover figure. Under this regulation, turnover is calculated as the ratio between the total amount of securities purchased and sold in the fund during the year, minus the total amount of the subscriptions and redemptions made by unit holders in the fund. This amount is then divided by the average of fund capital over the same period. A negative turnover for funds registered in Luxemburg means that the total trading of fund securities during the period has been lower than the total value of the subscriptions and redemptions made by the unit holders.

**Turnover rate (leveraged funds)** – If a fund has traded with derivative instruments during the period and the turnover calculation conducted in accordance with the general principle makes the turnover information appear misleading, the fund's turnover rate is also calculated by decreasing the total of purchased and sold financial instruments during the period by the total of the subscribed and redeemed units in the fund. This amount is divided by the fund's average fund capital during the period. Negative turnover arises when the total amount for purchased and sold fund units exceeds the total amount for purchased and sold derivatives.

**Risk** – The calculation of the fund's risk is the same for all EU member states. 1 is for the lowest risk (small price fluctuations) and 7 is for the highest risk (risk for substantial price fluctuations). The classification is based on the standard deviation (volatility) for the fund, calculated using the unit values over a five-year period. If five years of performance is not available, the standard deviation for the relevant comparable index or other benchmark will be used. Risk describes primarily market risk and currency risk.

**Synthetic ongoing charges** – Refers to the Ongoing charges (see definition), with a supplement for the underlying funds' most recent applicable Ongoing charges after deducting for discounts received. Expressed in percentage of the fund's average fund capital and calculated on a rolling 12-month basis.

**Total returns** – Reports how the value of a unit has changed during the respective year. If the fund has paid dividends during the year or contributed to Bostadsrätterna (formerly SBC), the change in value has been calculated as though the dividend or contribution before tax was added back on the distribution date. Annual return in percent from the date of the previous year's closing date to the closing date for the respective year. Returns for the semi-annual review are reported for the first half of the current year.

**Transaction costs** – Expressed partly as an amount and partly as a percentage of the value of the financial instruments turned over. The value refers to the overall market value, but for futures and future-related instruments the value refers to the exposure value. Calculated on a rolling 12-month basis. Reported in the Income Statement under the heading "Other expenses".

**Dividends per unit** – The Management Company determines the amount of the dividend to be paid to fund unit holders of the distribution share class on an annual basis. Distributions are paid to those fund unit holders registered for distribution shares on the distribution date determined by the Management Company.

**Collected management costs in % of average fund capital** – Actual management fees collected. Expenses are calculated daily and represent costs for management, administration, marketing and distribution. Expressed in percent of the average fund capital and calculated on a rolling 12-month basis.

**Ongoing charges** – Ongoing charges are a cost measurement that includes the management fee and refers to the total expenses in the fund, excluding transaction costs for securities transactions, interest expenses, transaction-related tax expenses and any performance-based fees. Expressed in percent of the average fund capital and calculated on a rolling 12-month basis.

## Key figures for risk follow-up

In order to obtain relevant comparisons, dividends have been reinvested in the funds and their respective benchmarks. All key figures have also been calculated on the basis of the annual effective yields. The values for the past two years have been used for the majority of the funds. A risk forecast has been made for more recent funds, with fund holdings as of December 31, 2016 as the basis.

In these cases, historical data for relevant reference portfolios is used for the calculation of the risk forecast.

**Total risk/Total risk in index** is stated as the standard deviation for variations in the monthly yields of the fund/index. The higher the number, the higher the risk.

**Tracking error** measures the standard deviation of the difference in yields between the fund and its benchmark (the variation in the relative yields). The historical tracking error indicates how much the fund's yield has deviated from its benchmark.

**Active return** states the annual over- or under effective return attained by the fund in comparison to its benchmark.

**Sharpe ratio/Sharpe ratio in index** is a measure of the fund/index's return, taking into account the risk of the fund/index. A high return attained at a lower risk is better than an equivalent return attained at a high risk. Calculated, on the one hand, as the ratio between the return, less the risk-free interest

(interest on government securities) and, on the other hand, as the total risk of the fund/index. The Sharpe ratio is the most relevant ratio for comparing the yields of different markets, while taking into account the risk.

**Information ratio** is a measure of the active returns attained by the fund when deviating from its benchmark. It is the ratio between the

active returns and the tracking error. A negative information ratio means that the fund has underperformed its benchmark.

**Active Share** compares the equity fund's holdings with the holdings in its benchmark. The key figures are stated in percent, from 0% (exact same distribution as the index) to 100% (none of the holdings are included in the

## Abbreviations

A number of abbreviations are used for certain securities in the table of contents:

ADR	American Depository Receipt	IR	Redemption right
ADS	American Depository Share	KV	Convertible
BTA	Paid subscription shares	NVDR	Non-Voting Depository Receipt
CB	Callable Bond	Pref	Preference share
ETF	Exchange-Traded Fund	SDB	Swedish Deposit Certificate
f/r	Foreign Registered	TO	Warrants
FRN	Floating Rate Note	TR	Subscription rights
GDR	Global Depository Receipt		

index). The measurement is calculated as one-half of the sum of the absolute deviations between a securities' weighting in the fund and its weight in the index.

**Index** shows the average returns on the underlying market in which the fund invests.

**VaR** is a parametric in this case and is calculated in accordance

with the variance-covariance method. The covariance matrix is presented by the risk system and is updated on a monthly basis (half-life of 24 months for the fixed income module and 12 months for the equity module). The confidence level is 95% and the time horizon is one day.